

The Chelsea Physic Garden Company
(a company limited by guarantee)

Report and Consolidated Financial Statements

Year Ended

31 December 2021

Company Number 01690871

Charity Number 286513

The Chelsea Physic Garden Company

(a company limited by guarantee)

Report and financial statements for the year ended 31 December 2021

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The Chelsea Physic Garden Company

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Directors' report for the year ended 31 December 2021

The trustees, who are also directors for the purpose of company law present their report together with the audited financial statements for the year ended 31 December 2021 which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

Status and Constitution

Charity Name:	Chelsea Physic Garden Company (The)
Charity registration number:	286513
Company registration number:	01690871
Registered office and operational address:	66 Royal Hospital Road London SW3 4HS

The charity is constituted as a company limited by guarantee. The charity is governed by its Articles of Association dated 17 May 2019.

The company was incorporated to act as a Trustee of the charity known as The Chelsea Physic Garden (Charity registration number 286513) and to advance public education and in particular to promote the study of botany and related sciences.

The Chelsea Physic Garden is currently dormant and is consolidated within the accounts of The Chelsea Physic Garden Company.

Directors and members of the Board

The directors and members of the Board (who also act as trustees for the charitable activities of The Chelsea Physic Garden Company) who served during the year were:

Mrs Cathy Arnold	(resigned on 22 July 2021)
Mr Colin Chisholm	(Hon. Treasurer, Finance & Operations Committee)
Mr Alan Dempsey	(appointed 22 July 2021)
Mr Paul Martin Gray	(Finance & Operations Committee)
Mrs Sukie Hemming	
Dr Helen Charman	(appointed 4 February 2021)
Ms Anna Jobson	
Mr Tony Kirkham	(Chair of Advisory Committee)
Lady Arabella Lennox-Boyd	
Mr Simon Major	(appointed 4 November 2021)
Mr Michael McGonigle	(Finance & Operations Committee)
Mr Quoc-Nghi Nguyen	
Mr Michael Prideaux	(Chairman of the Board, Finance & Operations Committee)
Dr Philippa Simpson	(appointed 22 July 2021)
Mrs Sarah Speller	(Finance & Operations Committee)
Mr Andrew Woodward	(appointed 22 July 2021)
Mrs Susan Medway	(Company Secretary)

Senior Leadership Team

Director	Mrs Susan Medway
Development Director	Ms Joanna Wells
Commercial Director	Mr Tom Gilliford
Deputy Director (Visitor Experience)	Ms Frances Sampayo
Head of Finance	Mr Paul Ryan
Head of Plant Collections	Ms Nell Jones
Head of Learning & Public Engagement	Ms Katy Parry
Executive Assistant	Ms Gill Mathias
Project Manager	Mrs Sue Saville
	Mrs Bridget McGee (from July 2021)

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Directors' report for the year ended 31 December 2021 (continued)

Professional advisors

Bank: National Westminster Bank plc
183b Kings Road
Chelsea
London
SW3 5EB

Solicitors: Farrer & Co
66 Lincolns' Inn Fields
London
WC2A 3LH

Auditor: BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Fund Managers: Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Registered and principal office: 66 Royal Hospital Road
London
SW3 4HS

Organisation and Structure

Appointments to the Board are for an initial period of three years after which directors can seek re-election, serving two additional terms each of three years. These provisions also apply to appointments to the Board of CPG Enterprises Limited, the Advisory Committee and other board committees. There is provision to extend the appointment of a director for a limited period where the experience or organisational knowledge of that director supports an important or timely activity.

Four new directors have been appointed to join the Board during the year and will work alongside existing directors as a period of handover prior to their retirement at the conclusion of their term of office. The directors determine the overall strategy and policies of the company. The delivery of the Garden's strategic plans, fundraising and external professional relations together with day to day management are delegated to the Director, Mrs Susan Medway, who is also appointed as Company Secretary. The Director takes a lead on major project activity as the most senior executive of the company. She is supported by a small team of senior managers and staff.

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Directors' report for the year ended 31 December 2021 (continued)

Organisation and Structure (continued)

The principal departments and senior roles are:

The Deputy Director (Visitor Experience) is responsible for the welcome provided to visitors and for management of the buildings and their services. Through the learning and public programme team they have oversight of learning activity and the public programme. The Deputy Director deputises for the Director in their absence.

The Commercial Director is responsible for all commercial activity including retail, venue hire and commercial partnerships, they also manage the relationship with the catering partner. They are responsible for the Friends' scheme; through their team they undertake all PR, marketing and communications including digital.

The Development Director is responsible for supporting senior fundraising volunteers as well as direct fundraising for both specific capital projects and also to support the charity's education and learning programmes. Notable is the project to restore the Garden's glasshouses which has received a Round 2 delivery grant from the National Lottery Heritage Fund and for which a successful capital appeal has taken place.

The Head of Finance is responsible for all finance activities for the company and the wholly owned trading subsidiary CPG Enterprises Limited. The Head of Plant Collections is responsible for the horticultural management of the garden and its plant collections together with the herbarium and seed bank. They ensure delivery of the horticultural training programmes. The Project Manager leads on coordinating the project Board, the project team, the capital design team and supporting colleagues to achieve progress on all capital and programme activities required for the Glasshouse project and plans towards the Gardens building refurbishment programme as part of its 350 anniversary celebrations in 2023. The Executive Assistant supports the Board, its sub-committees and senior staff. They take minutes for all meetings including the Board, their sub-committees as well as the Project Board and project meetings.

Related parties and co-operation with other organisations

None of the directors receive remuneration or other benefits from their work with the charity. Any connection between a director or senior manager of the charity with another organisation, another charity or an individual that the charity may come into contact with in the course of pursuing its objectives must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. The charity's wholly owned subsidiary, CPG Enterprises Limited, was established on 20 December 1995 (company number 3140004). It is responsible for overseeing commercial activities, retail, catering, venue hire and any licensing for commercial purposes of the charity's trademark. CPG Enterprises Limited has a licence from the charity to occupy the shop premises and gifts its profits to the charity (see note 13b to the financial statements). The catering operation is contracted out with an agreed percentage of net turnover paid to CPG Enterprises Limited. The vast majority of venue hire bookings are fulfilled outside of the visitor opening periods. The charity has working relationships and maintains networks with a number of organisations at a local, national and international level. As a small independent charity these are important to raise and maintain its profile, to promote its diverse work and to share information and best practice.

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Directors' report for the year ended 31 December 2021 (*continued*)

Related parties and co-operation with other organisations (*continued*)

The charity maintains membership of the Botanic Gardens Education Network, Botanic Gardens Conservation International, the Association of Independent Museums, the National Council for the Conservation of Plants and Gardens, and The Heritage Alliance.

Close networks exist between a large number of international botanic gardens notably through the Index Seminum, the international seed exchange programme. The Garden also maintains good working relationships with staff at the Royal Botanic Gardens, Kew; Cambridge and Oxford Botanic Gardens; Edinburgh and Bristol Botanic Gardens. The Royal Horticultural Society and Kew support the Garden with technical advice, expertise and plant material. The Garden has reciprocated with similar exchanges of expertise and also hosted visits from horticultural trainees from many of these Gardens. There is a developing network through the charity's outreach programme with organisations such as the Octavia Foundation, Chelsea Academy, Kings' College (Civic Leadership Academy) and Social Farms and Gardens.

At a local level the charity engages with what is going on within the borough of Kensington and Chelsea, and particularly within the environs of Chelsea and Kings Road. The Garden pays attention to activities relating to tourism, education and community initiatives that it proactively supports. Representatives from the charity attend meetings and networking events of the Kings Road Business Forum and The Chelsea Society and they work with the Royal Hospital, Chelsea and the National Army Museum. The Director sits on the Committee of London Gardens Network, whose aim is to support and develop the skills and opportunities for professional gardeners. She is a Trustee of The London Gardens Society, a charity whose purpose is to stimulate pride in London especially by cultivating flowers and home gardens. She is a Liveryman of the Worshipful Company of Gardeners and sits on one of their sub committees.

All intra-group transactions have taken place in the normal course of business. There are no other related party transactions requiring disclosure.

Aims and Objectives

Purpose and principal activities

The charitable purpose and objectives of the charity are to demonstrate the medicinal, economic, cultural and environmental importance of plants to the survival and well-being of humankind.

Chelsea Physic Garden carries out this charitable purpose for the public benefit by:

- providing programmes of educational activities, publications and events;
- maintaining documented plant collections in labelled and interpreted displays in an historic botanic garden;
- demonstrating the development of the science and practice of horticulture, botany and related disciplines through the historical role of the garden; and
- promoting the importance of the conservation of plants and the natural environment.

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Directors' report for the year ended 31 December 2021 (continued)

Ensuring our work delivers our aims for the public benefit

The aims and activities of the company as a charity are reviewed each year. Public engagement and the conservation and care of Chelsea Physic Garden's collections are at the core of the charity's activities. The annual review looks at what has been achieved and the outcome and impact of that work in the previous 12 months against the key performance indicators monitored throughout the year. The principal performance indicators relate to:

- overall number of visitors to the Garden and admissions income;
- total number of School Learners;
- total number of Learners on Outreach visits and Community Engagement participants;
- number of participants on Public programmes and Family activity days;
- the number of Friends of the Garden;
- retail revenue;
- venue hire revenue;
- website and social media activity; and
- fundraising activity to support operating and capital projects.

Public benefit statement

The charity Trustees consider that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission and that the benefits that the charity provides are not unreasonably restricted.

The directors ensure the charity delivers public benefit by:

- admitting the public to the Garden on payment of a modest admission charge;
- maintaining a Friends scheme;
- providing a range of learning and public programmes on and off-site;
- working with partner organisations to identify groups that would benefit from community membership access;
- site and collections interpretation;
- publications and digital resources; and
- providing guided tours, visitor services and on-line access.

Our activities

We aim to demonstrate horticultural and botanical excellence in the presentation of the Garden, whilst providing interesting and accessible interpretation. Work continues to maintain interest in the horticultural displays and whilst the layout of the Garden remains largely unchanged, seasonal planting is introduced in order to interpret the collections and extend the season. Maintenance and redecoration work continues, particularly in the short period of closure in early January, ensuring that we maintain standards of presentation pending major refurbishment.

Notwithstanding the continuing impact of the COVID-19 global pandemic which is detailed later in this report, the Garden has been able to remain open to visitors 11 months of the year, six days a week, albeit visit levels are not at pre-pandemic levels. The Garden maintains longer opening hours (11am- 6pm) between April and October and has evening openings on Tuesdays and Wednesdays in July and August staying open until 10pm. Saturdays are exclusively reserved for private hire.

In 2021 the Garden welcomed 55,335 visitors (35,583 in 2020). The number of Friends at 31 December was 6,639 an, increase of 11% on 2020.

Income from commercial lettings forms a significant part of the charity's income. Information relating to private hire and to the Garden's public programme of activities is posted on the website and is promoted via the monthly e-newsletter. Venue hire and a range of public programme activities have taken place in line with the Government restrictions prevailing throughout the year.

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Directors' report for the year ended 31 December 2021 (continued)

Our activities (continued)

The collaboration with Beefeater Gin through the London Garden Gin product and their charitable donation to the Garden continued in 2021. The agreement with Octopus Publishing continues and a second book has been published under the Garden's trademark.

The City Bridge Trust and the John Lyon's Charity have continued their support for our learning outreach and engagement programmes and we are grateful for their continued and vital support.

The Garden has continued to deliver learning both onsite, offsite and online. There has been an increase in the delivery of activities through a programme of community partnerships. The total number of school and community participants for the year was 3,074. In addition we welcomed a further 5,039 participants to one of our public programme activities throughout the year, which may have been anything from summer outdoor music on the lawn, to a family activity day, a workshop on chocolate making or a herbal remedies course.

Future vision

As part of the preparation for celebrations of the 350 anniversary of the Garden in 2023, work continues on achieving the overall objectives of updating the Garden's horticultural and learning facilities and infrastructure and to improve and enhance the overall accessibility and experience for visitors.

The first phase of this work is restoration and reinterpretation of the Garden's Victorian Glasshouses. In March 2021 the National Lottery Heritage Fund (NLHF) awarded a Round Two Delivery Grant of £680,700. Detailed preparations have been completed, contracts awarded to specialist contractors and works begin on site in January 2022.

All the necessary fundraising for the full cost of the project (£2.8m) has been completed and the capital and comprehensive activity plans are also fully funded.

COVID-19

The Garden has continued to operate and open in line with Government guidance throughout, and it has not been necessary to close the Garden to visitors at any stage during the year. However there remains considerable caution in the UK and overseas tourism market. Restrictions have been in place for much of the year on overseas travel which has affected the number of visitors, notably constraining group visits. The move of the RHS Chelsea Flower Show to September (from May) did however give a later season boost to Garden visits and venue hire.

Venue hire activity has continued to be affected because of restrictions in place on numbers of guests, social distancing etc. and this has affected income and led to cancelled and rearranged bookings. A larger number of smaller bookings have been accepted in order to generate income.

The Garden's catering partners CH & Co. have remained flexible in responding to the different changes in legislation relating to food and drink venues and alternatively offered takeaway and table service. Their trading performance and consequently the income received by the Garden has been affected.

A Board and senior management sub-committee met bi-monthly to review the performance and financial stability of the company and its trading subsidiary. They monitored the key performance indicators, all major income and expenditure and monitored closely cash flow to ensure that the company and trading subsidiary are able to meet their liabilities and can continue to trade on a going concern basis.

Volunteers

The Garden's team of volunteers, provides invaluable support across the charity and we continually look to diversify the activities in which they are involved. In 2021 a Volunteer Development Manager was appointed, supported by the NLHF. They will work with us to diversify our recruitment of volunteers and ensure we better train and support existing and new volunteers.

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Directors' report for the year ended 31 December 2021 (continued)

Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not currently undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." We have an on-line donation page for the general public to make donations to fundraising appeals, including the 'Hothouse Challenge' for the Glasshouses project. At 31 December 2021 £36,471 had been received for this and other projects via the website. Such amounts received are presented in our accounts as "voluntary income" and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the senior management team, who are accountable to the Trustees.

The charity is not bound by any undertaking to any regulatory scheme however the charity voluntarily follows The Code of Fundraising Practice.

The charity has received no complaints in relation to fundraising activities. The charity monitors the activities of its employees including those responsible for fundraising with regular reports prepared for Trustees.

Principal Funding Sources

Income is principally generated by the charity from charging visitors' admission to enter the Garden, from annual subscriptions from Friends of the Garden and from the public programme. In addition, the commercial activities of CPG Enterprises Limited make a significant contribution to the funding of the charity. The charity also holds long-term investments in the form of an Endowment Fund. This endowment fund was established between 1983-87 from a fundraising appeal which attracted donations from a number of sources. The Trustees have determined that the fund is expendable with both capital and income being available to use at the Trustee's discretion in support of the Charity's work. At 31 December 2021 the endowment fund value was £4,049,456.

Trust and Major Donors 2021

The Garden is fortunate to have the support of a number of Charitable Trusts and Foundations together with many individuals who make donations supporting capital works and the charity as a whole. In 2021 grants were received from the following generous donors:

General

Cadogan Charity
Culture Recovery Fund
Drapers' Company
Garden House School
John Lewis Partnership
Joseph Rochford Gardens Ltd
Pamela Matthews Charitable Trust
Peter Stormonth Darling Charitable Trust
Stonewall Park Charitable Trust
Tanner Trust

Horticultural Education, Horticultural Trainees and Garden Projects

Barbara Whatmore Charitable Trust
The Ironmongers' Trust Company
The Finnis Scott Foundation
Lord Leverhulme's Charitable Trust
Stanley Smith (UK) Horticultural Trust

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Directors' report for the year ended 31 December 2021 (continued)

Trust and Major Donors 2021 (continued)

Learning and Outreach Projects

City Bridge Trust
D'Oyly Carte Charitable Trust
John Lyon's Charity
Kusuma Trust
John Swire 1989 Charitable Trust
R U B White Charitable Trust

Glasshouse Restoration Project

National Lottery Heritage Fund
Garfield Weston Foundation
John Armitage Charitable Trust
John Balson Legacy
Esmée Fairbairn Foundation

With special thanks to The John Browne Charitable Trust and the 2021 Hothouse Challenge Donors including:

Sir Richard and Lady Aikens
Amanda Bishop
Britwell Trust
Broughton Family Charitable Trust
Richard Broyd OBE
Mr Colin Chisholm
Ann Cloke
Mrs V Coral
Ms J Coussmaker
Lord and Lady Davies of Abersoch
Professor Dianne Edwards
Anita Fairbairn
Mr Peter Gregory
Sir Henry and the Hon Lady Keswick
Richard Mansell-Jones
Nghi Nguyen
Dr Stefan Paetke
Sir Simon Robey
Leslie and Walter Rogers
Paul Roy
Lord and Lady Sassoon
Mr Martin Schoernig
Lulu and Ed Siskind
Sloane Stanley LLP
Fiona Squire and Geoff Squire OBE
Lady Henrietta St. George
Deborah Swallow
Ken Watters and Robin Wilkinson
James and Sarah Williams

And all our donors who wish to remain anonymous.

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Directors' report for the year ended 31 December 2021 (continued)

Investment Policy

The directors have considered the most appropriate policy for managing the charity's endowment funds and unrestricted reserves. They have delegated management of these funds to a specialist fund manager, Sarasin & Partners LLP. The investment mandate set for the fund manager is to provide a level of annual income to support the running of the charity, whilst also looking to achieve long term capital growth of the funds.

Reserves

Total funds at the year-end amount to £7,099,088 (2020: £4,981,386) of which £1,926,696 (2020: £479,789) can only be used for particular restricted purposes as stipulated by the donors. The assets and liabilities attributable to the various funds are shown in notes 18 and 19 to the financial statements which also describe the various funds of the charity.

Unrestricted funds amount to £5,172,392 (2020: £4,501,597), of which £509,606 (2020 - £950,800) is freely available as the directors consider the Endowment funds of £4,049,456 (2020: £3,300,797) to be available only in exceptional circumstances. The charity relies on the income generated from these long term investments (and also from its own activities) for the day to day upkeep of the Garden and for capital growth to ensure continued income generation in future years.

The directors review annually the reserves policy and have set the target level of free reserves at the equivalent of operational expenditure over the next three months which equates to £528,493. The freely available reserves of £509,606 equate to a little under 3 months of expenditure reserve and are therefore broadly in line with this reserves policy. The directors will be undertaking a review of the charity's reserves policy in 2022.

Financial review

The results for the year show net surplus of £1,869,043 before gains on investments, compared with a net deficit of £40,724 in 2020 and a net surplus (after unrealised gains) of £2,117,702 compared with £124,616 in 2020. After a year of uncertainty because of the impact of COVID-19, the balance sheet shows a positive position, in all the circumstances, in part due to grant applications and a successful business interruption insurance claim.

The Garden's trading subsidiary, CPG Enterprises Limited, showed a pre-tax profit of £95,144 (2020: £15,169), before a donation under deed of covenant was made to the Garden.

Income from letting rooms and external events in the Garden is £308,972 (2020: £64,745) which is 14% (2020 - 4%) of total income. The income received from the Friends related to the renewal of annual subscriptions to the Friends' scheme and the making of new Friends of the Garden generated an income of £385,822 (2020: £272,030).

Total expenditure of £1,681,338 decreased by 6.7% (2020 - £1,801,904). The decreases were in horticultural, premises, professional fees and administrations costs.

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Directors' report for the year ended 31 December 2021 (continued)

Going concern

In assessing the impact of COVID-19 on The Chelsea Physic Garden Company group, the Directors have considered all the matters described in the Directors' Report, including the group's operations, the impact on subscriptions, donations, and other trading activities, as well as the impact on the group's investment portfolio. In particular, in order to support the Directors' assessment of the sustainability of the group's activities, management continues to prepare quarterly cash-flow forecasts based on actual performance against budget for the 2022 and to make assumptions through to the end of 2023 that reflect possible scenarios based on current performance and market predictions. The analysis undertaken shows that the group remains cash positive throughout without need to liquidate any of the charity's investment portfolio.

CPG Enterprises Ltd, is the wholly owned subsidiary which undertakes certain commercial trading activities of the group. In assessing the ongoing impact of COVID-19, the Directors have reviewed the likely levels of activities over the next 12 months. 2022 venue hire booking are at the maximum capacity the Garden can fulfil within the annual calendar and retail and catering all performing broadly in line with budgets. The directors are therefore confident of future trading conditions. A separate monthly cash-flow forecast continues to be prepared to reflect actual against budget which shows a positive cash flow going forward. Provided that trading activities ordinarily undertaken by CPG Enterprises Ltd continue the trading company remains a going concern throughout.

At the date of signing of these financial statements, the directors' forecasts indicate that the Group will be able to maintain liquidity for a period of at least one year following the date of signing of these financial statements and will therefore be able to continue to trade as a going concern. The directors therefore consider that no material uncertainty exists in relation to going concern for the Group.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purposes most effectively for the public benefit.

The charity is in the process of reviewing the Charity Corporate Governance Code and is considering whether to implement any changes in response.

Plans for Future Periods

In anticipation of the Garden's 350 anniversary in 2023 the charity continues work on the development of the project's aims to achieve improvements to and refurbishment of the visitor, horticultural and learning facilities and infrastructure and to improve and enhance the overall accessibility and experience for visitors.

The first phase of this project is the restoration and reinterpretation of the Glasshouses at cost of £2.8m. The National Lottery Heritage Fund have awarded a Delivery Grant of up to £680,700 towards the overall cost. The total amount raised or pledged for the Glasshouse project including the delivery of the capital and activity programmes is £2,739,962 (£100,000 of this was received after 31 December 2021).

There has been no long term impact of COVID-19 on future plans as most of the work either has already been achieved or the capital works are yet to start on site.

Other capital projects are modest in nature and only commence when all funding is in place to meet the full cost of the activity.

Carbon Footprint

During the development phase of the Glasshouse project the Garden developed a Sustainability Framework through which it evaluated the deliverables for the repair and improvements to the Glasshouses. It is proposed that this Sustainability Framework which covers accessibility, biodiversity, energy, water, materials, waste and pollution be further developed to provide a benchmark by which the Garden can track, reduce and mitigate its environmental footprint.

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Directors' report for the year ended 31 December 2021 (*continued*)

Recruitment and Appointment of the Board

All members of the Board give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 9 to the financial statements.

The Nominations and Appointments Committee is charged with setting and regularly reviewing the requisite skills and competencies for board members and members of committees/panels, undertaking recruitment searches and recommending appointments as required to ensure there is an appropriate mix of skills. Four new directors have been appointed to the Board in the course of this year and a process to identify the skills required was undertaken beforehand as they will replace directors who stand down in the course of the next two years. Skills identified as being necessary included major capital project management, legal and charity governance experience, as well as digital and marketing skills. In addition, one new director has been appointed to the Board of CPG Enterprises Limited.

Trustee Induction and Training

New Trustees are invited and encouraged to attend at the Garden to familiarise themselves with the charity and the context within which it operates, including meeting with senior management and taking tours with the volunteer Guides. An induction day was carried out with newly appointed directors. They are invited to attend the main Spring briefing and the subsequent quarterly staff and volunteer briefing sessions.

Pay policy of senior staff

The Remuneration Committee, is responsible for annually reviewing the pay and conditions of staff and volunteer expense remuneration. Benchmarking is undertaken within the relevant sector of all vacant roles prior to re-advertising. A bi-annual benchmarking programme is undertaken for all roles within the horticultural sector to ensure that the Garden's pay and conditions are in line with comparable organisations.

Risk Management

The directors actively review the major risks which the charity might face, in particular those relating to governance, reputation, operations and finance. As part of the risk monitoring infrastructure the charity maintains an active risk register, business continuity and disaster plan. The charity annually reviews its insurance provision including the type of cover and overall levels of cover.

The Board puts great emphasis on active monitoring of the financial risks for both the charity and its subsidiary including the liquid funds to settle debts as they fall due, the active management of trade debtors and creditor balances and ensuring sufficient working capital is available to the charity and its subsidiary company.

The directors believe that maintaining free reserves at the levels stated above, combined with regular reviews of the controls over key financial systems, will provide sufficient protection for the charity in the event of adverse operating conditions.

The risk associated with the impacts of COVID-19 pandemic have been monitored closely by management and reported regularly to Trustees, including the effect on the charity's ability to deliver its public benefit agenda and up to date information on the cash flow position.

The directors have considered where there are any risks associated with the ongoing crisis in Ukraine and will continue to monitor and mitigate the limited impact this may on the Garden's operations including but not limited to supply chain, inflationary pressure and cyber security.

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Directors' report for the year ended 31 December 2021 (*continued*)

Provision of information to auditors

Each of the persons who are directors at the time when the Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing his report and to establish that the company's auditor is aware of that information.

This report, including the strategic report, was approved by the Board on
signed on its behalf by:

12 May

2022 and



Michael Prideaux
Director



Colin Chisholm
Director

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Directors' responsibilities statement for the year ended 31 December 2021

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company and charity law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the group and parent charity and of the incoming resources and application of resources, including its income and expenditure, of the group for the year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent auditor's report To the Directors of The Chelsea Physic Garden Company for the year ended 31 December 2021

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2021 and of the Group's 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 Companies Act 2006.

We have audited the financial statements of The Chelsea Physic Garden Company ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 December 2021 which comprise the consolidated and charity parent balance sheet, the statement of consolidated cash flows and notes forming part of the financial statements, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

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Independent auditor's report (*continued*) for the year ended 31 December 2021

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Consolidated Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Directors' 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Independent auditor's report (*continued*) for the year ended 31 December 2021

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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.

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

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal laws and regulations that directly affect the financial statements. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered the risks of non-compliance with other requirements imposed by the Companies House and Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements.

In addition, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, fundraising regulations, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

We understood how the charitable company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes and correspondences with HMRC and the various charity regulators.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Audit Committee and management, and a review of minutes of meetings of those charged with governance. We made enquiries regarding any matters identified as a Serious Incident as reportable to the Charity Commission of England and Wales. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals including those which potentially impact remuneration and other performance targets and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Independent auditor's report (*continued*) for the year ended 31 December 2021

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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 Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Fiona Condrón (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London,
United Kingdom

Date: 15 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Chelsea Physic Garden Company

(a company limited by guarantee)

Consolidated statement of financial activities (including consolidated income and expenditure account) for the year ended 31 December 2021

	Note	Unrestricted General funds £	Endowment funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:						
Donations and legacies	2	782,575	-	1,203,653	1,986,228	977,222
Other trading activities	3	643,838	-	-	643,838	200,685
Charitable activities	4	621,914	-	-	621,914	403,538
Other income		175,336	-	-	175,336	47,752
Investments	5	123,115	-	-	123,115	131,983
Total income		2,346,778	-	1,203,653	3,550,431	1,761,180
Expenditure on:						
Charitable activities	8	1,154,078	-	206,746	1,360,824	1,504,099
Raising funds	9	295,110	25,454	-	320,564	297,805
Total expenditure	7	1,449,188	25,454	206,746	1,681,388	1,801,904
Net income/(expenditure) before gains, losses and transfers	6	897,590	(25,454)	996,907	1,869,043	(40,724)
Net gain on investments	13	-	248,659	-	248,659	165,340
Net surplus/(deficit) before transfers		897,590	223,205	996,907	2,117,702	124,616
Transfers between funds	18	(775,454)	525,454	250,000	-	-
Net movement in funds		122,136	748,659	1,246,907	2,117,702	124,616
Reconciliation of funds						
Total funds brought forward at 1 January 2021	18	1,200,800	3,300,797	479,789	4,981,386	4,856,770
Total funds carried forward at 31 December 2021	18	1,322,936	4,049,456	1,726,696	7,099,088	4,981,386

All results are derived from continuing activities.

The group has no other recognised gains and losses other than those stated above.

The notes on pages 22 to 44 form part of these financial statements.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Consolidated balance sheet at 31 December 2021

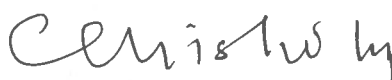
Company number 01690871

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		304,430		249,605
Investments	13		4,049,456		3,300,797
			<u>4,353,886</u>		<u>3,550,402</u>
Current assets					
Stocks	14	29,990		22,575	
Debtors	15	76,344		52,041	
Cash at bank and in hand	23	3,068,775		1,831,333	
		<u>3,175,109</u>		<u>1,905,949</u>	
Creditors: amounts falling due within one year	16	(429,907)		(474,965)	
Net current assets			<u>2,745,202</u>		<u>1,430,984</u>
Net assets	19		<u>7,099,088</u>		<u>4,981,386</u>
Funds					
Unrestricted:					
General	18	759,606		950,800	
Designated	18	563,330		250,000	
Endowment funds	18	4,049,456		3,300,797	
Restricted funds	18	1,726,696		479,789	
Total funds	18		<u>7,099,088</u>		<u>4,981,386</u>

The financial statements were approved and authorised for issue by the Board and authorised for issue on



Michael Prideaux
Director



Colin Chisholm
Director

12 May 2022

The notes on pages 22 to 44 form part of these financial statements.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Charity balance sheet at 31 December 2021

Company number 01690871

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		302,644		247,372
Investments	13		4,049,556		3,300,897
			<u>4,352,200</u>		<u>3,548,269</u>
Current assets					
Debtors	15	82,601		25,339	
Cash at bank and in hand	23	2,902,755		1,758,117	
		<u>2,985,356</u>		<u>1,783,456</u>	
Creditors: amounts falling due within one year	16	(243,146)		(355,017)	
Net current assets			<u>2,742,210</u>		<u>1,428,439</u>
Net assets	19		<u>7,094,410</u>		<u>4,976,708</u>
Funds					
Unrestricted:					
General	18	754,928		946,122	
Designated	18	563,330		250,000	
Endowment funds	18	4,049,456		3,300,797	
Restricted funds	18	1,726,696		479,789	
Total funds	18		<u>7,094,410</u>		<u>4,976,708</u>

As permitted by section 408 of the Companies Act 2006, the Parent Charitable Company's profit and loss account has not been included in these financial statements. The surplus for the year was £2,117,702 (2020: £124,616).

The financial statements were approved and authorised for issue by the Board and authorised for issue on



Michael Prideaux
Director



Colin Chisholm
Director

12 May 2022

The notes on pages 22 to 44 form part of these financial statements.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Statement of consolidated cash flows at 31 December 2021

	Note	2021 £	2020 £
Reconciliation of net income to cash flows from operating activities			
Net movement in funds		2,117,702	124,616
Gain on investments		(248,659)	(165,340)
Investment income		(123,115)	(131,983)
Depreciation		25,346	28,985
(Increase)/decrease in debtors		(24,303)	69,734
(Decrease)/increase in creditors		(45,058)	115,376
(Increase)/decrease in stocks		(7,415)	21,536
		<hr/>	<hr/>
Cash flows from operating activities		1,694,498	62,924
Cash flows from investing activities			
Investment income	5	123,115	131,983
Purchase of investments	13	(500,000)	-
Disposal of investments	13	-	500,000
Purchase of property, plant and equipment	12	(80,171)	-
		<hr/>	<hr/>
		(457,056)	631,983
Increase in cash for the year		1,237,442	694,907
Cash at beginning of year		1,831,333	1,136,426
		<hr/>	<hr/>
Cash at end of year	21,22	3,068,775	1,831,333
		<hr/>	<hr/>

The notes on pages 22 to 44 form part of these financial statements.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021

1 Accounting policies

The Chelsea Physic Garden Company is a registered charity and incorporated in England and Wales under the Companies Act 2006. It is a company limited by guarantee. The address of the registered office is given on page 1 of the Directors' report.

The principal accounting policies adopted, judgements and key sources of estimation or uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared on a historic cost basis except for the revaluation of investments.

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, 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

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

Exemptions for qualifying entities under FRS 102

The parent charitable company has taken the following disclosure exemptions:

- from preparing a statement of cash flows on the basis that it is a qualifying entity and the group cash flow statement included within these financial statements, include the company's cash flows; and
- from the financial instruments disclosures, required under FRS 102 para 11.40 to 11.48A and para 12.26 to 12.29, as the information is provided in the Group financial disclosures.

Going concern

In assessing the impact of COVID-19 on The Chelsea Physic Garden Company group, the Directors have considered all the matters described in the Directors' Report, including the group's operations, the impact on subscriptions, donations, and other trading activities, as well as the impact on the group's investment portfolio. In particular, in order to support the Directors' assessment of the sustainability of the group's activities, management continues to prepare monthly cash-flow forecasts based on assumptions, through to the end of 2023 that reflect possible scenarios arising from the impact of COVID-19. The major revenue and expenditure budgets are tracked on a month by month basis to check actual against budget, which is used to adjust the forward assumptions for income and expenditure through 2022 up to December 2023. The analysis undertaken shows that the group remains cash positive throughout without need to liquidate any of the charity's investment portfolio.

CPG Enterprises Ltd, the wholly owned subsidiary which undertakes certain commercial trading activities of the group, has had separate cash-flow forecasts prepared to reflect actual against budget which shows a positive cash flow going forward. Provided that trading activities ordinarily undertaken by CPG Enterprises Ltd continue the trading company remains a going concern throughout.

At the date of signing of these financial statements, the directors' forecasts indicate that the Group will be able to maintain liquidity for a period of at least one year following the date of signing of these financial statements and will therefore be able to continue to trade as a going concern. The directors therefore consider that no material uncertainty exists in relation to going concern for the Group.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary of CPG Enterprises Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account for the charitable company itself, is not presented in these accounts because the charitable company has taken advantage of the exemptions offered by Section 408 of the Companies Act 2006.

Income

Donations, grants and legacies

Cash donations and gifts are included in the Statement of Financial Activities when conditions for their receipt have been met. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods.

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

Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

Commercial trading operations

Shop income comprises revenue recognised by the company in respect of goods supplied, exclusive of Value Added Tax and trade discounts. Lettings income comprises revenue recognised by the company in relation to the lettings of the grounds and associated facility fees.

Income from fundraising events is included in the financial statements in the period in which the fundraising event takes place.

Income from royalties comprises of revenue from the sale and publication of botanical books.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

Gift Aid

The charity owns the whole of the issued share capital of CPG Enterprises Limited.

Each year CPG Enterprises Limited pays to the charity, under the provisions related to Gift Aid, a sum based on the taxable profits of the company. The payment of Gift Aid is subject to the reserves policy of the gifting entity, and the approval of the charity.

Gift Aid is recognised on the accruals basis in line with the deed of covenant.

Investment income

Dividends are included in the Statement of Financial Activities when they are declared at an amount, which includes the tax credit recoverable from the H M Revenue and Customs.

Interest is included when receivable by the group.

Income from charitable activities

Admissions are recognised when received by the group. Friends subscriptions are recognised over the period to which they relate, any relating to future periods is deferred. Life subscriptions are recognised as they are received.

Expenditure

Expenditure is recognised on an accruals basis in the period in which it is incurred. Costs of raising funds for commercial trading operations comprise the costs associated with the letting of grounds and goods supplied.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs including governance costs are allocated between the expenditure categories of the charity on a basis designed to reflect the use of the resource. Costs relating to a particular activity are charged directly, others are apportioned on an appropriate basis.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the directors. These include the assets of the trading company. The directors use part of the unrestricted funds from time to time for specific projects and set up designated funds to reflect this.

The **Endowment** Fund is an expendable Endowment and represents investments and cash which continue to be used by the directors in the best interests of the charity. The endowment fund was established between 1983-87 from a fundraising appeal which attracted donations from a number of sources. The Trustees have determined that the fund is expendable with both capital and income being available to use at the Trustees' discretion in support of the Charity's work.

Restricted funds can only be used for the particular restricted purposes within the objectives of the charity. Restrictions are imposed by the donor or when funds are raised for specified restricted purposes. The notes to the financial statements provide further details.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets

Generally, tangible fixed assets are capitalised if they can be used for more than one year and cost at least £2,500. They are valued at cost.

The charity does not have a policy on revaluation, a nominal value of £1 is put on the main buildings and gardens which are leased in perpetuity for a rent of £5 a year.

Depreciation of fixed assets is charged at rates estimated to write off their costs over the expected useful lives. The rates used are as follows:

Buildings	-	2% of cost
Assets Under Construction	-	Not depreciated
Improvements	-	10% of cost
Office fixtures and equipment	-	20% of cost
Horticultural equipment	-	20% of cost
Computer equipment	-	20% of cost

Stock

Stock is included at the lower of cost and net realisable value and consists of goods for resale.

Investments

Listed investments are stated at closing market value at the balance sheet date. Unrealised gain or loss is calculated as the difference between opening and closing market value, as adjusted for additions and disposals in the year.

Investments held in subsidiary companies are recognised at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Leased assets

The group has operating leases. Their annual rentals are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Pension scheme contribution

The charity does not operate its own pension scheme. Pension costs relate to payments made by the group to the personal pension plans of employees.

Estimates and judgments

There are not considered to be any significant estimates and judgements involved in the preparation of the financial statements. Those estimates and judgements made, which are not considered to be significant, are covered by the other accounting policies.

2 Income from donations, grants and legacies

	Unrestricted funds £	Restricted funds £	2021 £
Donations and legacies	378,049	1,203,653	1,581,702
Government grants	404,526	-	404,526
	<u>782,575</u>	<u>1,203,653</u>	<u>1,986,228</u>

Government grants of £404,526 (2020 - £214,100) relates to grant income received under the Culture Recovery Fund scheme administered by the National Lottery Heritage Fund to support small scale capital expenditure and contribution to core costs including staff wages.

	Unrestricted funds £	Restricted funds £	2020 £
Donations and legacies	128,667	634,455	763,122
Government grants	214,100	-	214,100
	<u>342,767</u>	<u>634,455</u>	<u>977,222</u>

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

3 Income from other trading activities

	2021 £	2020 £
Commissions and letting of rooms	297,354	64,745
Shop income	103,953	84,049
Fundraising events	230,920	49,724
Royalties	11,611	2,167
	<hr/>	<hr/>
Commercial trading operations	643,838	200,685
	<hr/>	<hr/>

All income from trading activities was unrestricted in the current and preceding year.

4 Income from charitable activities

	2021 £	2020 £
Admissions	236,092	131,407
Friends subscriptions	385,822	272,030
Art in the Garden	-	101
	<hr/>	<hr/>
	621,914	403,538
	<hr/>	<hr/>

All income from charitable activities was unrestricted in the current and preceding year.

5 Investment income

	2021 £	2020 £
Income from fixed asset distribution unit funds	123,115	131,983
	<hr/>	<hr/>

Income from investments was unrestricted in the current and preceding year.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

6 Net income

	2021 £	2020 £
Net income for the year is stated after charging:		
Auditor's remuneration	23,829	24,500
Accountancy services	4,800	4,800
Depreciation of tangible fixed assets	25,346	28,985
	<u> </u>	<u> </u>

7 Total expenditure

	Staff costs £	Premises costs £	Depreciation £	Other costs £	Total 2021 £
Charitable activities (note 8)	800,624	156,824	23,228	380,148	1,360,824
Raising funds (note 9)	178,175	2,195	2,118	138,076	320,564
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	978,799	159,019	25,346	518,224	1,681,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Staff costs £	Premises costs £	Depreciation £	Other costs £	Total 2020 £
Charitable activities (note 8)	802,563	142,786	26,534	532,216	1,504,099
Raising funds (note 9)	173,248	2,305	2,451	119,801	297,805
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	975,811	145,091	28,985	652,017	1,801,904
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Total expenditure for the year was £1,681,338 (2020: £1,801,904) of which £206,746 was restricted (2020: £436,349), £1,154,078 was unrestricted (2020: £1,340,983) and £25,454 (2020: £24,572) related to endowment funds.

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

8 Expenditure on charitable activities

	Direct £	Support £	Total 2021 £
Science and horticulture	545,092	-	545,092
Educational programmes	109,687	-	109,687
Other projects	542,048	163,997	706,045
	<u>1,196,827</u>	<u>163,997</u>	<u>1,360,824</u>
	Direct £	Support £	Total 2020 £
Science and horticulture	453,119	-	453,119
Educational programmes	122,537	-	122,537
Other projects	687,354	241,089	928,443
	<u>1,263,010</u>	<u>241,089</u>	<u>1,504,099</u>

Expenditure on charitable activities in the year was £1,360,824 (2020: £1,504,519) of which £206,746 was restricted (2020: £436,349), £1,154,078 was unrestricted (2020: £1,067,750) and £Nil was relating to endowment funds (2020: £Nil).

Analysis of direct costs

	Total 2021 £	Total 2020 £
Wages and Salaries	713,557	665,293
Depreciation	21,553	24,981
Materials	3,965	7,166
Equipment	3,215	1,949
Repairs, maintenance & cleaning	126,367	111,658
Security	7,870	6,066
Advertising and marketing	13,737	44,304
Education costs	10,353	23,954
Recruitment	8,719	16,330
Rent, rates, water, heat & light	20,392	23,240
Travel, subsistence & entertaining	6,189	5,093
Insurance	29,327	30,938
Printing, postage & stationary	35,296	39,293
Telephone and internet	4,487	4,614
Ticket commissions	22,322	8,247
Professional fees	22,945	195,546
Other costs	146,533	54,338
Total	<u>1,196,827</u>	<u>1,263,010</u>

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

8 Expenditure on charitable activities (*continued*)

Analysis of support costs

	Total 2021 £	Total 2020 £
Wages and Salaries	87,067	137,270
Depreciation	1,675	1,553
Repairs, maintenance & cleaning	-	-
Security	611	377
Advertising and marketing	1,066	2,754
Recruitment	677	1,015
Rent, rates, water, heat & light	1,584	1,445
Travel, subsistence & entertaining	291	201
Printing, postage & stationary	978	2,415
Telephone and internet	349	287
Professional fees	898	11,752
Other costs	6,605	2,938
Governance costs	62,196	79,082
Total	163,997	241,089

Support costs are allocated on an apportionment basis as follows:

	2021	2020
Total employees	30	29
Support staff	2	2
% for apportionment	6.7%	6.9%

Any cost that can be directly attributed to the charitable activities are allocated before any apportionment of costs.

Governance costs relate to audit and accountancy fees, legal fees and finance charges.

The Chelsea Physic Garden Company

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Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

9 Expenditure on raising funds

	2021 £	2020 £
Wages and salaries	178,175	173,248
Expenditure of CPG Enterprises (including depreciation)	54,154	60,641
Fundraising costs of charity	14,732	31,309
Investment manager fees	25,454	24,572
Costs incurred on fundraising fair	48,049	8,035
	<u>320,564</u>	<u>297,805</u>

Expenditure on raising funds for the year was £320,564 (2020: £297,805) of which £25,454 (2020: £24,572) related to endowment funds and £295,110 (2020: £273,233) related to unrestricted funds.

Total direct costs of raising voluntary income included within direct costs are £131,962 which represent 11.0% of all direct costs (2020 – £119,111 which represents 9.4% of direct costs).

Other than those costs that wholly relate to fundraising costs all other expenditure on raising funds is based on an apportionment basis as follows:

	2021	2020
Total employees	30	29
Fundraising staff	2	2
% for apportionment	6.7%	6.9%

10 Directors and employees

	Group 2021 £	Group 2020 £
Wages and salaries	840,262	860,152
Social security costs	71,962	66,572
Pension costs	65,157	47,467
Temporary Staff	1,418	1,620
	<u>978,799</u>	<u>975,811</u>

The group does not operate its own pension scheme. Pension costs relate to payments made by the group to the personal pension plans of employees.

The Chelsea Physic Garden Company

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Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

10 Directors and employees (continued)

Average number of employees as a headcount:

	Group 2021 Number	Group 2020 Number
Charitable	26	25
Administration and support	2	2
Fundraising	2	2
	<hr/>	<hr/>
	30	29
	<hr/>	<hr/>

The group was helped by a substantial number of volunteers, approximately 120 (2020: 135) throughout the year.

The key management personnel of the group, include a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total employment benefits paid to key management personnel of the group were £498,715 (2020: £455,861).

	2021	2020
Salary range for employees earning £60,000 p.a. or more		
£60,000 - £69,999	1	1
£70,000 - £79,999	-	-
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
	<hr/>	<hr/>

Redundancy, restructuring and termination costs relating to 2 employees (2020 – 2) were £4,528 (2020: £8,415).

Government grants relating to furloughed staff were received of £2,365 (2020: £46,723). The furlough claim is included within Other Income.

Directors' remuneration and expenses

None (2020 – none) of the directors received any remuneration. During the year one director (2020 – one) received £3,762 expense reimbursement (2020 – £127 expense reimbursed).

11 Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

The subsidiary company makes a qualifying donation of all taxable profit to The Chelsea Physic Garden. No corporation tax liability on the subsidiary arises in the accounts.

The Chelsea Physic Garden Company

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Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

12 Tangible assets

Group	Buildings and improvements £	Assets under construction £	Office fixtures and equipment £	Horticultural equipment £	Computer equipment £	Total £
<i>Cost</i>						
At 1 January 2021	695,457	-	209,686	15,167	111,691	1,032,001
Additions	-	80,171	-	-	-	80,171
At 31 December 2021	695,457	80,171	209,686	15,167	111,691	1,112,172
<i>Depreciation</i>						
At 1 January 2021	477,255	-	183,107	15,167	106,867	782,396
Charge for the year	12,226	-	8,472	-	4,648	25,346
At 31 December 2021	489,481	-	191,579	15,167	111,515	807,742
<i>Net book value</i>						
At 31 December 2021	205,976	80,171	18,107	-	176	304,430
At 31 December 2020	218,202	-	26,579	-	4,824	249,605

The Chelsea Physic Garden Company
(a company limited by guarantee)

**Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)**

12 Tangible assets (continued)

Charity

	Buildings and improvements £	Assets under construction £	Office fixtures and equipment £	Horticultural equipment £	Computer equipment £	Total £
<i>Cost</i>						
At 1 January 2021	695,457	-	201,573	15,167	111,691	1,023,888
Additions	-	80,171	-	-	-	80,171
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	695,457	80,171	201,573	15,167	111,691	1,104,059
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 1 January 2021	477,255	-	177,227	15,167	106,867	776,516
Charge for the year	12,226	-	8,025	-	4,648	24,899
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	489,481	80,171	185,252	15,167	111,515	801,415
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>						
At 31 December 2021	205,976	80,171	16,321	-	176	302,644
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	218,202	-	24,346	-	4,824	247,372
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

13 Fixed asset investments

13a Listed investments

	2021 £	2020 £
Market value at 1 January 2021	3,300,797	3,635,457
Additions	525,454	24,572
Disposals	-	(500,000)
Investment manager fees	(25,454)	(24,572)
Gain in the year	248,659	165,340
	<hr/>	<hr/>
Market value at 31 December 2021	4,049,456	3,300,797
	<hr/>	<hr/>

Investments are held in listed funds managed by Sarasin & Partners LLP.

The historical cost of the listed investment at 31 December 2021 was £3,376,630 (2020 - £2,876,071).

The Chelsea Physic Garden Company

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Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

13b Investments in subsidiaries

			Charity 2021 £	Charity 2020 £
Shares in CPG Enterprises Limited at cost			100	100
	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Total fixed asset investments	4,049,456	4,049,556	3,300,797	3,300,897

The wholly owned trading subsidiary, CPG Enterprises Limited (03140004), is registered in the United Kingdom. The principal activity of CPG Enterprises Limited is the running of the shop at The Chelsea Physic Garden and the letting of the grounds of the charity.

At 31 December 2021 the income of CPG Enterprises was £412,943 (2020: £151,007) and expenditure was £317,799 (2020: £135,838). The net assets of CPG Enterprises Limited were £4,778 (2020: £4,778) and the retained profit to that date was £4,678 (2020: £4,678), after payment to Chelsea Physic Garden Company under qualifying charitable donation of £95,144 (2020 - £15,169).

14 Stocks

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Goods for resale	29,990		22,575	-

There is no material difference between what is stated above and the recoverable amount.

15 Debtors

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Amounts falling due within one year:				
Trade debtors	39,278	412	29,458	2,756
Amounts owed by subsidiary	-	46,064	-	-
Prepayments and accrued income	31,951	31,951	16,735	16,735
Other debtors	5,115	4,174	5,848	5,848
	76,344	82,601	52,041	25,339

The Chelsea Physic Garden Company

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Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

16 Creditors: amounts falling due within one year

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade creditors	21,897	21,878	26,155	21,636
Amounts owed to subsidiary	-	-	-	15,422
Other creditors	5,000	5,000	-	-
Other taxation and social security	32,152	22,813	22,813	15,040
Accruals	48,057	41,057	46,027	39,027
Deferred income	322,801	152,398	379,970	263,892
	<u>429,907</u>	<u>243,146</u>	<u>474,965</u>	<u>355,017</u>

17 Deferred income reconciliation

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Balance as at 1 January 2021	379,970	263,892	240,277	163,304
Amount released to income earned from charitable activities	(379,970)	(263,892)	(240,277)	(163,304)
Amount deferred in the year	322,801	152,398	379,970	263,892
	<u>322,801</u>	<u>152,398</u>	<u>379,970</u>	<u>263,892</u>
Balance at 31 December 2021	<u>322,801</u>	<u>152,398</u>	<u>379,970</u>	<u>263,892</u>

Deferred income relates mainly to the income received from memberships in relation to the next financial period. Other amounts relate to income received in advance of events booked for the next financial period.

The Chelsea Physic Garden Company

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Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

18 Analysis of charitable funds

Group – current year

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	Net gain on investments £	At 31 December 2021 £
Unrestricted funds						
General fund	950,800	2,146,778	(1,449,188)	(888,784)	-	759,606
Designated projects funds	250,000	-	-	(250,000)	-	-
Designated fund – Cadogan estates	-	200,000	-	-	-	200,000
Designated building maintenance fund	-	-	-	363,330	-	363,330
Total unrestricted funds	1,200,800	2,346,778	(1,449,188)	(775,454)	-	1,322,936
Endowment fund	3,300,797	-	(25,454)	525,454	248,659	4,049,456
Restricted funds						
Horticultural Trainees	18,107	20,000	(16,164)	-	-	21,943
Historic Glasshouse	24,342	-	-	(24,342)	-	-
Florilegium Anniversary Project	1,706	-	-	-	-	1,706
Digitisation Project	9,554	-	(158)	-	-	9,396
John Lyons Education Outreach Administration Co-Ordinator	19,613	588	(21,960)	-	-	(1,759)
Acoustic Panels	5,088	-	(1,825)	-	-	3,263
Horticultural educational, Trainees	-	-	-	-	-	-
Band Trust Education and Outreach	2,139	-	(2,139)	-	-	-
Turning Point Gardening Group	66	-	(66)	-	-	-
Education and Outreach Project	335	-	(300)	-	-	35
City Bridge Trust Education and Outreach	-	52,797	(25,944)	-	-	26,853
Garden Restricted Donations	2,666	-	-	-	-	2,666
Judith Bronkhurst Donation	141	-	-	-	-	141
R.U.B White Charitable Trust	9,862	5,000	(3,626)	-	-	11,236
Community Outreach	-	-	-	-	-	-
Oak Foundation Education Outreach	3,155	-	(1,587)	-	-	1,568
Education & Outreach/ Young Offenders	1,017	-	(1,017)	-	-	-
The Art & Healing Power of Plants	3,034	-	(3,034)	-	-	-
Glasshouses Restorations NLHF Funding	377,019	1,076,897	(123,503)	274,342	-	1,604,755
Friends Scheme Review	267	-	(128)	-	-	139
Legacy Roger Melvin Monks	418	-	-	-	-	418
Horticulture Students Travel	-	-	-	-	-	-
John Lyons Charity - Family Activity Days	1,260	(99)	(1,161)	-	-	-
Tanners Trust	-	3,400	(570)	-	-	2,830
D'Oyly Carte Help Us Grow	-	3,000	(2,038)	-	-	962
John Swire 1989 Charitable Trust	-	25,000	-	-	-	25,000
Stanley Smith UK Hort Trust	-	5,000	-	-	-	5,000
Kanlungan Trust	-	4,470	(1,526)	-	-	2,944
Chelsea Academy	-	7,600	-	-	-	7,600
Total restricted funds	479,789	1,203,653	(206,746)	250,000	-	1,726,696
Total funds	4,981,386	3,550,431	(1,681,388)	-	248,659	7,099,088

The Chelsea Physic Garden Company

(a company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

18 Analysis of charitable funds (continued)

Group – previous year

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	Net gain on investments £	At 31 December 2020 £
Unrestricted funds						
General fund	692,864	1,126,725	(1,340,983)	472,194	-	950,800
Designated projects funds	250,000	-	-	-	-	250,000
Total unrestricted funds	942,864	1,126,725	(1,340,983)	472,194	-	1,200,800
Endowment fund	3,635,457	-	(24,572)	(475,428)	165,340	3,300,797
Restricted funds						
Horticultural Trainees	11,678	23,000	(16,571)	-	-	18,107
Historic Glasshouse	24,342	-	-	-	-	24,342
Florilegium Society Anniversary Project	2,214	-	(508)	-	-	1,706
Digitisation Project	9,554	-	-	-	-	9,554
John Lyon's Education Outreach	20,983	22,000	(18,805)	(4,565)	-	19,613
Acoustic Panels Project	5,088	-	-	-	-	5,088
Band Trust Education Outreach	5,819	-	(3,680)	-	-	2,139
Sowing The Seeds Of Discovery/Daniel Pinto	-	105,000	(108,234)	3,234	-	-
Turning Point Garden Group	66	-	-	-	-	66
Education Outreach	523	-	(188)	-	-	335
City Bridge Trust	21,885	50	(26,500)	4,565	-	-
Garden Fund Restricted Donations	1,666	1,000	-	-	-	2,666
Judith Bronkhurst Donation	141	-	-	-	-	141
R.U.B. White Charitable Trust	-	-	-	-	-	-
Community Outreach	5,546	5,000	(684)	-	-	9,862
Oak Foundation Education Outreach	3,515	-	(360)	-	-	3,155
Education and Outreach/Young Offenders	2,683	-	(1,666)	-	-	1,017
The Art & Healing Power of Plants	4,861	-	(1,827)	-	-	3,034
Glasshouses Restorations	-	-	-	-	-	-
NLHF Funding	155,340	478,405	(256,726)	-	-	377,019
Friends' Scheme Review	267	-	-	-	-	267
Medicinal Plants Research	600	-	(600)	-	-	-
Legacy Roger Melvin Monks	-	-	-	-	-	-
Horticulture Students Travel	418	-	-	-	-	418
John Lyon's Family Activity Days	1,260	-	-	-	-	1,260
Total restricted funds	278,449	634,455	(436,349)	3,234	-	479,789
Total funds	4,856,770	1,761,180	(1,801,904)	-	165,340	4,981,386

The Chelsea Physic Garden Company

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Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

18 Analysis of charitable funds (continued)

Charity – current year

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	Net gains on investments £	At 31 December 2021 £
Unrestricted funds						
General fund	946,122	2,029,898	(1,332,308)	(888,784)	-	754,928
Designated projects funds	250,000	-	-	(250,000)	-	-
Designated fund – Cadogan estates	-	200,000	-	-	-	200,000
Designated building maintenance fund	-	-	-	363,330	-	363,330
Total unrestricted funds	1,196,122	2,229,898	(1,332,308)	(775,454)	-	1,318,258
Endowment fund	3,300,797	-	(25,454)	525,454	248,659	4,049,456
Restricted funds						
Horticultural Trainees	18,107	20,000	(16,164)	-	-	21,943
Historic Glasshouse	24,342	-	-	(24,342)	-	-
Florilegium Anniversary Project	1,706	-	-	-	-	1,706
Digitisation Project	9,554	-	(158)	-	-	9,396
John Lyons Education Outreach Administration Co-Ordinator	19,613	588	(21,960)	-	-	(1,759)
Acoustic Panels	5,088	-	(1,825)	-	-	3,263
Band Trust Education and Outreach	2,139	-	(2,139)	-	-	-
Turning Point Gardening Group	66	-	(66)	-	-	-
Education and Outreach Project	335	-	(300)	-	-	35
City Bridge Trust Education and Outreach	-	52,797	(25,944)	-	-	26,853
Garden Restricted Donations	2,666	-	-	-	-	2,666
Judith Bronkhurst Donation	141	-	-	-	-	141
R.U.B White Charitable Trust	9,862	5,000	(3,626)	-	-	11,236
Community Outreach	-	-	-	-	-	-
Oak Foundation Education Outreach	3,155	-	(1,587)	-	-	1,568
Education & Outreach/ Young Offenders	1,017	-	(1,017)	-	-	-
The Art & Healing Power of Plants	3,034	-	(3,034)	-	-	-
Glasshouses Restorations HLF Funding	377,019	1,076,897	(123,503)	274,342	-	1,604,755
Friends Scheme Review	267	-	(128)	-	-	139
Legacy Roger Melvin Monks	418	-	-	-	-	418
Horticulture Students Travel	-	-	-	-	-	-
John Lyons Charity Family Activity Days	1,260	(99)	(1,161)	-	-	-
Tanners Trust	-	3,400	(570)	-	-	2,830
D'Oyly Carte Help Us Grow	-	3,000	(2,038)	-	-	962
John Swire 1989 Charitable Trust	-	25,000	-	-	-	25,000
Stanley Smith UK Hort Trust	-	5,000	-	-	-	5,000
Kanlungan Trust	-	4,470	(1,526)	-	-	2,944
Chelsea Academy	-	7,600	-	-	-	7,600
Total restricted funds	479,789	1,203,653	(206,746)	250,000	-	1,726,696
Total funds	4,976,708	3,433,551	(1,564,508)	-	248,659	7,094,410

The Chelsea Physic Garden Company

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Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

18 Analysis of charitable funds (continued)

Charity – previous year

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	Net gains on investments £	At 31 December 2020 £
Unrestricted funds						
General fund	688,186	993,936	(1,208,194)	472,194	-	946,122
Designated projects funds	250,000	-	-	-	-	250,000
Total unrestricted funds	938,186	993,936	(1,208,194)	472,194	-	1,196,122
Endowment fund	3,635,457	-	(24,572)	(475,428)	165,340	3,300,797
Restricted funds						
Horticultural Trainees	11,678	23,000	(16,571)	-	-	18,107
Historic Glasshouse	24,342	-	-	-	-	24,342
Florilegium Society Anniversary Project	2,214	-	(508)	-	-	1,706
Digitisation Project	9,554	-	-	-	-	9,554
John Lyon's Education Outreach	20,983	22,000	(18,805)	(4,565)	-	19,613
Acoustic Panels Project	5,088	-	-	-	-	5,088
Band Trust Education Outreach	5,819	-	(3,680)	-	-	2,139
Sowing The Seeds Of Discovery/Daniel Pinto	-	105,000	(108,234)	3,234	-	-
Turning Point Garden Group	66	-	-	-	-	66
Education Outreach	523	-	(188)	-	-	335
City Bridge Trust	21,885	50	(26,500)	4,565	-	-
Garden Fund Restricted Donations	1,666	1,000	-	-	-	2,666
Judith Bronkhurst Donation	141	-	-	-	-	141
R.U.B. White Charitable Trust	-	-	-	-	-	-
Community Outreach	5,546	5,000	(684)	-	-	9,862
Oak Foundation Education Outreach	3,515	-	(360)	-	-	3,155
Education and Outreach/Young Offenders	2,683	-	(1,666)	-	-	1,017
The Art & Healing Power of Plants	4,861	-	(1,827)	-	-	3,034
Glasshouses Restorations	-	-	-	-	-	-
NLHF Funding	155,340	478,405	(256,726)	-	-	377,019
Friends' Scheme Review	267	-	-	-	-	267
Medicinal Plants Research	600	-	(600)	-	-	-
Legacy Roger Melvin Monks	-	-	-	-	-	-
Horticulture Students Travel	418	-	-	-	-	418
John Lyon's Family Activity Days	1,260	-	-	-	-	1,260
Total restricted funds	278,449	634,455	(436,349)	3,234	-	479,789
Total funds	4,852,092	1,628,391	(1,669,115)	-	165,340	4,976,708

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Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

18 Analysis of charitable funds (continued)

Restricted funds have been established to provide financial support for specific projects as below:

Horticultural Trainees	-	A one year training programme for students interested in pursuing a career in horticulture.
Historic Glasshouse	-	The replacement of one of the range of Foster & Pearson clearspan glasshouses originally constructed between 1901-07. The structure will provide greater space for growing tender plants and an additional educational facility.
John Lyons Charity Education Outreach	-	A donation to fund education outreach including employing an Outreach Officer to work with School and community projects in target London boroughs including Hammersmith & Fulham, Kensington & Chelsea, City of Westminster, City, Camden, Brent Ealing, Harrow and Barnet.
The Florilegium Society 20 th anniversary exhibition	-	An exhibition of original artwork from members of the Florilegium Society at the Physic Garden during August 2015 with associated marketing and publicity.
Digitisation Project	-	A project to start digitising the Physic Garden's archive of books, papers and the Florilegium's original artwork including purchase of a hi- resolution scanner and associated software.
Acoustic Panels Project	-	A project to complete the introduction of acoustic panels along Embankment reducing the impact of traffic noise along this boundary. Generous donations were received from Grandiflora Patrons enabling the panels to be introduced and subsequently the planting in this area to is being augmented and improved.
Horticultural Education, Trainees and Interns	-	Ongoing annual fundraising to support the horticultural trainee programme, the intern and the volunteer training and development programme. It includes travel and training, specific skills development and supports interns with modest travel and subsistence allowances.
Education and Outreach Project	-	Funds raised to support the education programme including for specific initiatives including the Shelf Life project and the outreach programme with Waltham Forest Young offenders institute together with the ongoing programme of on-site and off-site and web-based teaching and interaction with schools, colleges and community groups.
City Bridge Trust	-	A grant to fund an Education Outreach Officer to further the Gardens schools and community outreach.
Education and Outreach/Young Offenders	-	A donation to enable the Garden to continue working with the Waltham Forest Young Offenders and education and outreach.
Band Trust Education Outreach	-	Donations to fund education and outreach activity for three years to August 2021.
Turning Point Garden Group	-	A donation for the development of an education garden and the running of a gardening group for adults in recovery.
Garden Fund Restricted Donation	-	Donations, including in memoriam donations, received specifically for the Garden horticulture activities.
Judith Bronkhurst Donation	-	A donation to fund the purchase of terracotta plant pots.
R.U.B White Charitable Trust Community Outreach	-	A donation to support the community outreach programme.
Oak Foundation Education Outreach	-	A donation to support educational outreach initiatives.
The Art & Healing Power of Plants	-	A collaboration between the charity and the NHS Royal Brompton Hospital to stage an exhibition of artwork at the Garden and hospital and undertake activities with patients undergoing long term treatment.

The Chelsea Physic Garden Company

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Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

18 Analysis of charitable funds (continued)

Glasshouses Restorations NLHF Funding	-	Restoration and reinterpretation of the Garden's glasshouses together with supporting activity programmes, interpretation and plant collections review. £250,000 has been transferred from designated funds into the Glasshouse Restoration fund as the charity's contribution to the overall costs of delivering the project.
Friends Scheme Review	-	A paid intern undertook a review of the Friends scheme including questionnaires to Friends, benchmarking and proposals for improvements.
Legacy Roger Melvin Monks Horticulture Students Travel	-	A legacy from Roger M. Monks to assist needy overseas students to pursue study at the Garden by supporting travel costs.
John Lyons Charity Family Activity Days	-	A grant from the John Lyon's Charity to provide free places for low income families on Family Activity Days and free entry to the Garden for Sunday Fundays.
Tanners Trust	-	Improvements to front of house, including displays and wayfinding signage
D'Oyly Carte - Help Us Grow	-	A grant to support the delivery of social and therapeutic horticulture, through our Help Us Grow programme
John Swire 1989 Charitable Trust	-	A grant to support Community Outreach, part of which has been designated to an internship programme
Stanley Smith UK Hort Trust	-	Supporting the horticultural trainee programme for 2021/2022
Kusama Trust - Kanlungan	-	A grant to support a wellbeing project with Kanlungan, to support Filipino migrants
Kusama Trust - Chelsea Academy	-	A grant to support the delivery of a greening project at Chelsea Academy, working with teachers and students

Unrestricted funds are used in accordance with the charitable objectives at the discretion of the directors. The directors use part of the unrestricted funds from time to time for specific projects and set up designated funds to reflect this.

A further £363,330 of general funds has been designated to address emergency building repairs maintenance and backlog.

The Cadogan Estates Donation Designated Fund represents a grant to support the wider capital development of the charity.

The Endowment Fund is an expendable Endowment and represents investments and cash which continue to be used by the directors in the best interests of the charity. The endowment fund was established between 1983-87 from a fundraising appeal which attracted donations from a number of sources. The Trustees have determined that the fund is expendable with both capital and income being available to use at the Trustee's discretion in support of the Charity's work. Please see note 13a for more information on the transfers into (2020 – out of) endowment funds.

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Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

19 Analysis of net assets between funds

Group – current year

	Tangible fixed assets £	Investments £	Current assets £	Current liabilities £	Total £
General funds	304,430	-	885,083	(429,907)	759,606
Designated funds	-	-	563,330	-	563,330
Endowment funds	-	4,049,456	-	-	4,049,456
Restricted funds	-	-	1,726,696	-	1,726,696
	<u>304,430</u>	<u>4,049,456</u>	<u>3,175,109</u>	<u>(429,907)</u>	<u>7,099,088</u>

Group – previous year

	Tangible fixed assets £	Investments £	Current assets £	Current liabilities £	Total £
General funds	249,605	-	1,176,160	(474,965)	950,800
Designated funds	-	-	250,000	-	250,000
Endowment funds	-	3,300,797	-	-	3,300,797
Restricted funds	-	-	479,789	-	479,789
	<u>249,605</u>	<u>3,300,797</u>	<u>1,905,949</u>	<u>(474,965)</u>	<u>4,981,386</u>

Charity – current year

	Tangible fixed assets £	Investments £	Current assets £	Current liabilities £	Total £
General funds	302,644	100	695,330	(243,146)	754,928
Designated funds	-	-	563,330	-	563,330
Endowment funds	-	4,049,456	-	-	4,049,456
Restricted funds	-	-	1,726,696	-	1,726,696
	<u>302,644</u>	<u>4,049,556</u>	<u>2,985,356</u>	<u>(243,146)</u>	<u>7,094,410</u>

The Chelsea Physic Garden Company

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Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

19 Analysis of net assets between funds (continued)

Charity – previous year

	Tangible fixed assets £	Investments £	Current assets £	Current liabilities £	Total £
General funds	247,372	100	1,053,667	(355,017)	946,122
Designated funds	-	-	250,000	-	250,000
Endowment funds	-	3,300,797	-	-	3,300,797
Restricted funds	-	-	479,789	-	479,789
	<u>247,372</u>	<u>3,300,897</u>	<u>1,783,456</u>	<u>(355,017)</u>	<u>4,976,708</u>

20 Liability to the members

Every member of the company undertakes to contribute an amount not exceeding £1 to the assets of the charitable company in the event of the company being wound up while he is a member, or within one year after he ceases to be a member. This contribution is for the payment of the debts and liabilities of the charitable company contracted before he ceases to be a member and of costs of winding up.

21 Analysis of cash and cash equivalents

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Cash at bank and in hand	<u>3,068,775</u>	<u>2,902,755</u>	<u>1,831,333</u>	<u>1,758,117</u>

22 Analysis of net debt

At 31 December 2021 the group and charity had no loans classified as debt.

23 Financial commitments

An amount of £1,357,212 has been contracted to pay for the capital refurbishment of the Glasshouses in 2022-23. This will be funded out of the restricted fund Glasshouses Restoration NLHF Funding.

24 Commitments under operating leases

At 31 December 2021 the group and charity had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
No later than 1 year	3,236	1,279
Later than 1 year and no later than 5 years	9,709	-
	<u>12,945</u>	<u>1,279</u>