



## 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](http://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 21<sup>st</sup> 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
<b>Total</b>	<b>249,767</b>	<b>244,202</b>	<b>169,977</b>	<b>216,291</b>	<b>298,860</b>

\*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 <sup>1</sup>	£1,660,861 (+1.6%)	£2,323,758 (+39.9%)	£1,596,374 (-31.1%)	£1,803,185 (13%)
Operating costs <sup>2</sup>	£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 <sup>3</sup>	£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.

<b>Risk</b>		<b>Mitigation</b>
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](http://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 £
<b>Income</b>						
<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		-	-	-	-	-
<b>Total income</b>		<b>1,978,340</b>	<b>29,207</b>	<b>-</b>	<b>2,007,547</b>	<b>1,901,766</b>
<b>Expenditure</b>						
<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
<b>Total expenditure</b>	<b>4</b>	<b>2,299,922</b>	<b>47,419</b>	<b>-</b>	<b>2,347,341</b>	<b>2,048,468</b>
<i>Net gains/(losses) on investments</i>				133,569	133,569	35,657
<b>Net income/(expenditure)</b>		<b>(321,582)</b>	<b>(18,212)</b>	<b>133,569</b>	<b>(206,225)</b>	<b>(111,045)</b>
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>					-	-
<b>Net movement in funds</b>		<b>(62,969)</b>	<b>(18,212)</b>	<b>(75,044)</b>	<b>(156,225)</b>	<b>(111,045)</b>
<b>Reconciliation of funds</b>						
Balances brought forward at 1 April	15	823,230	439,271	11,976,236	13,238,737	13,349,782
<b>Funds balances carried forward at 31 March</b>		<b>760,261</b>	<b>421,059</b>	<b>11,901,192</b>	<b>13,082,512</b>	<b>13,238,737</b>

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

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

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

**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	£	£	£	£	£
<b>Income</b>						
<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		-	-	-	-	-
<b>Total income</b>		<b>1,721,766</b>	<b>180,000</b>	<b>0</b>	<b>1,901,766</b>	<b>2,726,792</b>
<b>Expenditure</b>						
<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
<b>Total expenditure</b>	4	<b>2,007,179</b>	<b>41,289</b>	<b>0</b>	<b>2,048,468</b>	<b>2,186,137</b>
<i>Net gains/(losses) on investments</i>				35,657	35,657	56,834
<b>Net income/(expenditure)</b>		<b>(285,413)</b>	<b>138,711</b>	<b>35,657</b>	<b>(111,045)</b>	<b>597,489</b>
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>					-	-
<b>Net movement in funds</b>		<b>(319,001)</b>	<b>138,711</b>	<b>69,245</b>	<b>(111,045)</b>	<b>3,077,528</b>
<b>Reconciliation of funds</b>						
Balances brought forward at 1 April	15	1,142,231	300,560	11,906,991	13,349,782	10,272,253
<b>Funds balances carried forward at 31 March</b>		<b>823,230</b>	<b>439,271</b>	<b>11,976,236</b>	<b>13,238,737</b>	<b>13,349,782</b>

#### 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
	£	£	£	£	£
<b>Unrestricted funds</b>					
<b>Charitable activities</b>					
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
<b>Total unrestricted expenditure</b>	<b>952,954</b>	<b>422,737</b>	<b>924,231</b>	<b>2,299,922</b>	<b>2,007,179</b>
<b>Restricted funds</b>					
<b>Charitable expenditure</b>					
Management of Gardens and facilities	-	520	-	520	-
Development of Gardens	-	-	-	-	-
Other projects	-	-	-	-	-
Education	46,899			46,899	41,289
<b>Total restricted expenditure</b>	<b>46,899</b>	<b>520</b>	<b>-</b>	<b>47,419</b>	<b>41,289</b>
<b>Total expenditure</b>	<b>999,853</b>	<b>423,257</b>	<b>924,231</b>	<b>2,347,341</b>	<b>2,048,468</b>

##### 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
<b>Total costs</b>	<b>423,257</b>	<b>403,881</b>

### c. Analysis of governance costs

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

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
	<b>1,124,803</b>	<b>1,027,202</b>

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**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
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
	<b>42,230</b>	<b>152,247</b>

## **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
<b>Asset cost, valuation or revalued amount</b>					
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	-	-	-	-	-
<b>Revaluation (to RR)</b>	50,000	133,569	-	-	183,569
Transfers	-	-	-	-	-
<b>Balance carried forward 31 March 2023</b>	<b>10,216,875</b>	<b>1,103,000</b>	<b>1,114,641</b>	<b>10,356</b>	<b>12,444,872</b>
<b>Accumulated depreciation &amp; impairment provisions</b>					
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)
<b>Revaluation (to RR)</b>	-	-	-	-	-
Impairment charges	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Balance carried forward 31 March 2023</b>	<b>(410,653)</b>	<b>-</b>	<b>(334,559)</b>	<b>-</b>	<b>(745,212)</b>
<b>Net Book Value</b>	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
<b>Carried forward 31 March 2023</b>	<b>9,806,222</b>	<b>1,103,000</b>	<b>780,082</b>	<b>10,356</b>	<b>11,699,660</b>

### 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)	-
<b>Net book value</b>	<b>1,839,511</b>	<b>329,000</b>	<b>1,898,749</b>	<b>329,000</b>

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)	-
	<b>(130,279)</b>	<b>(43,951)</b>

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
	<b>823,230</b>	<b>1,978,340</b>	<b>(2,299,922)</b>	<b>258,613</b>	<b>760,261</b>

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
	<b>439,271</b>	<b>29,206</b>	<b>(47,419)</b>	<b>-</b>	<b>421,059</b>

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
	<b>11,976,236</b>	<b>-</b>	<b>-</b>	<b>183,569</b>	<b>(258,613)</b>	<b>11,901,192</b>



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 £
<b>Restricted Funds:</b>					
<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
<b>Restricted funds subtotal</b>		-	-	<b>421,059</b>	<b>421,059</b>
<b>Unrestricted funds</b>	15a	-	-	760,261	760,261
<b>Applied contributions</b>	15c	4,271,463	-	-	4,271,463
<b>Endowment fund</b>	15c	826,602	-	-	826,602
<b>Revaluation reserve</b>	15c	6,803,127	-	-	6,803,127
		<b>11,901,192</b>	-	<b>1,181,320</b>	<b>13,082,512</b>

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

	2022/23 £	2021/22 £
<b>Net movement in funds</b>	<b>(156,225)</b>	<b>(111,045)</b>
<b>Adjustments for:</b>		
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)
<b>Net cash provided by (used in) operating activities</b>	<b>(100,260)</b>	<b>36,470</b>

**18. Cash and cash equivalents**

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