

THE SIR HAROLD HILLIER GARDENS AND ARBORETUM

England & Wales · Charity number 274737

Details

Other names	THE HILLIER ARBORETUM, THE SIR HAROLD HILLIER GARDENS, SIR HAROLD HILLIER GARDENS
Status	Registered
Legal form	Other
Registered	1978-01-12
Register	View on the Charity Commission register

Contact

Address	Hampshire County Council The Castle Castle Avenue Winchester Hampshire SO23 8UJ
Phone	01794368787
Email	info.hilliers@hants.gov.uk
Website	www.hants.gov.uk/hilliergardens

Activities

Objects: (1) THE OBJECT OF THE CHARITY IS TO PROVIDE FOR THE PUBLIC BENEFIT AN ARBORETUM AND BOTANIC GARDEN KNOWN AS THE 'SIR HAROLD HILLIER GARDENS' AS A PUBLIC FACILITY TO BE ENJOYED BY PEOPLE OF ALL AGES AND, IN PARTICULAR BUT NOT EXCLUSIVELY, AS A MEANS TO PROMOTE:(A) THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE COLLECTION OF PLANT SPECIES OF THE TEMPERATE WORLD FOR THE PUBLIC BENEFIT BY THE CULTIVATION AND MAINTENANCE OF SUCH PLANTS;(B) THE EDUCATION OF THE PUBLIC ABOUT THE CULTIVATION, PRESERVATION, PROPAGATION AND CONSERVATION OF SUCH PLANTS AND THEIR IMPACT UPON BIODIVERSITY AND THE CONSERVATION OF THE PHYSICAL AND NATURAL ENVIRONMENT.

Activities: 1. To preserve and develop one of the largest collections of hardy trees, shrubs and herbaceous perennials in the western temperate world. 2. To maximise the plant collection's formal and informal education potential. 3. To be a significant contributor to conservation. 4. To meet the needs of an increasing number of

visitors

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Recreation
- **Who:** The General Public/mankind

Geography

- Hampshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,614,562	£4,186,518	£12,423,992	76
2024-03-31	£2,402,222	£2,645,786	£12,961,948	56
2023-03-31	£2,007,547	£2,347,341	£13,082,512	47
2022-03-31	£1,901,766	£2,048,468	£13,238,737	50
2021-03-31	£2,726,792	£2,186,137	£13,349,782	48

Trustees

Name	Role	Appointed
Hampshire County Council		1978-01-12

Accounts



Sir
Harold Hillier
Gardens

Annual Report
1 April 2024 to 31 March 2025

Administrative Information

Reference and administrative details:

The Sir Harold Hillier Gardens and Arboretum,
Jermyns Lane,
Ampfield,
Romsey,
Hampshire.
SO51 0QA

Tel: 01794 368787

Legal and administrative information:

The Sir Harold Hillier Gardens and Arboretum is a Registered Charity
(Reg. No 274737)

Sole trustee:

Hampshire County Council

Registered Address:

Director of Universal Services,
Hampshire County Council,
The Castle,
Castle Avenue,
Winchester,
Hampshire. SO23 8UJ

Auditor:

Compass Accountants
Venture House,
The Tanneries,
East Street,
Titchfield,
Hampshire. PO14 4AR

Solicitor:

Hampshire Legal Services,
Hampshire County Council,
The Castle,
Winchester,
Hampshire. SO23 8UJ

Banker:

National Westminster Bank
105 High Street
Winchester
Hampshire

For externally raised development funds:

CAF Bank Ltd,
25 Kings Hill Ave,
Kings Hill,
West Malling,
Kent. ME19 4JQ

Day-to-day responsibility for the Gardens is delegated by the sole trustee to the Director of Universal Services and the Director of the Sir Harold Hillier Gardens.

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Report of the trustees for the year ending 31 March 2025

Report of the trustees for the year ending 31 March 2025

The trustees present their annual report and financial statements of the charity for the year ending 31 March 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Public Benefit

The object of the charity is to provide for the public benefit an Arboretum and Botanic Garden known as the 'Sir Harold Hillier Gardens' as a public facility to be enjoyed by people of all ages and, in particular but not exclusively, as a means to promote:

1. *the conservation, protection, and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants.*
2. *the education of the public about the cultivation, preservation, propagation and conservation of such plants and their impact upon biodiversity and the conservation of the physical and natural environment.*

When reviewing the objectives and planning the activities and future development of the Sir Harold Hillier Gardens (SHHG), the trustees have had due regard to the Charity Commission's guidance on public benefit.

SHHG levies an entry charge, which, together with commercial activities (income from shop, concessions, catering, events and the hire of meeting rooms), donations and the support of the sole trustee allows the charity to carry out its charitable aims. Day entry prices are discounted for senior citizens, job seekers, service men and women, full time students and disabled visitors. The Gardens has an entry charge for children, although entry is free for children attending with an adult member. A carer accompanying a disabled visitor is admitted without charge. The SHHG's Education Programme caters for over 15,000 annual users, most of these are primary and secondary school groups, visiting for a full educational day guided by the Gardens' education staff and volunteers. The Gardens also caters for pre-school and home educated pupils.

Report of the trustees for the year ending 31 March 2025

Objectives and Public Benefit (continued)

Educating all our visitors and users, especially the young, about the value of the plant collection and biodiversity is one of the most important aspects of our charitable work. SHHG contributes to the training of the next generation of professional horticulturists by offering Student Bursaries, work experience and placements, allowing the student to put the college acquired knowledge into practice and learn many of the practical skills required to look after such an outstanding plant collection.

The SHHG continues to conserve and educate by growing over 12,500 diverse types of plants, including over 250 rare taxa, over 600 champion trees (the largest number recorded in a single garden in the British Isles) and maintains 14 National Collections of plants, the largest number of any single UK plant collection. The Gardens also distribute plant material to other botanic gardens and plant collections and facilitates the use of its plant collection for scientific study in the UK and abroad.

The Gardens maintain an herbarium collection, which is almost exclusively maintained by volunteers. This represents a permanent record of the plant collection. A database of both the living and herbarium collection is available to the public and any interested party via the Gardens' website. The herbarium currently holds over 8,500 specimens and is considered to be one of the most significant collections in the country. Work has commenced to digitalise the collection for future reference and wider distribution.

Achievements and Performance 2024/25

The benefits of the Trust's work are the conservation of the Gardens' existing collection whilst continuing to develop the site to include new taxa and make the collection more accessible to visitors, making the collection accessible to researchers around the world through collaborations on site or online through digital cataloguing, increasing awareness of the natural world by attracting and engaging with greater numbers of visitors alongside running more formal educational programmes suitable for all age groups. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate great progress in pursuing its charitable objectives.

Report of the trustees for the year ending 31 March 2025

Operational and Horticultural Developments

Together with national and international challenges, one of the greatest issues for the Gardens during 2024/25 has been the impact again of severe weather, most notably high winds. During the period April 1st, 2024, to March 31st, 2025, the Gardens closed to the public on ten occasions, mainly due to notable named storms. Such closure has a significant financial, operational and botanical impact. Over recent years, closure has become more frequent and is believed to be an outcome of a changing climate, though some closures are related to both planned and unplanned power outages. The Gardens will continue to carefully monitor weather patterns and how to mitigate against the losses associated with Garden closure. 2024/25 also witnessed some of the wettest seasons on record, which impacted visitor numbers as well as affecting the collection.

On a positive note, the period April 2024 – March 2025 has witnessed continued success across departments, especially in relation to events, (exhibitions, talks, tours, Gurkha Day, summer concerts), volunteering, educational and horticultural achievements and accolades. Footfall and Membership have remained solid, with Membership figures averaging at 24,500pa.

1. Light Up the Gardens

Despite being the victim of major cable theft a few days before opening, with equipment worth £100,000 being stolen and damage to the Gardens' gates and golf buggy, and facing one of the wettest and stormiest of Christmas periods with days of closure, the Light Trail achieved great success with around 70,000 visitors enjoying the experience. Light Up are to be highly commended for working around the clock to ensure that the event opened on time for visitors and for managing the subsequent inclement weather. As well as the main visitor attraction of the Christmas Trail, Light Up worked on an engagement programme with local schools in which winning artwork was projected onto large Christmas Baubles and a prize of £1000 was awarded towards equipment for the school's art department. It is fair to say that this year's trail was a great strain for the Gardens and Light Up Trails, yet it provided many happy memories for thousands of visitors and has spurred on both parties to ensure that the trail in 2025 will be a great success. The devastating theft has also resulted in a review of the Gardens' Security Strategy, together with the Gardens' Extreme Weather Policy to ensure that essential Health & Safety requirements can work in parallel with commercial necessities in a more comprehensive and sustainable fashion.

On a positive note, at the Tourism Southeast Beautiful South Tourism Awards Ceremony in December 2024, 'Light Up Sir Harold Hillier Gardens' won a Gold Award in the Tourism Event/Festival of the Year Category 2023. The award is a testament to the hard work and creative vision of all involved, in providing the people of Hampshire with a magical Christmas experience.

Report of the trustees for the year ending 31 March 2025

Operational and Horticultural Developments (continued)

2. Catering

As of the 15th January 2024, catering provision at the Gardens transferred from HCC's catering arm, HC3S, to SHHG. Both teams worked hard to ensure business continuity, though detailed work was required to fully integrate the catering department. This work which began in the spring of 2024, continued for the next year and in some areas is still on-going. At the time of the catering transfer, the Gardens was undergoing a Structure Review, but due to timing, this could not include the structure of the catering team. It was acknowledged in the Spring of 2024, that this would be a necessary and vital undertaking, together with a review of the catering offer, pricing structure and operational delivery across the two outlets, the Courtyard Café and the Garden Restaurant. For the most part, the Courtyard Café achieves a balanced position, with a consistent structure and offer. The Garden Restaurant is subject to more volatility, operating as a restaurant and as a venue for events and personal engagements. Both outlets are dependent on high-levels of footfall and customer engagement and are impacted by Garden closure due to extreme weather, power-outages and other wider, unforeseen events, including a reduction in conference bookings. Much work is needed during 2025/26 to realign the structure, offer and delivery of catering to ensure its viability moving forwards. During the summer/autumn of 2025/spring of 2026 the Gardens will be working with HCC to determine the future direction and profitability of catering on-site.

It is important to note both the benefits and risks associated with this transfer on the Gardens' structure, staff structure, income and expenditure and Reserves Policy.

3. Structure Review

After detailed work with colleagues from HR, Finance and the Transformation Team of Hampshire County Council, the formal consultation phase of the Structure Review of the Gardens commenced with an all-staff briefing on the 16th of January 2024. The outcome of the review was known by March 2024, with recruitment due to commence late Spring/Summer of 2024. By Autumn 2024, the Gardens had successfully recruited the posts of Business Manager, Facilities Manager, Digital Marketing Officer and Visitor Services and Administration Manager, four key roles needed for operational and financial success together with Business Continuity.

4. Memberships, Bookings and EPOS system

This project has suffered yet further delays due to complexities with linking to other HCC systems and expectations of ECR who were awarded the contract. It is now due for implementation in 2026. This system is a critical component to the Gardens' plans to develop the membership offer, and to underpin associated marketing activities. The delay is having a detrimental effect on the Gardens' ability to capture and analyze data, together with a more efficient experience for visitors and Members. Despite original intentions, the system cannot integrate with the catering offer, so the Orbis EPOS system will remain and will function in tandem with ECR. Whilst waiting for the system to launch, staff have been working hard to ensure customer and membership satisfaction.

Report of the trustees for the year ending 31 March 2025

Operational and Horticultural Developments (continued)

5. Conservation project

The Gardens received six Wollemi pine trees via Forestry England Bedgebury National Pinetum, together with eight other botanic gardens across the UK and Ireland. These fascinating trees, classified as critically endangered, were thought to have been extinct for at least 70 million years until 100 trees were discovered in a remote Australian gorge in 1994 by David Noble. The aim of this international conservation project with Australian partners, the Royal Botanic Gardens and Domain Trust, and Botanic Gardens Conservation International is to establish a genetically diverse 'meta collection' of Wollemi pines across the world and represents the wild diversity of the population. The six different genotypes will provide insurance against a loss of diversity allowing the Gardens to study their climate resilience in the years ahead for one of the world's most endangered species.

In conjunction with the Royal Horticultural Society, and part-funded by the RHS, the Gardens is participating in an internationally significant trial of Mahonia Plants. The trial is of a 3 to 5-year duration. A report will be submitted in spring of 2026. Trials of this magnitude are important for the Gardens' reputation, together with the collaborative/funding opportunities that it affords. The previous Hypericum Trial, in association with the RHS, has been heralded as a trial of global significance. For both trials, the Gardens' Curator, David Jewell, must be commended for his dedication.

6. Britain in Bloom

This year the Gardens was awarded a Gold Award from South and Southeast Britain in Bloom, Heritage and Gardens, for the eleventh year in a row. This is a testament to the unstinting work of the entire team of staff, volunteers and supporters who strive for excellence across site.

7. Education

The Education Department continues to regain strength with attendee numbers reaching near pre-Covid levels. Summer and Autumn workshops and trails also proved popular with families, together with pre-school and home educational groups. The Education Team continue to work on projects with the University of Southampton and play a key role in the Gardens' Wildlife Strategy.

8. Propagation Unit

The Gardens continued to plan for the development of the Propagation Unit for both immediate and long-term benefit, especially in relation to the impact of a changing climate on the collection. This work is made possible due to a grant, awarded from Hampshire County Council, together with investment from the Gardens' Development Fund. It is anticipated that the Propagation unit will be fully operational by late 2025.

Report of the trustees for the year ending 31 March 2025

The Plant Collection

Despite the on-going challenging weather, the Gardens' collection maintains its status as one of the most important collections of 'Plants Hardy' in Europe, arguably in the World. In relation to a changing climate, the Gardens' 'Collections Strategy' was revised by the Curator and Gardens' Panel during 2024, to reflect the pressures, and advantages of more volatile weather patterns. The strategy acknowledges accessions as well as deaccessioning where appropriate. Sections of the collection have been under great strain over recent years with prolonged rain, warmer and stormier winters and high summer temperatures/draught conditions. The proposed propagation unit will greatly assist in conserving and preserving the collection, yet it is acknowledged that the nature of the collection will continue to adapt and reflect growing conditions moving forwards.

The Gardens collection has over 32,000 plants, 12,500 taxa, 14 National Collections, over 600 Champion Trees as recorded by the Tree Register of the British Isles, more than any other collection in the country.

The Gardens' Herbarium is of national significance, and the Herbarium volunteers have continued to add specimens to the collection, with the total being around 8,500. Specimens continue to be photographed, allowing the Gardens to make images easily available researchers and botanists worldwide. The Herbarium will celebrate its 30th Anniversary in November 2025.

The Gardens is a sanctuary and haven for wildlife and a site of specific interest, especially in relation to Butterflies. Each year the Gardens participates in a Butterfly Transect, the results of which are deeply significant, not only for the health of the UK's Butterfly population, but indicative of the importance of the diversity of the collection on a variety of wildlife. Other surveys include, wildflowers, fungi, birds, bats, bugs, dragonflies, hedgehogs, worms, pondlife and reptiles. The Gardens provides ideal conditions for many species to survive and thrive and provided important data locally, nationally and internationally.



Report of the trustees for the year ending 31 March 2025

Collaboration and Support of External Science and Research Projects

Besides continuing to grow and conserve one of the most diverse collection of plants, the Gardens continues to support other projects and institutions with its plant collection, such as Ghent Botanic Gardens and University in Belgium, the Royal Botanic Gardens, Kew, Royal Horticultural Society, Wisley, BGCI and Butterfly Conservation, Hampshire and Isle of Wight Branch, Plant Heritage, Westonbirt,, International Dendrology Society, Mediterranean Society, The American Oak Society, RHS Rhododendron & Camelia Society, University of Southampton, Royal Forestry Society, Hillier-Lancaster Group, amongst other national and international organisations and institutions.



Education

The SHHG aims to share knowledge and promote a greater awareness of the fundamental importance of the natural world to all its visitors. An active and tailor-made education programme engages with visitors to the SHHG, whatever their age and level of knowledge, providing lively interpretation of the Collection through teaching programmes, tours and hands-on workshops. The diverse collection of plants provides the Education Service with a unique and inspirational outdoor classroom space reinforced by the purpose-built educational facilities in the Visitor Centre and the Children's Education Garden. This garden continues to evolve with the help of the educational team and volunteers.

Usually, the Education Service welcomes around 15,000 users for formal education activities in the SHHG from the Foundation Stage, Primary, Secondary and Tertiary years to some adult classes. The department also engages with the University of Southampton, most notably with Occupational Health Students who assist the Gardens with its Accessibility Strategy.

The informal learning activities and family events are popular with young children who particularly enjoy the seasonal craft workshops and family trails. The instillation of the 'Sound Garden' in the Education Garden has proved very popular with school children and the general-public alike.

Report of the trustees for the year ending 31 March 2025

	2020/21*	2021/22	2022/23	2023/24	2024/25
Day Entry	19,257	31,195	30,558	22,681	19,942
Groups	35	638	1,482	1,877	1,852
Children	7,958	18,070	44,196	42,114	37,332
Members	141,785	153,556	161,530	167,688	166,690
Education	913	8,996	15,860	14,701	14,449
Events	29	3,836	45,234	73,902	74,257
Total	169,977	216,291	298,860	322,963	314,522

*Please note that due to challenges recording diverse types of visitors during the pandemic reopening in 2020/21 the split by types of visitors is not completely accurate.

This year visitor numbers have continued to grow, largely due to a positive Events Programme throughout the year, together with the expansion of the Christmas Light Trail. More than 70,000 visitors attended the trail. Day-entry and group visitor numbers again remain lower than that of pre-pandemic figures, but Membership has remained solid across the year, and accounts for the majority of footfall.

Private and Corporate Functions held at the Gardens

During 2024/25 conferences have been affected by the restructure and financial pressures of HCC, which has resulted in a withdrawal of use of the Gardens as a conference facility. Although funding remained in place until March 31st of 2025, the Gardens also suffered a reduction in catering income and other allied services in relation to conferencing. The intention for 2025/26 is to develop an independent client base for conferences with the development of a Digital Conferencing Brochure and Social Media Marketing Strategy to promote the Gardens and its facilities.

Private hires continued to develop, and It is hoped that numbers will continue to grow, especially in relation to private functions, bookable events and conferences during 2025/26.

Report of the trustees for the year ending 31 March 2025

Volunteers

The Sir Harold Hillier Gardens operates, and benefits from, a highly successful and rewarding Volunteer Scheme. Over 200 adult volunteers of all ages and backgrounds provide invaluable help across most departments, including working with the Plant Collection, Education Service, Events Team and Visitor Services Team. Primary duties include:

- Upkeep and development of the Gardens under the supervision of staff.
- Supporting the development and expansion of the herbarium
- Photography
- Tree measuring
- Labelling
- Administrative support
- Propagation unit
- Education
- Meeting and greeting the visitors and giving them additional information.
- Buggy Driving
- 'Sparkle Team' who keep the Gardens clean and tidy
- 'Pop-Up Shop' - making craft goods for sale.
- Supporting promoting the Gardens at shows and acting as Ambassadors for SHHG.



Report of the trustees for the year ending 31 March 2025

Participants volunteer on a regular part-time, weekly, or monthly basis and are encouraged to become fully involved in the Gardens' community. Training is available with the opportunity to learn horticultural techniques and attend a variety of workshops and talks. In return, staff benefit from the experience and expertise, loyalty and dedication that such a wide variety of volunteers bring to the Gardens.

Volunteers greatly assist with the Gardens' development and growth and from 1st April 2024 to 31st March 2025, **178** volunteers recorded **15,331** hours. This is a 12.74% increase compared to the same period in 2023/24, when volunteers recorded 13,598 hours. For the year 2025/26, the Gardens is hoping to reach 16,000 hours. The annual target is 12,500 hours.

The hours and hard work recorded is a significant and greatly appreciated contribution, that enables the Gardens to achieve so much more than without volunteer support. The Sir Harold Hillier Gardens is indebted to the many volunteers who have enabled the Gardens to flourish over the years.

The Garden wishes to further develop its volunteering programme, to learn from other comparative organisations, and to continue to strengthen the mutual benefits of the scheme. The impact of volunteering cannot be underestimated in relation to the physical, social and mental wellbeing derived from spending time in nature. The Gardens is proud to be a 'Volunteering Organisation', offering opportunities of participation to the wider community. During 2024/25 an independent, external assessment by HCC of the Gardens' Volunteering Programme found it to be extremely well-managed, thanks to the hard work of the Volunteer Coordinator, in conjunction with the support from HCC's Countryside Services.



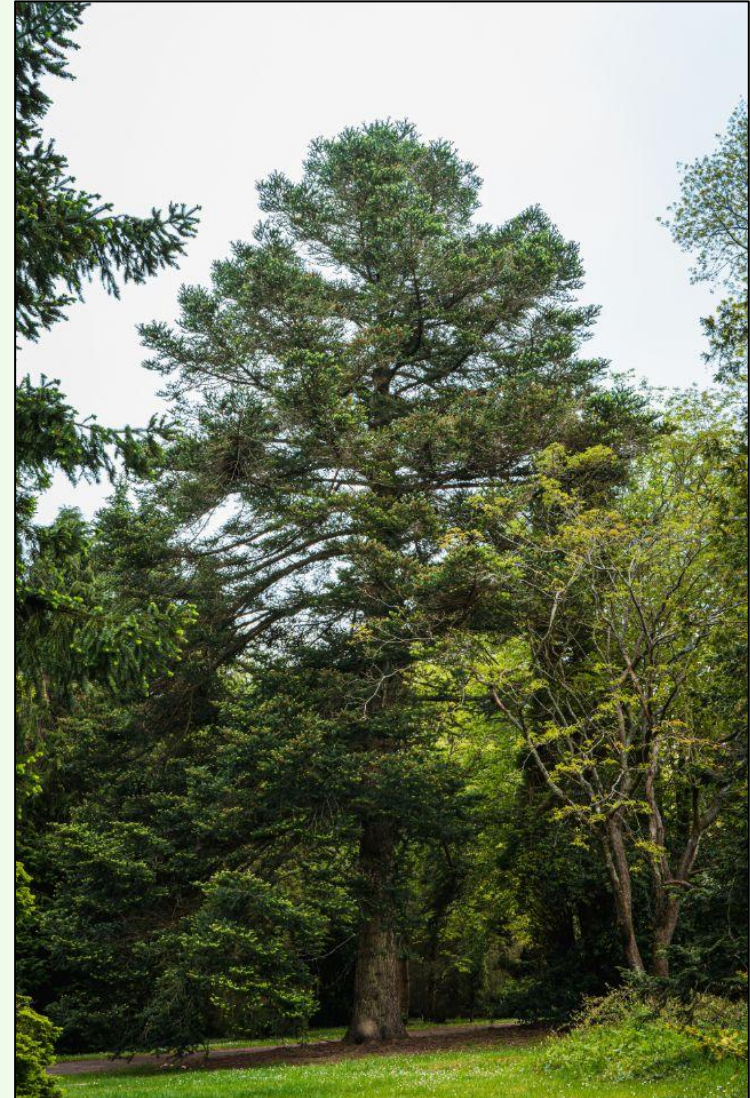
Report of the trustees for the year ending 31 March 2025

Student Programme

During 2024/25, four local students attended the Student Programme. The Academic Year straddles over the course of two Financial years, with students joining in September 2024 to the following August. 2025. There were two students per academic year.

The programme affords a solid grounding in horticulture and is often the catalyst for successful careers for participants both in the UK and around the world. Highlights of the Academic Year include participation in BBC Gardeners World Beaulieu Spring Fayre; the Royal Horticultural Society's Gardeners' Fayre at Hampton Court. and working on the Gardens' entry in Britain in Bloom. The programme also includes visits to comparative gardens and sites of horticultural interest.

The Student Programme would not be possible without the generous support of Trusts and Foundations, most notable the Elizabeth Creek Trust, Stanley Smith Trust and invaluable support through Individual Giving.



Report of the trustees for the year ending 31 March 2025

Donations and Bursaries - The Gardens rely upon an increasing range of organisations and individuals to carry out its programmes and developments. The development of the Gardens in the past decade would not have been possible without the generosity of the following:

The Geoff and Fiona Squire Foundation	Mr Hady Wakefield
The Veolia Environmental Foundation	The Linbury Trust
The Equitable Charitable Trust	The Hillier Family
The Henry Smith Charity	The Monument Trust
Sir Jeremiah Coleman Trust	Mrs Jenny Grundy
Mr Christopher Palmer-Tomkinson	Taylors Bulbs
The G M Morrison Charitable Trust	Help the Aged
The Ernest Cook Trust	The HDH Wills 1965 Charitable Trust
Aiming High for Disabled Children	Veolia Pro Grow
Romsey Arts Festival	Hillier Nursery Ltd.
Hampshire County Council Landscape Team	Hampshire County Council Ecology Team
RHS Suzan Pearson Bursary	Historic and Botanic Garden Bursary Scheme
Graham High Group	Dulverton Trust
Elvetham Trust	Hampshire Gardens Trust
Rupert Nabarro	Elizabeth Creak Charitable Trust
The Finnis Scott Trust	Test Valley Borough Council
The Stanley Smith (UK) Horticultural Trust	Mr Giles Coode-Adams
Mr Victor Bryant	Mr & Mrs Bernays
Mr Andrew Spokes	Mrs Rita Ring
The Julia and Hans Rausing Trust	

Report of the trustees for the year ending 31 March 2025

Key outcomes for the year

Outcome	2020/21	2021/22	2022/23	2023/24	2024/25
Admissions and secondary income ¹	£2,323,758 (+39.9%)	£1,596,374 (-31.1%)	£1,803,185 (+13%)	£2,344,212 (+30%)	£3,388,139 (+54.1%)
Operating costs ²	£1,684,558 (+12.7%)	£1,655,000 (-1.8%)	£1,908,325 (+15.3%)	£2,337,645 (+22.5%)	£3,734,919 (+68.6%)
Total annual visitor numbers	169,977 visits (-30.4%)	216,291 visits (27.2%)	298,860 visits (38.2%)	322,963 visits (8.1%)	314,522 visits (-2.6%)
Membership numbers	Est. 24,861 (+4.1%)	Est. 26,159 (+5.2%)	Est. 25,706 (1.7%)	Est. 25,472 (0.9%)	Est. 24,932 (-2.1%)
Retail income	£113,225 (-6.9%)	£123,057 (8.7%)	£137,258 (11.5%)	£145,460 (6%)	£141,087 (-3.0%)
Catering surplus ³	n/a	n/a	n/a	n/a	n/a
Corporate & private hire income	£0	£10,951	£100,939 (821.7%)	£101,810 (1%)	£111,929 (9.9%)
Events and exhibition income	£0	£85,741	£98,993 (15.5%)	£121,828 (23.1%)	£112,100 (-8%)
Education, schools & events	£21,440 (-82.3%)	£58,533 (173%)	£86,508 (47.8%)	£99,730 (15.3%)	£95,261 (-4.5%)

Notes:

1. secondary income refers to all other unrestricted income received during the year, excluding the budgeted contribution received from Hampshire County Council and any gains resulting from the sale of fixed assets.

2. excludes capital charges such as depreciation and impairments and Local Authority managed repair & maintenance and governance.

3. In 2021/22 to 2023/24 the cost of catering exceeded the income generated.

Report of the trustees for the year ending 31 March 2025

Plans for the Future

The Gardens plan to develop in 2024/25 a new Propagation Unit for both immediate and long-term benefit. The Unit will enable the Gardens to propagate and grow a wide range of plant material for conservation and heritage purposes as well as providing the gardens with improved biosecurity as it faces a rising tide of pest and diseases.

Elements of the Propagation Nursery Unit will comprise:

- Green House unit.
- Workstation / Storage unit.
- Relocated shade hall and shade tunnel units.
- Outside standing beds with no cover.
- Tree line with drip irrigation.
- Environmental Control System

It is anticipated that work will commence during spring/summer of 2025, with a completion date of autumn 2025



NoFit State Circus, August 2025

Report of the trustees for the year ending 31 March 2025

Structure, governance, and management

Sir Harold Hillier Gardens and Arboretum (SHHG) were left by Sir Harold under the sole trusteeship of Hampshire County Council during 1977 and were registered as a charity on 12 January 1978 (number 274737). The County Council's Leader and Executive Member for Hampshire 2050 and Corporate Services, Councillor Nick Adams-King (from May 2024) is responsible for approving the strategic decision-making for the Trust. During the period of this report the County Council's Leader and Executive Member for Hampshire 2050 and Corporate Services was Cllr Rob Humby (until May 2024). The Leader delegates day-to-day responsibility for the Gardens to the Director of Universal Services, Patrick Blogg and the Director of the SHHG, Clare Goddard.

The Trust is governed by the Arboretum Trust Board (acting as the Executive) which comprises the Leader, the Chairman of the Advisory Committee and Director of Universal Services. The Trust Board and the SHHG are supported by an eminent group of advisers mostly with interest and expertise in the field of horticulture, gardens, plant collections and the charitable sector. All support the SHHG with their time and expertise, providing valuable guidance and advice.



AbbaMagic Uk, Picnic Concert August 2025

Report of the trustees for the year ending 31 March 2025

Membership of the Advisory Committee as in March 2025:

- Professor Monique Simmonds, Chairman
- County Councillor Cllr Nick Adams-King (until May 2024)
- Mr Roy Lancaster CBE, VMH
- Mr Martin Hillier (nominated by Hillier Nurseries Ltd)
- Mr Edward Wake (Chair of the Hampshire Gardens' Trust)
- Mr Giles Coode-Adams OBE, VMH, DL
- Dr Carys Hughes (University of Southampton (until May 2024)
- Dr Jessica Spurrell (University of Southampton (from May 2024)
- County Councillor Cllr Kirsty North
- Cllr Steven Broomfield (from May 2024)
- Mr Chris Carter
- Mr Andrew Smith (nominated by the Forestry Commission)
- Ms Jo Heath, Assistant Director of Recreation, Information and Business Services for Universal Services, Hampshire County Council.

The Advisory Committee is supported by a specialist Gardens Panel, comprising:

- Mr Chris Carter (Chair until February 2024)
- Mr Martin Hillier
- Mr Chris Bird
- Mr Chris Sanders
- Mr Will Parker
- Ms Rosie Yeomans (Chair as of February 2024)
- Ms Penny Jones

President

Her Majesty The Queen

Report of the trustees for the year ending 31 March 2025

Patrons

President: Her Majesty The Queen. The Gardens is indebted to Her Majesty The Queen for her on-going support, interest and encouragement.

Roy Lancaster VMH, CBE: Former Curator of the Gardens, Roy Lancaster has been an ardent supporter and Patron of the Gardens for many years.

The sole trustee, Hampshire County Council, has provided a significant level of financial support to the SHHG since 1977. This enabled the size of the Garden to increase to 180 acres and included the completion of a range of capital projects. This has also enabled the potential of the collection to be maximised for education, recreation, and conservation purposes. What started as a private plant collection with a few hundred visitors has been made accessible to a wide range of visitors from all over the world.

Today it provides an excellent facility which normally attracts around 350,000 annual visitors, usually including over 15,000 formal and family educational visits. The SHHG and plant collection has also grown, now boasting some 42,000 plants of over 12,500 taxa and 14 national plant collections set in a complementary mixture of formal and informal landscapes and feature gardens such as one of Europe's largest winter gardens. The significance of the collection is recognised by a Grade II listing in English Heritage's Register of Parks and Gardens of Special Historic Interest.



Chris Jackson/Getty Images ©

Report of the trustees for the year ending 31 March 2025

Related parties and co-operation with other organisations

The County Council, as sole trustee, is a key related party to SHHG and is responsible for the control, administration, and financial management of the SHHG. As a Local Authority, the County Council has in place control frameworks for risk management, internal control and governance, the adequacy and effectiveness of which are subject to annual evaluation by both external and internal audit. As the sole trustee, the County Council allows SHHG to benefit from the use of these control frameworks, including the use of support services including internal audit, banking, financial reporting, and employment practice advice, for which an annual charge is made, details of which can be found in note 8.

Through the Gardens' pursuit of achieving its charitable objective of “*the conservation, protection and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants*”, SHHG supports other projects and institutions with access to its plant collection and knowledge.

Report of the trustees for the year ending 31 March 2025

Pay policy for senior staff

All staff are employed by Hampshire County Council on behalf of the Trust and therefore they follow all terms and conditions and policies as set by Hampshire County Council.

As employees of Hampshire County Council, staff salary levels are set in accordance with the Employment in Hampshire County Council (EHCC) 2007 Agreement. There are 11 pay grades within the EHCC pay framework, with roles matched to the appropriate grade following an evaluation using the Hay methodology.

The Trust considers the key management personnel to be the trustees, and the Director of the Gardens and details of the employment benefits and expenses paid are disclosed in note 5 to the accounts.

Risk management

SHHG understands risk management as an essential part of the business, in its delivery of a unique botanical plant collection, outstanding gardens and arboretum with core educational and conservation activities as well as its supporting function to include conference and hire facilities.

An established risk management policy is in place, in support of which:

- the main risks which present opportunities or hazards to meeting the SHHG objectives are identified and assessed annually
- an up-to-date risk management plan is maintained and regularly reviewed
- appropriate control arrangements are established to mitigate risks.

The SHHG Internal Management Team, chaired by the Director:

- monitor risk management arrangements to ensure appropriate risk control and implementation
- satisfy itself that risks are being actively managed, and that appropriate controls are in place and working effectively, taking external influences into account
- review annually the approach to risk management and approve changes where necessary to key elements of its processes and procedures.
- Trustees of larger charities are required to publish their assessment of the risks the charity faces and how they are managing them in their annual report.

Report of the trustees for the year ending 31 March 2025

Risk management (continued)

Financial risks

The charity is exposed to two categories of financial risks:

- external risks that will impact the Gardens if they occur (e.g. national and local economic factors, climate change)
- risks related to internal management of the Gardens and the successful delivery of its objectives (e.g. operating model decisions, the implementation of the business plan).

The assessment and mitigation of financial risks is considered alongside the Medium-Term Financial Plan and the Reserves Policy in a co-ordinated approach to strategic and financial planning.

In the event of any risk arising, and in the absence of any external financial support, the impact will be offset initially out of any annual surplus, then from any development funds and/or the reserve fund, limited by any restrictions on the use of funds and/or contractual commitments against funds not yet spent. Any combination of the below scenarios would draw more heavily on those sources.

Risk		Mitigation
E1	Economic recession impacting income and funding	Reserves policy, marketing strategy and plan for income growth, robust financial management
E2	A period of high inflation resulting in cost pressures that cannot be matched with increased income	Robust financial management, ongoing efforts to deliver efficiencies, vacancy management, temporary reduction in focus of expenditure
E3	A reduction in support from Hampshire County Council	Reserves policy and income growth strategy; regular forward planning with Hampshire County Council
E4	A long period of closure resulting from an external shock	Potential external support (e.g. as received during covid closures), reserves policy; memberships smooth income as not as variable as day visits
E5	The impact of storms/ floods/ disease/ extreme heat	Reserves policy, regular review of changes and development of appropriate mitigations
I1	Unsuccessful integration and delivery of catering provision	Business plan for catering provision, robust financial management, promotional activity to encourage take-up
I2	Unsuccessful implementation of action plan to deliver income growth	Marketing strategy to promote the Gardens and the benefits to members/visitors/corporate users, engagement with users, pricing strategy, understanding customers
I4	Inadequate funding set aside to meet asset repair and replacement	Asset management plan, assessment of likely expenditure, ongoing monitoring of asset condition and requirements; potential for external funding

Report of the trustees for the year ending 31 March 2025

Risk management (continued)

Non-Financial risks

The charity is also exposed to non-financial risks which include the following:

Risk		Mitigation
N1	Climate Change impact on operations, the built and natural environment	Losses to the collection are minimised through strategic propagation programmes. Repairs to damage to the built environment are typically funded via the Gardens' reserves, a plan is in place to grow these reserves over the next 5 years to ensure funding is available.
N2	Reduction in number of volunteers reduces the level and reach of the work the Gardens can undertake.	The Gardens' volunteer coordinator runs annual recruitment drives to attract new volunteers. Existing volunteers are invited to many informal activities at the Gardens to increase retention rates.
N3	Reputational damage caused by losses to the collection.	Reputational damage, like losses to the collection, are minimised through the strategic propagation programme. Where required, PR activities will be sought from the County Council's specialist PR colleagues.
N4	Major accident or incident resulting in the Gardens' temporary closure	Very low risk; policies and procedures in place that seek to ensure the health and safety of all people on site, both visitors and staff; appropriate staff are fully trained to manage unexpected incidents, accidents and health-related emergencies.

Report of the trustees for the year ending 31 March 2025

Treasury management

SHHG operates under the Treasury Management Policy approved by its sole trustee, Hampshire County Council. That policy adheres to the principles of best practice including the adoption of the Treasury Management in the Public Services: Code of Practice produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

In accordance with Section 5 of the Code, SHHG maintains, as the cornerstones for effective treasury management:

- a treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMPs), setting out the manner in which the SHHG will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Trust defines its treasury management activities as:

“The management of the organisation’s investments, cash flows and banking; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst the Trust Board assumes full responsibility for the implementation and monitoring of its treasury management policies and practices, it delegates the execution and administration of treasury management decisions to the Director of Corporate Operations of Hampshire County Council, who will act in accordance with the organisation’s policy statement, CIPFA’s Standard of Professional Practice on Treasury Management and maintain TMPs covering the activities carried out for SHHG.

Report of the trustees for the year ending 31 March 2025

Reserves

The SHHG's reserves policy indicates the level of reserves the SHHG needs to operate effectively in accordance with its aims, needs and objectives considering potential risks and contingencies that may arise from time to time, and in the context of a separate risk management policy.

In the short term, this involves maintaining reserves at a level that enables SHHG to manage financial risk and income volatility. In the longer term, reserves help to ensure the ongoing delivery of SHHG's charitable objectives.

To establish an appropriate level of reserves the SHHG has reviewed the following factors:

- analysis of existing funds
- review of current income streams with an assessment of their level of reliability
- forecasts of income and expenditure
- an assessment of the risks facing the charity, and their impact.

As such, SHHG holds unrestricted funds in two reserves:

General Reserve: funds set aside which may be used at the trustees' discretion that are held principally to mitigate financial risks and income volatility (31/3/25: £160,000). The Trust Board agreed in January 2023 that the general reserve fund would be increased by £30,000 per annum to provide contingency for the financial risks outlined in the Risk Management section of this report. The level of the general reserve fund is subject to an annual review to ensure it remains at an appropriate level and the Trust Board will in January 2025 consider and update the policy as appropriate to reflect changes in risk and the impact of the decision to bring the provision of catering services in-house. It is the intention of the Trust Board to increase the balance held in the General Reserve over time to mitigate the financial risks to the charity and to do so in a sustainable way that balances a desire to increase reserves with the need to continue to invest in the Gardens and deliver the charitable objectives.

Development Fund: funds set aside which may be used at the trustees' discretion that are held principally for the general future development of SHHG (31/3/25: £85,311). There is no minimum or target balance agreed for the Development Fund. The Development Fund is intended to aid the longer term development of SHHG but may also be used in mitigation in meeting short term financial challenges at the discretion of the Trust Board.

Further details on reserves and the restricted funds of the SHHG are included within the Finances section that follows.

Report of the trustees for the year ending 31 March 2025

Fundraising Statement

Sir Harold Hillier Gardens complies with the Fundraising Regulators Code of Fundraising Practice, and the Trustees have regard to national guidance in overseeing the fundraising activities of the Charity.

During 2024/25 no complaints were received in relation to SHHG fundraising activity.

We make every effort to ensure that our fundraising activity never feels unreasonably intrusive, persistent, or pressurised. This applies to our written communications and any fundraising activity at the gardens.

We respect the wishes of supporters who do not wish to receive fundraising communications and try to limit the number of communications a supporter might receive.

Finances

The statement of financial activities (SOFA) reports a net deficit for the year ended 31 March 2025 of £537,956.

The net deficit has increased by £417,392 compared to the deficit of £120,564 reported for the period 2023/24. This is the result of several factors affecting both income and expenditure as set out below.

Income

Overall income has increased by £1.21m compared with the previous year. This is primarily due to the following:

- Income from Use of Gardens and Facilities increasing by £1.18m. Of which, £1.17m relates to the full year impact of the transfer of catering operations to the gardens from HCC in January 2024 (catering income 2024-25 £1.43m compared to 2023-24 £268,792).
- The Local Authority contribution towards repair and maintenance costs has increased by £27,588. This varies from year to year according to the level of work that is required and can be carried out in year.
- Income from donations increasing by £11,823.

Report of the trustees for the year ending 31 March 2025

Expenditure

Overall expenditure has increased by £1.540m, primarily due to the following:

- An increase of £1.381m relating to catering operations which transferred to the gardens from HCC in January 2024 (catering expenditure 2024-25 £1.708m compared to 2023-24 £327,000).
- Staffing costs (excluding the impact of the catering transfer) increasing by £122,593.
- Repairs and maintenance costs funded by the Local Authority increasing by £25,093

Unrestricted funds

Unrestricted funds are split between the development fund and the designated reserve fund. At 31 March 2025, the total balance of unrestricted funds was £245,311.

The SOFA for the financial year ended 31 March 2025 reflects an overall decrease in unrestricted funds of £516,427. This is due to costs exceeding unrestricted income in 2024-25 by £564,710, offset by a transfer from applied contributions of £48,283. The transfer from applied contributions is the reversal of depreciation charge (£257,830) less spend on capital from unrestricted sources in the year (£209,547).

The development fund accounts for £85,311 of the total unrestricted funds and can be used at the trustees' discretion to further the charitable objectives of the Gardens.

The remaining balance of unrestricted funds of £160,000 comprises the Trust's designated reserve fund, held in line with the reverses policy. This has increased by £30,000 as outlined in the reserve strategy section

Report of the trustees for the year ending 31 March 2025

Restricted funds

Six restricted funds were held as at 31 March 2025, totalling £86,340. These funds can only be applied to specific purposes, as follows:

- **Hillier's expedition fund, £8,945**

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

- **50-year development fund, £19,928**

The 50-year development fund is to be used in line with the 50-year plan to fund major projects that continue to develop and enhance the Gardens.

- **Hillier bursary fund, £41,830**

The Hillier bursary fund is intended to fund training and development of permanent staff at the gardens that cannot be funded by the employer from core funds. The long-term intention for the fund is to accumulate sufficient capital that the interest earned can be used to fund such training. However, the achievement of the long-term aim of the fund is not intended to prevent current permanent staff benefiting and it can be accessed in the meantime to fund appropriate training and development opportunities.

- **Elizabeth Creak Trust Training Fund £15,637**

This fund represents grants received from the Elizabeth Creak Charitable Trust. These grants are retained in a restricted reserve and used to fund the training of students as these costs are incurred. Note 15b presents the grant income received in year and the expenditure incurred in year.

- **Propagation Unit Fund – nil**

The Propagation Unit Fund was used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes. The reserve has now been used in full and the propagation unit was operational in July 2025.

- **Other restricted grants and donations nil**

Other restricted grants and donations reserve is used to hold restricted grants or donations which have been received for a restricted purpose and have not yet been spent. As at 31 March 2025 there was a nil balance.

Report of the trustees for the year ending 31 March 2025

Balance sheet

The balance sheet shows the total funds of the charity at about £12.4 million. Of this total, just over £12 million represents the value of fixed assets owned by the charity, with the remainder the useable funds detailed above (£0.245m unrestricted funds plus £0.863m restricted funds).

Going concern consideration

The trustees are confident that the charity is a going concern. This assessment is based on the financial forecasts for income and expenditure to March 2027 and the level of reserves. The operating environment has been challenging over recent years due to the economic climate and changes within the charity's operations to bring catering provision inhouse. Actions are being taken to address these challenges but there are risks associated with plans to increase income and reduce expenditure. Levels of income and expenditure will continue to be monitored closely, reported to the board regularly and mitigating actions taken where required.

Medium term position

If the charity does not manage to meet planned levels of income and expenditure during 2026–27, there is a risk to the continued operation of the charity in the medium term. To ensure its ongoing operation over the medium to long term, the charity needs to increase the level of charity reserves, as set out in the reserves policy.

Report of the trustees for the year ending 31 March 2025

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.



Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustee and signed on their behalf by:

Date: 28/01/2026

Councillor Nick Adams-King

Chairman of the Arboretum Trust Board



Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Opinion

We have audited the financial statements of The Sir Harold Hillier Gardens and Arboretum (the 'charity') for the year ended 31st March 2025 which comprise the Statement of Financial Activity, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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.

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements, and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 33, 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 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.

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

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

- We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates through discussions with management, sector research, and the application of relevant audit knowledge and experience
- We made enquiries of management around actual and potential litigation and claims

- We made enquiries of management and relevant staff, and designed our audit procedures, including reviewing financial statements disclosures and testing of supporting documentation, to assess compliance with applicable laws and regulations. We focussed on laws and regulations which could give rise to material misstatement in the financial statements including, but not limited to, the Charities Act 2011, SORP 2019, and the Financial Reporting Standard 102.
- We identified the risk of material misstatement of the financial statements due to fraud and designed audit procedures to respond to the risk. We performed audit procedures designed to address the risk of fraud arising from management override of controls, including, but not limited to, testing of journal entries and other adjustments, reviewing accounting estimates for evidence of bias, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

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. 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.



Compass Accountants Limited,
Chartered Accountants and Statutory Auditor

Venture House, The Tanneries
East Street, Titchfield
Hampshire, PO14 4AR

Date: 28th January 2026



Financial Reports

Statement of Financial Activity

		2024/25	2024/25	2024/25	2024/25	2023/24
		Unrestricted funds	Restricted funds	Endowment Funds	Total funds	Prior period total funds
	Note	£	£	£	£	£
<i>Donations and legacies:</i>						
Donations		66,073	27,500	-	93,573	81,750
Grant Income		-	-	-	-	2,666
<i>Charitable activities:</i>						
Use of Gardens and Facilities		3,093,743	4,500	-	3,098,243	1,913,301
Education		95,261	-	-	95,261	98,231
<i>Investments:</i>						
Rents		133,062	-	-	133,062	139,442
Interest - bank		-	651	-	651	648
<i>Other:</i>						
Local Authority contribution		193,772	-	-	193,772	166,184
Gain on disposal of fixed asset		-	-	-	-	-
Income		3,581,911	32,651	-	3,614,562	2,402,222
<i>Charitable activities:</i>						
Management of Gardens and facilities		4,030,857	4,500	-	4,035,357	2,504,938
Development of Gardens		-	-	-	-	0
Education		115,764	35,397	-	151,161	140,848
Expenditure	4	4,146,621	39,897	-	4,186,518	2,645,786
<i>Net gains/(losses) on investments</i>				34,000	34,000	123,000
Net income/(expenditure)		(564,710)	(7,246)	34,000	(537,956)	(120,564)
Transfer between funds		48,283	(269,520)	221,237	-	0
<i>Gains/(losses) on the revaluation of fixed assets</i>		-	-	-	-	-
<i>Actuarial gains/(losses) on defined benefit pension scheme</i>		-	-	-	-	-
<i>Other gains/(losses)</i>		-	-	-	-	-
Net movement in funds		(516,427)	(276,766)	255,237	(537,956)	(120,564)
Reconciliation of funds						
Balances brought forward at 1 April	15	761,738	363,106	11,837,104	12,961,948	13,238,737
Funds balances carried forward at 31 March		245,311	86,340	12,092,341	12,423,992	12,961,948

Catering Transfer

In January 2024 the Catering operation transferred from Hampshire County Council to SHHG. Therefore, 2024-25 was the first full year where the gross cost and income of the catering operation was included in the SOFA. In 2023-24 the gross income and expenditure relating to SHHG catering for two and a half months was included in the SOFA.

The gross catering expenditure 2024-25 was £1.71m compared to £327,000 in 2023-24 (increase of £1.38m). The gross catering income 2024-25 was £1.44m compared to £269,000 in 2023-24 (increase 1.17m).

Balance Sheet

	Note	2024/25	2023/24
		£	£
Fixed assets			
Tangible fixed assets	11	10,630,809	10,409,572
Investment assets	11	1,260,000	1,226,000
Heritage assets	12	201,532	201,532
		12,092,341	11,837,104
Current assets			
Debtors	13	260,593	89,225
Cash at bank and held by Hampshire County Council	18	151,376	1,177,711
		411,969	1,266,936
Liabilities			
Creditors: Amounts falling due within one year	14	(80,318)	(142,092)
Provisions for liabilities and charges		nil	nil
Net current assets		331,651	1,124,844
Total assets less current liabilities		12,423,992	12,961,948
Long term creditors			
Amounts falling due after more than one year		nil	nil
Net assets		12,423,992	12,961,948
Funds			
Unrestricted	15a	245,311	761,738
Restricted	15b	86,340	363,106
Applied contributions	15c	4,305,612	4,084,375
Endowment	15c	826,602	826,602
Revaluation reserve	15c	6,960,127	6,926,127
		12,423,992	12,961,948

Approved by the sole trustee and signed on their behalf by:

Councillor Nick Adams-King,
Chairman of the Arboretum Trust Board
Date: 28/01/2026

Director of Corporate
Operations,
Hampshire County
Council
Date: 26 January 2026

Statement of Cash Flows

	Note	2024/25 £	2023/24 £
Net cash used in operating activities	17	(680,981)	(166,279)
Cash flows from investing activities:			
Interest and rents from investments		133,713	140,090
Purchase of property, plant and equipment		(479,067)	(78,288)
Net cash used in investing activities		(345,354)	61,802
Change in cash and cash equivalents in the year		(1,026,335)	(104,477)
Cash and cash equivalents at the beginning of the year		1,177,711	1,282,188
Cash and cash equivalents at the end of the year		151,376	1,177,711



Notes to the Accounts

1. Basis of Preparation

1. Basis of preparation and assessment of going concern

The 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 (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102) and the Charities Act 2011.

The Sir Harold Hillier Gardens and Arboretum (SHHG) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The address of the registered office and registered charity number are included in the legal and administrative information provided on page 2 of the annual report.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

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 whole pound (£).

2. Accounting Policies

a. Income recognition & donations

Income is credited to the Statement of Financial Activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before becoming entitled to it or where the donor has specified that income is to be expended in the future period.

In accordance with the Charities SORP (FRS 102), no amount is recorded in the financial statements for volunteer time. Details of the activities undertaken by volunteers can be found in the trustees' annual report.

Donated professional services and / or facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. On receipt, donated professional services and facilities are recognised based on the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No donated professional services or facilities were received during 2024/25 (2023/24 nil).

Membership income is included in the year of receipt as this generally equates to a full year of income in each year over time. Rental income is credited to the Statement of Financial Activities in the year to which it relates.

b. Expenditure recognition

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

- Expenditure on charitable activities includes the costs of the management of the Gardens and its facilities, the development of the Gardens and the provision of teaching programmes, tours and hands-on workshops.
- Other expenditure consists of the costs relating to the governance of the Gardens.

c. Basis of allocation of charitable expenditure

Charitable expenditure includes direct and indirect costs that are allocated in relation to underlying activity levels established by the use of a number of indicators, for example accommodation costs by floor space occupied and human resources costs by average staff numbers throughout the financial year. The Charity does not receive any services for which it is not charged, and all costs are included in the Statement of Financial Activity.

2. Accounting Policies

d. Pensions

Pension contributions are paid to a multi-employer, local government defined benefit pension scheme in accordance with the recommendations of the actuary. Full details of the Hampshire Pension Fund are available in the County Council's Statement of Accounts. The contribution rate is determined by the Pension Fund's actuary (Aon Hewitt), set in relation to the current service period only. Therefore, in accordance with recommended practice for charities, pension costs are accounted for in line with defined contribution schemes. In 2024/25 the current service contribution rate was 17.8% of pensionable pay (17.8% in 2023/24). The current service contribution for pensions included in the Statement of Financial Activity is £290,785 (£188,632 in 2023/24). SHHG is under no obligation to make any extra payments, irrespective of how the pension fund performs.

e. Tangible fixed assets

Fixed Assets are valued and held in the accounts on the basis described in the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) 2019.

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual basis, provided that it benefits the Gardens and the services it provides are for more than one financial year.

Fixed Assets are categorised as follows:

Freehold interest in land and buildings

Assets in this category are revalued on a rolling programme and at least every five years. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. Assets are valued in the accounts on either a depreciated replacement cost basis or an existing use basis dependant on if comparable evidence exists in the market. Deprecation is charged on all fixed assets excluding land in accordance with Financial Reporting Standard (FRS) 102.

2. Accounting Policies

Depreciation is charged on a straight-line basis, over the estimated remaining useful life. At the last valuation these were assessed as follows:

- Traditional building structure 50 years
- System build and timber frame 35 years
- Temporary buildings 30 years
- Polytunnels 10 years

One piece of land previously donated to the Gardens is classified as investment property as this land is leased out to Hillier Nurseries to generate income. This asset will be revalued on an annual basis and is shown in the accounts at market value.

Depreciation is not charged on investment properties. Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in “net gains / (losses) on investments” in the Statement of Financial Activity.

Furniture and equipment (including garden infrastructure)

Furniture and equipment, including garden infrastructure, are valued at depreciated historic cost. They are depreciated over the expected useful life of the asset, as follows:

- Furniture and fittings 10 years
- Wooden structures 15 years
- IT, catering, and office equipment 5 years
- Pathways 60 years
- Irrigation systems 30 years
- Vehicles 10 years

Plants and trees at the Gardens and Arboretum are regarded as inalienable and historic and they are therefore not included as an asset in the Balance Sheet. Details of the collection are available at the Centre and a summary is provided in the Annual Report.

2. Accounting Policies

Assets under construction

Assets under construction are valued at cost. They are not depreciated until brought into use.

Research and development

Research and development costs are written off as incurred.

f. Heritage Assets

Heritage assets are held in pursuit of preservation and/or conservation objectives. The heritage assets include the land on which the arboretum sits as well as the separately acquired Ampfield Woods, an additional strip of land and the Centenary Border. This land is used for the conservation, cultivation, protection and improvement of a collection of plant species and cultivars of the temperate world for the public benefit and educational purposes.

A register of the heritage assets held by the charity is available and they are accessible to the public as visitors to SHHG since they represent the land on which the Gardens and Arboretum collection sits.

Heritage assets are capitalised at cost and shown at depreciated historic cost. Depreciation is charged on heritage assets excluding land, over the asset's useful life.

g. Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

h. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably established.

i. Funds accounting

Funds held by the charity are:

Other charitable funds

These are unrestricted general funds that can be used in accordance with the charitable objectives at the discretion of the trustees.

2. Accounting Policies

Designated funds

These are funds set aside by the trustees out of other charitable funds for specific future purposes or projects.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the relevant note to the accounts.

Endowment funds

These are funds that represent those assets that must be held permanently by the charity, principally the land on which the gardens and arboretum sit. Income arising on the endowment funds can be used in accordance with the objectives of the charity and is included as unrestricted income.

j. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 2, the trustees have made the following critical judgement:

Asset classifications

The trustees have made judgements on the classification of the tangible fixed assets held. These judgements determine the valuation and depreciation method to be used and are based on the main reason that the SHHG is holding that asset.

k. Post balance sheet events

As at 23 January 2026 when the accounts were signed by the Trust Board, there were no post balance sheet events requiring disclosure.

3. Comparative year information

Comparative year information
for figures reported in
Statement of Financial Activities

	Note	2023/24 Unrestricted funds £	2023/24 Restricted funds £	2023/24 Endowment Funds £	2023/24 Total funds £	2022/23 Prior period total funds £
<i>Donations and legacies:</i>						
Donations		56,750	25,000	-	81,750	63,594
Grant Income		1,167	1,499	-	2,666	52,230
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,903,550	9,751	-	1,913,301	1,493,255
Education		98,231	-	-	98,231	86,508
<i>Investments:</i>						
Rents		139,442	-	-	139,442	136,358
Interest - bank		-	648	-	648	447
<i>Other:</i>						
Local Authority contribution		166,184	-	-	166,184	175,155
Income		2,365,324	36,898	-	2,402,222	2,007,547
<i>Charitable activities:</i>						
Management of Gardens and facilities		2,495,188	9,750	-	2,504,938	2,158,296
Development of Gardens		-	-	-	-	38,000
Education		109,227	31,621	-	140,848	151,045
Expenditure	4	2,604,415	41,371	-	2,645,786	2,347,341
<i>Net gains/(losses) on investments</i>				123,000	123,000	133,569
Net income/(expenditure)		(239,091)	(4,473)	123,000	(120,564)	(206,225)
Transfer between funds		240,568	(53,480)	(187,088)	-	-
<i>Gains/(losses) on the revaluation of fixed assets</i>		-	-	-	-	50,000
Net movement in funds		1,477	(57,953)	(64,088)	(120,564)	(156,225)
Reconciliation of funds						
Balances brought forward at 1 April	15	760,261	421,059	11,901,192	13,082,512	13,349,782
Funds balances carried forward at 31 March		761,738	363,106	11,837,104	12,961,948	13,238,737

4. Expenditure

4a. Analysis of total resources expended

	2024/25	2024/25	2024/25	2024/25	2023/24
	Staff costs	Support and governance costs	Other direct costs	Total funds	Prior period total funds
	£	£	£	£	£
Unrestricted funds					
Charitable activities					
Management of Gardens and facilities	2,124,237	494,564	1,412,056	4,030,857	2,495,188
Education	113,867	-	1,897	115,764	109,227
Total unrestricted expenditure	2,238,104	494,564	1,413,953	4,146,621	2,604,415
Restricted funds					
Charitable expenditure					
Management of Gardens and facilities	4,500	-	-	4,500	9,750
Education	35,280	-	115	35,397	31,621
Total restricted expenditure	39,780	-	115	39,897	41,371
Total expenditure	2,277,884	494,564	1,414,068	4,186,518	2,645,786

4. Expenditure

4b. Analysis of support and governance costs

	2024/25 Management of Gardens and facilities £	2023/24 Management of Gardens and facilities £
Employees	200,904	159,590
Communications and IT	73,112	71,686
Postages	14,520	12,372
Finance costs	5,682	5,440
Governance costs	65,458	63,683
Other	36,913	34,574
Depreciation	97,975	100,843
Total costs	494,564	448,188

4c. Analysis of governance costs

	2024/25 £	2023/24 £
Local Authority support functions	59,008	57,233
Audit Fee	6,450	6,450
	65,458	63,683

Governance costs are made up of the support functions provided by the Local Authority including internal audit, banking, financial reporting, employment practice advice and other strategic support, together with the cost of the external audit.

5. Employee information and Trustee Remuneration

Analysis of staff costs, trustee remuneration and expenses, and key management personnel

5a. Employee information	2024/25	2023/24
	£	£
Salaries	2,033,624	1,151,325
Social security	142,467	87,199
Pension	290,785	188,632
Training	8,886	3,607
Recruitment and relocation	-	-
Other	3,026	34,196
	2,478,788	1,464,959

5b. Employee Numbers	2024/25	2023/24
The average number of persons employed during the year was:		
Headcount	76	56
Full time equivalent	55.43	36.94

The Trust considers the key management personnel to be the trustees and the Director of the Gardens. For 2024/25, total employment benefits including employer pension contributions for key management personnel were £72,004 (2023/24 £70,248).

No remuneration was paid to trustees in 2024/25 nor were any benefits provided by the charity in return for their role (2023/24: nil).

No expenses were paid to the trustees during 2024/25 (2023/24: nil).

In 2024/25 only one employee received total employee benefits (excluding employer pension costs) over £60,000 and they were within the band of £60,000-£70,000 (2022/23: one).

In 2024/25 Other Employee costs includes a credit of £895 relating to prior year redundancy cost being lower than the amount accrued (2023/24: redundancy costs £30,588).

In January 2024 the Catering operation transferred from Hampshire County Council to Hillier's. The increase in the average number of people employed between 2024/25 and 2023/24, as a result of a full year impact of the catering transfer was 17 (14.4 FTE).

Notes to the Accounts

6. Auditors remuneration

The fee charged by the auditors, Compass Accountants, for the audit of the 2024/25 annual accounts is accrued at £6,450 (2023/25 £6,450).

7. Government grants received

	2024/25	2023/24
	£	£
Hampshire County Council Climate Change Funding	-	1,167
Hampshire County Council Waste Prevention Community Grant Fund	-	1,499
	-	2,666

Notes to the Accounts

8. Related party transactions

Hampshire County Council is a related party of the charitable trust as sole trustee. The Council provided a contribution of £193,772 in the year 2024/25 (2023/24 £166,184).

Hampshire County Council charges SHHG annually for the provision of support functions including internal audit, banking, financial reporting, employment practice advice and other strategic support. The charge for 2024/25 is £59,008 (2023/24 is £56,521).

As a result of the shared banking facilities provided by the County Council, as at 31 March 2025 the County Council was owed £174,810 cash in relation to Hillier's (31 March 2023 £853,207 cash held by Hampshire County Council on behalf of SHHG).

There were no related-party transactions involving members or Chief Officers of the County Council responsible for the affairs of the trust.

9. Gift aid

The total value of Gift Aid included within the Statement of Financial Activity for 2024/25 is £196,778. For 2023/24 the figure was £184,508.

10. Leasing costs

No costs relating to non-cancellable lease arrangements were incurred in either 2024/25 or 2023/24.

11.Tangible fixed assets

	Tangible fixed assets				
	Freehold Land & Buildings	Furniture & Equipment	Assets under construction	Total	Investment Assets
Asset cost, valuation or revalued amount					
Bought forward 1 April 2024	10,216,875	1,139,449	63,836	11,420,160	1,226,000
Additions	-	-	479,067	479,067	-
Disposals	-	(23,177)	-	(23,177)	-
Revaluation	-	-	-	-	34,000
Balance carried forward 31 March 2025	10,216,875	1,116,272	542,903	11,876,050	1,260,000
Accumulated depreciation & impairment provisions					
Less Accumulated depreciation brought forward 01 April 2024	(613,815)	(396,773)	-	(1,010,588)	-
Disposals	-	23,177	-	23,177	-
Depreciation Charges for the year	(201,062)	(56,768)	-	(257,830)	-
Balance carried forward 31 March 2025	(814,877)	(430,364)	-	(1,245,241)	-
Net Book Value	9,401,998	685,908	542,903	10,630,808	1,260,000
Brought forward 01 April 2024	9,603,060	742,676	63,836	10,409,572	1,226,000
Carried forward 31 March 2025	9,401,998	685,908	542,903	10,630,809	1,260,000

The land and buildings are owned by Hampshire County Council in its capacity as trustee of The Sir Harold Hillier Gardens and Arboretum charity.

11.Tangible fixed assets

11b. Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2024/25		2023/24	
	Freehold land & buildings	Investment assets	Freehold land & buildings	Investment assets
	£	£	£	£
Cost	3,059,762	329,000	3,059,762	329,000
Accumulated depreciation	(1,338,728)	-	(1,279,490)	-
Net book value	1,721,034	329,000	1,780,272	329,000

Freehold land and buildings and investment assets were subject to an independent, professional valuation at 31 March 2021, in line with the Trust's revaluation accounting policy. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. For freehold land and buildings the valuation is on either a depreciated replacement cost (DRC) basis or an existing use valuation (EUV) basis; investments assets are valued on a market value basis.

The DRC valuations of freehold land and buildings are subject to the prospect and viability of the continued occupation and use and cannot be relied upon as an indication of the amount that could be recovered if the service was discontinued and the asset retired. Properties valued using the DRC basis are of a specialised nature and the value derived is not based upon evidence of sales of similar assets in the market.

The market value of the investment assets is determined by the RICS qualified valuers based upon the annual rental income they generate.

12. Heritage assets

12. Heritage assets

Heritage assets are held in pursuit of preservation and/or conservation objectives. The heritage assets include the land on which the arboretum sits as well as the separately acquired Ampfield Woods, an additional strip of land and the Centenary Border. This land is used for the conservation, cultivation, protection and improvement of a collection of plant species and cultivars of the temperate world for the public benefit and educational purposes.

A register of the heritage assets held by the charity is available and they are accessible to the public as visitors to SHHG since they represent the land on which the Gardens and Arboretum collection sits.

Heritage assets are capitalised at cost and shown at depreciated historic cost. Depreciation is charged on heritage assets excluding land, over the asset's

a. Analysis of movements in heritage assets during the year

There has been no movement in the overall value of heritage assets during 2024/25. The balance carried forward at 31 March 2025 therefore remains at £201,532.

b. Analysis of heritage assets transactions over the last 5 years

There have been no heritage asset transactions in the last 5 years.

Notes to the Accounts

13 Debtors

	2024/25	2023/24
	£	£
Prepayments and accrued interest	-	-
Other debtors	260,593	89,225
	260,593	89,225

Of the other debtors, £179,406 relates to Gift Aid yet to be received

14 Liabilities: Amounts falling due within one year

	2024/25	2023/24
	£	£
Trade creditors	(22,177)	(87,969)
Receipts in advance	(58,141)	(54,123)
	(80,318)	(142,092)

Of the trade creditors, £6,450 relates to an accrual for Compass Accountants external audit fee for 2024/25.

15. Analysis of charitable funds

15a. Analysis of movements in unrestricted funds

	Balance at 31 March 2024	Movement in resources during the year			Balance at 31 March 2025
	£	Incoming £	Outgoing £	Transfers £	£
Hillier's Development Fund	631,738	3,581,911	(4,146,621)	18,283	85,311
Reserves Fund	130,000	-	-	30,000	160,000
	761,738	3,581,911	(4,146,621)	48,283	245,311

The Hillier's development fund represents the free reserves of the Trust, which may be applied at the discretion of the trustees to further any of the Trust's charitable objectives.

Since 2003/4 the Trustee has set aside funds to a designated fund which may be used for the general future development of the gardens.

In accordance with the legal requirement of the Charity Commission and the Sir Harold Hillier Garden and Arboretum's reserves policy, a Reserve Fund was established during 2007/08. The value of the Reserve Fund is reviewed annually by the Trust Board, taking into account the potential risks that SHHG may face.

15. Analysis of charitable funds

15b. Analysis of movements in restricted funds

	Balance at 31 March 2024	Movement in resources during the year			Balance at 31 March 2025
	£	Incoming £	Outgoing	Transfers £	£
Hillier's Expedition	8,945	-	-	-	8,945
50 Year Development Fund	187,370	558	-	(168,000)	19,928
Hillier's Bursary Fund	41,738	92	-	-	41,830
Propagation Unit	101,520	-	(269,520)	168,000	-
Other restricted grants and donations	2,276	-	(2,276)	-	-
Elizabeth Creak Trust Training Fund	21,257	27,500	(33,120)	-	15,637
	363,106	28,150	(304,916)	-	86,340

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

The 50 year development fund is used to fund projects in line with the Gardens' 50 year plan. £168,000 is to be transferred from this reserve to fund the propagation unit spend in 2024-25.

The Propagation Unit Fund is used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes. This reserve has been fully utilised to fund the Propagation Nursey Unit.

Hillier's bursary fund is used to fund training and development activities for permanent members of the Garden's staff.

Other restricted grants and donations is used to hold restricted grants or donations which have been received for a restricted purpose and have not yet been spent.

The Elizabeth Creak Trust Training Fund is used to fund the training of students. This is a restricted grant.

15. Analysis of charitable funds

15c Analysis of movement in the endowment funds

	Movement in resources during the year					Balance at 31/03/2025 £
	Balance at 31/03/2024	Incoming	Outgoing	Gains/(losses) on revaluation of investment assets	Transfers	
	£	£	£	£	£	
Endowment fund	826,602	-	-	-	-	826,602
Applied contributions	4,084,375	-	-	-	221,237	4,305,612
Revaluation reserve	6,926,127	-	-	34,000	-	6,960,127
	11,837,104	-	-	34,000	221,237	12,092,341

The Endowment fund was established in 1977 to provide an Arboretum and Botanic Garden for the use and benefit of the public.

The applied contributions account shows how much of the contributions have been spent on improvements to buildings and the gardens.

The transfer of £221,237 is the sum of capital expenditure in year of £479,067 less depreciation charges for the year of £257,830.

16. Analysis of net assets between funds

	<i>see note</i>	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Funds:					
<i>Hillier's Expedition</i>	15b	-	-	8,945	8,945
<i>50 Year Development Fund</i>	15b	-	-	19,928	19,928
<i>Hillier's Bursary Fund</i>	15b	-	-	41,830	41,830
<i>Elizabeth Creak Trust Training Fund</i>	15b	-	-	15,637	15,637
Restricted funds subtotal		-	-	86,340	86,340
Unrestricted funds	15a	-	-	245,311	245,311
Applied contributions	15c	4,305,612	-	-	4,305,612
Endowment fund	15c	826,602	-	-	826,602
Revaluation reserve	15c	6,960,127	-	-	6,960,127
		12,092,341	-	331,651	12,423,992

Notes to the Accounts

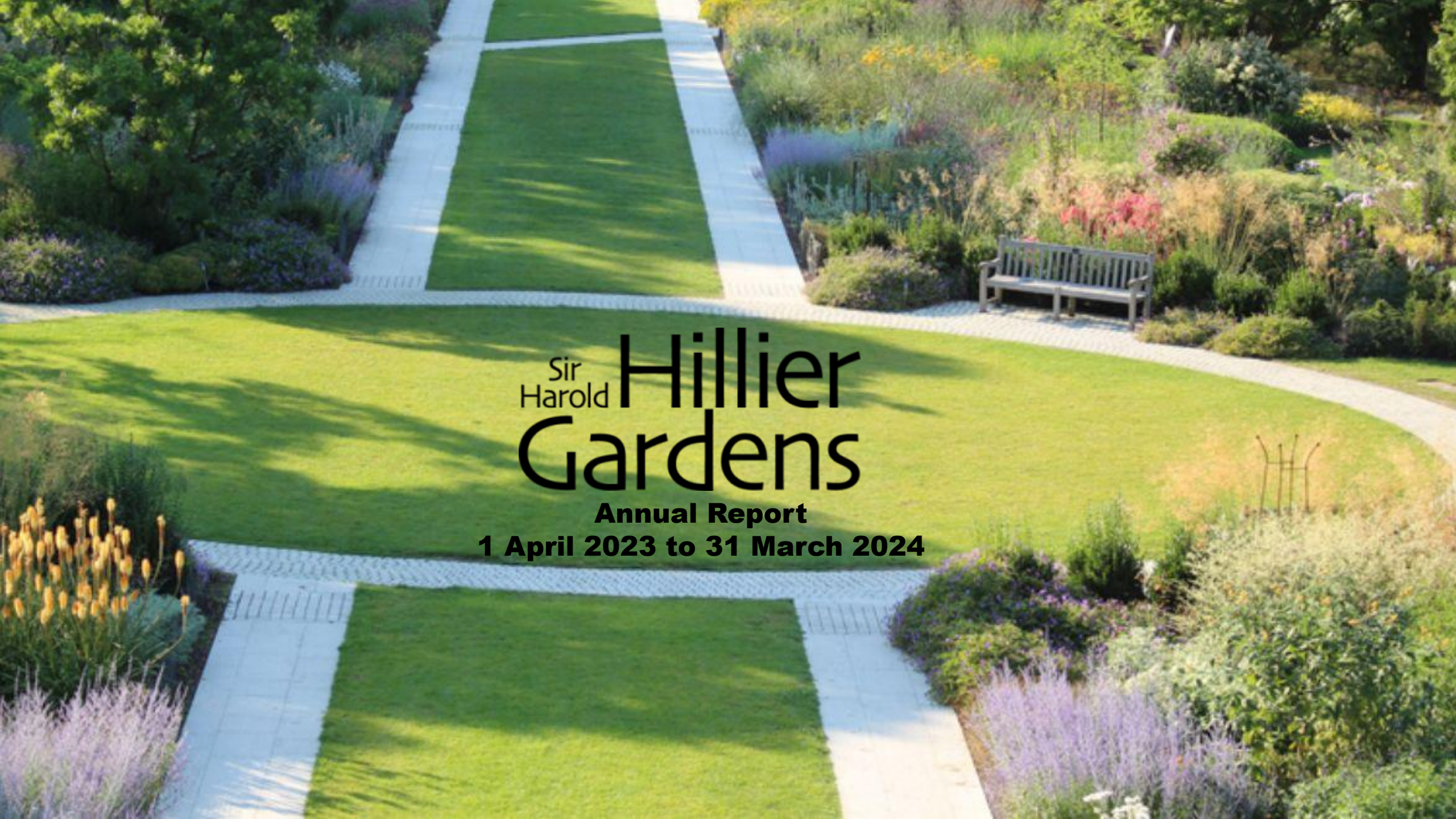
17. Reconciliation of net movement in funds to net cash flow from operating activities

	2024/25 £	2023/24 £
Net movement in funds	(537,956)	(120,564)
Adjustments for:		
Depreciation charges	257,830	265,376
(Gains) / losses on investments	(34,000)	(123,000)
Dividends, interest and rents from investments	(133,713)	(140,090)
(Increase) / decrease in debtors	(171,368)	(59,814)
Increase / (decrease) in creditors	(61,774)	11,813
Net cash provided by (used in) operating activities	(680,981)	(166,279)

18. Cash and cash equivalents

	2024/25 £	2023/24 £
Cash and cash equivalents consists of:		
Cash held on behalf of SHHG by HCC/ (owed by SHHG to HCC) and in hand	(174,810)	853,200
Cash at bank	326,186	324,511
Cash and cash equivalents at 31 March	151,376	1,177,711

Accounts

An aerial photograph of Sir Harold Hillier Gardens. The image shows a large, well-manicured lawn in the center, surrounded by a network of light-colored stone paths. The paths lead to various garden beds filled with diverse plants, including tall yellow flowers on the left, purple flowers in the bottom right, and a dense collection of colorful plants on the right side. A wooden bench is situated on a path to the right of the central lawn. The overall scene is bright and sunny, with shadows cast across the lawn and paths.

Sir Harold Hillier Gardens

Annual Report

1 April 2023 to 31 March 2024

Administrative Information

Reference and administrative details:

The Sir Harold Hillier Gardens and Arboretum,
Jermyns Lane,
Ampfield,
Romsey,
Hampshire.
SO51 0QA

Tel: 01794 368787

Legal and administrative information:

The Sir Harold Hillier Gardens and Arboretum is a Registered Charity
(Reg. No 274737)

Sole trustee:

Hampshire County Council

Registered Address:

Director of Universal Services,
Hampshire County Council,
The Castle,
Castle Avenue,
Winchester,
Hampshire. SO23 8UJ

Auditor:

Compass Accountants
Venture House,
The Tanneries,
East Street,
Titchfield,
Hampshire. PO14 4AR

Solicitor:

Hampshire Legal Services,
Hampshire County Council,
The Castle,
Winchester,
Hampshire. SO23 8UJ

Banker:

National Westminster Bank
105 High Street
Winchester
Hampshire

For externally raised development funds:

CAF Bank Ltd,
25 Kings Hill Ave,
Kings Hill,
West Malling,
Kent. ME19 4JQ

Day-to-day responsibility for the Gardens is delegated by the sole trustee to the Director of Universal Services and the Director of the Sir Harold Hillier Gardens.

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Report of the trustees for the year ending 31 March 2024

Report of the trustees for the year ending 31 March 2024

The trustees present their annual report and financial statements of the charity for the year ending 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Public Benefit

The object of the charity is to provide for the public benefit an Arboretum and Botanic Garden known as the 'Sir Harold Hillier Gardens' as a public facility to be enjoyed by people of all ages and, in particular but not exclusively, as a means to promote:

1. *the conservation, protection, and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants.*
2. *the education of the public about the cultivation, preservation, propagation and conservation of such plants and their impact upon biodiversity and the conservation of the physical and natural environment.*

When reviewing the objectives and planning the activities and future development of the Sir Harold Hillier Gardens (SHHG), the trustees have had due regard to the Charity Commission's guidance on public benefit.

SHHG levies an entry charge, which, together with commercial activities (income from shop, concessions, catering, events and the hire of meeting rooms), donations and the support of the sole trustee allows the charity to carry out its charitable aims. Day entry prices are discounted for senior citizens, job seekers, service men and women, full time students and disabled visitors. The Gardens has an entry charge for children, although entry is free for children attending with an adult member. A carer accompanying a disabled visitor is admitted without charge. The SHHG's Education Programme caters for over 15,000 annual users, most of these are primary and secondary school groups, visiting for a full educational day guided by the Gardens' education staff and volunteers. The Gardens also caters for pre-school and home educated pupils.

Report of the trustees for the year ending 31 March 2024

Objectives and Public Benefit (continued)

Educating all our visitors and users, especially the young, about the value of the plant collection and biodiversity is one of the most important aspects of our charitable work. SHHG contributes to the training of the next generation of professional horticulturists by offering Student Bursaries, work experience and placements, allowing the student to put the college acquired knowledge into practice and learn many of the practical skills required to look after such an outstanding plant collection.

The SHHG continues to conserve and educate by growing over 12,500 diverse types of plants, including over 250 rare taxa, over 600 champion trees (the largest number recorded in a single garden in the British Isles) and maintains 14 National Collections of plants, the largest number of any single UK plant collection. The Gardens also distribute plant material to other botanic gardens and plant collections and facilitates the use of its plant collection for scientific study in the UK and abroad.

The Gardens maintain an herbarium collection, which is almost exclusively maintained by volunteers. This represents a permanent record of the plant collection. A database of both the living and herbarium collection is available to the public and any interested party via the Gardens' website. The herbarium currently holds over 8,500 specimens and is considered to be one of the most significant collections in the country. Work has commenced to digitalise the collection for future reference and wider distribution.

Achievements and Performance 2023/4

The benefits of the Trust's work are the conservation of the Gardens' existing collection whilst continuing to develop the site to include new taxa and make the collection more accessible to visitors, making the collection accessible to researchers around the world through collaborations on site or online through digital cataloguing, increasing awareness of the natural world by attracting and engaging with greater numbers of visitors alongside running more formal educational programmes suitable for all age groups. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate great progress in pursuing its charitable objectives.

Report of the trustees for the year ending 31 March 2024

Operational and Horticultural Developments

Together with national and international challenges, one of the greatest issues for the Gardens during 2023/24 has been the impact of severe weather, most notably high winds. During the period April 1st, 2023, to March 31st, 2024, the Gardens closed to the public on ten occasions, with four named storms (Ciaran, Geraint, Henk and Isha). Such closure has a significant financial, operational and botanical impact. Over recent years, closure has become more frequent and is believed to be an outcome of a changing climate. The Gardens will continue to carefully monitor weather patterns and how to mitigate against the losses associated with Garden closure.

On a positive note, the period April 2023 – March 2024 has witnessed growth across departments, especially in relation to events, catering and horticultural achievements.

1. Light Up the Gardens

Building on the success of Christmas 2022 and with a target of c50,000, the trail for Christmas 2023/4 exceeded expectations with 71,380 visitors. Considering the large numbers, the event went smoothly, with only one evening's cancellation due to excessive wind speeds. As well as the main visitor attraction of the Christmas Trail, Light Up worked on an engagement programme with the University of Southampton. 'The Light Express' explored the physics of light and the science behind the internet, through use of lasers. Around 250 secondary school pupils participated in the project and attended the trail. Light Up also devised a competition for schools, in which winning artwork was projected onto Jermyn's House and a prize of £1000 was awarded towards equipment for the school's art department.



Report of the trustees for the year ending 31 March 2024

Operational and Horticultural Developments (continued)

2. Catering

After three successful years, the Tilia Tree Café (the temporary marquee) ceased trading on 29 October 2023, having been an invaluable asset during covid as a take-away venue. In place of the café, a new offer has been launched at the rebranded 'Garden Restaurant & Tea Rooms' at Jermyn's House. It is hoped that the revised offer will see an increase in customer numbers and income and will help to reduce catering costs across site.

As of Monday 15th January 2024, catering provision at the Gardens transferred from HC3S to SHHG. Both teams worked hard to ensure business continuity, though detailed work is still required to fully integrate the catering department during 2024, especially in relation to the Gardens' Mid-Term Financial Strategy. It is important to note both the benefits and risks associated with this transfer on the Gardens' structure, income and expenditure.

3. Structure Review

After detailed work with colleagues from HR, Finance and the Transformation Team of Hampshire County Council, the formal consultation phase of the Structure Review of the Gardens commenced with an all-staff briefing on the 16th of January 2024. The outcome of the review was known by March 2024, with recruitment due to commence late Spring of 2024.

4. Memberships, Bookings and EPOS system

This project has suffered a further delay due to complexities with linking to other HCC systems and ensuring the continuity of Direct Debit renewals; it is now due for implementation in 2025. This system is a critical component to the Gardens' plans to develop the membership offer, and to underpin associated marketing activities. The delay is having a detrimental effect on the Gardens' ability to capture and analyze data, together with a more efficient experience for visitors and Members.

Report of the trustees for the year ending 31 March 2024

Operational and Horticultural Developments (continued)

5. Conservation project

The Gardens have received six Wollemi pine trees via Forestry England Bedgebury National Pinetum, together with eight other botanic gardens across the UK and Ireland. These fascinating trees, classified as critically endangered, were thought to have been extinct for at least 70 million years until 100 trees were discovered in a remote Australian gorge in 1994 by David Noble. The aim of this international conservation project with Australian partners, the Royal Botanic Gardens and Domain Trust, and Botanic Gardens Conservation International is to establish a genetically diverse 'meta collection' of Wollemi pines across the world and represents the wild diversity of the population. The six different genotypes will provide insurance against a loss of diversity allowing the Gardens to study their climate resilience in the years ahead for one of the world's most endangered species

6. Britain in Bloom

This year the Gardens was awarded a Gold Award from South and Southeast Britain in Bloom, Heritage and Gardens, for the tenth year in a row. This is a testament to the unstinting work of the entire team of staff, volunteers and supporters who strive for excellence across site.

7. Education

The Education Department was awarded a grant of £5,000 towards a 'Community Waste Project', emphasizing innovative ways to recycle through educational activities and learning. Summer and Autumn workshops and trails also proved popular with families, especially the 'Pumpkin-Spotter Trail' that ran for the month of October 2023.

8. Propagation Unit

The Gardens continued to plan for the development of the Propagation Unit for both immediate and long-term benefit, especially in relation to the impact of a changing climate on the collection. This work is made possible due to a grant, awarded from Hampshire County Council, together with investment from the Gardens' Development Fund.

Report of the trustees for the year ending 31 March 2024

The Plant Collection

Despite the pandemic and severe weather, the many volunteers have been active and have now measured well over 8,000 trees and shrubs in the Gardens. The Tree Register now lists over 600 of the Gardens' trees as UK Champions, more than any other collection in the country.

The herbarium volunteers have added specimens to the collection, with the total being around 8,500. All specimens have been photographed, allowing us to make the images easily available to any researcher worldwide. There are over 17,000 images in our database, most of them taken by volunteers. The importance and relevance of the collection cannot be underestimated, especially in relation to climate change.

The verification of the collection continues to increase the total number now being over 3,000.

Collaboration and Support of External Science and Research Projects

Besides continuing to grow and conserve one of the most diverse collection of plants, the Gardens continues to support other projects and institutions with its plant collection, such as Ghent Botanic Gardens and University in Belgium, the Royal Botanic Gardens, Kew, Royal Horticultural Society, Wisley, BGCI and Butterfly Conservation, Hampshire and Isle of Wight Branch, Plant Heritage, Westonbirt, Dendrology Society, Mediterranean Society, The American Oak Society, University of Southampton, Royal Forestry Society.

Education

The SHHG aims to share knowledge and promote a greater awareness of the fundamental importance of the natural world to all its visitors. An active and tailor-made education programme engages with visitors to the SHHG, whatever their age and level of knowledge, providing lively interpretation of the Collection through teaching programmes, tours and hands-on workshops. The diverse collection of plants provides the Education Service with a unique and inspirational outdoor classroom space reinforced by the purpose-built educational facilities in the Visitor Centre and the Children Education Garden. This garden continues to evolve with the help of the educational team and volunteers.

Usually, the Education Service welcomes around 15,000 users for formal education activities in the SHHG from the Foundation Stage, Primary, Secondary and Tertiary years to some adult classes.

The informal learning activities and family events are popular with young children who particularly enjoy the seasonal craft workshops and family trails.

Report of the trustees for the year ending 31 March 2024

	2019/20	2020/21*	2021/22	2022/23	2023/24
Day Entry	61,847	19,257	31,195	30,558	22,681
Groups	2,283	35	638	1,482	1,877
Children	52,699	7,958	18,070	44,196	42,114
Members	91,803	141,785	153,556	161,530	167,688
Education	14,005	913	8,996	15,860	14,701
Events	21,565	29	3,836	45,234	73,902
Total	244,202	169,977	216,291	298,860	322,963

This year visitor numbers have continued to grow, largely due to a positive Events Programme throughout the year, together with the expansion of the Christmas Light Trail. More than 70,000 visitors attended the trail. Day-entry and group visitor numbers again remain lower than that of pre-pandemic figures, but Membership has remained solid across the year, and accounts for the majority of footfall.

Private and Corporate Functions held at the Gardens

During 2023/24 conferences and private hires continued to regain strength, with around 3,341 conference attendees participating in events at Jermyn's House. It is hoped that numbers will continue to grow, especially in relation to private functions during 2024/5.

*Please note that due to challenges recording diverse types of visitors during the pandemic reopening in 2020/21 the split by types of visitors is not completely accurate.

Report of the trustees for the year ending 31 March 2024

Volunteers

The Sir Harold Hillier Gardens operates, and benefits from, a highly successful and rewarding Volunteer Scheme. Over 200 adult volunteers of all ages and backgrounds provide invaluable help across most departments, including working with the Plant Collection, Education Service, Events Team and Visitor Services Team. Primary duties include:

- Upkeep and development of the Gardens under the supervision of staff.
- Supporting the development and expansion of the herbarium
- Photography
- Tree measuring
- Labelling
- Administrative support
- Propagation unit
- Education
- Meeting and greeting the visitors and giving them additional information.
- Buggy Driving
- 'Sparkle Team' who keep the Gardens clean and tidy
- 'Pop-Up Shop' - making craft goods for sale.
- Supporting promoting the Gardens at shows and acting as Ambassadors for SHHG.

Participants volunteer on a regular part-time, weekly, or monthly basis and are encouraged to become fully involved in the Gardens' community. Training is available with the opportunity to learn horticultural techniques and attend a variety of workshops and talks. In return, staff benefit from the experience and expertise, loyalty and dedication that such a wide variety of volunteers bring to the Gardens.

Volunteers greatly assist with the Gardens' development and growth and during 2023/24 committed over 13,559 hours of their time to the Gardens. This is a significant and greatly appreciated contribution, that enables the Gardens to achieve so much more than without volunteer support. The Sir Harold Hillier Gardens is indebted to the many volunteers who have enabled the Gardens to flourish over the years.

The Garden wishes to further develop its volunteering programme, to learn from other comparative organisations, and to continue to strengthen the mutual benefits of the scheme. The impact of volunteering cannot be underestimated in relation to the physical, social and mental wellbeing derived from spending time in nature. The Gardens is proud to be a 'Volunteering Organisation', offering opportunities of participation to the wider community.

Report of the trustees for the year ending 31 March 2024

Student Programme

During 2023/24, four local students attended the Student Programme. The programme affords a solid grounding in horticulture and is often the catalyst for successful careers for participants both in the UK and around the world. A highlight of the Academic Year is participation in the Royal Horticultural Society's Gardeners' Fayre at Hampton Court. In 2023, the students were awarded a Silver-Gilt Award for their exhibition 'The Retreat Garden': A mindful garden inspired by the collections of Sir Harold Hillier. The Student Programme would not be possible without the generous support of Trusts and Foundations and Individual Giving, most notable the Elizabeth Creek Trust, Stanley Smith Trust and the Hillier Family.



Report of the trustees for the year ending 31 March 2024

Donations and Bursaries - The Gardens rely upon an increasing range of organisations and individuals to carry out its programmes and developments. The development of the Gardens in the past decade would not have been possible without the generosity of the following:

The Geoff and Fiona Squire Foundation	Mr Hady Wakefield
The Veolia Environmental Foundation	The Linbury Trust
The Equitable Charitable Trust	The Hillier Family
The Henry Smith Charity	The Monument Trust
Sir Jeremiah Coleman Trust	Mrs Jenny Grundy
Mr Christopher Palmer-Tomkinson	Taylors Bulbs
The G M Morrison Charitable Trust	Help the Aged
The Ernest Cook Trust	The HDH Wills 1965 Charitable Trust
Aiming High for Disabled Children	Veolia Pro Grow
Romsey Arts Festival	Hillier Nursery Ltd.
Hampshire County Council Landscape Team	Hampshire County Council Ecology Team
RHS Suzan Pearson Bursary	Historic and Botanic Garden Bursary Scheme
Graham High Group	Dulverton Trust
Elvetham Trust	Hampshire Gardens Trust
Rupert Nabarro	Elizabeth Creak Charitable Trust
The Finnis Scott Trust	Test Valley Borough Council
The Stanley Smith (UK) Horticultural Trust	Mr Giles Coode-Adams
Mr Victor Bryant	Mr & Mrs Bernays
Mr Andrew Spokes	Mrs Rita Ring
The Julia and Hans Rausing Trust	

Report of the trustees for the year ending 31 March 2024

Key outcomes for the year 2023/24

Outcome	2019/20	2020/21	2021/22	2022/23	2023/24
Admissions and secondary income ¹	£1,660,861 (+1.6%)	£2,323,758 (+39.9%)	£1,596,374 (-31.1%)	£1,803,185 (+13%)	£2,344,212 (+30%)
Operating costs ²	£1,495,059 (+3.9%)	£1,684,558 (+12.7%)	£1,655,000 (-1.8%)	£1,908,325 (+15.3%)	£2,337,645 (+22.5%)
Total annual visitor numbers	244,202 visits (-2.2%)	169,977 visits (-30.4%)	216,291 visits (27.2%)	298,860 visits (38.2%)	322,963 visits (8.1%)
Membership numbers	Est. 23,872 (+4.4%)	Est. 24,861 (+4.1%)	Est. 26,159 (+5.2%)	Est. 25,706 (1.7%)	Est. 25,472 (0.9%)
Retail income	£121,608 (+2.5%)	£113,225 (-6.9%)	£123,057 (8.7%)	£137,258 (11.5%)	£145,460 (6%)
Catering surplus ³	£87,011 (+1.2%)	n/a	n/a	n/a	n/a
Corporate & private hire income	£10,083 (-57.4%)	£0	£10,951	£100,939 (821.7%)	£101,810 (1%)
Events and exhibition income	£95,440 (-16.3%)	£0	£85,741	£98,993 (15.5%)	£121,828 (23.1%)
Education, schools & events	£121,282 (-3.2%)	£21,440 (-82.3%)	£58,533 (173%)	£86,508 (47.8%)	£99,730 (15.3%)

Notes:

1. secondary income refers to all other unrestricted income received during the year, excluding the budgeted contribution received from Hampshire County Council and any gains resulting from the sale of fixed assets.

2. excludes capital charges such as depreciation and impairments and Local Authority managed repair & maintenance and governance.

3. In 2021/22 to 2023/24 the cost of catering exceeded the income generated.

Report of the trustees for the year ending 31 March 2024

Plans for the Future

The Gardens plan to develop a new Propagation Unit for both immediate and long-term benefit. The Unit will enable the Gardens to propagate and grow a wide range of plant material for conservation and heritage purposes as well as providing the gardens with improved biosecurity as it faces a rising tide of pest and diseases.

Elements of the Propagation Nursery Unit will comprise:

- Green House unit.
- Workstation / Storage unit.
- Relocated shade hall and shade tunnel units.
- Outside standing beds with no cover.
- Tree line with drip irrigation.
- Environmental Control System

It is anticipated that work will commence during Spring 2024, with a completion date of summer 2024

Report of the trustees for the year ending 31 March 2024

Structure, governance, and management

Sir Harold Hillier Gardens and Arboretum (SHHG) were left by Sir Harold under the sole trusteeship of Hampshire County Council during 1977 and were registered as a charity on 12 January 1978 (number 274737). The County Council's Leader and Executive Member for Hampshire 2050 and Corporate Services, Councillor Nick Adams-King (from May 2024) is responsible for approving the strategic decision-making for the Trust. During the period of this report the County Council's Leader and Executive Member for Hampshire 2050 and Corporate Services was Cllr Rob Humby. The Leader delegates day-to-day responsibility for the Gardens to the Director of Universal Services, Patrick Blogg and the Director of the SHHG, Clare Goddard.

The Trust is governed by the Arboretum Trust Board (acting as the Executive) which comprises the Leader, the Chairman of the Advisory Committee and Director of Universal Services. The Trust Board and the SHHG are supported by an eminent group of advisers mostly with interest and expertise in the field of horticulture, gardens, plant collections and the charitable sector. All support the SHHG with their time and expertise, providing valuable guidance and advice.

Report of the trustees for the year ending 31 March 2024

Membership of the Advisory Committee as in March 2024:

- Professor Monique Simmonds, Chairman
- County Councillor Cllr Nick Adams-King
- Mr Roy Lancaster CBE, VMH
- Mr Martin Hillier (nominated by Hillier Nurseries Ltd)
- Mr Edward Wake (Chair of the Hampshire Gardens' Trust)
- Mr Giles Coode-Adams OBE, VMH, DL
- Dr Carys Hughes (University of Southampton)
- County Councillor Cllr Kirsty North
- Mr Chris Carter
- Mr Andrew Smith (nominated by the Forestry Commission)
- Ms Jo Heath, Assistant Director of Recreation, Information and Business Services for Universal Services, Hampshire County Council.

The Advisory Committee is supported by a specialist Gardens Panel, comprising:

- Mr Chris Carter (Chair until February 2024)
- Mr Martin Hillier
- Mr Chris Bird
- Mr Chris Sanders
- Mr Will Parker
- Ms Rosie Yeomans (Chair as of February 2024)
- Ms Penny Jones

President

Her Majesty The Queen

Report of the trustees for the year ending 31 March 2024

Patrons

Roy Lancaster VMH, CBE: Former Curator of the Gardens, Roy Lancaster has been an ardent supporter and Patron of the Gardens for many years.

The sole trustee, Hampshire County Council, has provided a significant level of financial support to the SHHG since 1977. This enabled the size of the Garden to increase to 180 acres and included the completion of a range of capital projects. This has also enabled the potential of the collection to be maximised for education, recreation, and conservation purposes. What started as a private plant collection with a few hundred visitors has been made accessible to a wide range of visitors from all over the world.

Today it provides an excellent facility which normally attracts around 300,000 annual visitors, usually including over 15,000 formal and family educational visits. The SHHG and plant collection has also grown, now boasting some 42,000 plants of over 12,500 taxa and 14 national plant collections set in a complementary mixture of formal and informal landscapes and feature gardens such as one of Europe's largest winter gardens. The significance of the collection is recognised by a Grade II listing in English Heritage's Register of Parks and Gardens of Special Historic Interest.

Related parties and co-operation with other organisations

The County Council, as sole trustee, is a key related party to SHHG and is responsible for the control, administration, and financial management of the SHHG. As a Local Authority, the County Council has in place control frameworks for risk management, internal control and governance, the adequacy and effectiveness of which are subject to annual evaluation by both external and internal audit. As the sole trustee, the County Council allows SHHG to benefit from the use of these control frameworks, including the use of support services including internal audit, banking, financial reporting, and employment practice advice, for which an annual charge is made, details of which can be found in note 8.

Through the Gardens' pursuit of achieving its charitable objective of "*the conservation, protection and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants*", SHHG supports other projects and institutions with access to its plant collection and knowledge.

Report of the trustees for the year ending 31 March 2024

Pay policy for senior staff

All staff are employed by Hampshire County Council on behalf of the Trust and therefore they follow all terms and conditions and policies as set by Hampshire County Council.

As employees of Hampshire County Council, staff salary levels are set in accordance with the Employment in Hampshire County Council (EHCC) 2007 Agreement. There are 11 pay grades within the EHCC pay framework, with roles matched to the appropriate grade following an evaluation using the Hay methodology.

The Trust considers the key management personnel to be the trustees, and the Director of the Gardens and details of the employment benefits and expenses paid are disclosed in note 5 to the accounts.

Risk management

SHHG understands risk management as an essential part of the business, in its delivery of a unique botanical plant collection, outstanding gardens and arboretum with core educational and conservation activities as well as its supporting function to include conference and hire facilities.

An established risk management policy is in place, in support of which:

- the main risks which present opportunities or hazards to meeting the SHHG objectives are identified and assessed annually
- an up-to-date risk management plan is maintained and regularly reviewed
- appropriate control arrangements are established to mitigate risks.

The SHHG Internal Management Team, chaired by the Director:

- monitor risk management arrangements to ensure appropriate risk control and implementation
- satisfy itself that risks are being actively managed, and that appropriate controls are in place and working effectively, taking external influences into account
- review annually the approach to risk management and approve changes where necessary to key elements of its processes and procedures.
- Trustees of larger charities are required to publish their assessment of the risks the charity faces and how they are managing them in their annual report.

Report of the trustees for the year ending 31 March 2024

Risk management (continued)

Financial risks

The charity is exposed to two categories of financial risks:

- external risks that will impact the Gardens if they occur (e.g. national and local economic factors, climate change)
- risks related to internal management of the Gardens and the successful delivery of its objectives (e.g. operating model decisions, the implementation of the business plan).

The assessment and mitigation of financial risks is considered alongside the Medium-Term Financial Plan and the Reserves Policy in a co-ordinated approach to strategic and financial planning.

In the event of any risk arising, and in the absence of any external financial support, the impact will be offset initially out of any annual surplus, then from any development funds and/or the reserve fund, limited by any restrictions on the use of funds and/or contractual commitments against funds not yet spent. Any combination of the below scenarios would draw more heavily on those sources.

Risk		Mitigation
E1	Economic recession impacting income and funding	Reserves policy, marketing strategy and plan for income growth, robust financial management
E2	A period of high inflation resulting in cost pressures that cannot be matched with increased income	Robust financial management, ongoing efforts to deliver efficiencies, vacancy management, temporary reduction in focus of expenditure
E3	A reduction in support from Hampshire County Council	Reserves policy and income growth strategy; regular forward planning with Hampshire County Council
E4	A long period of closure resulting from an external shock	Potential external support (e.g. as received during covid closures), reserves policy; memberships smooth income as not as variable as day visits
E5	The impact of storms/ floods/ disease/ extreme heat	Reserves policy, regular review of changes and development of appropriate mitigations
I1	Unsuccessful integration and delivery of catering provision	Business plan for catering provision, robust financial management, promotional activity to encourage take-up
I2	Unsuccessful implementation of action plan to deliver income growth	Marketing strategy to promote the Gardens and the benefits to members/visitors/corporate users, engagement with users, pricing strategy, understanding customers
I4	Inadequate funding set aside to meet asset repair and replacement	Asset management plan, assessment of likely expenditure, ongoing monitoring of asset condition and requirements; potential for external funding

Report of the trustees for the year ending 31 March 2024

Risk management (continued)

Non-Financial risks

The charity is also exposed to non-financial risks which include the following:

Risk		Mitigation
N1	Climate Change impact on operations, the built and natural environment	Losses to the collection are minimised through strategic propagation programmes. Repairs to damage to the built environment are typically funded via the Gardens' reserves, a plan is in place to grow these reserves over the next 5 years to ensure funding is available.
N2	Reduction in number of volunteers reduces the level and reach of the work the Gardens can undertake.	The Gardens' volunteer coordinator runs annual recruitment drives to attract new volunteers. Existing volunteers are invited to many informal activities at the Gardens to increase retention rates.
N3	Reputational damage caused by losses to the collection.	Reputational damage, like losses to the collection, are minimised through the strategic propagation programme. Where required, PR activities will be sought from the County Council's specialist PR colleagues.
N4	Major accident or incident resulting in the Gardens' temporary closure	Very low risk; policies and procedures in place that seek to ensure the health and safety of all people on site, both visitors and staff; appropriate staff are fully trained to manage unexpected incidents, accidents and health-related emergencies.

Report of the trustees for the year ending 31 March 2024

Treasury management

SHHG operates under the Treasury Management Policy approved by its sole trustee, Hampshire County Council. That policy adheres to the principles of best practice including the adoption of the Treasury Management in the Public Services: Code of Practice produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

In accordance with Section 5 of the Code, SHHG maintains, as the cornerstones for effective treasury management:

- a treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMPs), setting out the manner in which the SHHG will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Trust defines its treasury management activities as:

“The management of the organisation’s investments, cash flows and banking; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst the Trust Board assumes full responsibility for the implementation and monitoring of its treasury management policies and practices, it delegates the execution and administration of treasury management decisions to the Director of Corporate Operations of Hampshire County Council, who will act in accordance with the organisation’s policy statement, CIPFA’s Standard of Professional Practice on Treasury Management and maintain TMPs covering the activities carried out for SHHG.

Report of the trustees for the year ending 31 March 2024

Reserves

The SHHG's reserves policy indicates the level of reserves the SHHG needs to operate effectively in accordance with its aims, needs and objectives considering potential risks and contingencies that may arise from time to time, and in the context of a separate risk management policy.

In the short term, this involves maintaining reserves at a level that enables SHHG to manage financial risk and income volatility. In the longer term, reserves help to ensure the ongoing delivery of SHHG's charitable objectives.

To establish an appropriate level of reserves the SHHG has reviewed the following factors:

- analysis of existing funds
- review of current income streams with an assessment of their level of reliability
- forecasts of income and expenditure
- an assessment of the risks facing the charity, and their impact.

As such, SHHG holds unrestricted funds in two reserves:

- **General Reserve:** funds set aside which may be used at the trustees' discretion that are held principally to mitigate financial risks and income volatility (31/3/24: £130,000). The Trust Board agreed in January 2023 that the general reserve fund would be increased by £30,000 per annum to provide contingency for the financial risks outlined in the Risk Management section of this report. The level of the general reserve fund is subject to an annual review to ensure it remains at an appropriate level and the Trust Board will in January 2025 consider and update the policy as appropriate to reflect changes in risk and the impact of the decision to bring the provision of catering services in-house. It is the intention of the Trust Board to increase the balance held in the General Reserve over time to mitigate the financial risks to the charity and to do so in a sustainable way that balances a desire to increase reserves with the need to continue to invest in the Gardens and deliver the charitable objectives.
- **Development Fund:** funds set aside which may be used at the trustees' discretion that are held principally for the general future development of SHHG (31/3/24: £631,738). There is no minimum or target balance agreed for the Development Fund. The Development Fund is intended to aid the longer term development of SHHG but may also be used in mitigation in meeting short term financial challenges at the discretion of the Trust Board.

Further details on reserves and the restricted funds of the SHHG are included within the Finances section that follows.

Report of the trustees for the year ending 31 March 2024

Fundraising Statement

Sir Harold Hillier Gardens complies with the Fundraising Regulators Code of Fundraising Practice and the Trustees have regard to national guidance in overseeing the fundraising activities of the Charity.

During 2023/24 no complaints were received in relation to SHHG fundraising activity.

We make every effort to ensure that our fundraising activity never feels unreasonably intrusive, persistent, or pressurised. This applies to our written communications and any fundraising activity at the gardens.

We respect the wishes of supporters who do not wish to receive fundraising communications and try to limit the number of communications a supporter might receive.

Finances

The statement of financial activities (SOFA) reports a net deficit for the year ended 31 March 2023 of £120,564.

The net surplus has decreased by £85,661 compared to the deficit of £206,225 reported for the period 2022/23. This is the result of several factors affecting both income and expenditure as set out below.

Income

Overall income has increased by £394,675 compared with the previous year. This is primarily due to the following:

- Income from Use of Gardens and Facilities increasing by £420,046. Of which, £268,792 relates to the transfer of catering operations to the gardens from HCC in January 2024.
- Income from donations increasing by £18,156.
- Income from Education visits increasing by £11,723.
- Grant income reducing by £49,564. This is because 2022-23 included one-off grants from HCC.
- The Local Authority contribution towards repair and maintenance costs has decreased by £8,971. This varies from year to year according to the level of work that is required and can be carried out in year.

Report of the trustees for the year ending 31 March 2024

Expenditure

Overall expenditure has increased by £298,445, primarily due to the following:

- An increase of 327,000 relating to catering operations which transferred to the gardens from HCC in January 2024.
- Staffing costs (excluding the impact of the catering transfer) increasing by £80,396.
- A reduction in energy costs of £55,160.
- A reduction in spend on Development of the Gardens of £38,000 due to one-off revenue expenditure in 2022-23.
- Repairs and maintenance costs funded by the Local Authority decreasing by £8,971

Unrestricted funds

Unrestricted funds are split between the development fund and the designated reserve fund. At 31 March 2023, the total balance of unrestricted funds was £761,738.

The SOFA for the financial year ended 31 March 2024 reflects an overall increase in unrestricted funds of £1,477. This is due to costs exceeding unrestricted income in 2023-24 by £239,091, offset by a transfer from applied contributions of £240,568 (see note 15c).

The development fund accounts for £631,738 of the total unrestricted funds and can be used at the trustees' discretion to further the charitable objectives of the Gardens.

The remaining balance of unrestricted funds of £130,000 comprises the Trust's designated reserve fund, held in line with the reverses policy. This has increased by £30,000 as outlined in the reserve strategy section.

Report of the trustees for the year ending 31 March 2024

Restricted funds

Six restricted funds were held as at 31 March 2024, totalling £363,106. These funds can only be applied to specific purposes, as follows:

- Hillier's expedition fund, £8,945

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

- 50-year development fund, £187,370

The 50-year development fund is to be used in line with the 50-year plan to fund major projects that continue to develop and enhance the Gardens.

- Hillier bursary fund, £41,738

The Hillier bursary fund is intended to fund training and development of permanent staff at the gardens that cannot be funded by the employer from core funds. The long-term intention for the fund is to accumulate sufficient capital that the interest earned can be used to fund such training. However, the achievement of the long-term aim of the fund is not intended to prevent current permanent staff benefiting and it can be accessed in the meantime to fund appropriate training and development opportunities.

- Elizabeth Creak Trust Training Fund £21,257

This fund represents grants received from the Elizabeth Creak Charitable Trust. These grants are retained in a restricted reserve and used to fund the training of students as these costs are incurred. Note 15b presents the grant income received in year and the expenditure incurred in year.

- Propagation Unit Fund £101,520

The Propagation Unit Fund is used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes. This will help the Gardens with their carbon reduction goals.

- Other restricted grants and donations £2,276

Other restricted grants and donations reserve is used to hold restricted grants or donations which have been received for a restricted purpose and have not yet been spent. As at 31 March 2024 the balance on this reserve relates to the Waste Prevention Community Grant Fund which was received from Hampshire County Council.

Report of the trustees for the year ending 31 March 2024

Balance sheet

The balance sheet shows the total funds of the charity at about £13.0 million. Of this total, just under £12 million represents the value of fixed assets owned by the charity, with the remainder the useable funds detailed above (£0.76m unrestricted funds plus £0.36m restricted funds).

Going concern consideration

The trustees are confident that the charity is a going concern. This assessment is based on the financial forecasts for income and expenditure to March 2026 and the level of reserves. There are risks associated with plans to increase income and reduce expenditure, particularly in relation to the catering function which has recently transferred into the gardens. Levels of income and expenditure will continue to be monitored closely, reported to the board regularly and mitigating actions taken where required.

Report of the trustees for the year ending 31 March 2024

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.





Sir Harold Hillier Gardens

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustee and signed on their behalf by:

Councillor Nick Adams-King

Date: 24th January 2025

Chairman of the Arboretum Trust Board

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Opinion

We have audited the financial statements of The Sir Harold Hillier Gardens and Arboretum (the 'charity') for the year ended 31st March 2024 which comprise the Statement of Financial Activity, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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.

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements, and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 31, 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 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.

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates through discussions with management, sector research, and the application of relevant audit knowledge and experience

- We made enquiries of management around actual and potential litigation and claims
- We made enquiries of management and relevant staff, and designed our audit procedures, including reviewing financial statements disclosures and testing of supporting documentation, to assess compliance with applicable laws and regulations. We focussed on laws and regulations which could give rise to material misstatement in the financial statements including, but not limited to, the Charities Act 2011, SORP 2019, and the Financial Reporting Standard 102.
- We identified the risk of material misstatement of the financial statements due to fraud and designed audit procedures to respond to the risk. We performed audit procedures designed to address the risk of fraud arising from management override of controls, including, but not limited to, testing of journal entries and other adjustments, reviewing accounting estimates for evidence of bias, and evaluating the business rationale of significant transactions outside the normal course of business.

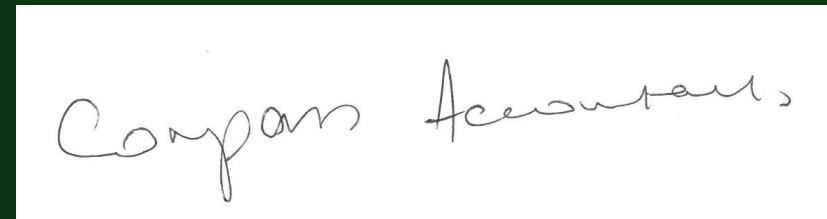
Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

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. 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.

A handwritten signature in black ink that reads "Compass Accountants". The signature is written in a cursive, flowing style.

Date: 27th January 2025

Compass Accountants Limited,

Chartered Accountants and Statutory Auditor

Venture House, The Tanneries,

East Street, Titchfield,

Hampshire, PO14 4AR



Financial Reports

Sir
Harold
Hillier
Gardens

Statement of Financial Activity

		2023/24	2023/24	2023/24	2023/24	2022/23
	Note	Unrestricted funds £	Restricted funds £	Endowment Funds £	Total funds £	Prior period total funds £
<i>Donations and legacies:</i>						
Donations		56,750	25,000	-	81,750	63,594
Grant Income		1,167	1,499	-	2,666	52,230
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,903,550	9,751	-	1,913,301	1,493,255
Education		98,231	-	-	98,231	86,508
<i>Investments:</i>						
Rents		139,442	-	-	139,442	136,358
Interest - bank		-	648	-	648	447
<i>Other:</i>						
Local Authority contribution		166,184	-	-	166,184	175,155
Gain on disposal of fixed asset		-	-	-	-	-
Income		2,365,324	36,898	-	2,402,222	2,007,547
<i>Charitable activities:</i>						
Management of Gardens and facilities		2,495,188	9,750	-	2,504,938	2,158,296
Development of Gardens		-	-	-	-	38,000
Education		109,227	31,621	-	140,848	151,045
Expenditure	4	2,604,415	41,371	-	2,645,786	2,347,341
<i>Net gains/(losses) on investments</i>				123,000	123,000	133,569
Net income/(expenditure)		(239,091)	(4,473)	123,000	(120,564)	(206,225)
Transfer between funds		240,568	(53,480)	(187,088)	-	-
<i>Gains/(losses) on the revaluation of fixed assets</i>		-	-	-	-	50,000
<i>Actuarial gains/(losses) on defined benefit pension scheme</i>		-	-	-	-	-
<i>Other gains/(losses)</i>		-	-	-	-	-
Net movement in funds		1,477	(57,953)	(64,088)	(120,564)	(156,225)
Reconciliation of funds						
Balances brought forward at 1 April	15	760,261	421,059	11,901,192	13,082,512	13,349,782
Funds balances carried forward at 31 March		761,738	363,106	11,837,104	12,961,948	13,238,737

2023-24 Catering Transfer

In January 2024 the Catering operation transferred from Hampshire County Council to Hillier's. Therefore, in 2023-24 the gross income and expenditure relating to Hillier's catering (15th January – 31 March 2024) is included in the SOFA. Prior to this the net surplus on catering was reflected in the SOFA, which was nil in 2022-2023. The part year income from catering for 2023-2024 was £269,000 and the expenditure was £327,000.

Balance Sheet

	Note	2023/24	2022/23
		£	£
Fixed assets			
Tangible fixed assets	11	10,409,572	10,596,660
Investment assets	11	1,226,000	1,103,000
Heritage assets	12	201,532	201,532
		11,837,104	11,901,192
Current assets			
Debtors	13	89,225	29,411
Cash at bank and held by Hampshire County Council	18	1,177,711	1,282,188
		1,266,936	1,311,599
Liabilities			
Creditors: Amounts falling due within one year	14	(142,092)	(130,279)
Provisions for liabilities and charges		nil	nil
Net current assets		1,124,844	1,181,320
Total assets less current liabilities		12,961,948	13,082,512
Long term creditors			
Amounts falling due after more than one year		nil	nil
Net assets		12,961,948	13,082,512
Funds			
Unrestricted	15a	761,738	760,261
Restricted	15b	363,106	421,059
Applied contributions	15c	4,084,375	4,271,463
Endowment	15c	826,602	826,602
Revaluation reserve	15c	6,926,127	6,803,127
		12,961,948	13,082,512

Approved by the sole trustee and signed on their behalf by:

Councillor Nick Adams-King,

Date: 24th January 2025

Chairman of the Arboretum Trust
Board

R Carr,

Date: 14th January 2025

Director of Corporate Operations,
Hampshire County Council

Statement of Cash Flows

	Note	2023/24 £	2022/23 £
Net cash provided by (used in) operating activities	17	(166,279)	(100,260)
Cash flows from investing activities:			
Interest and rents from investments		140,090	136,805
Proceeds from the sale of fixed asset		-	-
Purchase of property, plant and equipment		(78,288)	(5,417)
Net cash provided by (used in) investing activities		61,802	131,388
Change in cash and cash equivalents in the year		(104,477)	31,128
Cash and cash equivalents at the beginning of the year		1,282,188	1,251,060
Cash and cash equivalents at the end of the year		1,177,711	1,282,188

Notes to the Accounts



Sir
Harold Hillier
Gardens

1. Basis of Preparation

1. Basis of preparation and assessment of going concern

The 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 (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102) and the Charities Act 2011.

The Sir Harold Hillier Gardens and Arboretum (SHHG) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The address of the registered office and registered charity number are included in the legal and administrative information provided on page 2 of the annual report.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

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 £.

2. Accounting Policies

a. Income recognition & donations

Income is credited to the Statement of Financial Activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before becoming entitled to it or where the donor has specified that income is to be expended in the future period.

In accordance with the Charities SORP (FRS 102), no amount is recorded in the financial statements for volunteer time. Details of the activities undertaken by volunteers can be found in the trustees' annual report.

Donated professional services and / or facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. On receipt, donated professional services and facilities are recognised based on the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No donated professional services or facilities were received during 2023/24 (2022/23 nil).

Membership income is included in the year of receipt as this generally equates to a full year of income in each year over time. Rental income is credited to the Statement of Financial Activities in the year to which it relates.

b. Expenditure recognition

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

- Expenditure on charitable activities includes the costs of the management of the Gardens and its facilities, the development of the Gardens and the provision of teaching programmes, tours and hands-on workshops.
- Other expenditure consists of the costs relating to the governance of the Gardens.

c. Basis of allocation of charitable expenditure

Charitable expenditure includes direct and indirect costs that are allocated in relation to underlying activity levels established by the use of a number of indicators, for example accommodation costs by floor space occupied and human resources costs by average staff numbers throughout the financial year. The Charity does not receive any services for which it is not charged, and all costs are included in the Statement of Financial Activity.

2. Accounting Policies

d. Pensions

Pension contributions are paid to a multi-employer, local government defined benefit pension scheme in accordance with the recommendations of the actuary. Full details of the Hampshire Pension Fund are available in the County Council's Statement of Accounts. The contribution rate is determined by the Pension Fund's actuary (Aon Hewitt), set in relation to the current service period only. Therefore, in accordance with recommended practice for charities, pension costs are accounted for in line with defined contribution schemes. In 2023/24 the current service contribution rate was 17.8% of pensionable pay (18.4% in 2022/23). The current service contribution for pensions included in the Statement of Financial Activity is £188,632 (£156,237 in 2022/23). SHHG is under no obligation to make any extra payments, irrespective of how the pension fund performs.

e. Tangible fixed assets

Fixed Assets are valued and held in the accounts on the basis described in the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) 2019.

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual basis, provided that it benefits the Gardens and the services it provides are for more than one financial year.

Fixed Assets are categorised as follows:

Freehold interest in land and buildings

Assets in this category are revalued on a rolling programme and at least every five years. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. Assets are valued in the accounts on either a depreciated replacement cost basis or an existing use basis dependant on if comparable evidence exists in the market. Deprecation is charged on all fixed assets excluding land in accordance with Financial Reporting Standard (FRS) 102.

2. Accounting Policies

Depreciation is charged on a straight-line basis, over the estimated remaining useful life. At the last valuation these were assessed as follows:

- Traditional building structure 50 years
- System build and timber frame 35 years
- Temporary buildings 30 years
- Polytunnels 10 years

One piece of land previously donated to the Gardens is classified as investment property as this land is leased out to Hillier Nurseries to generate income. This asset will be revalued on an annual basis and is shown in the accounts at market value.

Depreciation is not charged on investment properties. Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in “net gains / (losses) on investments” in the Statement of Financial Activity.

Furniture and equipment (including garden infrastructure)

Furniture and equipment, including garden infrastructure, are valued at depreciated historic cost. They are depreciated over the expected useful life of the asset, as follows:

- Furniture and fittings 10 years
- Wooden structures 15 years
- IT, catering, and office equipment 5 years
- Pathways 60 years
- Irrigation systems 30 years
- Vehicles 10 years

Plants and trees at the Gardens and Arboretum are regarded as inalienable and historic and they are therefore not included as an asset in the Balance Sheet. Details of the collection are available at the Centre and a summary is provided in the Annual Report.

2. Accounting Policies

Assets under construction

Assets under construction are valued at cost. They are not depreciated until brought into use.

Research and development

Research and development costs are written off as incurred.

f. Heritage Assets

Heritage assets are held in pursuit of preservation and/or conservation objectives. The heritage assets include the land on which the arboretum sits as well as the separately acquired Ampfield Woods, an additional strip of land and the Centenary Border. This land is used for the conservation, cultivation, protection and improvement of a collection of plant species and cultivars of the temperate world for the public benefit and educational purposes.

A register of the heritage assets held by the charity is available and they are accessible to the public as visitors to SHHG since they represent the land on which the Gardens and Arboretum collection sits.

Heritage assets are capitalised at cost and shown at depreciated historic cost. Depreciation is charged on heritage assets excluding land, over the asset's useful life.

g. Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

h. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably established.

i. Funds accounting

Funds held by the charity are:

Other charitable funds

These are unrestricted general funds that can be used in accordance with the charitable objectives at the discretion of the trustees.

2. Accounting Policies

Designated funds

These are funds set aside by the trustees out of other charitable funds for specific future purposes or projects.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the relevant note to the accounts.

Endowment funds

These are funds that represent those assets that must be held permanently by the charity, principally the land on which the gardens and arboretum sit. Income arising on the endowment funds can be used in accordance with the objectives of the charity and is included as unrestricted income.

j. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 2, the trustees have made the following critical judgement:

Asset classifications

The trustees have made judgements on the classification of the tangible fixed assets held. These judgements determine the valuation and depreciation method to be used and are based on the main reason that the SHHG is holding that asset.

k. Post balance sheet events

As at 24 January 2025 when the accounts were signed by the Trust Board, there were no post balance sheet events requiring disclosure.

3. Comparative year information

Comparative year information
for figures reported in
Statement of Financial Activities

		2022/23	2022/23	2022/23	2022/23	2021/22
	Note	Unrestricted funds £	Restricted funds £	Endowment Funds £	Total funds £	Prior period total funds £
<i>Donations and legacies:</i>						
Donations		38,334	25,260	-	63,594	90,788
Grant Income		48,730	3,500	-	52,230	150,000
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,493,255	-	-	1,493,255	1,354,821
Education		86,508	-	-	86,508	58,533
<i>Investments:</i>						
Rents		136,358	-	-	136,358	122,232
Interest - bank		-	447	-	447	-
<i>Other:</i>						
Local Authority contribution		175,155	-	-	175,155	125,392
Gain on disposal of fixed asset		-	-	-	-	-
Total income		1,978,340	29,207	-	2,007,547	1,901,766
<i>Charitable activities:</i>						
Management of Gardens and facilities		2,157,776	520	-	2,158,296	1,917,004
Development of Gardens		38,000	-	-	38,000	-
Education		104,146	46,899	-	151,045	131,464
Total expenditure	4	2,299,922	47,419	-	2,347,341	2,048,468
<i>Net gains/(losses) on investments</i>				133,569	133,569	35,657
Net income/(expenditure)		(321,582)	(18,212)	133,569	(206,225)	(111,045)
Transfer between funds		258,613	-	(258,613)	-	-
<i>Gains/(losses) on the revaluation of fixed assets</i>		-	-	50,000	50,000	-
<i>Actuarial gains/(losses) on defined benefit pension scheme</i>		-	-	-	-	-
<i>Other gains/(losses)</i>		-	-	-	-	-
Net movement in funds		(62,969)	(18,212)	(75,044)	(156,225)	(111,045)
Reconciliation of funds						
Balances brought forward at 1 April	15	823,230	439,271	11,976,236	13,238,737	13,349,782
Funds balances carried forward at 31 March		760,261	421,059	11,901,192	13,082,512	13,238,737

4. Expenditure

4a. Analysis of total resources expended

	2023/24	2023/24	2023/24	2023/24	2022/23
	Staff costs	Support and governance costs	Other direct costs	Total funds	Prior period total funds
	£	£	£	£	£
Unrestricted funds					
Charitable activities					
Management of Gardens and facilities	1,157,225	448,188	889,775	2,495,188	2,157,776
Development of Gardens	-	-	-	-	38,000
Other projects	-	-	-	-	-
Education	108,039	-	1,188	109,227	104,146
Total unrestricted expenditure	1,265,264	448,188	890,963	2,604,415	2,299,922
Restricted funds					
Charitable expenditure					
Management of Gardens and facilities	9,750	-	-	9,750	520
Development of Gardens	-	-	-	-	-
Other projects	-	-	-	-	-
Education	30,354	-	1,267	31,621	46,899
Total restricted expenditure	40,104	-	1,267	41,371	47,419
Total expenditure	1,305,368	448,188	892,230	2,645,786	2,347,341

4. Expenditure

4b. Analysis of support and governance costs

	2023/24 Management of Gardens and facilities £	2022/23 Management of Gardens and facilities £
Employees	159,590	125,470
Communications and IT	71,686	70,016
Postages	12,372	9,066
Finance costs	5,440	5,832
Governance costs	63,683	62,477
Other	34,574	50,065
Depreciation	100,843	100,331
Total costs	448,188	423,257

4c. Analysis of governance costs

	2023/24 £	2022/23 £
Local Authority support functions	57,233	55,477
Audit Fee	6,450	7,000
	63,683	62,477

Governance costs are made up of the support functions provided by the Local Authority including internal audit, banking, financial reporting, employment practice advice and other strategic support, together with the cost of the external audit.

5. Employee information and Trustee Remuneration

Analysis of staff costs, trustee remuneration and expenses, and key management personnel

5a. Employee information

	2023/24	2022/23
	£	£
Salaries	1,151,325	890,188
Social security	87,199	71,663
Pension	188,632	154,732
Training	3,607	4,879
Recruitment and relocation	-	-
Other	34,196	3,341
	1,464,959	1,124,803

5b. Employee Numbers

The average number of persons employed during the year was:

	2023/24	2022/23
Headcount	56	47
Full time equivalent	36.94	31.53

No remuneration was paid to trustees in 2023/24, nor were any benefits provided by the charity in return for their role (2022/23: nil). No expenses were paid to the trustees during 2023/24 (2022/23: nil).

The Trust considers the key management personnel to be the trustees and the Director of the Gardens. For 2023/24, total employment benefits including employer pension contributions for key management personnel were £77,222 (2022/23 £74,163).

In 2023/24 one employee received total employee benefits (excluding employer pension costs) within the band of £60,000-£70,000 (2022/23: one). In 2023/24 no employees received total employee benefits (excluding employer pension costs) of £70,000 or over (2022/23: none).

In 2023/24 Other Employee costs includes redundancy costs of £30,588 (2022/23: nil).

In January 2024 the Catering operation transferred from Hampshire County Council to Hillier's. The pro rata impact of this transfer on Hillier's employee numbers is an increase in headcount of 5 and an increase in FTE of 4.4.

Notes to the Accounts

6. Auditors remuneration

The fee charged by the auditors, Compass Accountants, for the audit of the 2023/24 annual accounts is accrued at £6,450. For 2022/23, the auditors were Fiander Tovell Limited and the fee was £7,000.

7. Government grants received

	2023/24	2022/23
	£	£
Hampshire County Council Climate Change Funding	1,167	14,000
Hampshire County Council Replacement Till Project	-	24,730
Hampshire County Council Waste Prevention Community Grant Fund	1,499	3,500
	2,666	42,230

Notes to the Accounts

8. Related party transactions

Hampshire County Council is a related party of the charitable trust as sole trustee. The Council provided a contribution of £166,184 in the year 2023/24 (2022/23 £ 175,154).

Hampshire County Council charges SHHG annually for the provision of support functions including internal audit, banking, financial reporting, employment practice advice and other strategic support. The charge for 2023/24 is £56,521 (2022/23 is £55,242).

As a result of the shared banking facilities provided by the County Council, as at 31 March 2024 the cash held by Hampshire County Council on behalf of SHHG was £853,207 (31 March 2023 £963,901).

There were no related-party transactions involving members or Chief Officers of the County Council responsible for the affairs of the trust.

9. Gift aid

The total value of Gift Aid included within the Statement of Financial Activity for 2023/24 is £184,508. For 2022/23 the figure was £175,247.

10. Leasing costs

No costs relating to non-cancellable lease arrangements were incurred in either 2023/24 or 2022/23.

11.Tangible fixed assets

	Tangible fixed assets				
	Freehold Land & Buildings	Furniture & Equipment	Assets under construction	Total	Investment Assets
Asset cost, valuation or revalued amount					
Bought forward 1 April 2023	10,216,875	1,114,641	10,356	11,341,872	1,103,000
Additions	-	24,808	53,480	78,288	-
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Revaluation	-	-	-	-	123,000
Transfers	-	-	-	-	-
Balance carried forward 31 March 2024	10,216,875	1,139,449	63,836	11,420,160	1,226,000
Accumulated depreciation & impairment provsions					
Less Accumulated depreciation brought forward 01 April 2023	(410,653)	(334,559)	-	(745,212)	-
Disposals	-	-	-	-	-
Depreciation Charges for the year	(203,162)	(62,214)	-	(265,376)	-
Revaluation	-	-	-	-	-
Impairment charges	-	-	-	-	-
Transfers	-	-	-	-	-
Balance carried forward 31 March 2024	(613,815)	(396,773)	-	(1,010,588)	-
Net Book Value	9,603,060	742,676	63,836	10,409,572	1,226,000
Brought forward 01 April 2023	9,806,222	780,082	10,356	10,596,660	1,103,000
Carried forward 31 March 2024	9,603,060	742,676	63,836	10,409,572	1,226,000

The land and buildings are owned by Hampshire County Council in its capacity as trustee of The Sir Harold Hillier Gardens and Arboretum charity.

11.Tangible fixed assets

11b. Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2023/24		2022/23	
	Freehold land & buildings	Investment assets	Freehold land & buildings	Investment assets
	£	£	£	£
Cost	3,059,762	329,000	3,059,762	329,000
Accumulated depreciation	(1,279,490)		(1,220,251)	
Net book value	1,780,272	329,000	1,839,511	329,000

Freehold land and buildings and investment assets were subject to an independent, professional valuation at 31 March 2021, in line with the Trust's revaluation accounting policy. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. For freehold land and buildings the valuation is on either a depreciated replacement cost (DRC) basis or an existing use valuation (EUV) basis; investments assets are valued on a market value basis.

The DRC valuations of freehold land and buildings are subject to the prospect and viability of the continued occupation and use and cannot be relied upon as an indication of the amount that could be recovered if the service was discontinued and the asset retired. Properties valued using the DRC basis are of a specialised nature and the value derived is not based upon evidence of sales of similar assets in the market.

The market value of the investment assets is determined by the RICS qualified valuers based upon the annual rental income they generate.

12. Heritage assets

12. Heritage assets

The charity holds heritage assets as described in note 2f.

a. Analysis of movements in heritage assets during the year

There has been no movement in the overall value of heritage assets during 2023/24. The balance carried forward at 31 March 2023 therefore remains at £201,532.

b. Analysis of heritage assets transactions over the last 5 years

There have been no heritage asset transactions in the last 5 years.

Heritage assets	
	£
Balance brought forward 01.04.2023	201,532
Additions	-
Disposals	-
Depreciation	-
Revaluation	-
Balance carried forward 31.03.2024	<u>201,532</u>

Notes to the Accounts

13 Debtors

	2023/24	2022/23
	£	£
Prepayments and accrued interest	-	-
Other debtors	89,225	29,411
	89,225	29,411

Of the other debtors, £16,246 relates to Gift Aid yet to be received

14 Liabilities: Amounts falling due within one year

	2023/24	2022/23
	£	£
Trade creditors	(87,969)	(95,271)
Receipts in advance	(54,123)	(35,008)
	(142,092)	(130,279)

Of the trade creditors, £6,450 relates to an accrual for Compass Accountants external audit fee for 2023/24.

15. Analysis of charitable funds

15a. Analysis of movements in unrestricted funds

	Balance at 31 March 2023	Movement in resources			Balance at 31 March 2024
	£	Incoming £	Outgoing £	Transfers £	£
Hillier's Development Fund	660,261	2,365,324	(2,604,415)	210,568	631,738
Reserves Fund	100,000	-	-	30,000	130,000
	760,261	2,365,324	(2,604,415)	240,568	761,738

The Hillier's development fund represents the free reserves of the Trust, which may be applied at the discretion of the trustees to further any of the Trust's charitable objectives.

Since 2003/4 the Trustee has set aside funds to a designated fund which may be used for the general future development of the gardens.

In accordance with the legal requirement of the Charity Commission and the Sir Harold Hillier Garden and Arboretum's reserves policy, a Reserve Fund was established during 2007/08. The value of the Reserve Fund is reviewed annually by the Trust Board, taking into account the potential risks that SHHG may face.

15. Analysis of charitable funds

15b. Analysis of movements in restricted funds

	Balance at 31 March 2023	Movement in resources			Balance at 31 March 2024
	£	Incoming £	Outgoing	Transfers £	£
Hillier's Expedition	8,945	-	-	-	8,945
CAF 50 year development fund	186,814	557	-	-	187,371
CAF Hillier's Bursary Fund	41,645	92	-	-	41,737
Propagation Unit	155,000	-	-	(53,480)	101,520
Other restricted grants and donations	3,500	1,499	(2,723)	-	2,276
Elizabeth Creak Trust Training Fund	25,155	25,000	(28,898)	-	21,257
	421,059	27,148	(31,621)	(53,480)	363,106

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

The 50 year development fund is used to fund projects in line with the Gardens' 50 year plan. The 50 year plan is currently being updated so whilst there are no immediate plans to utilise the funds, they are being retained for this specific purpose.

The Propagation Unit Fund is used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes.

Hillier's bursary fund is used to fund training and development activities for permanent members of the Garden's staff.

Other restricted grants and donations is used to hold restricted grants or donations which have been received for a restricted purpose and have not yet been spent.

The Elizabeth Creak Trust Training Fund is used to fund the training of students. This is a restricted grant.

15. Analysis of charitable funds

15c. Analysis of movement in the endowment funds

	Balance at 31/03/2023	Incoming	Outgoing	Movement in resources Gains/(losses) on revaluation of investment assets	Transfers	Balance at 31/03/2024
	£	£	£	£	£	£
Endowment fund	826,602	-	-	-	-	826,602
Applied contributions	4,271,463	-	-	-	(187,088)	4,084,375
Revaluation reserve	6,803,127	-	-	123,000	-	6,926,127
	11,901,192	-	-	123,000	(187,088)	11,837,104

The Endowment fund was established in 1977 to provide an Arboretum and Botanic Garden for the use and benefit of the public.

The applied contributions account shows how much of the contributions have been spent on improvements to buildings and the gardens.

The transfer of £187,088 is the sum of capital expenditure in year of £78,288 less depreciation charges for the year of £265,376.

16. Analysis of net assets between funds

	see note	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Funds:					
<i>Hillier's Expedition</i>	15b	-	-	8,945	8,945
<i>Charities Aid Foundation (CAF)</i>	15b	-	-	187,371	187,371
<i>Hillier's Bursary Fund</i>	15b	-	-	41,737	41,737
<i>Propagation Unit</i>	15b	-	-	101,520	101,520
Other restricted grants and donations	15b	-	-	2,276	2,276
<i>Elizabeth Creak Trust Training Fund</i>	15b	-	-	21,257	21,257
Restricted funds subtotal		-	-	363,106	363,106
Unrestricted funds	15a	-	-	761,738	761,738
Applied contributions	15c	4,084,375	-	-	4,084,375
Endowment fund	15c	826,602	-	-	826,602
Revaluation reserve	15c	6,926,127	-	-	6,926,127
		11,837,104	-	1,124,844	12,961,948

Notes to the Accounts

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023/24 £	2022/23 £
Net movement in funds	(120,564)	(156,225)
Adjustments for:		
Depreciation charges	265,376	264,030
(Gains) / losses on investments	(123,000)	(133,569)
Dividends, interest and rents from investments	(140,090)	(136,805)
(Profit) / loss on the sale of fixed assets	-	-
(Gains) / losses on revaluation of fixed assets	-	(50,000)
(Increase) / decrease in stocks	-	-
(Increase) / decrease in debtors	(59,814)	25,981
Increase / (decrease) in creditors	11,813	86,328
Net cash provided by (used in) operating activities	(166,279)	(100,260)

18. Cash and cash equivalents

	2023/24 £	2022/23 £
Cash and cash equivalents consists of:		
Cash held on behalf of SHHG by Hampshire County Council and in hand	853,200	963,901
Cash at bank	324,511	318,287
Cash and cash equivalents at 31 March	1,177,711	1,282,188

Accounts



Annual Report



Sir Harold Hillier Gardens

1 April 2022 to 31 March 2023

Reference and administrative details:

The Sir Harold Hillier Gardens and Arboretum,
Jermyns Lane,
Ampfield,
Romsey,
Hampshire.
SO51 0QA

Tel: 01794 368787

www.hants.gov.uk/hilliergardens

Legal and administrative information:

The Sir Harold Hillier Gardens and Arboretum is a Registered Charity
(Reg. No 274737)

Sole trustee:

Hampshire County Council

Registered Address:

Director of Culture, Communities and
Business Services,
Hampshire County Council,
Three Minsters House,
76 High Street,
Winchester,
Hampshire. SO23 8UL

Auditor:

Fiander Tovell Limited,
Stag Gates House,
63/64 The Avenue,
Southampton,
SO17 1XS

Solicitor:

Hampshire Legal Services,
Hampshire County Council,
The Castle,
Winchester,
Hampshire. SO23 8UB

Banker:

National Westminster Bank
105 High Street
Winchester
Hampshire

For externally raised development funds:

CAF Bank Ltd,
25 Kings Hill Ave,
Kings Hill,
West Malling,
Kent. ME19 4JQ

Day-to-day responsibility for the Gardens is delegated by the sole trustee to the Director of Universal Services and the Director of the Sir Harold Hillier Gardens.

Report of the trustees for the year ending 31 March 2023

The trustees present their annual report and financial statements of the charity for the year ending 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Public Benefit

The object of the charity is to provide for the public benefit an Arboretum and Botanic Garden known as the 'Sir Harold Hillier Gardens' as a public facility to be enjoyed by people of all ages and, in particular but not exclusively, as a means to promote:

- 1. the conservation, protection, and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants.*
- 2. the education of the public about the cultivation, preservation, propagation and conservation of such plants and their impact upon biodiversity and the conservation of the physical and natural environment.*

When reviewing the objectives and planning the activities and future development of the Sir Harold Hillier Gardens (SHHG), the trustees have had due regard to the Charity Commission's guidance on public benefit.

SHHG levies an entry charge, which, together with commercial activities (income from shop, concessions, catering, and the hire of meeting rooms), donations and the support of the sole trustee allows the charity to carry out its charitable aims. Day entry prices are discounted for senior citizens, job seekers, service men and women, full time students and disabled visitors. The Gardens has recently started to charge for children, although entry is free for children attending with an adult member. A carer accompanying a disabled visitor is admitted without charge. In pre-pandemic times, the SHHG's Education Programme catered for over 15,000 annual users, most of these are primary and secondary school groups, visiting for a full educational day guided by the Gardens' education staff and volunteers. Thankfully, numbers have now returned to that of pre-2020, and the department is showing signs of good recovery.

Educating all our visitors and users, especially the young, about the value of the plant collection and biodiversity is one of the most important aspects of our charitable work. SHHG contributes to the training of the next generation of professional horticulturists by offering work placements, allowing the student to put the college acquired knowledge into practice and learn many of the practical skills required to look after such an outstanding plant collection.

The SHHG continues to conserve and educate by growing over 12,500 diverse types of plants, including over 250 rare taxa, over 600 champion trees (the largest number recorded in a single garden in the British Isles) and maintains 14 National Collections of plants, the largest number of any single UK plant collection. The Gardens also distribute plant material to other botanic gardens and plant collections and facilitates the use of its plant collection for scientific study in the UK and abroad.

The Gardens maintain an herbarium collection, which is almost exclusively maintained by volunteers. This represents a permanent record of the plant collection. A database of both the living and herbarium collection is available to the public and any interested party via the Gardens' website. The herbarium currently holds over 8,000 specimens.

Achievements and Performance 2022/23

The benefits of the Trust's work are the conservation of the Gardens' existing collection whilst continuing to develop the site to include new taxa and make the collection more accessible to visitors, making the collection accessible to researchers around the world through collaborations on site or online through digital cataloguing, increasing awareness of the natural world by attracting and engaging with greater numbers of visitors alongside running more formal educational programmes suitable for all age groups. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate great progress in pursuing its charitable objectives.

Horticultural and Facility Developments

The year 2022/23 has continued to be exceptional due to the on-going effects of the global pandemic, the rising cost of living, external world pressures and events. These combined with extreme weather conditions, most notably Storms Eunice & Franklin in February and March of 2022, followed by excessive heat during the summer of 2022, a wet autumn and extremely cold winter, have impacted the Gardens botanically, operationally, and financially. Despite the challenges, the Gardens have achieved the following:

- The team continue to work on plans for a new feature garden design that addresses the effects of Climate Change on horticultural development.
- This year the Gardens was also awarded a Gold Award from South and Southeast Britain in Bloom for the ninth year in a row, representing a tremendous tribute to the work of the entire team of staff, volunteers and supporters at the Gardens and the high level of service.
- The Education Garden's 'Climate Unity Exhibition' based on climate change received much positive feedback, as did the 21st Anniversary of 'Art in the Garden'. During the summer of 2022, families enjoyed a 'Crown Spotter Trail' and a 'Royal Plant Trail,' devised to celebrate Her Majesty's Platinum Jubilee. The Gardens was deeply saddened by the death of Her Majesty The Queen and six oak trees were planted in honour of Her Late Majesty's reign.
- The 'Sound Garden' in the Education Garden also underwent redevelopment in 2021-22 and now includes new musical play features which are proving to be extremely popular.
- The Gardens continued to plan for the development of the Propagation Unit for both immediate and long-term benefit, especially in relation to the impact of a changing climate on the collection. This work is made possible due to a grant, awarded from Hampshire County Council, together with investment from the Gardens' Development Fund.
- In November & December 2022, working in association with Light Up Trails, the Gardens presented a Christmas Light Trail, the first in the Gardens' history. The trail received much positive feedback, and over 38,815 visitors enjoyed the show.

Building on the success of this first year, the Gardens again worked with Light Up on a trail for Christmas 2023, where visitor numbers grew to just over 71,000.

The Plant Collection

Despite the pandemic and severe weather, the many volunteers have been active and have now measured well over 8,000 trees and shrubs in the Gardens. The Tree Register now lists over 600 of the Gardens' trees as UK Champions, more than any other collection in the country.

The herbarium volunteers have added specimens to the collection, with the total being around 8,500. All specimens have been photographed, allowing us to make the images easily available to any researcher worldwide. There are over 17,000 images in our database, most of them taken by volunteers. The importance and relevance of the collection cannot be underestimated, especially in relation to climate change.

The verification of the collection continues to increase the total number now being over 3,000.

Collaboration and Support of External Science and Research Projects

Besides continuing to grow and conserve one of the most diverse collection of plants, the Gardens continues to support other projects and institutions with its plant collection, such as Ghent Botanic Gardens and University in Belgium, the Royal Botanic Gardens, Kew, Royal Horticultural Society, Wisley, BGCI and Butterfly Conservation, Hampshire and Isle of Wight Branch, Plant Heritage, Westonbirt, Dendrology Society, Mediterranean Society, The American Oak Society, University of Southampton, Royal Forestry Society.

Education

The SHHG aims to share knowledge and promote a greater awareness of the fundamental importance of the natural world to all its visitors. An active and tailor-made education programme engages with visitors to the SHHG, whatever their age and level of knowledge, providing lively interpretation of the Collection through teaching programmes, tours and hands-on workshops. The diverse collection of plants provides the Education Service with a unique and inspirational outdoor classroom space reinforced by the purpose-built educational facilities in the Visitor Centre and the Children Education Garden. This garden continues to evolve with the help of the educational team and volunteers.

Usually, the Education Service welcomes around 15,000 users for formal education activities in the SHHG from the Foundation Stage, Primary, Secondary and Tertiary years to some adult classes.

The informal learning activities and family events are popular with young children who particularly enjoy the seasonal craft workshops and family trails.

Visitor numbers

	2018/19	2019/20	2020/21*	2021/22	2022/23
Day Entry	62,761	61,847	19,257	31,195	30,558
Groups	3,059	2,283	35	638	1,482
Children	53,117	52,699	7,958	18,070	44,196
Members	101,622	91,803	141,785	153,556	161,530
Education	15,565	14,005	913	8,996	15,860
Events	13,643	21,565	29	3,836	45,234
Total	249,767	244,202	169,977	216,291	298,860

*Please note that due to challenges recording diverse types of visitors during the pandemic reopening in 2020/21 the split by types of visitors is not completely accurate.

This year visitor numbers have grown, largely due to a positive Events Programme throughout the year, together with the introduction of a Christmas Light Trail for the first time in the Gardens' history. In the region of 40,000 visitors attended the trail. Day-entry and group visitor numbers still remain lower than that of pre-pandemic but Membership has steadily grown across the year, and accounts for the majority of footfall.

Private and Corporate Functions held at the Gardens

During the autumn of 2022 and early 2023, conferences and private hires continued to regain strength, indicating consumer confidence for the future. New IT equipment was installed in 2021/22 to ensure that the conference facilities continue to meet the professional needs of diverse attendees.

Volunteers

The volunteer and student programme continues to function well, growing to over 200 volunteers. The primary volunteer activities are:

- Upkeep and development of the SHHG, engaging under the supervision of the horticultural staff.
- Supporting the development and expansion of the herbarium
- Photography
- Tree measuring
- Labelling
- Administrative support
- Propagation unit
- Education

- Meeting and greeting the visitors and giving them additional information.
- Buggy Driving
- Supporting promoting the Gardens at shows.

Student Programme

During 2022/23, 4 local students attended the Student Programme. The programme affords a solid grounding in horticulture and is often the catalyst for successful careers for participants both in the UK and around the world. One volunteer overseas student from China was able to participate in the programme, the first since the pandemic.

Donations and Bursaries

The Gardens rely upon an increasing range of organisations and individuals in order to carry out its programmes and developments. The development of the Gardens in the past decade would not have been possible without the generosity of the following:

The Geoff and Fiona Squire Foundation	Mr Hady Wakefield
The Veolia Environmental Foundation	The Linbury Trust
The Equitable Charitable Trust	The Hillier Family
The Henry Smith Charity	The Monument Trust
Sir Jeremiah Coleman Trust	Mrs Jenny Grundy
Mr Christopher Palmer-Tomkinson	Taylors Bulbs
The G M Morrison Charitable Trust	Help the Aged
The Ernest Cook Trust	The HDH Wills 1965 Charitable Trust
Aiming High for Disabled Children	Veolia Pro Grow
Romsey Arts Festival	Hillier Nursery Ltd.
Hampshire County Council Landscape Team	Hampshire County Council Ecology Team
RHS Suzan Pearson Bursary	Historic and Botanic Garden Bursary Scheme
Graham High Group	Dulverton Trust
Elvetham Trust	Hampshire Gardens Trust
Rupert Nabarro	Elizabeth Creak Charitable Trust
The Finnis Scott Trust The Stanley Smith (UK) Horticultural Trust	Test Valley Borough Council Mr Giles Coode-Adams Mr Victor Bryant Mr Andrew Spokes Mr & Mrs Bernays Mrs Rita Ring The Julia and Hans Rausing Trust

Key outcomes for the year 2022/23

Outcome	2019/20	2020/21	2021/22	2022/23
Income from admissions and secondary income ¹	£1,660,861 (+1.6%)	£2,323,758 (+39.9%)	£1,596,374 (-31.1%)	£1,803,185 (13%)
Operating costs ²	£1,495,059 (+3.9%)	£1,684,558 (+12.7%)	£1,655,000 (-1.8%)	£1,908,325 (15.3%)
Total annual visitor numbers	244,202 visits (-2.2%)	169,977 visits (-30.4%)	216,291 visits (27.2%)	298,860 visits (38.2%)
Membership numbers	Est. 23,872 (+4.4%)	Est. 24,861 (+4.1%)	Est. 26,159 (+5.2%)	Est. 25,706 (-1.7%)
Retail income	£121,608 (+2.5%)	£113,225 (-6.9%)	£123,057 (8.7%)	£137,258 (11.5%)
Catering income ³	£87,011 (+1.2%)	£0 (-100%)	n/a	n/a
Corporate & private hire income	£10,083 (-57.4%)	£0 (-100%)	£10,951	£100,939 (821.7%)
Events and exhibition income	£95,440 (-16.3%)	£0 (-100%)	£85,741	£98,993 (15.5%)
Education, schools & events	£121,282 (-3.2%)	£21,440 (-82.3%)	£58,533 (173%)	£86,508 (47.8%)

Note:

1. secondary income refers to all other unrestricted income received during the year, excluding the budgeted contribution received from Hampshire County Council and any gains resulting from the sale of fixed assets.
2. excludes capital charges such as depreciation and impairments and Local Authority managed repair & maintenance and governance.
3. In 2021/22 and 2022/23 the cost of catering exceeded the income generated.

Plans for the Future

The Gardens plan to develop the Propagation Unit for both immediate and long-term benefit. It is anticipated that work will commence during early 2024, with a completion date of summer 2024.

The Gardens will also commence fundraising for a new feature garden, and development of the east end of the Garden. The feature garden will explore the impact of climate change on plant-life, together with encouraging greater footfall, Membership, and visitor growth.

The Gardens' review of Staffing Structure: Working in conjunction with Hampshire County Council's Business Strategy & Improvement Team, during 2022/23 the Gardens commenced a review of its staffing structure, to ensure that it is best placed for growth and development over the years ahead.

Alongside the Gardens' restructure, and following the wider reorganisation at Hampshire County Council in January 2023, the catering operation transfers to the Gardens' structure from January 2024, moving from the previous provider HC3S. Significant work has already taken place to facilitate a smooth transition and continuity of service.

Structure, governance, and management

Sir Harold Hillier Gardens and Arboretum (SHHG) were left by Sir Harold under the sole trusteeship of Hampshire County Council during 1977 and were registered as a charity on 12 January 1978 (number 274737). The County Council's Leader and Executive Member for Hampshire 2050 and Corporate Services, Councillor Rob Humby is responsible for approving the strategic decision-making for the Trust. The Leader delegates day-to-day responsibility for the Gardens to the Director of Universal Services, Patrick Blogg and the Director of the SHHG, Clare Goddard.

The Trust is governed by the Arboretum Trust Board (acting as the Executive) which comprises the Leader, the Chairman of the Advisory Committee and Director of Universal Services. The Trust Board and the SHHG are supported by an eminent group of advisers mostly with interest and expertise in the field of horticulture, gardens, plant collections and the charitable sector. All support the SHHG with their time and expertise, providing valuable guidance and advice. Membership of the Advisory Committee as in March 2023:

- Professor Monique Simmonds, Chairman
- County Councillor Cllr Nick Adams-King
- Captain Peter Erskine CBE, VMH (Nominated by the Royal Horticultural Society)
- Mr Roy Lancaster CBE, VMH
- Mr Martin Hillier (nominated by Hillier Nurseries Ltd)
- Test Valley Borough Cllr Martin Hatley
- Mr Edward Wake (Chair of the Hampshire Gardens' Trust)
- Mr Giles Coode-Adams OBE, VMH, DL
- Dr Carys Hughes (University of Southampton)
- County Councillor Cllr Kirsty North
- County Councillor Alexis McEvoy
- Mr Chris Carter
- Mr Andrew Smith (nominated by the Forestry Commission)
- Ms Jo Heath, Assistant Director of Recreation, Information and Business Services for Universal Services, Hampshire County Council.

The Advisory Committee is supported by a specialist Gardens Panel, comprising:

- Mr Chris Carter (Chairman)
- Mr Hugh Angus
- Mr Martin Hillier

- Mr Chris Bird
- Mr Ben Jones
- Mr Chris Sanders
- Mr Will Parker
- Ms Rosie Yeomans

President

Her Majesty The Queen Consort

Patrons

Roy Lancaster VMH, CBE: Former Curator of the Gardens, Roy Lancaster has been an ardent supporter and Patron of the Gardens for many years.

The sole trustee, Hampshire County Council, has provided a significant level of financial support to the SHHG since 1977. This enabled the size of the Garden to increase to 180 acres and included the completion of a range of capital projects. This has also enabled the potential of the collection to be maximised for education, recreation, and conservation purposes. What started as a private plant collection with a few hundred visitors has been made accessible to a wide range of visitors from all over the world.

Today it provides an excellent facility which normally attracts around 240,000 annual visitors, usually including over 15,000 formal education visits. The SHHG and plant collection has also grown, now boasting some 42,000 plants of over 12,500 taxa and 14 national plant collections set in a complementary mixture of formal and informal landscapes and feature gardens such as one of Europe's largest winter gardens. The significance of the collection is recognised by a Grade II listing in English Heritage's Register of Parks and Gardens of Special Historic Interest.

Related parties and co-operation with other organisations

The County Council, as sole trustee, is a key related party to SHHG and is responsible for the control, administration, and financial management of the SHHG. As a Local Authority, the County Council has in place control frameworks for risk management, internal control and governance, the adequacy and effectiveness of which are subject to annual evaluation by both external and internal audit. As the sole trustee, the County Council allows SHHG to benefit from the use of these control frameworks, including the use of support services including internal audit, banking, financial reporting, and employment practice advice, for which an annual charge is made, details of which can be found in note 7.

Through the Gardens' pursuit of achieving its charitable objective of "*the conservation, protection and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants*", SHHG supports other projects and institutions with access to its plant collection and knowledge.

Pay policy for senior staff

All staff are employed by Hampshire County Council on behalf of the Trust and therefore they follow all terms and conditions and policies as set by Hampshire County Council.

As employees of Hampshire County Council, staff salary levels are set in accordance with the Employment in Hampshire County Council (EHCC) 2007 Agreement. There are 11 pay grades within the EHCC pay framework, with roles matched to the appropriate grade following an evaluation using the Hay methodology.

The Trust considers the key management personnel to be the trustees and the Director of the Gardens and details of the employment benefits and expenses paid are disclosed in note 5 to the accounts.

Risk management

SHHG understands risk management as an essential part of the business, in its delivery of a unique botanical plant collection, outstanding gardens and arboretum with core educational and conservation activities as well as its supporting function to include conference and hire facilities.

An established risk management policy is in place, in support of which:

- the main risks which present opportunities or hazards to meeting the SHHG objectives are identified and assessed annually
- an up-to-date risk management plan is maintained and regularly reviewed
- appropriate control arrangements are established to mitigate risks.

The SHHG Internal Management Team, chaired by the Director:

- monitor risk management arrangements to ensure appropriate risk control and implementation
- satisfy itself that risks are being actively managed, and that appropriate controls are in place and working effectively, taking external influences into account
- review annually the approach to risk management and approve changes where necessary to key elements of its processes and procedures.

Trustees of larger charities are required to publish their assessment of the risks the charity faces and how they are managing them in their annual report.

Financial risks

The charity is exposed to two categories of financial risks:

- external risks that will impact the Gardens if they occur (e.g. national and local economic factors, climate change)
- risks related to internal management of the Gardens and the successful delivery of its objectives (e.g. operating model decisions, the implementation of the business plan).

The assessment and mitigation of financial risks is considered alongside the Medium Term Financial Plan and the Reserves Policy in a co-ordinated approach to strategic and financial planning.

In the event of any risk arising, and in the absence of any external financial support, the impact will be offset initially out of any annual surplus, then from any development funds

and/or the reserve fund, limited by any restrictions on the use of funds and/or contractual commitments against funds not yet spent. Any combination of the below scenarios would draw more heavily on those sources.

Risk		Mitigation
E1	Economic recession impacting income and funding	Reserves policy, marketing strategy and plan for income growth, robust financial management
E2	A period of high inflation resulting in cost pressures that cannot be matched with increased income	Robust financial management, ongoing efforts to deliver efficiencies, vacancy management, temporary reduction in focus of expenditure
E3	A reduction in support from Hampshire County Council	Reserves policy and income growth strategy; regular forward planning with Hampshire County Council
E4	A long period of closure resulting from an external shock	Potential external support (e.g. as received during covid closures), reserves policy; memberships smooth income as not as variable as day visits
E5	The impact of storms/ floods/ disease/ extreme heat	Reserves policy, regular review of changes and development of appropriate mitigations
I1	Unsuccessful integration and delivery of catering provision	Business plan for catering provision, robust financial management, promotional activity to encourage take-up
I2	Unsuccessful implementation of action plan to deliver income growth	Marketing strategy to promote the Gardens and the benefits to members/visitors/corporate users, engagement with users, pricing strategy, understanding customers
I3	Unsuccessful recruitment and retention into key roles related to delivery of the MTFP	Marketing of roles, staff development and benefits including non-financial benefits
I4	Inadequate funding set aside to meet asset repair and replacement	Asset management plan, assessment of likely expenditure, ongoing monitoring of asset condition and requirements; potential for external funding

Non-financial risks

The charity is also exposed to non-financial risks which include the following:

N1	Climate Change impact on operations, the built and natural environment	Losses to the collection are minimised through strategic propagation programmes. Repairs to damage to the built environment are typically funded via the Gardens' reserves, a plan is in place to grow these reserves over the next 5 years to ensure funding is available.
N2	Reduction in number of volunteers reduces the level and reach of the work the Gardens can undertake.	The Gardens' volunteer coordinator runs annual recruitment drives to attract new volunteers. Existing volunteers are invited to many informal activities at the Gardens to increase retention rates.
N3	Reputational damage caused by losses to the collection.	Reputational damage, like losses to the collection, are minimised through the strategic propagation programme. Where required, PR activities will be sought from the County Council's specialist PR colleagues.
N4	Major accident or incident resulting in the Gardens' temporary closure	Very low risk; policies and procedures in place that seek to ensure the health and safety of all people on site, both visitors and staff; appropriate staff are fully trained to manage unexpected incidents, accidents and health-related emergencies.

Treasury management

SHHG operates under the Treasury Management Policy approved by its sole trustee, Hampshire County Council. That policy adheres to the principles of best practice including the adoption of the Treasury Management in the Public Services: Code of Practice produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

In accordance with Section 5 of the Code, SHHG maintains, as the cornerstones for effective treasury management:

- a treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities

- suitable treasury management practices (TMPs), setting out the manner in which the SHHG will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Trust defines its treasury management activities as:

“The management of the organisation’s investments, cash flows and banking; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst the Trust Board assumes full responsibility for the implementation and monitoring of its treasury management policies and practices, it delegates the execution and administration of treasury management decisions to the Director of Corporate Operations of Hampshire County Council, who will act in accordance with the organisation’s policy statement, CIPFA’s Standard of Professional Practice on Treasury Management and maintain TMPs covering the activities carried out for SHHG.

Reserves

The SHHG’s reserves policy indicates the level of reserves the SHHG needs to operate effectively in accordance with its aims, needs and objectives taking into account potential risks and contingencies that may arise from time to time, and in the context of a separate risk management policy.

In the short term, this involves maintaining reserves at a level that enables SHHG to manage financial risk and income volatility. In the longer term, reserves help to ensure the ongoing delivery of SHHG’s charitable objectives.

To establish an appropriate level of reserves the SHHG has reviewed the following factors:

- analysis of existing funds
- review of current income streams with an assessment of their level of reliability
- forecasts of income and expenditure
- an assessment of the risks facing the charity, and their impact.

As such, SHHG holds unrestricted funds in two reserves:

- **General Reserve:** funds set aside which may be used at the trustees’ discretion that are held principally to mitigate financial risks and income volatility (31/3/23: £100,000). The Trust Board agreed in January 2023 that the general reserve fund would be increased by £30,000 per annum to provide contingency for the financial risks outlined in the Risk Management section of this report. The balance is forecast to be £130,000 at 31 March 2024. The level of the general reserve fund is subject to an annual review to ensure it remains at an appropriate level and the Trust Board will in January 2024 consider and update the policy as appropriate to reflect changes in risk and the impact of the decision to bring the provision of catering services in-house. It is the intention of the Trust Board to increase the balance held in the General Reserve over time to mitigate the financial risks to the charity and to

do so in a sustainable way that balances a desire to increase reserves with the need to continue to invest in the Gardens and deliver the charitable objectives.

- **Development Fund:** funds set aside which may be used at the trustees' discretion that are held principally for the general future development of SHHG (31/3/23: £660,261). There is no minimum or target balance agreed for the Development Fund. The Development Fund is intended to aid the longer term development of SHHG but may also be used in mitigation in meeting short term financial challenges at the discretion of the Trust Board.

Further details on reserves and the restricted funds of the SHHG are included within the Finances section that follows.

Fundraising Statement

Sir Harold Hillier Gardens complies with the Fundraising Regulators Code of Fundraising Practice and the Trustees have regard to national guidance in overseeing the fundraising activities of the Charity.

During 2022/23 no complaints were received in relation to SHHG fundraising activity.

We make every effort to ensure that our fundraising activity never feels unreasonably intrusive, persistent, or pressurised. This applies to our written communications and any fundraising activity at the gardens.

We respect the wishes of supporters who do not wish to receive fundraising communications and try to limit the number of communications a supporter might receive.

Finances

The statement of financial activities (SOFA) reports a net deficit for the year ended 31 March 2023 of £206,225.

The net deficit has increased by £95,180 compared to the deficit of £111,045 reported for the period 2021/22. This is the result of several factors affecting both income and expenditure as set out below.

Income

Overall income has increased by £105,781 compared with the previous year. This is primarily due to the following:

- Income from Use of Gardens and Facilities and from Education visits have increased by £138,434 and £27,975 respectively.
- Grant income reducing by £97,770. This is because 2021-22 included £150,000 of one-off grant from HCC for the propagation unit.
- Income from donations has decreased by £27,194.
- The Local Authority contribution towards repair and maintenance costs has increased by £49,763. This varies from year to year according to the level of work that is required and can be carried out in year.

Expenditure

Overall expenditure has increased by £298,873, primarily due to the following:

- Energy costs increasing by £110,290.
- Staffing costs increasing by £97,601.
- Repairs and maintenance costs funded by the Local Authority increasing by £49,763.

Gains/losses on investments

The £133,569 gain on investment assets in 2022/23 is higher than the gain of £35,657 in 2021/22. This is based on annual valuations of the investment property and therefore the value can fluctuate depending on the assessment of market conditions at the time of the valuation.

Unrestricted funds

Unrestricted funds are split between the development fund and the designated reserve fund. At 31 March 2023, the total balance of unrestricted funds was £760,261.

The SOFA for the financial year ended 31 March 2023 reflects an overall decrease in unrestricted funds of £62,969. This is due to costs exceeding unrestricted income in 2022-23 by £321,582, offset by a transfer from applied contributions of £258,613 (see note 15c).

The development fund accounts for £660,261 of the total unrestricted funds and can be used at the trustees' discretion to further the charitable objectives of the Gardens. As explained above, this balance has reduced by £62,969 from the previous year.

The remaining balance of unrestricted funds of £100,000 comprises the Trust's designated reserve fund, held in line with the reverses policy detailed in the Reserves section above. There has been no movement on this fund during 2022/23.

Restricted funds

Six restricted funds were held as at 31 March 2023, totalling £421,059. These funds can only be applied to specific purposes, as follows:

- Hillier's expedition fund, £8,945

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

- 50-year development fund, £186,814

The 50-year development fund is to be used in line with the 50-year plan to fund major projects that continue to develop and enhance the Gardens.

- Hillier bursary fund, £41,645

The Hillier bursary fund is intended to fund training and development of permanent staff at the gardens that cannot be funded by the employer from core funds. The long-term intention for the fund is to accumulate sufficient capital that the interest earned can be used to fund such training. However, the achievement of the long-term aim of the fund is not intended to prevent current permanent staff benefiting

and it can be accessed in the meantime to fund appropriate training and development opportunities.

- Elizabeth Creak Trust Training Fund £21,155

This fund represents grants received from the Elizabeth Creak Charitable Trust. These grants are retained in a restricted reserve and used to fund the training of students as these costs are incurred. Note 15b presents the grant income received in year and the expenditure incurred in year.

- Propagation Unit Fund £155,000

The Propagation Unit Fund is used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes. This will help the Gardens with their carbon reduction goals.

- Other restricted grants and donations £3,500

Other restricted grants and donations reserve is used to hold restricted grants or donations which have been received for a restricted purpose and have not yet been spent. As at 31 March 2023 the balance on this reserve relates to the Waste Prevention Community Grant Fund which was received from Hampshire County Council during 2022/23.

Balance sheet

The balance sheet shows the total funds of the charity at about £13.1 million. Of this total, just under £12 million represents the value of fixed assets owned by the charity, with the remainder the useable funds detailed above (£0.76m unrestricted funds plus £0.42m restricted funds).

Going concern consideration

A detailed exercise to forecast income and expenditure and prepare a Medium-Term Financial Plan (MTFP) has recently been completed. This plan was approved by the Arboretum Trust Board in November 2023 and covers the period to March 2027. The MTFP includes the forecast impact of plans to bring catering arrangements in-house as well as proposed changes to the staff structure. It is anticipated that in 2024-25 and 2025-26 the gardens will need to draw from unrestricted reserves as expenditure is forecasted to exceed income. This is largely due to challenging economic conditions and inflationary pressures impacting on expenditure. Although a draw from reserve is forecasted, unrestricted reserve balances are expected to remain at a sufficient level. A strategy to steadily increase income means that by 2026-2027 a surplus position is forecasted.

The in-year position will be closely monitored, and the trust board will receive regular reports on progress against the plan including the mitigations put in place to address identified risks as set out in the MTFP. The MTFP will be updated and reported to the Board annually (or more frequently if required) and will include the resultant impact on reserve balances.

With management plans, including a strategy to steadily increase income, plans to restructure and bring catering arrangements in house and a close review of all investment decisions the Trustees remain assured that the Gardens will continue as a going concern.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustee and signed on their behalf by:

Councillor Rob Humby

Chairman of the Arboretum Trust Board

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Opinion

We have audited the financial statements of Sir Harold Hillier Gardens and Arboretum (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes, including a summary of 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 charity's affairs as at 31 March 2023, and of its incoming resources and application of resources 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.

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 charity 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 require 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 accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 19, the trustees are responsible for the preparation of financial statements which 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 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 report in accordance with regulations made under section 154 of that Act.

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

A further description of our responsibilities 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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience.

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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.

Mark Gregory ACA (Senior Statutory Auditor)

Fiander Tovell Limited

**Chartered Accountants and Registered Auditors
Stag Gates House
63/64 The Avenue
Southampton
SO17 1XS**

Date:

Sir Harold Hiller Gardens and Arboretum
Statement of Financial Activities for the year ending 31 March 2023

		2022/23 Unrestricted funds £	2022/23 Restricted funds £	2022/23 Endowment Funds £	2022/23 Total funds £	2021/22 Prior period total funds £
Income						
<i>Donations and legacies:</i>						
Donations		38,334	25,260	-	63,594	90,788
Grant Income		48,730	3,500	-	52,230	150,000
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,493,255	-	-	1,493,255	1,354,821
Education		86,508	-	-	86,508	58,533
<i>Investments:</i>						
Rents		136,358	-	-	136,358	122,232
Interest - bank		-	447	-	447	-
<i>Other:</i>						
Local Authority contribution		175,155	-	-	175,155	125,392
Gain on disposal of fixed asset		-	-	-	-	-
Total income		1,978,340	29,207	-	2,007,547	1,901,766
Expenditure						
<i>Charitable activities:</i>						
Management of Gardens and facilities		2,157,776	520	-	2,158,296	1,917,004
Development of Gardens		38,000	-	-	38,000	-
Education		104,146	46,899	-	151,045	131,464
Total expenditure	4	2,299,922	47,419	-	2,347,341	2,048,468
<i>Net gains/(losses) on investments</i>				133,569	133,569	35,657
Net income/(expenditure)		(321,582)	(18,212)	133,569	(206,225)	(111,045)
Transfer between funds		258,613	-	(258,613)	-	-
<i>Gains/(losses) on the revaluation of fixed assets</i>		-	-	50,000	50,000	-
<i>Actuarial gains/(losses) on defined benefit pension scheme</i>					-	-
<i>Other gains/(losses)</i>					-	-
Net movement in funds		(62,969)	(18,212)	(75,044)	(156,225)	(111,045)
Reconciliation of funds						
Balances brought forward at 1 April	15	823,230	439,271	11,976,236	13,238,737	13,349,782
Funds balances carried forward at 31 March		760,261	421,059	11,901,192	13,082,512	13,238,737

**Sir Harold Hiller Gardens and Arboretum
Balance Sheet as at 31 March 2023**

	<i>Note</i>	2022/23	2021/22
		£	£
Fixed assets			
Tangible fixed assets	<i>11</i>	11,699,660	11,774,704
Heritage assets	<i>12</i>	201,532	201,532
		11,901,192	11,976,236
Current assets			
Debtors	<i>13</i>	29,411	55,392
Cash at bank and held by Hampshire County Council	<i>18</i>	1,282,188	1,251,060
		1,311,599	1,306,452
Liabilities			
Creditors: Amounts falling due within one year	<i>14</i>	(130,279)	(43,951)
Net current assets		1,181,320	1,262,501
Total assets less current liabilities		13,082,512	13,238,737
Long term creditors		nil	nil
Net assets		13,082,512	13,238,737
Funds			
Unrestricted	<i>15a</i>	760,261	823,230
Restricted	<i>15b</i>	421,059	439,271
Applied contributions	<i>15c</i>	4,271,463	4,530,076
Endowment	<i>15c</i>	826,602	826,602
Revaluation reserve	<i>15c</i>	6,803,127	6,619,558
		13,082,512	13,238,737

The notes at pages 28 to 42 form part of these accounts.

Approved by the sole trustee and signed on
their behalf by:



Councillor Rob Humby,
Chairman of the Arboretum Trust Board

R Carr,
Director of Corporate Operations, Hampshire
County Council

Sir Harold Hiller Gardens and Arboretum
Statement of Cash Flows for the year ending 31 March 2023

	Note	2022/23 £	2021/22 £
Net cash provided by (used in) operating activities	17	(100,260)	36,470
Cash flows from investing activities:			
Interest and rents from investments		136,805	122,232
Purchase of property, plant and equipment		(5,417)	(301,663)
Net cash provided by (used in) investing activities		131,388	(179,431)
Change in cash and cash equivalents in the year		31,128	(142,961)
Cash and cash equivalents at the beginning of the year		1,251,060	1,394,021
Cash and cash equivalents at the end of the year		1,282,188	1,251,060

Sir Harold Hillier Gardens and Arboretum
Notes to the accounts for the year ending 31 March 2023

1. Basis of preparation and assessment of going concern

The 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 (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102) and the Charities Act 2011.

The Sir Harold Hillier Gardens and Arboretum (SHHG) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The address of the registered office and registered charity number are included in the legal and administrative information provided on page 2 of the annual report.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

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 £.

2. Accounting policies

a. Income recognition & donations

Income is credited to the Statement of Financial Activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before becoming entitled to it or where the donor has specified that income is to be expended in the future period.

In accordance with the Charities SORP (FRS 102), no amount is recorded in the financial statements for volunteer time. Details of the activities undertaken by volunteers can be found in the trustees' annual report.

Donated professional services and / or facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. On receipt, donated professional services and facilities are recognised based on the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No donated professional services or facilities were received during 2022/23 (2021/22 nil).

Membership income is included in the year of receipt as this generally equates to a full year of income in each year over time.

Rental income is credited to the Statement of Financial Activities in the year to which it relates.

b. Expenditure recognition

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

- Expenditure on charitable activities includes the costs of the management of the Gardens and its facilities, the development of the Gardens and the provision of teaching programmes, tours and hands-on workshops.
- Other expenditure consists of the costs relating to the governance of the Gardens.

c. Basis of allocation of charitable expenditure

Charitable expenditure includes direct and indirect costs that are allocated in relation to underlying activity levels established by the use of a number of indicators, for example accommodation costs by floor space occupied and human resources costs by average staff numbers throughout the financial year. The Charity does not receive any services for which it is not charged, and all costs are included in the Statement of Financial Activity.

d. Pensions

Pension contributions are paid to a multi-employer, local government defined benefit pension scheme in accordance with the recommendations of the actuary. Full details of the Hampshire Pension Fund are available in the County Council's Statement of Accounts. The contribution rate is determined by the Pension Fund's actuary (Aon Hewitt), set in relation to the current service period only. Therefore, in accordance with recommended practice for charities, pension costs are accounted for in line with defined contribution schemes. In 2022/23 the current service contribution rate was 18.4% of pensionable pay (18.4% in 2021/22). The current service contribution for pensions included in the Statement of Financial Activity is £156,237 (£147,357 in 2021/22). SHHG is under no obligation to make any extra payments, irrespective of how the pension fund performs.

e. Tangible fixed assets

Fixed Assets are valued and held in the accounts on the basis described in the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) 2019.

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual basis, provided that it benefits the Gardens and the services it provides are for more than one financial year.

Fixed Assets are categorised as follows:

Freehold interest in land and buildings

Assets in this category are revalued on a rolling programme and at least every five years. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. Assets are valued in the accounts on either a depreciated replacement cost basis or an existing use basis dependant on if comparable evidence exists in the market. Depreciation is charged on all fixed assets excluding land in accordance with Financial Reporting Standard (FRS) 102. Depreciation is charged on a

straight-line basis, over the estimated remaining useful life. At the last valuation these were assessed as follows:

- Traditional building structure 50 years
- System build and timber frame 35 years
- Temporary buildings 30 years
- Polytunnels 10 years

One piece of land previously donated to the Gardens is classified as investment property as this land is leased out to Hillier Nurseries to generate income. This asset will be revalued on an annual basis and is shown in the accounts at market value.

Depreciation is not charged on investment properties. Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in “net gains / (losses) on investments” in the Statement of Financial Activity.

Furniture and equipment (including garden infrastructure)

Furniture and equipment, including garden infrastructure, are valued at depreciated historic cost. They are depreciated over the expected useful life of the asset, as follows:

- Furniture and fittings 10 years
- Wooden structures 15 years
- IT, catering, and office equipment 5 years
- Pathways 60 years
- Irrigation systems 30 years
- Vehicles 10 years

Plants and trees at the Gardens and Arboretum are regarded as inalienable and historic and they are therefore not included as an asset in the Balance Sheet. Details of the collection are available at the Centre and a summary is provided in the Annual Report.

Assets under construction

Assets under construction are valued at cost. They are not depreciated until brought into use.

Research and development

Research and development costs are written off as incurred.

f. Heritage Assets

Heritage assets are held in pursuit of preservation and/or conservation objectives. The heritage assets include the land on which the arboretum sits as well as the separately acquired Ampfield Woods, an additional strip of land and the Centenary Border. This land is used for the conservation, cultivation, protection and improvement of a collection of plant

species and cultivars of the temperate world for the public benefit and educational purposes.

A register of the heritage assets held by the charity is available and they are accessible to the public as visitors to SHHG since they represent the land on which the Gardens and Arboretum collection sits.

Heritage assets are capitalised at cost and shown at depreciated historic cost. Depreciation is charged on heritage assets excluding land, over the asset's useful life.

g. Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

h. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably established.

i. Funds accounting

Funds held by the charity are:

Other charitable funds

These are unrestricted general funds that can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds

These are funds set aside by the trustees out of other charitable funds for specific future purposes or projects.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the relevant note to the accounts.

Endowment funds

These are funds that represent those assets that must be held permanently by the charity, principally the land on which the gardens and arboretum sit. Income arising on the endowment funds can be used in accordance with the objectives of the charity and is included as unrestricted income.

j. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 2, the trustees have made the following critical judgement:

- Asset classifications

The trustees have made judgements on the classification of the tangible fixed assets held. These judgements determine the valuation and depreciation method to be used and are based on the main reason that the SHHG is holding that asset.

k. Post balance sheet events

As at 24 January 2024 when the accounts were signed by the Trust Board, there were no post balance sheet events requiring disclosure.

3. Comparative year information for figures reported in Statement of Financial Activities

		2021/22	2021/22	2021/22	2021/22	2020/21
		Unrestricted funds	Restricted funds	Endowment Funds	Total funds	Prior period total funds
	Note	£	£	£	£	£
Income						
<i>Donations and legacies:</i>						
Donations		60,788	30,000	-	90,788	256,690
Grant Income		-	150,000	-	150,000	925,000
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,354,821	-	-	1,354,821	1,057,370
Education		58,533	-	-	58,533	21,440
<i>Investments:</i>						
Rents		122,232	-	-	122,232	113,258
Interest - bank		-	-	-	-	-
<i>Other:</i>						
Local Authority contribution		125,392	-	-	125,392	353,034
Gain on disposal of fixed asset		-	-	-	-	-
Total income		1,721,766	180,000	0	1,901,766	2,726,792
Expenditure						
<i>Charitable activities:</i>						
Management of Gardens and facilities		1,917,004	-	-	1,917,004	2,053,261
Development of Gardens		-	-	-	-	-
Education		90,175	41,289	-	131,464	132,876
Total expenditure	4	2,007,179	41,289	0	2,048,468	2,186,137
<i>Net gains/(losses) on investments</i>				35,657	35,657	56,834
Net income/(expenditure)		(285,413)	138,711	35,657	(111,045)	597,489
Transfer between funds		(33,588)	-	33,588	-	-
<i>Gains/(losses) on the revaluation of fixed assets</i>		-	-	-	-	2,480,039
<i>Actuarial gains/(losses) on defined benefit pension scheme</i>					-	-
<i>Other gains/(losses)</i>					-	-
Net movement in funds		(319,001)	138,711	69,245	(111,045)	3,077,528
Reconciliation of funds						
Balances brought forward at 1 April	15	1,142,231	300,560	11,906,991	13,349,782	10,272,253
Funds balances carried forward at 31 March		823,230	439,271	11,976,236	13,238,737	13,349,782

4. Expenditure

a. Analysis of total expenditure

	2022/23	2022/23	2022/23	2022/23	2021/22
	Staff costs	Support and governance costs	Other direct costs	Total funds	Prior period total funds
	£	£	£	£	£
Unrestricted funds					
Charitable activities					
Management of Gardens and facilities	849,647	422,737	885,392	2,157,776	1,917,004
Development of Gardens	-	-	38,000	38,000	-
Other projects	-	-	-	-	-
Education	103,307		839	104,146	90,175
Total unrestricted expenditure	952,954	422,737	924,231	2,299,922	2,007,179
Restricted funds					
Charitable expenditure					
Management of Gardens and facilities	-	520	-	520	-
Development of Gardens	-	-	-	-	-
Other projects	-	-	-	-	-
Education	46,899			46,899	41,289
Total restricted expenditure	46,899	520	-	47,419	41,289
Total expenditure	999,853	423,257	924,231	2,347,341	2,048,468

b. Analysis of support and governance costs

	2022/23	2021/22
	Management of Gardens and facilities	Prior period
	£	£
Employees	125,470	111,665
Communications and IT	70,016	91,134
Postages	9,066	14,892
Finance costs	5,832	3,934
Governance costs	62,477	55,367
Other	50,065	25,021
Depreciation	100,331	101,868
Total costs	423,257	403,881

c. Analysis of governance costs

	2022/23	2021/22
	£	£
Local Authority support functions	55,477	49,367
Audit Fee	7,000	6,000
	62,477	55,367

Governance costs are made up of the support functions provided by the Local Authority including internal audit, banking, financial reporting, employment practice advice and other strategic support, together with the cost of the external audit.

5. Analysis of staff costs, trustee remuneration and expenses, and key management personnel

a. Employee information

	2022/23	2021/22
	£	£
Salaries	890,188	814,196
Social security	71,663	59,780
Pension	154,732	147,357
Training	4,879	2,679
Recruitment and relocation	0	0
Other	3,341	3,190
	1,124,803	1,027,202

No remuneration was paid to trustees in 2022/23, nor were any benefits provided by the charity in return for their role (2021/22: nil). No expenses were paid to the trustees during 2022/23 (2021/22: nil).

The Trust considers the key management personnel to be the trustees and the Director of the Gardens. For 2022/23, total employment benefits including employer pension contributions for key management personnel were £74,163 (2021/22 £67,916).

In 2022/23 one employee received total employee benefits (excluding employer pension costs) within the band of £60,000-£70,000 (2021/22: none). In 2022/23 no employees received total employee benefits (excluding employer pension costs) of £70,000 or over (2021/22: none).

b. Employee numbers

The average number of employees during the year was:

	2022/23	2021/22 (Restated)
Headcount	47	46
Full time equivalent	31.53	32.66

The employee numbers for 2021/22 have been restated (previously; headcount 50 and FTE 36.2). This is due to an error being identified with the 2021/22 data where a small number of employees were counted more than once.

6. Auditors remuneration

The fee charged by the auditors, Fiander Tovell Limited, for the audit of the 2022/23 annual accounts is accrued at £7,000. For 2021/22, the auditors were Fiander Tovell Limited and the fee was £6,000.

7. Government grants received

	2022/23	2021/22
	£	£
Hampshire County Council Climate Change Funding	14,000	150,000
Hampshire County Council Replacement Till Project	24,730	
Hampshire County Council Waste Prevention Community Grant Fund	3,500	
Coronavirus Job Retention Scheme (furlough)		2,247
	42,230	152,247

8. Related party transactions

Hampshire County Council is a related party of the charitable trust as sole trustee. The Council provided a contribution of £175,154 in the year 2022/23 (2021/22 £125,392).

Hampshire County Council charges SHHG annually for the provision of support functions including internal audit, banking, financial reporting, employment practice advice and other strategic support. The charge for 2022/23 is £55,242 (2021/22 is £49,367).

As a result of the shared banking facilities provided by the County Council, as at 31 March 2023 the cash held by Hampshire County Council on behalf of SHHG was £963,901 (31 March 2022 £932,786).

There were no related-party transactions involving members or Chief Officers of the County Council responsible for the affairs of the trust.

9. Gift aid

The total value of Gift Aid included within the Statement of Financial Activity for 2022/23 is £175,247. For 2021/22 the figure was £154,524.

10. Leasing costs

No costs relating to non-cancellable lease arrangements were incurred in either 2022/23 or 2021/22.

11. Tangible fixed assets

	Freehold land & Buildings	Investment Assets	Furniture and Equipment (including garden infrastructure)	Assets under construction	Total
Asset cost, valuation or revalued amount					
Bought forward 1 April 2022	10,165,269	969,431	1,110,830	10,356	12,255,886
Additions	1,606	-	3,811	-	5,417
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Revaluation (to RR)	50,000	133,569	-	-	183,569
Transfers	-	-	-	-	-
Balance carried forward 31 March 2023	10,216,875	1,103,000	1,114,641	10,356	12,444,872
Accumulated depreciation & impairment provisions					
Less Accumulated depreciation brought forward 1 April 2022	(207,491)	-	(273,691)	-	(481,182)
Disposals	-	-	-	-	-
Depreciation Charges for the year	(203,162)	-	(60,868)	-	(264,030)
Revaluation (to RR)	-	-	-	-	-
Impairment charges	-	-	-	-	-
Transfers	-	-	-	-	-
Balance carried forward 31 March 2023	(410,653)	-	(334,559)	-	(745,212)
Net Book Value	9,806,222	1,103,000	780,082	10,356	11,699,660
Brought forward 1 April 2022	9,957,778	969,431	837,139	10,356	11,774,704
Carried forward 31 March 2023	9,806,222	1,103,000	780,082	10,356	11,699,660

a. Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2022/23		2021/22	
	Freehold land & buildings £	Investment assets £	Freehold land & buildings £	Investment assets £
Cost	3,059,762	329,000	3,059,762	329,000
Accumulated depreciation	(1,220,251)	-	(1,161,013)	-
Net book value	1,839,511	329,000	1,898,749	329,000

Freehold land and buildings and investment assets were subject to an independent, professional valuation at 31 March 2021, in line with the Trust's revaluation accounting policy. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. For freehold land and buildings the valuation is on either a depreciated replacement cost (DRC) basis or an existing use valuation (EUV) basis; investments assets are valued on a market value basis.

The DRC valuations of freehold land and buildings are subject to the prospect and viability of the continued occupation and use and cannot be relied upon as an indication of the amount that could be recovered if the service was discontinued and the asset retired. Properties valued using the DRC basis are of a specialised nature and the value derived is not based upon evidence of sales of similar assets in the market.

The market value of the investment assets is determined by the RICS qualified valuers based upon the annual rental income they generate.

12. Heritage assets

The charity holds heritage assets as described in note 2f.

a. Analysis of movements in heritage assets during the year

There has been no movement in the overall value of heritage assets during 2022/23. The balance carried forward at 31 March 2023 therefore remains at £201,532.

b. Analysis of heritage assets transactions over the last 5 years

	2022/23	2021/22	2020/21	2019/20	2018/19
	£	£	£	£	£
Additions	-	-	-	-	57,500
Revaluation	-	-	-	-	(57,500)

13. Debtors

	2022/23	2021/22
	£	£
Other debtors	29,411	55,392

Of the other debtors, £14,738 relates to Gift Aid yet to be received for 2022/23 (2021/22 £18,287).

14. Liabilities: Amounts falling due within one year

	2022/23 £	2021/22 £
Trade creditors	(95,271)	(43,951)
Receipts in advance	(35,008)	-
	(130,279)	(43,951)

Of the trade creditors, £7,000 relates to an accrual for Fiander Tovell Limited's external audit fee for 2022/23.

15. Analysis of charitable funds

a. Analysis of movements in unrestricted funds

	Balance at 31 March 2022 £	Movement in resources			Balance at 31 March 2023 £
		Incoming £	Outgoing £	Transfers £	
Hillier's development fund	723,230	1,978,340	(2,299,922)	258,613	660,261
Reserves fund	100,000	-	-	-	100,000
	823,230	1,978,340	(2,299,922)	258,613	760,261

The Hillier's development fund represents the free reserves of the Trust, which may be applied at the discretion of the trustees to further any of the Trust's charitable objectives.

Since 2003/4 the Trustee has set aside funds to a designated fund which may be used for the general future development of the gardens.

In accordance with the legal requirement of the Charity Commission and the Sir Harold Hillier Garden and Arboretum's reserves policy, a Reserve Fund was established during 2007/08. The value of the Reserve Fund is reviewed annually by the Trust Board, taking into account the potential risks that SHHG may face.

b. Analysis of movements in restricted funds

	Balance at 31 March 2022	Movement in resources			Balance at 31 March 2023
		Incoming	Outgoing	Transfers	
	£	£	£	£	£
Hillier's Expedition fund	8,945	-	-	-	8,945
50 year development fund	186,432	382	-	-	186,814
Hillier's Bursary fund	41,840	325	(520)	-	41,645
Propagation Unit Fund	155,000	-	-	-	155,000
Other restricted grants and donations	-	3,500	-	-	3,500
Elizabeth Creak Trust Training Fund	47,054	25,000	(46,899)	-	25,155
	439,271	29,206	(47,419)	-	421,059

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

The 50 year development fund is used to fund projects in line with the Gardens' 50 year plan. The 50 year plan is currently being updated so whilst there are no immediate plans to utilise the funds, they are being retained for this specific purpose.

The Propagation Unit Fund is used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes.

Hillier's bursary fund is used to fund training and development activities for permanent members of the Garden's staff.

Other restricted grants and donations is used to hold restricted grants or donations which have been received for a restricted purpose and have not yet been spent.

The Elizabeth Creak Trust Training Fund is used to fund the training of students. This is a restricted grant.

c. Analysis of movement in the endowment funds

	Balance at 31 March 2022	Movement in resources				Balance at 31 March 2023
		Incoming	Outgoing	Gains/(losses) on revaluation of investment assets	Transfers	
	£	£	£	£	£	£
Endowment fund	826,602	-	-	-	-	826,602
Applied contributions	4,530,076	-	-	-	(258,613)	4,271,463
Revaluation reserve	6,619,558	-	-	183,569	-	6,803,127
	11,976,236	-	-	183,569	(258,613)	11,901,192

The Endowment fund was established in 1977 to provide an Arboretum and Botanic Garden for the use and benefit of the public.

The applied contributions account shows how much of the contributions have been spent on improvements to buildings and the gardens.

The transfer of £258,613 is the sum of capital expenditure in year of £5,417 less depreciation charges for the year of £264,030.

16. Analysis of net assets between funds

	Note	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Funds:					
<i>Hillier's expedition</i>	15b	-	-	8,945	8,945
<i>50 year development fund</i>	15b	-	-	186,814	186,814
<i>Hillier's bursary fund</i>	15b	-	-	41,645	41,645
<i>Propagation unit</i>	15b	-	-	155,000	155,000
<i>Other restricted grants and donations</i>	15b	-	-	3,500	3,500
<i>Elizabeth Creak Trust</i>					
<i>Training Fund</i>	15b	-	-	25,155	25,155
Restricted funds subtotal		-	-	421,059	421,059
Unrestricted funds	15a	-	-	760,261	760,261
Applied contributions	15c	4,271,463	-	-	4,271,463
Endowment fund	15c	826,602	-	-	826,602
Revaluation reserve	15c	6,803,127	-	-	6,803,127
		11,901,192	-	1,181,320	13,082,512

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2022/23 £	2021/22 £
Net movement in funds	(156,225)	(111,045)
Adjustments for:		
Depreciation charges	264,030	268,075
(Gains) / losses on investments	(133,569)	(35,657)
Dividends, interest and rents from investments	(136,805)	(122,232)
(Profit) / loss on the sale of fixed assets	-	-
(Gains) / losses on revaluation of fixed assets	(50,000)	-
(Increase) / decrease in debtors	25,981	88,883
Increase / (decrease) in creditors	86,328	(51,554)
Net cash provided by (used in) operating activities	(100,260)	36,470

18. Cash and cash equivalents

	2022/23	2021/22
	£	£
Cash held on behalf of SHHG by Hampshire County Council	963,901	932,786
Cash at bank	318,287	318,274
Cash and cash equivalents as at 31 March	1,282,188	1,251,060

Accounts



Annual Report



Sir Harold Hillier Gardens: The Centenary Border

1 April 2021 to 31 March 2022

Reference and administrative details:

The Sir Harold Hillier Gardens and Arboretum,
Jermyns Lane,
Ampfield,
Romsey,
Hampshire.
SO51 0QA

Tel: 01794 368787

www.hants.gov.uk/hilliergardens

Legal and administrative information:

The Sir Harold Hillier Gardens and Arboretum is a Registered Charity
(Reg. No 274737)

Sole trustee:

Hampshire County Council

Registered Address:

Director of Culture, Communities and
Business Services,
Hampshire County Council,
Three Minsters House,
76 High Street,
Winchester,
Hampshire. SO23 8UL

Auditor:

Fiander Tovell Limited,
Stag Gates House,
63/64 The Avenue,
Southampton,
SO17 1XS

Solicitor:

Hampshire Legal Services,
Hampshire County Council,
The Castle,
Winchester,
Hampshire. SO23 8UB

Banker:

National Westminster Bank
105 High Street
Winchester
Hampshire

For externally raised development funds:

CAF Bank Ltd,
25 Kings Hill Ave,
Kings Hill,
West Malling,
Kent. ME19 4JQ

Day-to-day responsibility for the Gardens is delegated by the sole trustee to the Director of Culture, Communities and Business Services and the Director of the Sir Harold Hillier Gardens.

Report of the trustees for the year ending 31 March 2022

The trustees present their annual report and financial statements of the charity for the year ending 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and public benefit

The object of the charity is to provide for the public benefit an Arboretum and Botanic Garden known as the 'Sir Harold Hillier Gardens' as a public facility to be enjoyed by people of all ages and, in particular but not exclusively, as a means to promote:

- 1. the conservation, protection, and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants;*
- 2. the education of the public about the cultivation, preservation, propagation and conservation of such plants and their impact upon biodiversity and the conservation of the physical and natural environment.*

When reviewing the objectives and planning the activities and future development of the Sir Harold Hillier Gardens (SHHG), the trustees have had due regard to the Charity Commission's guidance on public benefit.

SHHG levies an entry charge, which, together with commercial activities (income from shop, concessions, catering, and the hire of meeting rooms), donations and the support of the sole trustee allows the charity to carry out its charitable aims. Day entry prices are discounted for senior citizens, job seekers, service men and women, full time students and disabled visitors. The Gardens has recently started to charge for children, although entry is free for children attending with an adult member. A carer accompanying a disabled visitor is admitted without charge. In pre-pandemic times, the SHHG's Education Programme catered for over 15,000 annual users, most of these are primary and secondary school groups, visiting for a full educational day guided by the Gardens' education staff and volunteers. A nominal charge is applied for this programme. Although numbers have not yet returned to that of pre-2020, the department is showing signs of good recovery.

Educating all our visitors and users, especially the young, about the value of the plant collection and biodiversity is one of the most important aspects of our charitable work. SHHG contributes to the training of the next generation of professional horticulturists by offering work placements, allowing the student to put the college acquired knowledge into practice and learn many of the practical skills required to look after such an outstanding plant collection.

The SHHG continues to conserve and educate by growing over 12,500 diverse types of plants, including over 250 rare taxa, over 600 champion trees (the largest number recorded in a single garden in the British Isles) and maintains 14 National Collections of plants, the largest number of any single UK plant collection. The Gardens also distribute

plant material to other botanic gardens and plant collections and facilitates the use of its plant collection for scientific study in the UK and abroad.

The Gardens maintain a herbarium collection, which is almost exclusively maintained by volunteers. This represents a permanent record of the plant collection. A database of both the living and herbarium collection is available to the public and any interested party via the Gardens' website. The herbarium currently holds over 8,000 specimens.

Achievements and performance 2021/22

The benefits of the Trust's work are the conservation of the Gardens' existing collection whilst continuing to develop the site to include new taxa and make the collection more accessible to visitors, making the collection accessible to researchers around the world through collaborations on site or online through digital cataloguing, increasing awareness of the natural world by attracting and engaging with greater numbers of visitors alongside running more formal educational programmes suitable for all age groups. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate great progress in pursuing its charitable objectives.

Horticultural and facility developments

The year 2021/22 has continued to be exceptional due to the global pandemic, combined with extreme weather conditions, most notably Storms Eunice & Franklin in February and March of 2022. The effects of Covid & Climate Change are felt botanically, operationally, and financially. However, despite the challenges the Gardens were still able to undertake new developmental projects, due to the grant of 2020/21 from the Cultural Recovery Fund, together with individual giving.

- Additional path improvements have been made across the Gardens most notably adjacent to Jermyn's House and Centenary Border.
- A new irrigation system was installed in Magnolia Walk, Jermyn's House lawn and Centenary Border to assist with efficiencies and to improve the Gardens' water strategy.
- 1,000m of new deer fencing was installed to preserve and protect the collection.
- A further phase of planting in an area called the Woodlands of the World has been added and parts of the woodland continue to be cleared.
- A trail of *Hypericum* plants has been in its sixth year of evaluation, with a further year having been granted for a final assessment. This is a collaboration with the Royal Horticultural Society (RHS).
- Work has been completed on a major expansion of the catering facilities at Jermyn's House and building work was completed March 2021. The Garden Restaurant was officially opened by the Leader of Hampshire County Council, Cllr Keith Mans on the 29th of July 2021.
- A new 'Boat House' Shelter for the Pond area was commissioned and erected in memory of the benefactor the late Mr Victor Bryant and to all those who kindly donated towards the 'Reflection Appeal'.
- The Gardens have instigated a new Marketing Strategy and upgraded Website.

- The team continue to work on plans for a new feature garden design that addresses the effects of Climate Change on horticultural development.
- This year the Gardens was also awarded a Gold Award from South and Southeast Britain in Bloom for the Eighth year in a row, representing a tremendous tribute to the work of the entire team of staff, volunteers and supporters at the Gardens and the high level of service.
- A new Educational Shelter has been erected, the Honeysuckle Shelter, to provide an additional outside classroom space and for the benefit of the public.
- The 'Sound Garden' in the Education Garden is undergoing redevelopment and will include new musical play features.
- Two Electric Buggies have been acquired to assist with accessibility on site.
- The Gardens plan to develop the Propagation Unit for both immediate and long-term benefit, especially regarding the impact of a changing climate on the collection. This work is made possible due to a grant, awarded from Hampshire County Council, together with investment from the Gardens' Development Fund.

The plant collection

Despite the pandemic and severe weather, the many volunteers have been active and have now measured well over 8,000 trees and shrubs in the Gardens. The Tree Register now lists over 600 of the Gardens' trees as UK Champions, more than any other collection in the country.

The herbarium volunteers have added specimens to the collection, with the total being around 8,500. All specimens have been photographed, allowing us to make the images easily available to any researcher worldwide. There are over 17,000 images in our database, most of them taken by volunteers. The importance and relevance of the collection cannot be underestimated, especially in relation to climate change.

The verification of the collection continues to increase the total number now being over 3,000.

Collaboration and support of external science and research projects

Besides continuing to grow and conserve one of the most diverse collection of plants, the Gardens continues to support other projects and institutions with its plant collection, such as Ghent Botanic Gardens and University in Belgium, the Royal Botanic Gardens, Kew, Royal Horticultural Society, Wisley, BGCI and Butterfly Conservation, Hampshire and Isle of Wight Branch.

Education

The SHHG aims to share knowledge and promote a greater awareness of the fundamental importance of the natural world to all its visitors. An active and tailor-made education programme engages with visitors to the SHHG, whatever their age and level of knowledge, providing lively interpretation of the Collection through teaching programmes, tours and hands-on workshops. The diverse collection of plants provides the Education Service with a unique and inspirational outdoor classroom space reinforced by the purpose-built

educational facilities in the Visitor Centre and the Children Education Garden. This garden continues to evolve with the help of the educational team and volunteers.

Usually, the Education Service welcomes around 15,000 users for formal education activities in the SHHG from the Foundation Stage, Primary, Secondary and Tertiary years to some adult classes.

The informal learning activities and family events are popular with young children who particularly enjoy the seasonal craft workshops and the family trails. Thankfully, these were able to return during 2021/22 with a popular 'Pumpkin Spotter Trail' in Autumn 2021, followed by a Christmas Trail - 'Santa's Treetop Tour'. However, during early 2021 the return of the pandemic resulted in a severe restriction on visits and activities, which affected both formal and informal learning and engagement on site.

Visitor numbers

	2017/18	2018/19	2019/20	2020/21*	2021/22
Day Entry	48,752	62,761	61,847	19,257	31,195
Groups	3,776	3,059	2,283	35	638
Children	39,643	53,117	52,699	7,958	18,070
Members	87,897	101,622	91,803	141,785	153,556
Education	15,465	15,565	14,005	913	8,996
Events	7,406	13,643	21,565	29	3,836
Total	202,939	249,767	244,202	169,977	216,291

*Please note that due to challenges recording diverse types of visitors during the pandemic reopening in 2020/21 the split by types of visitors is not completely accurate in the above table.

This year has seen a steady record in visitor numbers, though still lower than in 2019/20, due to on-going effects of the pandemic. Yet, the statistics also reveal the importance that the Gardens have continued to play in the physical and mental well-being of visitors who have benefitted from the Gardens remaining open throughout phases of the pandemic. On a positive note, Membership has steadily grown across the year, and various events and activities resumed that aided visitor growth.

Private and corporate functions held at the Gardens

During the autumn of 2021, conferences and private hires were able to recommence at the Gardens. Although not yet returning to full capacity, numbers were encouraging and indicated a consumer confidence for the future.

Volunteers

The volunteer and student programme continues to function well, growing to over 200 volunteers. The primary volunteer activities are:

- Upkeep and development of the SHHG, engaging under the supervision of the horticultural staff
- Supporting the development and expansion of the herbarium
- Photography
- Tree measuring
- Labelling
- Administrative support
- Propagation unit
- Education
- Meeting and greeting the visitors and giving them additional information
- Buggy Driving
- Supporting promoting the Gardens at shows.

Student Programme

During 2021/22, 4 local students attended the Student Programme. The programme affords a solid grounding in horticulture and is often the catalyst for successful careers for participants both in the UK and around the world. Regrettably, due to the pandemic no overseas students were able to participate in the programme.

Donations and bursaries

The Gardens rely upon an increasing range of organisations and individuals in order to carry out its programmes and developments. The development of the Gardens in the past decade would not have been possible without the generosity of the following:

The Geoff and Fiona Squire Foundation	Mr Hady Wakefield
The Veolia Environmental Foundation	The Linbury Trust
The Equitable Charitable Trust	The Hillier Family
The Henry Smith Charity	The Monument Trust
Sir Jeremiah Coleman Trust	Mrs Jenny Grundy
Mr Christopher Palmer-Tomkinson	Taylors Bulbs
The G M Morrison Charitable Trust	Help the Aged
The Ernest Cook Trust	The HDH Wills 1965 Charitable Trust
Aiming High for Disabled Children	Veolia Pro Grow
Romsey Arts Festival	Hillier Nursery Ltd.
Hampshire County Council Landscape Team	Hampshire County Council Ecology Team
RHS Suzan Pearson Bursary	Historic and Botanic Garden Bursary Scheme

Graham High Group	Dulverton Trust
Eleventh Trust	Hampshire Gardens Trust
Rupert Nabarro	Elizabeth Creak Charitable Trust
The Finnis Scott Trust The Stanley Smith (UK) Horticultural Trust	Test Valley Borough Council Mr Giles Coode-Adams Mr Victor Bryant Mr Andrew Spokes

Key outcomes for the year 2021/22

Outcome	2019/20	2020/21	2021/22
Income from admissions and secondary income ¹	£1,660,861 (+1.6%)	£2,323,758 (+39.9%)	£1,596,374 (-31.1%)
Operating costs ²	£1,495,059 (+3.9%)	£1,684,558 (+12.7%)	£1,655,000 (-1.8%)
Total annual visitor numbers	244,202 visits (-2.2%)	169,977 visits (-30.4%)	216,291 visits (27.2%)
Membership numbers	Est. 23,872 (+4.4%)	Est. 24,861 (+4.1%)	Est. 26,159 (+5.2%)
Retail income	£121,608 (+2.5%)	£113,225 (-6.9%)	£123,057 (8.7%)
Catering income ³	£87,011 (+1.2%)	£0 (-100%)	n/a
Corporate & private hire income	£10,083 (-57.4%)	£0 (-100%)	£10,951
Events and exhibition income	£95,440 (-16.3%)	£0 (-100%)	£85,741
Education, schools & events	£121,282 (-3.2%)	£21,440 (-82.3%)	£58,533 (173%)

Note:

1. secondary income refers to all other unrestricted income received during the year, excluding the budgeted contribution received from Hampshire County Council and any gains resulting from the sale of fixed assets.
2. excludes capital charges such as depreciation and impairments and Local Authority managed repair & maintenance and governance.
3. In 2021/22 the cost of catering exceeded the income generated.

Plans for the future

The Gardens plan to develop the Propagation Unit for both immediate and long-term benefit. It is anticipated that work will commence during 2023, with a completion date of early 2024.

The Gardens will also commence fundraising for a new feature garden, and development of the east end of the Garden. The feature garden will explore the impact of climate change on plant-life, together with encouraging greater footfall, Membership, and visitor growth.

Structure, governance, and management

Sir Harold Hillier Gardens and Arboretum (SHHG) were left by Sir Harold under the sole trusteeship of Hampshire County Council during 1977 and were registered as a charity on 12 January 1978 (number 274737). The County Council's Leader and Executive Member for Policy, Resources and Economic Development, Councillor Rob Humby is responsible for approving the strategic decision-making for the Trust. The Leader delegates day-to-day responsibility for the Gardens to the Director of Culture, Communities and Business Services, Felicity Roe and the Director of the SHHG, Clare Goddard.

The Trust is governed by the Arboretum Trust Board (acting as the Executive) which comprises the Leader, the Chairman of the Advisory Committee and the Director of Culture, Communities and Business Services. The Trust Board and the SHHG are supported by an eminent group of advisers mostly with interest and expertise in the field of horticulture, gardens, plant collections and the charitable sector. All support the SHHG with their time and expertise, providing valuable guidance and advice.

Membership of the Advisory Committee as in March 2022:

- Professor Monique Simmonds, Chairman
- County Councillor Cllr Judith Grajewski BSc, Vice Chairman
- Captain Peter Erskine CBE, VMH (Nominated by the Royal Horticultural Society)
- Mr Roy Lancaster CBE, VMH
- Mr Martin Hillier (nominated by Hillier Nurseries Ltd)
- Ms Sara Redstone (nominated by the Royal Botanic Gardens, Kew)
- Test Valley Borough Cllr Martin Hatley
- Mrs Gilly Drummond OBE, VMH, DL
- Mr Giles Coode-Adams OBE, VMH, DL
- Dr Carys Hughes (University of Southampton)
- County Councillor Cllr Kirsty North
- Mr Chris Carter
- County Councillor Cllr Andrew Gibson
- Mr Andrew Smith (nominated by the Forestry Commission)

The Advisory Committee is supported by a specialist Gardens Panel, comprising:

- Mr Chris Carter (Chairman)
- Mr Hugh Angus
- Mr Martin Hillier

- Mr Chris Bird
- Mr Ben Jones
- Mr Chris Sanders
- Mr Will Parker
- Ms Rosie Yeomans

President

Her Royal Highness, The Duchess of Cornwall GCVO (now Her Majesty The Queen Consort)

Patrons

Lord Sainsbury of Preston Candover KG: The Gardens was extremely sad to learn of the death of Lord Sainsbury in January of 2022. Lord Sainsbury had made an invaluable contribution towards the Gardens over many years, which has been recognised through a tree-dedication and commemorative plaque.

Roy Lancaster VMH, CBE: Former Curator of the Gardens, Roy Lancaster has been an ardent supporter and Patron of the Gardens for many years.

The sole trustee, Hampshire County Council, has provided a significant level of financial support to the SHHG since 1977. This enabled the size of the Garden to increase to 180 acres and included the completion of a range of capital projects. This has also enabled the potential of the collection to be maximised for education, recreation, and conservation purposes. What started as a private plant collection with a few hundred visitors has been made accessible to a wide range of visitors from all over the world.

Today it provides an excellent facility which normally attracts around 240,000 annual visitors, usually including over 15,000 formal education visits. The SHHG and plant collection has also grown, now boasting some 42,000 plants of over 12,500 taxa and 14 national plant collections set in a complementary mixture of formal and informal landscapes and feature gardens such as one of Europe's largest winter gardens. The significance of the collection is recognised by a Grade II listing in English Heritage's Register of Parks and Gardens of Special Historic Interest.

Related parties and co-operation with other organisations

The County Council, as sole trustee, is a key related party to SHHG and is responsible for the control, administration, and financial management of the SHHG. As a Local Authority, the County Council has in place control frameworks for risk management, internal control and governance, the adequacy and effectiveness of which are subject to annual evaluation by both external and internal audit. As the sole trustee, the County Council allows SHHG to benefit from the use of these control frameworks, including the use of support services including internal audit, banking, financial reporting, and employment practice advice, for which an annual charge is made, details of which can be found in note 7.

Through the Gardens' pursuit of achieving its charitable objective of "*the conservation, protection and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants*",

SHHG supports other projects and institutions with access to its plant collection and knowledge.

Pay policy for senior staff

All staff are employed by Hampshire County Council on behalf of the Trust and therefore they follow all terms and conditions and policies as set by Hampshire County Council.

As employees of Hampshire County Council, staff salary levels are set in accordance with the Employment in Hampshire County Council (EHCC) 2007 Agreement. There are 11 pay grades within the EHCC pay framework, with roles matched to the appropriate grade following an evaluation using the Hay methodology.

The Trust considers the key management personnel to be the trustees and the Director of the Gardens and details of the employment benefits and expenses paid are disclosed in note 5 to the accounts.

Risk management

SHHG understands risk management as an essential part of the business, in its delivery of a unique botanical plant collection, outstanding gardens and arboretum with core educational and conservation activities as well as its supporting function to include conference and hire facilities.

An established risk management policy is in place, in support of which:

- the main risks which present opportunities or hazards to meeting the SHHG objectives are identified and assessed annually
- an up-to-date risk management plan is maintained and regularly reviewed
- appropriate control arrangements are established to mitigate risks.

The SHHG Internal Management Team, chaired by the Director:

- monitor risk management arrangements to ensure appropriate risk control and implementation
- satisfy itself that risks are being actively managed, and that appropriate controls are in place and working effectively, taking external influences into account
- review annually the approach to risk management and approve changes where necessary to key elements of its processes and procedures.

Treasury management

SHHG operates under the Treasury Management Policy approved by its sole trustee, Hampshire County Council. That policy adheres to the principles of best practice including the adoption of the Treasury Management in the Public Services: Code of Practice produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

In accordance with Section 5 of the Code, SHHG maintains, as the cornerstones for effective treasury management:

- a treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities

- suitable treasury management practices (TMPs), setting out the manner in which the SHHG will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Trust defines its treasury management activities as:

“The management of the organisation’s investments, cash flows and banking; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst the Trust Board assumes full responsibility for the implementation and monitoring of its treasury management policies and practices, it delegates the execution and administration of treasury management decisions to the Director of Corporate Operations of Hampshire County Council, who will act in accordance with the organisation’s policy statement, CIPFA’s Standard of Professional Practice on Treasury Management and maintain TMPs covering the activities carried out for SHHG.

Reserves

The SHHG’s reserves policy indicates the level of reserves the SHHG needs to operate effectively in accordance with its aims, needs and objectives taking into account potential risks and contingencies that may arise from time to time, and in the context of a separate risk management policy. To establish an appropriate level of reserves the SHHG has reviewed the following factors:

- analysis of existing funds
- review of current income streams with an assessment of their level of reliability
- forecasts of income and expenditure
- an assessment of the risks facing the charity, and their impact.

Following the review of these factors, the Trust Board has established a designated reserve fund of £100,000, to provide contingency funding in the event of a significant loss of income, for example if an outbreak of foot and mouth or something similar caused the gardens to close to visitors. This level of the designated reserve fund is subject to an annual review to ensure it remains an appropriate level.

Details of the balances and purposes of the other reserves held by SHHG are included within the Finances section that follows.

Fundraising Statement

Sir Harold Hillier Gardens adheres to a Fundraising Strategy that is reviewed by the Arboretum Trust Board. We work with external organisations to develop fundraising strategies and to identify, analyse and advise on fundraising opportunities.

Our fundraising complies with the Fundraising Regulators Code of Fundraising Practice and the Trustees have regard to national guidance in overseeing the fundraising activities of the Charity.

During 2021/22 no complaints were received in relation to SHHG fundraising activity.

We make every effort to ensure that our fundraising activity never feels unreasonably intrusive, persistent, or pressurised. This applies to our written communications and any fundraising activity at the gardens.

We respect the wishes of supporters who do not wish to receive fundraising communications and try to limit the number of communications a supporter might receive.

Finances

The statement of financial activities (SOFA) reports a net deficit for the year ended 31 March 2022 of £111,045.

The net deficit is a reduction of £708,534 compared to the surplus of £597,489 achieved during 2020/21. This is the result of several factors affecting both income and expenditure as set out below.

Income

Overall income has reduced by £825,026 compared with the previous year. This is primarily due to the following:

- Grant income reducing by £775,000. This is because 2020-21 included £925,000 of one-off grant from the Cultural Recovery Fund.
- Income from Use of Gardens and Facilities and from Education visits have increased by £297,451 and £37,093 respectively.
- Income from donations has decreased by £165,902
- The Local Authority contribution towards repair and maintenance costs has decreased by £227,642. This varies from year to year according to the level of work that is required and can be carried out in year.

Expenditure

Overall expenditure has decreased by £137,669, primarily due to the following:

- Repairs and maintenance costs funded by the Local Authority reducing by £227,642.
- Depreciation charge increasing by £119,529 due to new assets becoming operational in 2021/22.

Gains/losses on investments

The £35,657 gain on investment assets in 2021/22 is lower than the gain of £56,834 in 2020/21. This is based on annual valuations of the investment property and therefore the value can fluctuate depending on the assessment of market conditions at the time of the valuation.

Unrestricted funds

Unrestricted funds are split between the development fund and the designated reserve fund. At 31 March 2022, the total balance of unrestricted funds was £823,230.

The SOFA for the financial year ended 31 March 2022 reflects an overall decrease in unrestricted funds of £319,001. This is due to costs exceeding unrestricted income in 2021-22 and a transfer to applied contributions of £93,718 (see note 15c).

The development fund accounts for £723,230 of the total unrestricted funds and can be used at the trustees' discretion to further the charitable objectives of the Gardens. As explained above, this balance has reduced by £319,001 from the previous year.

The remaining balance of unrestricted funds of £100,000 comprises the Trust's designated reserve fund, held in line with the reverses policy detailed in the Reserves section above. There has been no movement on this fund during 2021/22.

Restricted funds

Four restricted funds were held as at 31 March 2022, totalling £439,271. These funds can only be applied to specific purposes, as follows:

- Hillier's expedition fund, £8,945

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

- 50-year development fund, £186,432

The 50-year development fund is to be used in line with the 50-year plan to fund major projects that continue to develop and enhance the Gardens.

- Staff bursary fund, £41,840

The staff bursary fund is intended to fund training and development of permanent staff at the gardens that cannot be funded by the employer from core funds. The long-term intention for the fund is to accumulate sufficient capital that the interest earned can be used to fund such training. However, the achievement of the long-term aim of the fund is not intended to prevent current permanent staff benefiting and it can be accessed in the meantime to fund appropriate training and development opportunities.

- Elizabeth Creak Trust Training Fund £47,054

This fund represents grants received from the Elizabeth Creak Charitable Trust. These grants are retained in a restricted reserve and used to fund the training of students as these costs are incurred. Note 14b presents the grant income received in year and the expenditure incurred in year.

- Propagation Unit Fund £155,000

The Propagation Unit Fund is used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes. This will help the Gardens with their carbon reduction goals. £150,000 of grant funding was received for this purpose from Hampshire County Council in 2021-22.

Balance sheet

The balance sheet shows the total funds of the charity at about £13.2 million. Of this total, just under £12 million represents the value of fixed assets owned by the charity, with the

remainder the useable funds detailed above (£0.82m unrestricted funds plus £0.44m restricted funds).

Going concern consideration

During 2021/22 visitor numbers and associated income increased significantly following the Covid-19 pandemic restrictions ending. However, financially it remained a challenging time for the gardens with catering income and visitor numbers having not quite returned to pre pandemic levels contributing to a net deficit being reported. Management are closely reviewing expenditure and income in order to bring the budget to a balanced position and have undertaken significant work to review the 2023/24 budget with further inflationary pressures also needing to be considered.

With management plans, including revised pricing, a review of catering arrangements, on-going fundraising and anticipated continued support from Hampshire County Council as sole trustee, the Trustees remain assured that the Gardens will continue as a going concern.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustee and signed on their behalf by:

Councillor Rob Humby

Chairman of the Arboretum Trust Board

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Opinion

We have audited the financial statements of Sir Harold Hillier Gardens and Arboretum (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes, including a summary of 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 charity's affairs as at 31 March 2022, and of its incoming resources and application of resources 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.

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 charity 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 require 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 accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 14, the trustees are responsible for the preparation of financial statements which 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 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 report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

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

A further description of our responsibilities 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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias.

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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.

Paul Meacher FCA (Senior Statutory Auditor)

Fiander Tovell Limited

**Chartered Accountants and Registered Auditors
Stag Gates House
63/64 The Avenue
Southampton
SO17 1XS**

Date

Sir Harold Hiller Gardens and Arboretum

Statement of Financial Activities for the year ending 31 March 2022

		2021/22	2021/22	2021/22	2021/22	2020/21
		Unrestricted funds	Restricted funds	Endowment Funds	Total funds	Prior period total funds
	Note	£	£	£	£	£
Income						
<i>Donations and legacies:</i>						
Donations		60,788	30,000	-	90,788	256,690
Grant Income		-	150,000	-	150,000	925,000
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,354,821	-	-	1,354,821	1,057,370
Education		58,533	-	-	58,533	21,440
<i>Investments:</i>						
Rents		122,232	-	-	122,232	113,258
Interest - bank		-	-	-	-	-
<i>Other:</i>						
Local Authority contribution		125,392	-	-	125,392	353,034
Gain on disposal of fixed asset		-	-	-	-	-
Total income		1,721,766	180,000	0	1,901,766	2,726,792
Expenditure						
<i>Charitable activities:</i>						
Management of Gardens and facilities		1,917,004	-	-	1,917,004	2,053,261
Development of Gardens		-	-	-	-	-
Education		90,175	41,289	-	131,464	132,876
Total expenditure	4	2,007,179	41,289	0	2,048,468	2,186,137
<i>Net gains/(losses) on investments</i>				35,657	35,657	56,834
Net income/(expenditure)		(285,413)	138,711	35,657	(111,045)	597,489
Transfer between funds		(33,588)	-	33,588	-	-
<i>Gains/(losses) on the revaluation of fixed assets</i>		-	-	-	-	2,480,039
<i>Actuarial gains/(losses) on defined benefit pension scheme</i>					-	-
<i>Other gains/(losses)</i>					-	-
Net movement in funds		(319,001)	138,711	69,245	(111,045)	3,077,528
Reconciliation of funds						
Balances brought forward at 1 April	15	1,142,231	300,560	11,906,991	13,349,782	10,272,253
Funds balances carried forward at 31 March		823,230	439,271	11,976,236	13,238,737	13,349,782

**Sir Harold Hiller Gardens and Arboretum
Balance Sheet as at 31 March 2022**

	<i>Note</i>	2021/22	2020/21
		£	£
Fixed assets			
Tangible fixed assets	11	11,774,704	11,705,459
Heritage assets	12	201,532	201,532
		<u>11,976,236</u>	<u>11,906,991</u>
Current assets			
Debtors	13	55,392	144,275
Cash at bank and held by Hampshire County Council	18	1,251,060	1,394,021
		<u>1,306,452</u>	<u>1,538,296</u>
Liabilities			
Creditors: Amounts falling due within one year	14	(43,951)	(95,505)
Net current assets		<u>1,262,501</u>	<u>1,442,791</u>
Total assets less current liabilities		<u>13,238,737</u>	<u>13,349,782</u>
Net assets		<u>13,238,737</u>	<u>13,349,782</u>
Funds			
Unrestricted	15a	823,230	1,142,231
Restricted	15b	439,271	300,560
Applied contributions	15c	4,530,076	4,496,488
Endowment	15c	826,602	826,602
Revaluation reserve	15c	6,619,558	6,583,901
		<u>13,238,737</u>	<u>13,349,782</u>

The notes at pages 22 to 35 form part of these accounts.

Approved by the sole trustee and signed on their behalf by:

Councillor Rob Humby,
Chairman of the Arboretum Trust Board

R Carr,
Director of Corporate Operations, Hampshire
County Council

Sir Harold Hiller Gardens and Arboretum
Statement of Cash Flows for the year ending 31 March 2022

	Note	2021/22 £	2020/21 £
Net cash provided by (used in) operating activities	17	36,470	530,715
Cash flows from investing activities:			
Interest and rents from investments		122,232	113,258
Purchase of property, plant and equipment		(301,663)	(1,063,334)
Net cash provided by (used in) investing activities		(179,431)	(950,076)
Change in cash and cash equivalents in the year		(142,961)	(419,361)
Cash and cash equivalents at the beginning of the year		1,394,021	1,813,382
Cash and cash equivalents at the end of the year		1,251,060	1,394,021

Sir Harold Hillier Gardens and Arboretum
Notes to the accounts for the year ending 31 March 2022

1. Basis of preparation and assessment of going concern

The 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 (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102) and the Charities Act 2011.

The Sir Harold Hillier Gardens and Arboretum (SHHG) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The address of the registered office and registered charity number are included in the legal and administrative information provided on page 1 of the annual report.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

2. Accounting policies

a. Income recognition & donations

Income is credited to the Statement of Financial Activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before becoming entitled to it or where the donor has specified that income is to be expended in the future period.

In accordance with the Charities SORP (FRS 102), no amount is recorded in the financial statements for volunteer time. Details of the activities undertaken by volunteers can be found in the trustees' annual report.

Donated professional services and / or facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. On receipt, donated professional services and facilities are recognised based on the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No donated professional services or facilities were received during 2021/22 (2020/21 nil).

Membership income is included in the year of receipt as this generally equates to a full year of income in each year over time.

Rental income is credited to the Statement of Financial Activities in the year to which it relates.

b. Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of

obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of the management of the Gardens and its facilities, the development of the Gardens and the provision of teaching programmes, tours and hands-on workshops.
- Other expenditure consists of the costs relating to the governance of the Gardens.

c. Basis of allocation of charitable expenditure

Charitable expenditure includes direct and indirect costs that are allocated in relation to underlying activity levels established by the use of a number of indicators, for example accommodation costs by floor space occupied and human resources costs by average staff numbers throughout the financial year. The Charity does not receive any services for which it is not charged, and all costs are included in the Statement of Financial Activity.

d. Pensions

Pension contributions are paid to a multi-employer, local government defined benefit pension scheme in accordance with the recommendations of the actuary. Full details of the Hampshire Pension Fund are available in the County Council's Statement of Accounts. The contribution rate is determined by the Pension Fund's actuary (Aon Hewitt), set in relation to the current service period only. Therefore, in accordance with recommended practice for charities, pension costs are accounted for in line with defined contribution schemes. In 2021/22 the current service contribution rate was 18.4% of pensionable pay (18.4% in 2020/21). The current service contribution for pensions included in the Statement of Financial Activity is £147,357 (£147,414 in 2020/21). SHHG is under no obligation to make any extra payments, irrespective of how the pension fund performs.

e. Tangible fixed assets

Fixed Assets are valued and held in the accounts on the basis described in the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) 2019.

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual basis, provided that it benefits the Gardens and the services it provides are for more than one financial year.

Fixed Assets are categorised as follows:

Freehold interest in land and buildings

Assets in this category are revalued on a rolling programme and at least every five years. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. Assets are valued in the accounts on either a depreciated replacement cost basis or an existing use basis dependant on if comparable evidence exists in the market. Depreciation is charged on all fixed assets excluding land in accordance with Financial Reporting Standard (FRS) 102. Depreciation is charged on a straight-line basis, over the estimated remaining useful life. At the last valuation these were assessed as follows:

- Traditional building structure 50 years
- System build and timber frame 35 years

- Temporary buildings 30 years
- Polytunnels 10 years

One piece of land previously donated to the Gardens is classified as investment property as this land is leased out to Hillier Nurseries to generate income. This asset will be revalued on an annual basis and is shown in the accounts at market value.

Depreciation is not charged on investment properties. Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in “net gains / (losses) on investments” in the Statement of Financial Activity.

Furniture and equipment (including garden infrastructure)

Furniture and equipment, including garden infrastructure, are valued at depreciated historic cost. They are depreciated over the expected useful life of the asset, as follows:

- Furniture and fittings 10 years
- Wooden structures 15 years
- IT, catering, and office equipment 5 years
- Pathways 60 years
- Irrigation systems 30 years
- Vehicles 10 years

Plants and trees at the Gardens and Arboretum are regarded as inalienable and historic and they are therefore not included as an asset in the Balance Sheet. Details of the collection are available at the Centre and a summary is provided in the Annual Report.

Assets under construction

Assets under construction are valued at cost. They are not depreciated until brought into use.

Research and development

Research and development costs are written off as incurred.

f. Heritage Assets

Heritage assets are held in pursuit of preservation and/or conservation objectives. The heritage assets include the land on which the arboretum sits as well as the separately acquired Ampfield Woods, an additional strip of land and the Centenary Border. This land is used for the conservation, cultivation, protection and improvement of a collection of plant species and cultivars of the temperate world for the public benefit and educational purposes.

A register of the heritage assets held by the charity is available and they are accessible to the public as visitors to SHHG since they represent the land on which the Gardens and Arboretum collection sits.

Heritage assets are capitalised at cost and shown at depreciated historic cost. Depreciation is charged on heritage assets excluding land, over the asset's useful life.

g. Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

h. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably established.

i. Funds accounting

Funds held by the charity are:

Other charitable funds

These are unrestricted general funds that can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds

These are funds set aside by the trustees out of other charitable funds for specific future purposes or projects.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the relevant note to the accounts.

Endowment funds

These are funds that represent those assets that must be held permanently by the charity, principally the land on which the gardens and arboretum sit. Income arising on the endowment funds can be used in accordance with the objectives of the charity and is included as unrestricted income.

j. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 2, the trustees have made the following critical judgement:

- **Asset classifications**
The trustees have made judgements on the classification of the tangible fixed assets held. These judgements determine the valuation and depreciation method to be used and are based on the main reason that the SHHG is holding that asset.

k. Post balance sheet events

As at 25 January 2023 when the accounts were signed by the Trust Board, there were no post balance sheet events requiring disclosure.

3. Comparative year information for figures reported in Statement of Financial Activities

	2020/21	2020/21	2020/21	2020/21	2019/20
	Unrestricted funds	Restricted funds	Endowment Funds	Total funds	Prior period total funds
	£	£	£	£	£
Income					
<i>Donations and legacies:</i>					
Donations	206,690	50,000	-	256,690	100,869
Grant Income	925,000		-	925,000	0
<i>Charitable activities:</i>					
Use of Gardens and Facilities	1,057,370	-	-	1,057,370	1,370,852
Education	21,440	-	-	21,440	121,282
<i>Investments:</i>					
Rents	113,258	-	-	113,258	118,858
Interest - bank	-	-	-	0	0
<i>Other:</i>					
Local Authority contribution	353,034	-	-	353,034	145,321
Gain on disposal of fixed asset	0		-	0	0
Total income	2,676,792	50,000	-	2,726,792	1,857,182
Expenditure					
<i>Charitable activities:</i>					
Management of Gardens and facilities	2,053,261	-	-	2,053,261	1,647,850
Education	87,298	45,578	-	132,876	143,414
Total expenditure	2,140,559	45,578	-	2,186,137	1,791,264
<i>Net gains/(losses) on investments</i>			56,834	56,834	30,080
Net income/(expenditure)	536,233	4,422	56,834	597,489	95,998
Transfer between funds	(914,788)	-	914,788	-	-
<i>Gains/(losses) on the revaluation of fixed assets</i>	-	-	2,480,039	2,480,039	-
Net movement in funds	(378,555)	4,422	3,451,661	3,077,528	95,998
Reconciliation of funds					
Balances brought forward at 1 April	1,520,786	296,138	8,455,330	10,272,254	10,176,256
Funds balances carried forward at 31 March	1,142,231	300,560	11,906,991	13,349,782	10,272,253

4. Expenditure

a. Analysis of total expenditure

	2021/22	2021/22	2021/22	2021/22	2020/21
	Staff costs	Support and governance costs	Other direct costs	Total funds	Prior period total funds
	£	£	£	£	£
Unrestricted funds					
Charitable activities					
Management of Gardens and facilities	786,648	403,881	726,475	1,917,004	2,053,261
Development of Gardens				-	-
Other projects				-	-
Education	87,600		2,575	90,175	87,298
Total unrestricted expenditure	874,248	403,881	729,050	2,007,179	2,140,559
Restricted funds					
Charitable expenditure					
Management of Gardens and facilities		-	-	-	-
Development of Gardens		-	-	-	-
Other projects		-	-	-	-
Education	41,289	-	-	41,289	45,578
Total restricted expenditure	41,289	-	-	41,289	45,578
Total expenditure	915,537	403,881	729,050	2,048,468	2,186,137

b. Analysis of support and governance costs

	2021/22	2020/21
	Management of Gardens and facilities	Prior period
	£	£
Employees	111,665	108,770
Communications and IT	91,134	66,810
Postages	14,892	13,765
Finance costs	3,934	712
Governance costs	55,367	88,466
Other	25,021	14,415
Depreciation	101,868	56,447
Total costs	403,881	349,385

c. Analysis of governance costs

	2021/22	2020/21
	£	£
Local Authority support functions	49,367	82,466
Audit Fee	6,000	6,000
	55,367	88,466

Governance costs are made up of the support functions provided by the Local Authority including internal audit, banking, financial reporting, employment practice advice and other strategic support, together with the cost of the external audit.

5. Analysis of staff costs, trustee remuneration and expenses, and key management personnel

a. Employee information

	2021/22	2020/21
	£	£
Salaries	814,196	838,685
Social security	59,780	58,024
Pension	147,357	147,414
Training	2,679	3,057
Recruitment and relocation	0	0
Other	3,190	3,190
	1,027,202	1,050,370

No remuneration was paid to trustees in 2021/22, nor were any benefits provided by the charity in return for their role (2020/21: nil). No expenses were paid to the trustees during 2021/22 (2020/21: nil).

The Trust considers the key management personnel to be the trustees and the Director of the Gardens. For 2021/22, total employment benefits including employer pension contributions for key management personnel were £67,916 (2020/21 £64,756).

b. Employee numbers

The average number of employees during the year was:

	2021/22	2020/21
Headcount	50	48
Full time equivalent	36.2	34.6

6. Auditors remuneration

The fee charged by the auditors, Fiander Tovell Limited, for the audit of the 2021/22 annual accounts is accrued at £6,000. For 2020/21, the auditors were Fiander Tovell Limited and the fee was £6,000.

7. Government grants received

	2021/22	2020/21
	£	£
Climate Change Funding (Hampshire County Council)	150,000	
Culture Recovery Fund		925,000
Coronavirus Job Retention Scheme (furlough)	2,247	24,656
	152,247	949,656

8. Related party transactions

Hampshire County Council is a related party of the charitable trust as sole trustee. The Council provided a contribution of £125,392 in the year 2021/22 (2020/21 £353,034).

Hampshire County Council charges SHHG annually for the provision of support functions including internal audit, banking, financial reporting, employment practice advice and other strategic support. The charge for 2021/22 is £49,367 (2020/21 £82,466).

As a result of the shared banking facilities provided by the County Council, as at 31 March 2022 the cash held by Hampshire County Council on behalf of SHHG was £932,786 (31 March 2021 £1,081,059).

There were no related-party transactions involving members or Chief Officers of the County Council responsible for the affairs of the trust.

9. Gift aid

The total value of Gift Aid included within the Statement of Financial Activity for 2021/22 is £154,524. For 2020/21 the figure was £139,456.

10. Leasing costs

No costs relating to non-cancellable lease arrangements were incurred in either 2021/22 or 2020/21.

11. Tangible fixed assets

	Freehold land & Buildings	Investment Assets	Furniture and Equipment (including garden infrastructure)	Assets under construction	Total
Asset cost, valuation or revalued amount					
Bought forward 1 April 2021	8,631,538	933,774	836,177	1,517,077	11,918,566
Additions	-	-	274,653	27,010	301,663
Disposals	-	-	-	-	-
Reclassifications	1,533,731	-	-	(1,533,731)	-
Revaluation (to RR)	-	35,657	-	-	35,657
Transfers	-	-	-	-	-
Balance carried forward 31 March 2022	10,165,269	969,431	1,110,830	10,356	12,255,886
Accumulated depreciation & impairment provisions					
Less Accumulated depreciation brought forward 01 April 2021	-	-	(213,107)	-	(213,107)
Disposals	-	-	-	-	-
Depreciation Charges for the year	(207,491)	-	(60,584)	-	(268,075)
Revaluation (to RR)	-	-	-	-	-
Impairment charges	-	-	-	-	-
Transfers	-	-	-	-	-
Balance carried forward 31 March 2022	(207,491)	0	(273,691)	0	(481,182)
Net Book Value	9,957,778	969,431	837,139	10,356	11,774,704
Brought forward 01 April 2021	8,631,538	933,774	623,070	1,517,077	11,705,459
Carried forward 31 March 2022	9,957,778	969,431	837,139	10,356	11,774,704

a. Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2021/22		2020/21	
	Freehold land & buildings £	Investment assets £	Freehold land & buildings £	Investment assets £
Cost	3,059,762	329,000	3,059,762	329,000
Accumulated depreciation	(1,161,013)		(1,101,774)	-
Net book value	1,898,749	329,000	1,957,988	329,000

Freehold land and buildings and investment assets were subject to an independent, professional valuation at 31 March 2021, in line with the Trust's revaluation accounting policy. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. For freehold land and buildings the valuation is on either a depreciated replacement cost (DRC) basis or an existing use valuation (EUV) basis; investments assets are valued on a market value basis.

The DRC valuations of freehold land and buildings are subject to the prospect and viability of the continued occupation and use and cannot be relied upon as an indication of the amount that could be recovered if the service was discontinued and the asset retired. Properties valued using the DRC basis are of a specialised nature and the value derived is not based upon evidence of sales of similar assets in the market.

The market value of the investment assets is determined by the RICS qualified valuers based upon the annual rental income they generate.

12. Heritage assets

a. Analysis of movements in heritage assets during the year

There has been no movement in the overall value of heritage assets during 2021/22. The balance carried forward at 31 March 2022 therefore remains at £201,532.

b. Analysis of heritage assets transactions over the last 3 years

	2021/22	2020/21	2019/20
	£	£	£
Additions	-	-	-
Revaluation	-	-	-

13. Debtors

	2021/22	2020/21
	£	£
Other debtors	55,392	144,275

Of the other debtors, £18,287 relates to Gift Aid yet to be received for 2021/22 (2020/21 £17,984).

14. Liabilities: Amounts falling due within one year

	2021/22	2020/21
	£	£
Trade creditors	(43,951)	(95,505)
	(43,951)	(95,505)

Of the trade creditors, £6,000 relates to an accrual for Fiander Tovell Limited's external audit fee for 2020/21.

15. Analysis of charitable funds

a. Analysis of movements in unrestricted funds

	Balance at 31 March 2021	Movement in resources			Balance at 31 March 2022
	£	Incoming £	Outgoing £	Transfers £	£
Hillier's development fund	1,042,231	1,721,766	(2,007,179)	(33,588)	723,230
Reserves fund	100,000				100,000
	1,142,231	1,721,766	(2,007,179)	(33,588)	823,230

The Hillier's development fund represents the free reserves of the Trust, which may be applied at the discretion of the trustees to further any of the Trust's charitable objectives.

Since 2003/4 the Trustee has set aside funds to a designated fund which may be used for the general future development of the gardens.

In accordance with the legal requirement of the Charity Commission and the Sir Harold Hillier Garden and Arboretum's reserves policy, a Reserve Fund was established during 2007/08. The value of the Reserve Fund is reviewed annually by the Trust Board, taking into account the potential risks that SHHG may face.

b. Analysis of movements in restricted funds

	Balance at 31 March 2021	Movement in resources			Balance at 31 March 2022
		Incoming	Outgoing	Transfers	
	£	£	£	£	£
Hillier's Expedition fund	8,945				8,945
50 year development fund	186,432				186,432
Propagation Unit Fund		155,000			155,000
Hillier's Bursary fund	41,840				41,840
Elizabeth Creak Trust Training Fund	63,343	25,000	(41,289)		47,054
	300,560	180,000	(41,289)		439,271

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

The 50 year development fund is used to fund projects in line with the Gardens' 50 year plan. The 50 year plan is currently being updated so whilst there are no immediate plans to utilise the funds, they are being retained for this specific purpose.

The Propagation Unit Fund is used for the development and construction of a modern, comprehensive Propagation Nursery Unit, to propagate and grow a wide range of plant material for conservation, heritage and educational purposes. This will help the Gardens with their carbon reduction goals.

Hillier's bursary fund is used to fund training and development activities for permanent members of the Garden's staff.

The Elizabeth Creak Trust Training Fund is used to fund the training of students. This is a restricted grant.

c. Analysis of movement in the endowment funds

	Balance at 31 March 2021	Movement in resources				Balance at 31 March 2022
		Incoming	Outgoing	Gains/(losses) on revaluation of investment assets	Transfers	
	£	£	£	£	£	£
Endowment fund	826,602					826,602
Applied contributions	4,496,488				33,588	4,530,076
Revaluation reserve	6,583,901			35,657		6,619,558
	11,906,991			35,657	33,588	11,976,236

The Endowment fund was established in 1977 to provide an Arboretum and Botanic Garden for the use and benefit of the public.

The applied contributions account shows how much of the contributions have been spent on improvements to buildings and the gardens.

The transfer of £33,588 is the sum of capital expenditure in year of £301,663 less depreciation charges for the year of £268,075.

16. Analysis of net assets between funds

	Note	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Funds:					
<i>Hillier's expedition</i>	15b	-	-	8,945	8,945
<i>50 year development fund</i>	15b	-	-	186,432	186,432
<i>Hillier's bursary fund</i>	15b	-	-	41,840	41,840
<i>Propagation unit</i>	15b	-	-	155,000	155,000
<i>Elizabeth Creak Trust</i>					
<i>Training Fund</i>	15b	-	-	47,054	47,054
Restricted funds subtotal		-	-	439,271	439,271
Unrestricted funds	15a	-	-	823,230	823,230
Applied contributions	15c	4,530,076	-	-	4,530,076
Endowment fund	15c	826,602	-	-	826,602
Revaluation reserve	15c	6,619,558	-	-	6,619,558
		11,976,236	-	1,262,501	13,238,737

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021/22 £	2020/21 £
Net movement in funds	(111,045)	3,077,528
Adjustments for:		
Depreciation charges	268,075	148,546
(Gains) / losses on investments	(35,657)	(56,834)
Dividends, interest and rents from investments	(122,232)	(113,258)
(Profit) / loss on the sale of fixed assets	-	-
(Gains) / losses on revaluation of fixed assets	-	(2,480,039)
(Increase) / decrease in stocks	-	-
(Increase) / decrease in debtors	88,883	(121,775)
Increase / (decrease) in creditors	(51,554)	76,547
Net cash provided by (used in) operating activities	36,470	530,715

18. Cash and cash equivalents

	2021/22 £	2020/21 £
Cash held on behalf of SHHG by Hampshire County Council	932,786	1,081,059
Cash at bank	318,274	312,962
Cash and cash equivalents as at 31 March	1,251,060	1,394,021

THE SIR HAROLD HILLIER GARDENS AND ARBORETUM

England & Wales - Charity number 274737

Accounts



Annual Report



Autumnal Leaves at the Gardens

1 April 2020 to 31 March 2021

Reference and administrative details:

The Sir Harold Hillier Gardens and Arboretum,
Jermyns Lane,
Ampfield,
Romsey,
Hampshire.
SO51 0QA

Tel: 01794 368787

Fax: 01794 368027

www.hilliergardens.org.uk

Legal and administrative information:

The Sir Harold Hillier Gardens and Arboretum is a Registered Charity
(Reg. No 274737)

Sole trustee:

Hampshire County Council

Registered Address:

Director of Culture, Communities and
Business Services,
Hampshire County Council,
Three Minsters House,
76 High Street,
Winchester,
Hampshire. SO23 8UL

Auditor:

Fiander Tovell Limited,
Stag Gates House,
63/64 The Avenue,
Southampton,
SO17 1XS

Solicitor:

Hampshire Legal Services,
Hampshire County Council,
The Castle,
Winchester,
Hampshire. SO23 8UB

Banker:

National Westminster Bank
105 High Street
Winchester
Hampshire

For externally raised development funds:

CAF Bank Ltd,
25 Kings Hill Ave,
Kings Hill,
West Malling,
Kent. ME19 4JQ

Day-to-day responsibility for the Gardens is delegated by the sole trustee to the Director of Culture, Communities and Business Services and the Director of the Sir Harold Hillier Gardens.

Report of the trustees for the year ending 31 March 2021

The trustees present their annual report and financial statements of the charity for the year ending 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and public benefit

The object of the charity is to provide for the public benefit an Arboretum and Botanic Garden known as the 'Sir Harold Hillier Gardens' as a public facility to be enjoyed by people of all ages and, in particular but not exclusively, as a means to promote:

- 1. the conservation, protection and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants;*
- 2. the education of the public about the cultivation, preservation, propagation and conservation of such plants and their impact upon biodiversity and the conservation of the physical and natural environment.*

When reviewing the objectives and planning the activities and future development of the Sir Harold Hillier Gardens (SHHG), the trustees have had due regard to the Charity Commission's guidance on public benefit.

SHHG levies an entry charge, which, together with commercial activities (income from shop, concessions, catering and the hire of meeting rooms), donations and the support of the sole trustee allows the charity to carry out its charitable aims. Day entry prices are discounted for senior citizens, job seekers, service men and women, full time students and disabled visitors. The Gardens has recently started to charge for children, although entry is free for children attending with an adult member. A carer accompanying a disabled visitor is admitted without charge. The SHHG's Education Programme caters for over 15,000 annual users, most of these are primary and secondary school groups, visiting for a full educational day guided by the Gardens' education staff and volunteers. A nominal charge is applied for this programme.

Educating all our visitors and users, especially the young, about the value of the plant collection and biodiversity is one of the most important aspects of our charitable work. SHHG contributes to the training of the next generation of professional horticulturists by offering work placements, allowing the student to put the college acquired knowledge into practice and learn many of the practical skills required to look after such an outstanding plant collection.

The SHHG continues to conserve and educate by growing over 12,500 different types of plants, including over 250 rare taxa, over 611 champion trees (the largest number recorded in a single garden in the British Isles) and maintains 14 National Collections of plants, the largest number of any single UK plant collection. The Gardens also distribute plant material to other botanic gardens and plant collections and facilitates the use of its plant collection for scientific study in the UK and abroad.

The Gardens maintain a herbarium collection, which is almost exclusively maintained by volunteers. This represents a permanent record of the plant collection. A database of both the living and herbarium collection is available to the public and any interested party via the Gardens' website.

Achievements and performance 2020/21

The benefits of the Trust's work are the conservation of the Gardens' existing collection whilst continuing to develop the site to include new taxa and make the collection more accessible to visitors, making the collection accessible to researchers around the world through collaborations on site or online through digital cataloguing, increasing awareness of the natural world by attracting and engaging with greater numbers of visitors alongside running more formal educational programmes suitable for all age groups. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate great progress in pursuing its charitable objectives.

Horticultural and facility developments

The year 2020/21 has been exceptional due to the global pandemic. The Gardens closed on March 23rd 2020 and reopened on the 8th June 2020. However, despite the challenges the Gardens were still able to undertake new developmental projects, largely due to the grant from the Cultural Recovery Fund, together with individual giving.

- A new kiosk and temporary bridges were installed to aid with visitor flow.
- New signage was installed across site, together with additional Covid-safety measures both within the landscape and built environment.
- Additional path improvements have been made across the Gardens most notably in the Himalayan Valley where an all-accessible path was introduced for the first time in the Gardens' history. Further paths were developed adjacent to Jermyn's House and Centenary Border.
- A new irrigation system was installed in Magnolia Walk, Jermyn's House lawn and Centenary Border to assist with efficiencies and to improve the Gardens' water strategy.
- 1,000m of new deer fencing was installed to preserve and protect the collection.
- A further phase of planting in an area called the Woodlands of the World has been added and parts of the woodland continue to be cleared.
- A trail of *Hypericum* plants has been in its fifth year of evaluation, with a further year having been granted for a final assessment. This is a collaboration with the Royal Horticultural Society (RHS).
- A temporary marquee, the Tilia Tree Café, has provided catering and hospitality facilities for the General Public, most notably a 'take-away' offer under tiered restrictions.
- Work has been completed on a major expansion of the catering facilities at Jermyn's House and building work was completed March 2021.
- The Gardens have instigated a new Marketing Strategy and upgraded Website.
- The team continue to work on plans for a new feature garden design that addresses the effects of Climate Change on horticultural development.

- This year the Gardens was also awarded a Gold Award from South and South East Britain in Bloom for the Sixth year in a row, representing a tremendous tribute to the work of the entire team of staff, volunteers and supporters at the Gardens and the high level of service.
- A new Educational Shelter has been erected, the Honeysuckle Shelter, to provide an additional outside classroom space and for the benefit of the public.
- An Electric Buggy has been acquired to assist with accessibility on site.
- The Gardens are working on a new electronic 'Tree-Mapping' system to aid tree management and Health & Safety on site.

The plant collection

Despite the pandemic, the many volunteers have been very active and have now measured well over 8,000 trees and shrubs in the Gardens. The Tree Register now lists over 611 of the Gardens' trees as UK Champions, more than any other collection in the country.

The herbarium volunteers have added specimens to the collection, with the total being around 8,500. All specimens have been photographed, allowing us to make the images easily available to any researcher worldwide. There are over 17,000 images in our database, most of them taken by volunteers. The importance and relevance of the collection cannot be underestimated, especially in relation to climate change.

The verification of the collection continues to increase the total number now being over 3,000.

Collaboration and support of external science and research projects

Besides continuing to grow and conserve one of the most diverse collection of plants, the Gardens continues to support other projects and institutions with its plant collection, such as Ghent Botanic Gardens and University in Belgium, the Royal Botanic Gardens, Kew, Royal Horticultural Society, Wisley, BGCI and Butterfly Conservation, Hampshire and Isle of Wight Branch.

Education

The SHHG aims to share knowledge and promote a greater awareness of the fundamental importance of the natural world to all its visitors. An active and tailor-made education programme engages with visitors to the SHHG, whatever their age and level of knowledge, providing lively interpretation of the Collection through teaching programmes, tours and hands-on workshops. The diverse collection of plants provides the Education Service with a unique and inspirational outdoor classroom space reinforced by the purpose-built educational facilities in the Visitor Centre and the Children Education Garden. This garden continues to evolve with the help of the educational team and volunteers.

Usually, the Education Service welcomes around 15,000 users for formal education activities in the SHHG from the Foundation Stage, Primary, Secondary and Tertiary years to some adult classes.

The informal learning activities and family events are very popular with young children who particularly enjoy the seasonal craft workshops and the family trails. However, during 2020/21 the Education Department was acutely affected by the pandemic which witnessed a severe restriction on visits and activities. During this period there were only 7 school visits with a total of 913 pupils, signifying just 6% of the annual expected visitor numbers. During this period, many of the Educational Staff were furloughed due to lack of customer demand. Yet, the Educational Department explored new ways of working through greater use of technology and created a questionnaire that was sent to all schools on the department's database regarding future participation.

Visitor numbers

	2016/17	2017/18	2018/19	2019/20	2020/21*
Day Entry	55,357	48,752	62,761	61,847	19,257
Groups	4,259	3,776	3,059	2,283	35
Children	40,518	39,643	53,117	52,699	7,958
Members	82,666	87,897	101,622	91,803	141,785
Education	15,019	15,465	15,565	14,005	913
Events	3,418	7,406	13,643	21,565	29
Total	201,237	202,939	249,767	244,202	169,977

*Please note that due to challenges recording different types of visitors during the pandemic reopening in 2020/21 the split by types of visitors is not completely accurate in the above table.

This year has seen a significant decrease in visitor numbers, largely due to the pandemic. Yet, the statistics also reveal the importance that the Gardens have played in the physical and mental well-being of visitors who have greatly benefitted from the Gardens remaining open. The Gardens remained closed during April and May of 2020, months that would usually witness the highest footfall of the year due to good weather and planned events and activities. On a positive note, Membership has steadily grown across the year.

Private and corporate functions held at the Gardens

Regrettably, due to the pandemic, all conferences and functions were cancelled during 2020/21 which has also had a major impact on income and visitor numbers.

Volunteers

The volunteer and student programme continues to function well, growing to over 200 volunteers. The primary volunteer activities are:

- Upkeep and development of the SHHG, engaging under the supervision of the horticultural staff
- Supporting the development and expansion of the herbarium
- Photography

- Tree measuring
- Labelling
- Administrative support
- Propagation unit
- Education
- Meeting and greeting the visitors and giving them additional information
- Supporting promoting the Gardens at shows.

Student Programme

During 2020/21, 8 local students attended the Student Programme. The programme affords a solid grounding in horticulture and is often the catalyst for successful careers for participants both in the UK and around the world. Regrettably, due to the pandemic no overseas students were able to participate in the programme.

Donations and bursaries

The Gardens rely upon an increasing range of organisations and individuals in order to carry out its programmes and developments. The development of the Gardens in the past decade would not have been possible without the generosity of the following:

The Geoff and Fiona Squire Foundation	Mr Hady Wakefield
The Veolia Environmental Foundation	The Linbury Trust
The Equitable Charitable Trust	The Hillier Family
The Henry Smith Charity	The Monument Trust
Sir Jeremiah Coleman Trust	Mrs Jenny Grundy
Mr Christopher Palmer-Tomkinson	Taylor's Bulbs
The G M Morrison Charitable Trust	Help the Aged
The Ernest Cook Trust	The HDH Wills 1965 Charitable Trust
Aiming High for Disabled Children	Veolia Pro Grow
Romsey Arts Festival	Hillier Nursery Ltd.
Hampshire County Council Landscape Team	Hampshire County Council Ecology Team
RHS Suzan Pearson Bursary	Historic and Botanic Garden Bursary Scheme
Graham High Group	Dulverton Trust
Eleventh Trust	Hampshire Gardens Trust
Rupert Nabarro	Elizabeth Creak Charitable Trust
The Finnis Scott Trust The Stanley Smith (UK) Horticultural Trust	Test Valley Borough Council Mr Giles Coode-Adams Mr Victor Bryant Mr Andrew Spokes

Key outcomes for the year 2020/21

Outcome	2018/19	2019/20	2020/21
Income from admissions and secondary income ¹	£1,635,177 (+15.6%)	£1,660,861 (+1.6%)	£2,323,758 (+39.9%)
Operating costs ²	£1,439,023 (-0.1%)	£1,495,059 (+3.9%)	£1,684,558 (+12.7%)
Total annual visitor numbers	249,767 visits (+23.1%)	244,202 visits (-2.2%)	169,977 visits (-30.4%)
Membership numbers	Est. 22,863 (+8.9%)	Est. 23,872 (+4.4%)	Est. 24,861 (+4.1%)
Retail income	£118,633 (-2.9%)	£121,608 (+2.5%)	£113,225 (-6.9%)
Catering income	£85,973 (-2.4%)	£87,011 (+1.2%)	£0 (-100%)
Corporate & private hire income	£23,652 (-10.6%)	£10,083 (-57.4%)	£0 (-100%)
Events and exhibition income	£114,067 (+26.5%)	£95,440 (-16.3%)	£0 (-100%)
Education, schools & events	£125,344 (+38.5%)	£121,282 (-3.2%)	£21,440 (-82.3%)

Note:

1. secondary income refers to all other unrestricted income received during the year, excluding the budgeted contribution received from Hampshire County Council and any gains resulting from the sale of fixed assets. For 2020/21 this includes the £925,000 Culture Recovery Fund Grant received.
2. excludes capital charges such as depreciation and impairments and Local Authority managed repair & maintenance and governance.

Plans for the future

The Capital Development Project to expand visitor facilities at Jermyn's House was delayed due to the pandemic, and is due to open in the summer of 2021.

The Gardens will also commence fundraising for a new feature garden, the Feature Garden, that is also aimed at growing visitor numbers as well as exploring the impact of climate change on plant-life.

Structure, governance and management

Sir Harold Hillier Gardens and Arboretum (SHHG) were left by Sir Harold under the sole trusteeship of Hampshire County Council during 1977 and were registered as a charity on

12 January 1978 (number 274737). The County Council's Leader and Executive Member for Policy and Resources, Councillor Keith Mans is responsible for approving the strategic decision-making for the Trust. The Leader delegates day-to-day responsibility for the Gardens to the Director of Culture, Communities and Business Services, Felicity Roe and the Director of the SHHG, Clare Goddard.

The Trust is governed by the Arboretum Trust Board (acting as the Executive) which comprises the Leader, the Chairman of the Advisory Committee and the Director of Culture, Communities and Business Services. The Trust Board and the SHHG are supported by an eminent group of advisers mostly with interest and expertise in the field of horticulture, gardens, plant collections and the charitable sector. All support the SHHG with their time and expertise, providing valuable guidance and advice.

Membership of the Advisory Committee as in March 2021:

- Professor Monique Simmonds, Chairman
- County Councillor Cllr Judith Grajewski BSc, Vice Chairman
- Captain Peter Erskine CBE, VMH (Nominated by the Royal Horticultural Society)
- Mr Roy Lancaster CBE, VMH
- Mr Martin Hillier (nominated by Hillier Nurseries Ltd)
- Ms Sara Redstone (nominated by the Royal Botanic Gardens, Kew)
- Test Valley Borough Cllr Martin Hatley
- Mrs Gilly Drummond OBE, VMH, DL
- Mr Giles Coode-Adams OBE, VMH, DL
- Dr Carys Hughes (University of Southampton)
- County Councillor Cllr Kirsty North
- Mr Chris Carter
- County Councillor Cllr Andrew Gibson
- Mr Andrew Smith (nominated by the Forestry Commission)

The Advisory Committee is supported by a specialist Gardens Panel, comprising:

- Mr Chris Carter (Chairman)
- Mr Hugh Angus
- Mr Martin Hillier
- Mr Chris Bird
- Mr Ben Jones
- Mr Chris Sanders
- Mr Will Parker
- Ms Rosie Yeomans

President

Her Royal Highness, The Duchess of Cornwall GCVO

Patrons

Lord Sainsbury of Preston Candover KG

Roy Lancaster VMH, CBE

The sole trustee, Hampshire County Council, has provided a significant level of financial support to the SHHG since 1977. This enabled the size of the Garden to increase to 180 acres and included the completion of a range of capital projects. This has also enabled the potential of the collection to be maximised for education, recreation and conservation purposes. What started as a private plant collection with a few hundred visitors has been made accessible to a wide range of visitors from all over the world.

Today it provides an excellent facility which normally attracts around 240,000 annual visitors, usually including over 15,000 formal education visits. The SHHG and plant collection has also grown, now boasting some 42,000 plants of over 12,500 taxa and 14 national plant collections set in a complementary mixture of formal and informal landscapes and feature gardens such as one of Europe's largest winter gardens. The significance of the collection is recognised by a Grade II listing in English Heritage's Register of Parks and Gardens of Special Historic Interest.

Related parties and co-operation with other organisations

The County Council, as sole trustee, is a key related party to SHHG and is responsible for the control, administration and financial management of the SHHG. As a Local Authority, the County Council has in place control frameworks for risk management, internal control and governance, the adequacy and effectiveness of which are subject to annual evaluation by both external and internal audit. As the sole trustee, the County Council allows SHHG to benefit from the use of these control frameworks, including the use of support services including internal audit, banking, financial reporting, and employment practice advice, for which an annual charge is made, details of which can be found in note 7.

Through the Gardens' pursuit of achieving its charitable objective of "*the conservation, protection and improvement of the collection of plant species and cultivars of the temperate world for the public benefit by the cultivation and maintenance of such plants*", SHHG supports other projects and institutions with access to its plant collection and knowledge.

Pay policy for senior staff

All staff are employed by Hampshire County Council on behalf of the Trust and therefore they follow all terms and conditions and policies as set by Hampshire County Council.

As employees of Hampshire County Council, staff salary levels are set in accordance with the Employment in Hampshire County Council (EHCC) 2007 Agreement. There are 11 pay grades within the EHCC pay framework, with roles matched to the appropriate grade following an evaluation using the Hay methodology.

The Trust considers the key management personnel to be the trustees and the Director of the Gardens and details of the employment benefits and expenses paid are disclosed in note 5 to the accounts.

Risk management

SHHG understands risk management as an essential part of the business, in its delivery of a unique botanical plant collection, outstanding gardens and arboretum with core

educational and conservation activities as well as its supporting function to include conference and wedding facilities.

An established risk management policy is in place, in support of which:

- the main risks which present opportunities or hazards to meeting the SHHG objectives are identified and assessed annually
- an up to date risk management plan is maintained and regularly reviewed
- appropriate control arrangements are established to mitigate risks.

The SHHG Internal Management Team, chaired by the Director:

- monitor risk management arrangements to ensure appropriate risk control and implementation
- satisfy itself that risks are being actively managed, and that appropriate controls are in place and working effectively, taking external influences into account
- review annually the approach to risk management and approve changes where necessary to key elements of its processes and procedures.

Treasury management

SHHG operates under the Treasury Management Policy approved by its sole trustee, Hampshire County Council. That policy adheres to the principles of best practice including the adoption of the Treasury Management in the Public Services: Code of Practice produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

In accordance with Section 5 of the Code, SHHG maintains, as the cornerstones for effective treasury management:

- a treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMPs), setting out the manner in which the SHHG will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Trust defines its treasury management activities as:

“The management of the organisation’s investments, cash flows and banking; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst the Trust Board assumes full responsibility for the implementation and monitoring of its treasury management policies and practices, it delegates the execution and administration of treasury management decisions to the Director of Corporate Operations of Hampshire County Council, who will act in accordance with the organisation’s policy statement, CIPFA’s Standard of Professional Practice on Treasury Management and maintain TMPs covering the activities carried out for SHHG.

Reserves

The SHHG’s reserves policy indicates the level of reserves the SHHG needs to operate effectively in accordance with its aims, needs and objectives taking into account potential

risks and contingencies that may arise from time to time, and in the context of a separate risk management policy. To establish an appropriate level of reserves the SHHG has reviewed the following factors:

- analysis of existing funds
- review of current income streams with an assessment of their level of reliability
- forecasts of income and expenditure
- an assessment of the risks facing the charity, and their impact.

Following the review of these factors, the Trust Board has established a designated reserve fund of £100,000, to provide contingency funding in the event of a significant loss of income, for example if an outbreak of foot and mouth or something similar caused the gardens to close to visitors. This level of the designated reserve fund is subject to an annual review to ensure it remains an appropriate level.

Details of the balances and purposes of the other reserves held by SHHG are included within the Finances section that follows.

Fundraising Statement

Sir Harold Hillier Gardens adheres to a Fundraising Strategy that is reviewed by the Arboretum Trust Board. We work with external organisations to develop fundraising strategies and to identify, analyse and advise on fundraising opportunities.

Our fundraising complies with the Fundraising Regulators Code of Fundraising Practice and the Trustees have regard to national guidance in overseeing the fundraising activities of the Charity.

During 2020/21 no complaints were received in relation to SHHG fundraising activity.

We make every effort to ensure that our fundraising activity never feels unreasonably intrusive, persistent or pressurised. This applies to our written communications and any fundraising activity at the gardens.

We respect the wishes of supporters who do not wish to receive fundraising communications and try to limit the number of communications a supporter might receive.

Finances

The statement of financial activities (SOFA) reports a net surplus for the year ended 31 March 2021 of £597,489. This is affected by the inclusion of grant funding of £925,000 received in 2020/21 from the Covid Recovery Fund.

The net surplus has increased by £501,491 on the surplus of £95,998 achieved during 2019/20. This is the result of several factors affecting both income and expenditure as set out below.

Income

Excluding the Covid Recovery Fund grant income, overall income has reduced by £55,390 compared with the previous year. This is primarily due to the following:

- Income from donations has increased by £155,821

- The Local Authority contribution towards repair and maintenance costs has increased by £207,713. This varies from year to year according to the level of work that is required and can be carried out in year.
- Income from Use of Gardens and Facilities has reduced by £313,482 and income from Education visits has reduced by £99,842. Both of these reductions reflect the site closures and changes to admissions in line with Government guidance related to the Covid-19 pandemic.

Expenditure

Overall expenditure has increased by £274,667, primarily due to the following:

- The expenditure allocated to the Management of the Gardens has increased by £394,873 which is largely due to the increased repairs and maintenance costs funded by the Local Authority.

Gains/losses on investments

The £56,834 gain on investment assets in 2020/21 is higher than the gain of £30,080 in 2019/20. This is based on annual valuations of the investment property and therefore the value can fluctuate depending on the assessment of market conditions at the time of the valuation.

Unrestricted funds

Unrestricted funds are split between the development fund and the designated reserve fund. At 31 March 2021 the total balance of unrestricted funds was £1,142,231.

The SOFA for the financial year ended 31 March 2021 reflects an overall decrease in unrestricted funds of £378,555. This is primarily due to depreciation and the capital expenditure in year on the Jermyn's House Café Extension (represented by the transfer to the applied contributions of £914,788). This is partially offset by the increased grant income from the Covid Recovery Fund.

The development fund accounts for £1,042,231 of the total unrestricted funds and can be used at the trustees' discretion to further the charitable objectives of the Gardens. As explained above, this balance has reduced by £378,555 from the previous year.

The remaining balance of unrestricted funds of £100,000 comprises the Trust's designated reserve fund, held in line with the reverses policy detailed in the Reserves section above. There has been no movement on this fund during 2020/21.

Restricted funds

Four restricted funds were held as at 31 March 2021, totalling £300,560. These funds can only be applied to specific purposes, as follows:

- Hillier's expedition fund, £8,945

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

- 50 year development fund, £186,432

The 50 year development fund (previously identified as the Charities Aid Foundation fund) is to be used in line with the 50 year plan to fund major projects that continue to develop and enhance the Gardens.

- Staff bursary fund, £41,840

The staff bursary fund is intended to fund training and development of permanent staff at the gardens that cannot be funded by the employer from core funds. The long-term intention for the fund is to accumulate sufficient capital that the interest earned can be used to fund such training. However, the achievement of the long-term aim of the fund is not intended to prevent current permanent staff benefiting and it can be accessed in the meantime to fund appropriate training and development opportunities.

- Elizabeth Creak Trust Training Fund £63,343

This fund represents grants received from the Elizabeth Creak Charitable Trust. These grants are retained in a restricted reserve and used to fund the training of students as these costs are incurred. Note 14b presents the grant income received in year and the expenditure incurred in year.

Balance sheet

The balance sheet shows the total funds of the charity at about £13.35 million. Of this total, just over £11.9 million represents the value of fixed assets owned by the charity, with the remainder the useable funds detailed above (£1.14m unrestricted funds plus £0.3m restricted funds).

Going concern consideration

During 2020/21 visitor numbers and associated income were reduced due to closures at the Gardens and changes to admissions due to the Government guidelines in response to the Covid-19 pandemic. The loss of income was, however, largely mitigated by grant funding of £925,000 received from the Covid Recovery Fund.

Since re-opening to visitors on 8 June 2020 the Gardens have sustained footfall and received donations from the public, Trusts and Foundations. Consequently, it is anticipated the Gardens will achieve a balanced position for the 2021/22 financial year.

With on-going fundraising and anticipated continued support from Hampshire County Council as sole trustee, together with an enhanced visitor offer with the completion of the Jermyn's House extended catering facilities and other planned developments in the Gardens, the Trustees remain assured that the Gardens will continue as a going concern.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustee and signed on their behalf by:

Councillor K Mans

Chairman of the Arboretum Trust Board

Independent Auditor's Report to the trustee of Sir Harold Hillier Gardens

Opinion

We have audited the financial statements of Sir Harold Hillier Gardens and Arboretum (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes, including a summary of 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 charity's affairs as at 31 March 2021, and of its incoming resources and application of resources 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.

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 charity 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 require 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 accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 14, the trustees are responsible for the preparation of financial statements which 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 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 report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities 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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.

- reading the minutes of meetings of those charged with governance.
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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.

Paul Meacher FCA (Senior Statutory Auditor)

Fiander Tovell Limited

Chartered Accountants and Registered Auditors

Stag Gates House

63/64 The Avenue

Southampton

SO17 1XS

Date:

Sir Harold Hiller Gardens and Arboretum
Statement of Financial Activities for the year ending 31 March 2021

		2020/21	2020/21	2020/21	2020/21	2019/20
		Unrestricted	Restricted	Endowment /	Total funds	Prior period
		funds	funds	Applied		Total funds
				Contributions		
	Note	£	£	£	£	£
Income and endowments from						
Donations		206,690	50,000	-	256,690	100,869
Grant Income		925,000	-	-	925,000	-
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,057,370	-	-	1,057,370	1,370,852
Education		21,440	-	-	21,440	121,282
<i>Investments:</i>						
Rents		113,258	-	-	113,258	118,858
<i>Other:</i>						
Local Authority contribution		353,034	-	-	353,034	145,321
Gains on disposal of fixed assets		-	-	-	-	-
Total income and endowments		2,676,792	50,000	-	2,726,792	1,857,182
Expenditure						
<i>Charitable activities:</i>						
Management of Gardens and facilities		2,053,261	-	-	2,053,261	1,647,850
Education		87,298	45,578	-	132,876	143,414
Total expenditure	4	2,140,559	45,578	-	2,186,137	1,791,264
Net gains/(losses) on investments		-	-	56,834	56,834	30,080
Net income/(expenditure)		536,233	4,422	56,834	597,489	95,998
Transfer between funds		(914,788)	-	914,788	-	-
Gains/(losses) on the revaluation of fixed assets		-	-	2,480,039	2,480,039	-
Net movement in funds		(378,555)	4,422	3,451,661	3,077,528	95,998
Reconciliation of funds						
Balances brought forward at 1 April	14-17	1,520,786	296,138	8,455,330	10,272,254	10,176,256
Funds balances carried forward at 31 March		1,142,231	300,560	11,906,991	13,349,782	10,272,254

Sir Harold Hiller Gardens and Arboretum
Balance Sheet as at 31 March 2021

	<i>Note</i>	2020/21 £	2019/20 £
Fixed assets			
Tangible fixed assets	<i>10</i>	11,705,459	8,253,798
Heritage assets	<i>11</i>	201,532	201,532
		11,906,991	8,455,330
Current assets			
Debtors	<i>12</i>	144,275	22,500
Cash at bank and held by Hampshire County Council	<i>17</i>	1,394,021	1,813,382
		1,538,296	1,835,882
Liabilities			
Creditors: Amounts falling due within one year	<i>13</i>	(95,505)	(18,958)
Net current assets		1,442,791	1,816,924
Total assets less current liabilities		13,349,782	10,272,254
Net assets		13,349,782	10,272,254
Funds			
Unrestricted	<i>14a</i>	1,142,231	1,520,786
Restricted	<i>14b</i>	300,560	296,138
Applied contributions	<i>14c</i>	4,496,488	3,581,700
Endowment	<i>14c</i>	826,602	826,602
Revaluation reserve	<i>14c</i>	6,583,901	4,047,028
Total		13,349,782	10,272,254

The notes at pages 22 to 34 form part of these accounts.

Approved by the sole trustee and signed on their behalf by:

Councillor K Mans,
Chairman of the Arboretum Trust Board

R Carr,
Director of Corporate Operations, Hampshire
County Council

Sir Harold Hiller Gardens and Arboretum
Statement of Cash Flows for the year ending 31 March 2021

	Note	2020/21 £	2019/20 £
Net cash provided by (used in) operating activities	16	530,715	73,014
Cash flows from investing activities:			
Interest and rents from investments		113,258	118,858
Proceeds from the sale of fixed asset		-	-
Purchase of property, plant and equipment		(1,063,334)	(392,163)
Net cash provided by (used in) investing activities		(950,076)	(273,305)
Change in cash and cash equivalents in the year		(419,361)	(200,291)
Cash and cash equivalents at the beginning of the year		1,813,382	2,013,673
Cash and cash equivalents at the end of the year		1,394,021	1,813,382

Sir Harold Hillier Gardens and Arboretum
Notes to the accounts for the year ending 31 March 2021

1. Basis of preparation and assessment of going concern

The 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 (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102) and the Charities Act 2011.

The Sir Harold Hillier Gardens and Arboretum (SHHG) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The address of the registered office and registered charity number are included in the legal and administrative information provided on page 1 of the annual report.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

2. Accounting policies

a. Income recognition & donations

Income is credited to the Statement of Financial Activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before becoming entitled to it or where the donor has specified that income is to be expended in the future period.

In accordance with the Charities SORP (FRS 102), no amount is recorded in the financial statements for volunteer time. Details of the activities undertaken by volunteers can be found in the trustees' annual report.

Donated professional services and / or facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. On receipt, donated professional services and facilities are recognised based on the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No donated professional services or facilities were received during 2020/21 (2019/20 nil).

Membership income is included in the year of receipt as this generally equates to a full year of income in each year over time.

Rental income is credited to the Statement of Financial Activities in the year to which it relates.

b. Expenditure recognition

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

- Expenditure on charitable activities includes the costs of the management of the Gardens and its facilities, the development of the Gardens and the provision of teaching programmes, tours and hands-on workshops.
- Other expenditure consists of the costs relating to the governance of the Gardens.

c. Basis of allocation of charitable expenditure

Charitable expenditure includes direct and indirect costs that are allocated in relation to underlying activity levels established by the use of a number of indicators, for example accommodation costs by floor space occupied and human resources costs by average staff numbers throughout the financial year. The Charity does not receive any services for which it is not charged, and all costs are included in the Statement of Financial Activity.

d. Pensions

Pension contributions are paid to a multi-employer, local government defined benefit pension scheme in accordance with the recommendations of the actuary. Full details of the Hampshire Pension Fund are available in the County Council's Statement of Accounts. The contribution rate is determined by the Pension Fund's actuary (Aon Hewitt), set in relation to the current service period only. Therefore, in accordance with recommended practice for charities, pension costs are accounted for in line with defined contribution schemes. In 2020/21 the current service contribution rate was 18.4% of pensionable pay (16.1% in 2019/20) and will be 18.4% in 2021/22. The current service contribution for pensions included in the Statement of Financial Activity is £147,414 (£122,878 in 2019/20). SHHG is under no obligation to make any extra payments, irrespective of how the pension fund performs.

e. Tangible fixed assets

Fixed Assets are valued and held in the accounts on the basis described in the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) 2015.

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual basis, provided that it benefits the Gardens and the services it provides are for more than one financial year.

Fixed Assets are categorised as follows:

Freehold interest in land and buildings

Assets in this category are revalued on a rolling programme and at least every five years. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. Assets are valued in the accounts on either a depreciated replacement cost basis or an existing use basis dependant on if comparable evidence exists in the market. Deprecation is charged on all fixed assets excluding land in accordance with Financial Reporting Standard (FRS) 102. Depreciation is charged on a

straight-line basis, over the estimated remaining useful life. At the last valuation these were assessed as follows:

- Traditional building structure 50 years
- System build and timber frame 35 years
- Temporary buildings 30 years
- Polytunnels 10 years

One piece of land previously donated to the Gardens is classified as investment property as this land is leased out to Hillier Nurseries to generate income. This asset will be revalued on an annual basis and is shown in the accounts at market value.

Depreciation is not charged on investment properties. Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in “net gains / (losses) on investments” in the Statement of Financial Activity.

Furniture and equipment (including garden infrastructure)

Furniture and equipment, including garden infrastructure, are valued at depreciated historic cost. They are depreciated over the expected useful life of the asset, as follows:

- Furniture and fittings 10 years
- Wooden structures 15 years
- IT equipment 5 years
- Pathways 60 years

Plants and trees at the Gardens and Arboretum are regarded as inalienable and historic and they are therefore not included as an asset in the Balance Sheet. Details of the collection are available at the Centre and a summary is provided in the Annual Report.

Assets under construction

Assets under construction are valued at cost. They are not depreciated until brought into use.

Research and development

Research and development costs are written off as incurred.

f. Heritage Assets

Heritage assets are held in pursuit of preservation and/or conservation objectives. The heritage assets include the land on which the arboretum sits as well as the separately acquired Ampfield Woods, an additional strip of land and the Centenary Border. This land is used for the conservation, cultivation, protection and improvement of a collection of plant species and cultivars of the temperate world for the public benefit and educational purposes.

A register of the heritage assets held by the charity is available and they are accessible to the public as visitors to SHHG since they represent the land on which the Gardens and Arboretum collection sits.

Heritage assets are capitalised at cost and shown at depreciated historic cost. Depreciation is charged on heritage assets excluding land, over the asset's useful life.

g. Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

h. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably established.

i. Funds accounting

Funds held by the charity are:

Other charitable funds

These are unrestricted general funds that can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds

These are funds set aside by the trustees out of other charitable funds for specific future purposes or projects.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the relevant note to the accounts.

Endowment funds

These are funds that represent those assets that must be held permanently by the charity, principally the land on which the gardens and arboretum sit. Income arising on the endowment funds can be used in accordance with the objectives of the charity and is included as unrestricted income.

j. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 2, the trustees have made the following critical judgement:

- **Asset classifications**
The trustees have made judgements on the classification of the tangible fixed assets held. These judgements determine the valuation and depreciation method to be used and are based on the main reason that the SHHG is holding that asset.

k. Post balance sheet events

As at 26 January 2022 when the accounts were signed by the Trust Board, there were no post balance sheet events requiring disclosure.

3. Comparative year information for figures reported in Statement of Financial Activities

		2019/20	2019/20	2019/20	2019/20	2018/19
		Unrestricted funds	Restricted funds	Endowment / Applied Contributions	Total funds	Prior period Total funds
	Note	£	£	£	£	£
Income and endowments from						
Donations		49,869	51,000	-	100,869	112,633
<i>Charitable activities:</i>						
Use of Gardens and Facilities		1,370,852	-	-	1,370,852	1,395,214
Education		121,282	-	-	121,282	125,344
<i>Investments:</i>						
Rents		118,858	-	-	118,858	116,636
<i>Other:</i>						
Local Authority budgeted contribution		145,321	-	-	145,321	284,005
Gains on disposal of fixed assets		-	-	-	-	-
Total income and endowments		1,806,182	51,000	-	1,857,182	2,033,832
Expenditure						
<i>Charitable activities:</i>						
Management of Gardens and facilities		1,647,100	750	-	1,647,850	1,729,353
Education		102,335	41,079	-	143,414	117,132
Total expenditure	4	1,749,435	41,829	-	1,791,264	1,846,485
Net gains/(losses) on investments		-	-	30,080	30,080	51,860
Net income/(expenditure)		56,747	9,171	30,080	95,998	239,207
Transfer between funds		(241,563)	-	241,563	-	-
Gains/(losses) on the revaluation of fixed assets		-	-	-	-	(57,500)
Net movement in funds		(184,816)	9,171	271,643	95,998	181,707
Reconciliation of funds						
Balances brought forward at 1 April	14-17	1,705,602	286,967	8,183,687	10,176,256	9,994,549
Funds balances carried forward at 31 March		1,520,786	296,138	8,455,330	10,272,254	10,176,256

4. Expenditure

a. Analysis of total expenditure

	2020/21 Staff costs £	2020/21 Support and governance costs £	2020/21 Other direct costs £	2020/21 Total funds £	2019/20 Total funds £
Unrestricted funds					
Charitable activities					
Management of Gardens and facilities	810,047	349,385	893,829	2,053,261	1,647,100
Education	85,973	-	1,325	87,298	102,335
Total unrestricted expenditure	896,020	349,385	895,154	2,140,559	1,749,435
Restricted funds					
Charitable expenditure					
Management of Gardens and facilities	-	-	-	-	750
Education	45,578	-	-	45,578	41,079
Total restricted expenditure	45,578	-	-	45,578	41,829
Total expenditure	941,598	349,385	895,154	2,186,137	1,791,264
<i>Total expenditure 2019/20</i>	<i>855,570</i>	<i>321,963</i>	<i>613,731</i>	<i>1,791,264</i>	

b. Analysis of support and governance costs

	2020/21 Management of Gardens and facilities £	2019/20 Management of Gardens and facilities £
Employees	108,770	102,971
Communications and IT	66,810	66,456
Postages	13,765	13,620
Finance costs	712	3,847
Governance costs	88,466	70,708
Other	14,415	7,133
Depreciation	56,447	57,228
Total costs	349,385	321,963

c. Analysis of governance costs

	2020/21	2019/20
	£	£
Local Authority support functions	82,466	64,708
Audit Fee	6,000	6,000
	88,466	70,708

Governance costs are made up of the support functions provided by the Local Authority including internal audit, banking, financial reporting, employment practice advice and other strategic support, together with the cost of the external audit.

5. Analysis of staff costs, trustee remuneration and expenses, and key management personnel

a. Employee information

	2020/21	2019/20
	£	£
Salaries	838,685	775,311
Social security	58,024	55,736
Pension	147,414	122,878
Training	3,057	140
Other	3,190	3,442
	1,050,370	957,507

No remuneration was paid to trustees in 2020/21, nor were any benefits provided by the charity in return for their role (2019/20: nil). No expenses were paid to the trustees during 2020/21 (2019/20: nil).

The Trust considers the key management personnel to be the trustees and the Director of the Gardens. For 2020/21, total employment benefits including employer pension contributions for key management personnel were £64,756 (2019/20 £60,057).

b. Employee numbers

The average number of employees during the year was:

	2020/21	2019/20
Headcount	48	47
Full time equivalent	34.6	33.2

6. Auditors remuneration

The fee charged by the auditors, Fiander Tovell Limited, for the audit of the 2020/21 annual accounts is accrued at £6,000. For 2019/20, the auditors were Fiander Tovell Limited and the fee was £6,000.

7. Government grants received

	2020/21	2019/20
	£	£
Culture Recovery Fund	925,000	0
Coronavirus Job Retention Scheme (furlough)	24,656	0
	949,656	0

8. Related party transactions

Hampshire County Council is a related party of the charitable trust as sole trustee. The Council provided a contribution of £353,034 in the year 2020/21 (2019/20 £145,321).

Hampshire County Council charges SHHG annually for the provision of support functions including internal audit, banking, financial reporting, employment practice advice and other strategic support. The charge for 2020/21 is £82,466 (2019/20 £70,708).

As a result of the shared banking facilities provided by the County Council, as at 31 March 2021 the cash held by Hampshire County Council on behalf of SHHG was £1,081,059 (31 March 2020 £1,500,673).

There were no related-party transactions involving members or Chief Officers of the County Council responsible for the affairs of the trust.

9. Gift aid

The total value of Gift Aid included within the Statement of Financial Activity for 2020/21 is £139,456. For 2019/20 the figure was £138,913.

10. Leasing costs

No costs relating to non-cancellable lease arrangements were incurred in either 2020/21 or 2019/20.

11. Tangible fixed assets

	Freehold land & buildings £	Investment assets £	Furniture & equipment (inc garden infrastructure) £	Assets under construction £	Total £
Asset cost, valuation or revalued amount					
Balance brought forward 1 April 2020	6,769,947	876,940	816,818	473,102	8,936,807
Additions	-	-	19,359	1,043,975	1,063,334
Disposals	-	-	-	-	-
Revaluation (to Revaluation Reserve)	1,861,591	56,834	-	-	1,918,425
Transfers	-	-	-	-	-
Balance carried forward 31 March 2021	8,631,538	933,774	836,177	1,517,077	11,918,566
Accumulated depreciation & impairment provisions					
Balance brought forward 1 April 2020	(498,242)	-	(184,767)	-	(683,009)
Disposals	-	-	-	-	-
Charges for the year	(120,206)	-	(28,340)	-	(148,546)
Revaluation (to Revaluation Reserve)	618,448	-	-	-	618,448
Impairment charges	-	-	-	-	-
Transfers	-	-	-	-	-
Balance carried forward 31 March 2021	-	-	(213,107)	-	(213,107)
Net Book Value					
Brought forward 1 April 2020	6,271,705	876,940	632,051	473,102	8,253,798
Carried forward 31 March 2021	8,631,538	933,774	623,070	1,517,077	11,705,459

a. Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2020/21		2019/20	
	Freehold land & buildings £	Investment assets £	Freehold land & buildings £	Investment assets £
Cost	3,059,762	329,000	3,059,762	329,000
Accumulated depreciation	(1,101,774)	-	(1,042,535)	-
Net book value	1,957,988	329,000	2,017,227	329,000

Freehold land and buildings and investment assets were subject to an independent, professional valuation at 31 March 2021, in line with the Trust's revaluation accounting policy. Asset revaluations are carried out by RICS qualified valuers from Hampshire County Council's Property Services. For freehold land and buildings the valuation is on either a depreciated replacement cost (DRC) basis or an existing use valuation (EUV) basis; investments assets are valued on a market value basis.

The DRC valuations of freehold land and buildings are subject to the prospect and viability of the continued occupation and use and cannot be relied upon as an indication of the amount that could be recovered if the service was discontinued and the asset retired. Properties valued using the DRC basis are of a specialised nature and the value derived is not based upon evidence of sales of similar assets in the market.

The market value of the investment assets is determined by the RICS qualified valuers based upon the annual rental income they generate.

12. Heritage assets

a. Analysis of movements in heritage assets during the year

There has been no movement in the overall value of heritage assets during 2020/21. The balance carried forward at 31 March 2021 therefore remains at £201,532.

b. Analysis of heritage assets transactions over the last 3 years

	2020/21	2019/20	2018/19
	£	£	£
Additions	-	-	57,500
Revaluation	-	-	(57,500)

13. Debtors

	2020/21	2019/20
	£	£
Other debtors	144,275	22,500

Of the other debtors, £17,984 relates to Gift Aid yet to be received for 2020/21 (2019/20 £13,916).

14. Liabilities: Amounts falling due within one year

	2020/21	2019/20
	£	£
Trade creditors	(95,505)	(18,958)
	<u>(95,505)</u>	<u>(18,958)</u>

Of the trade creditors, £6,000 relates to an accrual for Fiander Tovell Limited's external audit fee for 2020/21.

15. Analysis of charitable funds

a. Analysis of movements in unrestricted funds

	Balance at 31 March 2020	Movement in resources			Balance at 31 March 2021
		Incoming	Outgoing	Transfers	
	£	£	£	£	£
Hillier's development fund	1,420,786	2,676,792	(2,140,559)	(914,788)	1,042,231
Reserves fund	100,000	-	-	-	100,000
	1,520,786	2,676,792	(2,140,559)	(914,788)	1,142,231

The Hillier's development fund represents the free reserves of the Trust, which may be applied at the discretion of the trustees to further any of the Trust's charitable objectives.

At 31 March 2021 total contractual capital commitments of £65,000 exist for the ongoing extension of Jermyn's House. These are due to be spent in line with the completion of the overall project in 2021/22. The value of contractual capital commitments at 31 March 2020 was £1.126m.

Since 2003/4 the Trustee has set aside funds to a designated fund which may be used for the general future development of the gardens.

In accordance with the legal requirement of the Charity Commission and the Sir Harold Hillier Garden and Arboretum's reserves policy, a Reserve Fund was established during 2007/08. The value of the Reserve Fund is reviewed annually by the Trust Board, taking into account the potential risks that SHHG may face.

b. Analysis of movements in restricted funds

	Balance at 31 March 2020	Movement in resources			Balance at 31 March 2021
		Incoming	Outgoing	Transfers	
	£	£	£	£	£
Hillier's Expedition fund	8,945	-	-	-	8,945
50 year development fund	186,432	-	-	-	186,432
Hillier's Bursary fund	41,840	-	-	-	41,840
Elizabeth Creak Trust Training Fund	58,921	50,000	(45,578)	-	63,343
	296,138	50,000	(45,578)	-	300,560

The Hillier's expedition fund is used to fund botanical and horticultural expeditions and plant collection work.

The 50 year development fund is used to fund projects in line with the Gardens' 50 year plan. The 50 year plan is currently being updated so whilst there are no immediate plans to utilise the funds, they are being retained for this specific purpose.

Hillier's bursary fund is used to fund training and development activities for permanent members of the Garden's staff.

The Elizabeth Creak Trust Training Fund is used to fund the training of students. This is a restricted grant.

c. Analysis of movement in the endowment funds

	Balance at 31 March 2020	Movement in resources				Balance at 31 March 2021
		Incoming	Outgoing	Gains/(losses) on revaluation of investment assets	Transfers	
	£	£	£	£	£	£
Endowment fund	826,602	-	-	-	-	826,602
Applied contributions	3,581,700	-	-	-	914,788	4,496,488
Revaluation reserve	4,047,028	-	-	2,536,873	-	6,583,901
	8,455,330	-	-	2,536,873	914,788	11,906,991

The Endowment fund was established in 1977 to provide an Arboretum and Botanic Garden for the use and benefit of the public.

The applied contributions account shows how much of the contributions have been spent on improvements to buildings and the gardens.

The transfer of £914,788 is the sum of capital expenditure in year of £1,063,334 less depreciation charges for the year of £148,546.

16. Analysis of net assets between funds

	Note	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Funds:					
<i>Hillier's expedition</i>	14b	-	-	8,945	8,945
<i>50 year development fund</i>	14b	-	-	186,432	186,432
<i>Hillier's bursary fund</i>	14b	-	-	41,840	41,840
<i>Elizabeth Creak Trust</i>					
<i>Training Fund</i>	14b	-	-	63,343	63,343
Restricted funds subtotal		-	-	300,560	300,560
Unrestricted funds	14a	-	-	1,142,231	1,142,231
Applied contributions	14c	4,496,488	-	-	4,496,488
Endowment fund	14c	826,602	-	-	826,602
Revaluation reserve	14c	6,583,901	-	-	6,583,901
		11,906,991	-	1,442,791	13,349,782

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2020/21 £	2019/20 £
Net movement in funds	3,077,528	95,998
Adjustments for:		
Depreciation charges	148,546	150,600
(Gains) / losses on investments	(56,834)	(30,080)
Dividends, interest and rents from investments	(113,258)	(118,858)
(Profit) / loss on the sale of fixed assets	-	-
(Gains) / losses on revaluation of fixed assets	(2,480,039)	-
(Increase) / decrease in debtors	(121,775)	1,588
Increase / (decrease) in creditors	76,547	(26,234)
Net cash provided by (used in) operating activities	530,715	73,014

18. Cash and cash equivalents

	2020/21 £	2019/20 £
Cash held on behalf of SHHG by Hampshire County Council	1,081,059	1,500,673
Cash at bank	312,962	312,709
Cash and cash equivalents as at 31 March	1,394,021	1,813,382