



**Royal  
Botanic Garden  
Edinburgh**

**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS  
for the year ended 31 March 2014**

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## Strategic Report of the Board of Trustees incorporating Foreword

The Royal Botanic Garden Edinburgh (RBGE), founded in 1670, is a renowned centre of excellence, recognised by its peers as one of the world's foremost research botanic gardens. Working through active partnerships in over forty countries it is focused on researching and protecting the plant diversity that sustains all life on our planet. It has been at the forefront of international initiatives to conserve plants under the UN Convention on Biological Diversity (the CBD). RBGE recognises that it has a unique opportunity in Scotland, as a research institute that operates from four geographically and climatically distinct gardens (which are also leading visitor attractions), to engage with the public and enlist their support in tackling global environmental change. It delivers an extensive programme of formal and informal educational activities in response to this opportunity.

The RBGE continues to maximise value for money through prudent expenditure decisions; significant investment from the Scottish Government and the success of our strategies has enabled the RBGE to make a positive contribution to National Outcomes. It continues to make strenuous efforts to increase delivery by building upon the Government Grant-in-Aid it receives through strategies for increasing self-generated income. This has been particularly important in the current climate of restricted public funding. Sustained investment in our infrastructure and people will allow us to maintain our position as a world leading institution and RBGE has significant future capital investment plans including the modernisation of the Edinburgh garden's ageing North East Corner glasshouses and buildings (the Masterplan).

The RBGE is a Scottish charity under the provisions of the Charities and Trustee Investment (Scotland) Act 2005 and is registered as Scottish Charity number SC007983. RBGE has a wholly owned subsidiary, the Botanics Trading Company Ltd (BTC) which carries out retail and catering activities across the four gardens. BTC donates its taxable annual profits to RBGE in accordance with the Government's Gift Aid legislation and the company's financial results are consolidated into the RBGE Annual Report and Accounts. Another subsidiary, The Centre for Middle Eastern Plants (CMEP) did not trade in the year and is in the process of being made a dormant company.

The remit of RBGE is set out in the National Heritage (Scotland) Act 1985, which empowers the Board of Trustees, who are appointed by Scottish Ministers to:

- a) carry out investigation and research into the science of plants and related subjects and to disseminate the results of the investigation and research,
- b) maintain and develop collections of living plants and preserved plant material, books, archives and other related objects,
- c) keep the collections as national reference collections, and secure that they are available to persons for the purposes of study.<sup>1</sup>
- d) provide advice, information and education, in any manner which seems appropriate to them, in relation to any aspect of the science of plants or of any related subject,
- e) provide other services (including quarantine) in relation to plants, and
- f) afford members of the public opportunities to enter any land occupied or managed by the Board for the purpose of gaining knowledge and enjoyment from the Board's collections.

From the 1985 Act the Royal Botanic Garden Edinburgh derives its mission: exploring and explaining the world of plants for a better future.

## **Strategy and Planning**

The Corporate Plan was revised during Financial Year 2013/14 with a clear focus on outcomes. Consequently, we made significant amendments whilst continuing to ensure our strategic objectives were aligned with those of the Scottish Government. However, during the Financial Year the Regius Keeper, Professor Stephen Blackmore CBE FRSE retired and Mr Simon Milne MBE was appointed with effect from 24 February 2014. The Board of Trustees and Senior Management took this opportunity to place the draft Corporate Plan on hold until a strategic review was carried out under the leadership of the new Regius Keeper. Therefore, it was agreed with Scottish Government that a one year Business Plan would be produced and that can be viewed on our website:

[http://www.rbge.org.uk/assets/files/about\\_us/Corporate\\_Info/RBGE%20Business%20Plan%202014-15.pdf](http://www.rbge.org.uk/assets/files/about_us/Corporate_Info/RBGE%20Business%20Plan%202014-15.pdf)

We remain committed to using a strategy management framework, our adapted version of the Balanced Scorecard, which is helpful for communicating the mission and strategy internally and externally, and uses measurements to drive RBGE's current and future success. In the RBGE's Strategy Map our objectives from the Balanced Scorecard are linked to show the cause-and-effect relationships between RBGE's Impacts, Activities, Resources and Governance. These are shown to be aligned upward to contribute to the four Scottish Government National Outcomes in order to help make Scotland a better place to live and a more prosperous and successful country.

The re-development of the North East Corner (Inverleith) remains a strategic planning priority in order to re-furbish our heritage glasshouses; replace the ageing research glasshouses; improve the visitor attraction and to ensure the research and education facilities are fit for purpose and meet future needs. The initial work concerns redevelopment works in the Nursery. We expect to complete most of the Nursery programme during 2014/15 with final completion occurring in early 2015/16. The North East Corner Masterplan will be reviewed in 2014/15 as part of a garden wide appraisal of future capital projects and spend.

Income generation remains a key component of our strategy to support the on-going activities of the RBGE as well as capital projects.

## **Performance Management**

Directly linked to the Corporate Plan, RBGE employs a performance management system, the Executive Strategy Manager™, which has been in use since 2010/11 and is used primarily to assist the Senior Management Group with its decision making. The system is being continually developed and after further revisions in 2013 came back on stream for the start of 2013/14. The KPIs for our significant activities are reported below.

Staff record the time they have spent on different activities in an on-line system integrated with the Executive Strategy Manager™ in addition to allocating non-salary expenditure to our activities so that RBGE can now report on the costs of meeting its specific objectives. During 2013/14 the Outcome Costing model was developed and tested ready for implementation from 1 April 2014. This will allow the RBGE to report on the costs of achieving its outcomes and show what was accomplished from the resources allocated to them. This model has attracted national and international interest.

The staff performance management process ensures that the RBGE's goals are reflected in individual staff members' forward job descriptions, annual objectives and career development requirements. Mid-year and end of year meetings with Reporting Officers ensure that objectives remain on course for completion.

## The Royal Botanic Garden Edinburgh Report on KPIs

We have changed the report on Key Performance Indicators (KPIs) this year too, as we are changing our strategic alignment to our sponsor department. The table below shows comparative figures for our principal activities (outputs) for 2013/14, which will feed into next year's report on RBGE Outcomes. As developments within the Scottish Government's National Framework emerge it will be possible to make meaningful linkages to them.

RBGE Activity	Performance Indicator	Achievement 12/13	Plan 13/14	Achievement 13/14	Plan 14/15
Biodiversity Research	Number of Publications	182	194	169	218
Learning	Total Participants on Courses	12,364	12,900	11,383	13,554
Visitor Attraction	Number of Visitors to all Four Gardens	756,528	815,000	787,185	795,000
Enterprise	Self-generated Income	£3,163,300	£3,377,300	£3,537,000	£3,245,000
Environmental Sustainability	Tonnes of CO <sub>2</sub> <sup>e</sup> Produced	3,778	3,152	3,591	3,112

### Highlights from our Key Activities

#### Biodiversity Research

RBGE has an international programme of scientific and horticultural research delivering biodiversity science to underpin conservation and making a major contribution to practical plant conservation, both within Scotland and overseas. This is embraced within RBGE's "Biodiversity Strategy 2010 – 2015". Our fundamental research - "*Understanding our planet*" – is contributing to the complete inventory of plant species on earth and to an understanding of their evolution. This research is enabling RBGE to meet four significant global environmental challenges:

1. biodiversity loss - dealing with habitat loss and fragmentation in the quest to halt species extinction,
2. climate change - minimising plant biodiversity loss in the face of climate change and global warming,
3. sustainable use - wise exploitation of plants so they are still available for future generations, and
4. ecosystem services - preserving the function of Earth's biosphere and ecosystems.

During the year the first meeting of the World Flora Online Council was held at RBGE in November. This began the process of producing a global online plant identification resource directly addressing Target 1 of the Convention on Biological Diversity's Global Strategy for Plant Conservation. A new genus of Gesneriaceae (*Billolivia*) and five new species were discovered. The Flora of Nepal Team presented their work on Nepalese plants to the President and the Prime Minister of Nepal, and have been heavily involved in planning the celebrations for bicentenary of Nepal-UK relations. More than 100 delegates from 24 countries attended the highly successful Plant Life of South West Asia conference in July 2013 in the newly refurbished lecture theatre at RBGE.

## **Conservation**

RBGE contributes to the objectives of the Convention on Biological Diversity (CBD) at the ecosystem, species and genetic levels through research and by developing policies and practices for protecting biodiversity and halting its loss. As a consequence of our expertise we are able to inform both public and professional audiences about the importance of plant conservation and the ways in which they themselves can contribute; the RBGE has developed models and protocols for plant conservation and sustainable use. RBGE have produced conservation reports for government agencies and helped develop habitat protection strategies, including conservation initiatives at local level. We work with conservation agencies at all stages of their projects. We build capacity in Scotland and abroad for the conservation of plant biodiversity; this responds directly to the needs of users who wish to access our expertise.

Our staff were involved in the production of the "Terrestrial Biodiversity Climate Change Impacts Report Card" summarising impacts of climate change on UK biodiversity (<http://www.lwec.org.uk/resources/report-cards/biodiversity>). A five-year agreement was signed with the Edinburgh City Council's parks department to plant rare and/or endangered conifers within Edinburgh council parks. The planting started in March with Serbian spruce beneath Edinburgh Castle in Princes Street Gardens (<http://www.bbc.co.uk/news/uk-scotland-26433467>). The "Moving Forward from Ash Dieback" exhibition was shown at 37 venues around Scotland, coordinated by RBGE on behalf of the Scottish Tree Health Advisory Group (<http://stories.rbge.org.uk/archives/2760>) and the "Threatened Conifers of The World" website was launched (<http://threatenedconifers.rbge.org.uk/>) providing a platform for information on the more than 200 species of conifer which are considered threatened by the International Union for the Conservation of Nature.

Heather McHaffie and Martin Gardner were awarded MBEs in recognition of their services to plant conservation. Martin Gardner was also awarded the Veitch Memorial Medal by the Royal Horticultural Society and Peter Hollingsworth was made an honorary professor of the Chinese Academy of Science (Kunming Institute of Botany).

## **Education**

RBGE has worked hard over recent years to develop what is one of the most engaged and successful educational offers of any Botanic Garden in the world. It is also the broadest in terms of delivery ranging from pre-school to postgraduate studies. Although the actual number of course participants fell during the year there were a number of positive developments.

This year saw the further development of PropaGate Learning (<http://propagatelearning.net/>) our leading on-line virtual learning environment (VLE) with a series of new courses launched including new blended learning versions of RBGE Diplomas in Garden Design, Botanical Illustration and Garden History. RBGE appointed a new VLE coordinator in May to develop the next batch of on-line and blended learning courses. This will include RBGE providing the training for a new English Heritage Advanced Gardens Apprenticeship Scheme UK-wide, in conjunction with Capel Manor College, London.

Our Schools Education programme had a successful year, particularly with an expansion of continuing professional development (CPD) training for teachers; the attendance numbers were good and we developed several new programmes which were well received. The Botanic Garden Education Network (BGEN) conference 2013 was held at Dundee Botanic Garden with many of the workshops run by RBGE staff

Adult education programmes were well attended and almost all courses were fully subscribed. Student numbers almost doubled in those of our major programmes that went online through PropaGate (RHS Level 2 Certificate, Diploma in Botanical Illustration) due to the increase in remote and blended learners. The Professional Courses were released for booking earlier than previous years, with the aim of increasing student recruitment. RBGE Certificate level courses are developing well and, alongside the existing courses, we launched a new RBGE Certificate in Herbology. The Certificate in Practical Horticulture has been adopted by additional venues across the UK and also delivered by our team in Mexico in 2013/14. This allowed us to translate the course into Spanish and it can now be rolled out across other South American countries.

Numbers on the RBGE Diplomas have expanded as a result of the on-line blended learning options; The Diploma in Botanical Illustration being run as block weeks and the Diplomas in Garden History and Garden Design as occasional weekends. The Diploma in Herbology is now being developed as a blended learning model for launch in 2014.

The HND/BSc in Horticulture with Plantsmanship had a successful year with a total of 60 students across the four years (years 1 & 2 capped at 20 per year). Proportions of HND:BSc registered students appear to be shifting towards BSc registrations with more students now signing up for all four years at the start. This year we also produced a short film to promote the course (<https://www.youtube.com/watch?v=tJBhKc1yaU>).

This was a successful MSc year overall; the loss of NERC scholarships does not seem to have impacted on student numbers overall (now 2 years on). We had >70 applicants and 21 offers were made for the target of 18 places. We have 15 students on programme, with timing of English language tests, visas and funding release for students being the barriers to larger numbers, however, there is still potential to increase numbers. The Field Course again went to Belize, but options are currently being considered to take the students elsewhere.

### **Enterprise**

The Membership, Fundraising and Visitor Welcome Teams have focused their energies on delivering strategic objectives relating to self-generated income, including generating restricted and unrestricted income to support the core work of RBGE; encouraging loyalty and value added sales; increasing public awareness of RBGE as a cause for charitable and commercial support; and encouraging visitors to contribute donations and gift aid at the point of garden admission.

The number of members has increased by 7% ,with 18% being unique recruits. In addition 18 new Patrons have joined, an increase of 13% to the programme. Subscriptions by direct debit have increased by almost 50%, which should lead to longer term benefits, with subscriptions being automatically renewed each year.

Pledges of support of almost £1.5 million have been received towards the development of the Botanic Cottage. Unrestricted income from our commemorative scheme and other key supporters is up by £40k against target and our fundraising team have written a detailed brief of potential funding sources, to provide a starting point for the Fundraising Strategy which will be required for the North East Corner Masterplan development.

### **Visitor Attraction**

Over the year, the total number of visits to the four gardens increased by 4.1%. Greater public engagement by our Visitor Welcome Team in Edinburgh has helped to increase admissions income in the Glasshouses, despite frequent closures over winter and early spring for essential repair work. There were significant increases in visitors to the Glasshouses in Edinburgh (up 15%) and at all three regional gardens. Benmore increased by just over 10%, Dawyck was buoyant with increased visitation of 15% and Logan was up almost 7%. The visit target for the year was 815,000 and we achieved 787,000.

Our Gardens at Dawyck and Edinburgh retained their "5 Star" Quality Assurance Standards with VisitScotland and Logan joined the "5 Star" group at the end of the season. These three gardens continue to be the only ones in Scotland to have achieved this accolade. The garden at Benmore was confirmed as "4 Stars", continuing a good performance, despite the ageing visitor facilities. Over three quarters of visitors continue to rate their visit as highly satisfactory with iPad surveys carried out at Logan and Edinburgh during the year.

Events promoting the "Year of Natural Scotland" featured heavily between spring and autumn 2013, including RBGE's search for the "Big 5" plants, trees and shrubs shown on BBC Landward. Other events contributed to the themed year, including; a book festival created by Publishing Scotland and RBGE; poetry in residence at all four Gardens funded by Creative Scotland; and a wonderful exhibition in the Edinburgh library foyer which explored the development of the Garden over four centuries. In late autumn, RBGE hosted a reception for 75 guests including Scottish Government's Environment Minister, Paul Wheelhouse MSP, to celebrate the finale of Scottish Natural Heritages' "Big 5" campaign. We also hosted a workshop

with key stakeholders to discuss the legacy of the year and how lessons can be taken forward into the Year of Homecoming.

The Marketing and Communications Strategy was presented to all employees at the staff conference in July 2013 and a Digital sub-Strategy was approved by the Senior Management Team in mid-summer. Funding obtained from the Botanics Foundation in November will help to re-develop the RBGE website throughout the course of summer 2014. Work has also begun on drafting a Communications Plan which will form part of the Marketing and Communications Strategy. The delivery of key science messages about research and conservation will be core to the plan.

The culmination of a collaborative advertising campaign between RBGE, VisitScotland and NTS concluded in May 2013. Advertorials appeared in the Scottish Daily, Sunday Post, Scotland on Sunday and Sunday Herald. The objective of the campaign was to raise the profile for RBGE through various media formats and to collect data by offering a prize. As a result 4,500 readers entered the prize draw and 3,160 contacts were added to the RBGE digital communications database. The success of this collaboration has inspired us to continue to work with the Group and develop a campaign for spring / summer 2014.

In early autumn, a new collaboration was formed under the working title "Scottish Gardens Network". The network includes representatives from RBGE, NTS, Argyll Glorious Gardens, Cambo House, Attadale Garden and Scotland's Garden Scheme. The objective is to work collectively to raise the profile of Scotland's Gardens and generate more visits. VisitScotland and Scottish Enterprise have been involved in helping to form the group and it is hoped that financial support may be forthcoming in the future to help implement promotional activities.

In August, RBGE collaborated with WWF and Sky to promote their work in the Amazon. The Rainforest Rescue Dome was located outside our Edinburgh Glasshouses for three weeks, which helped to encourage visitors to view our own living collection. The Dome attracted 6,000 visitors and Sky paid a generous venue fee to RBGE.

### **Future Developments**

The RBGE has reflected in its Corporate Plan a number of future developments some of which will require funding before they are taken forward. Earlier capital investments show how investment will enhance RBGE's long term viability. Future initiatives include the Masterplan, a programme of works which will significantly improve our ability to carry out research, reduce utility costs and our carbon footprint. This includes a nationally important educational initiative, the Scottish School of Botany and Horticulture. We also have ambitious plans for developing state-of-the-art Visitor Centres at both Logan and Benmore Botanic Gardens.

During 2013/14 a number of significant developments commenced, including building a new conservatory at Logan; installing a hydroelectric scheme at Dawyck and the first phase of development at our nursery in Edinburgh.

### **Financial Results and Appropriations**

The accounts have been prepared in a form directed by Scottish Ministers under paragraph 20(3) of Schedule 1 to the National Heritage (Scotland) Act 1985 and on the basis of the accounting policies set out in Note 1 to the accounts.

During the year the Garden received revenue grant in aid of £8.5m (£8.9m 2012/13) and capital grant of £2.2m (£2.3m 2012/13). Other grants, gifts and donations of £1.6m (£1.9m 2012/13) were received; £1.7m (£1.6m 2012/13) was generated from admissions to the Regional Gardens and Glasshouses, education courses, rents, concessions, membership income and other activities; trading and commercial activity contributed £1.0m (£0.9m 2012/13). Staff costs amounted to £8.3m (£8.0m 2012/13) and £4.3m (£4.8m 2012/13) was spent on other operating costs excluding depreciation. Capital expenditure of £2.6m (£2.3m 2012/13) was incurred.

The consolidated Income and Expenditure Account for the year shows a surplus of £262k (£493k 2012/13 Restated). This reflects presentational changes relating to both revenue Grant In Aid and Project Amendments.



Following a change to the wording of the Government Financial Reporting Manual revenue Grant In Aid which was previously taken directly to the general fund has been included in the Income and Expenditure Account. The Project Amendment that previously applied to virtually all Projects and was shown on the Income and Expenditure Account has been discontinued.

Projects are now considered on a case by case basis in accordance with the income and expenditure recognition requirements of the Charity SORP.

The Botanics Trading Company made a profit of £367k (£321k in 2012/13) and £372k was Gift Aided to RBGE. This represents an increase of 18% compared to the prior year and only 1% less than budget.

No significant events have occurred since 1 April 2014 that will have an impact on these accounts.

### **Land and Buildings**

Land and Buildings are owned by Scottish Ministers. The land and buildings occupied by the Garden are leased to the Board with such conditions as permit adequate operational freedom for their needs. Information on land and buildings can be found in Note 11.

### **Estates Management Strategy**

The property portfolio, as at 1 April 2013, comprised some 30,000m<sup>2</sup> of built environment across four Gardens, including approximately 270 acres of land, with an asset book value of circa £40 million. Estates operational costs are second only to Employee costs in magnitude and represent almost 16% of the total Revenue Budget. Relevant financial information relating to valuation, depreciation etc. on land and buildings can be found in Note 11.

Funding for the Estate is provided from both Revenue and Capital sources. Revenue provides the means to operate the Estate in terms of building maintenance, cleaning and utilities. These costs are closely managed by analysing monthly financial reports and adjusting commitments to spend accordingly. Due to financial pressures in 2013/14, the Estates operating budget was adversely affected, which led to a significant constraint being placed upon the maintenance budget. This resulted in a "run to fail" maintenance policy being adopted for the year, which is unsustainable moving forward. Funding for maintenance in the 2014/15 financial year has been restored to its original level.

Capital funding has been used to complete several essential projects over the year including the full refurbishment of the Lecture Theatre and the construction of a new Alpine House at the Edinburgh Garden. In addition as part of the North East Corner project, various enabling infrastructure works have also been completed within the Nursery area. A new Conservatory was completed at Logan Garden and Dawyck became one of the first Gardens to become carbon neutral with the installation of a mini hydroelectric scheme. The key capital projects for the 2014/15 financial year are the development of a new Glasshouse within the Edinburgh Nursery, along with various further infrastructure works, again as part of the North East Corner project; and the construction of the Botanic Cottage project within the Edinburgh Garden, which is predominantly funded from donations and external fundraising sources.

Looking forward, RBGE intends to revisit its Estates Strategy with the development of a new Property Asset Management Plan during 2014/15. The strategy will set the broad direction for property asset management over the short to medium term to ensure RBGE's property portfolio is optimized to meet its corporate priorities identified through its strategic plans.

### **Other Fixed Assets**

Significant changes in other fixed assets are shown in Notes 11 and 12.

## Volunteers

Volunteer numbers continue to grow year on year. Our volunteers contribute greatly to the work of RBGE by providing additional support in a number of areas - particularly education, horticulture and science development. At the end of March 2014, there were a total of 334 volunteers (317 in 2012/13) across the organisation. Within Horticulture there are a number of regular volunteers working throughout the gardens and glasshouses, helping to maintain plant specimens and contributing to the overall appearance of the four gardens. Included within this group is the continued expertise and assistance of the Garden Guides. In addition, in Education, Events and Science Communication there is a growing number of volunteers, who continue to lead and assist with a variety of events, including interactive demonstrations and educational mini tours of the Garden. Further valuable contributions are received from RBGE's Friends Committee and office based volunteers who play a vital role in our income generation and marketing initiatives. RBGE continues to be greatly indebted to its volunteers for their commitment and hard work.

## Sustainability Report

### The Climate Change (Scotland) Act 2009

In 2009 the Scottish Government set what remains, one of the most ambitious pieces of climate change legislation anywhere in the world, namely:

The Climate Change (Scotland) Act 2009 commits Scotland to reduce its emissions by at least 80% from 1990 levels by 2050; with an interim emissions reduction target of at least 34% by 2020, increasing to 42% if the EU increases its 2020 target to 30% in the event of a global deal on climate change.

Section 44 of Act places duties on Scottish public bodies in relation to climate change. From 1 January 2011 any public body, has, in exercising its functions, to act:

- in the way best calculated to contribute to the delivery of the Act's emission reduction targets;
- in the way best calculated to help deliver any statutory programme for adapting to the impacts of climate change; and
- in a way that it considers most sustainable.

By way of meeting these duties RBGE shall include a report on sustainability within its Annual Report and Accounts.

### Carbon Emissions 2013/14

Category		tCO <sub>2</sub> 2013/14	%	Cost (£)
<b>Buildings</b>	Edinburgh	3,025	84%	555,298
	Benmore	70	2%	
	Dawyck	72	2%	
	Logan	60	2%	
<b>Transport</b>	Fleet	18	1%	195,120
	Business	156	4%	
<b>Further Sources</b>	Waste	Landfill	87	22,000*
		Recycled	0	
	Water	35	4%	57,460
		<b>3,591</b>	<b>100%</b>	<b>835,878</b>

\*Note that some costs for recycling glass and recycling at the Regional Gardens may be included here.

Total costs for all four gardens for all waste and recycling was £28,000 and the cost of oil for 2013/14 was £13,141.92.

Carbon emissions for all four sites are 3,591 tonnes CO<sub>2</sub> emitted. This is 187 tonnes less than last year. This is a reduction of 5% of the emissions for 2012/13. This reduction can be largely attributed to the replacement of heating equipment in the main building from old calorifiers which were fed from the main boiler located some distance away to new, highly efficient combi boilers. This new equipment also accounts for the reduction in energy use by Edinburgh in the table above. Travel on business has also reduced, with reductions in domestic air and car travel (11.8% & 18% respectively) and an increase in train travel of 32%, a more sustainable form of travel.

### **Waste Minimisation and Management**

There are recycling streams in all staff and visitor areas for waste paper. Cardboard, plastics, cans and glass have been coordinated into 'hubs' in the staff buildings to reduce cleaning and maintenance costs and encourage staff involvement in recycling. A food waste recycling stream was established in 2013 to comply with Waste Regulations (Scotland) which came into place in January 2014. This diverts restaurant and staff canteen food waste from landfill to anaerobic digestion facilities on the west of Scotland and it is planned to extend this to the collection of staff food waste in June 2014. An increase in waste to landfill can be seen from the 2012/13 figures due to a new area of public restaurant and retail facilities coming under RBGE management. A recent assessment by Green Tourism grading commended RBGE for its effective and comprehensive recycling facilities. Information workshops and events for staff are organised throughout the year to encourage the correct use of facilities.

In early 2014/15 new printers were purchased across the site which run an electronic tracking system which is expected to reduce paper usage by approximately 10%. The benefit will be two-fold in reducing amount of paper required and corresponding reduction in waste paper to be recycled.

### **Use of Finite Resources**

Energy use went down last year across the whole estate; however it rose for two of the Regional Gardens. This is because some of the data for 2012/13 was unavailable at the time of writing the report but it is much more complete this year. LED lighting costing £22,000 has been purchased and is expected to be installed throughout 2014. We therefore expect to see greater electricity reductions in future. However, the main energy requirement is heating for the glasshouses which could be reduced with the replacement of old heating equipment.

There are two biomass boilers in Dawyck and Edinburgh; these use woodchips for fuel, thereby avoiding the use of gas or electricity for heating. Dawyck has recently installed a hydropower plant which will replace mains usage with electricity generated from water flow on site. The solar panels installed at Logan Botanic Garden generate enough energy to supply an average 3-bedroom house which is fed into the grid and for which Logan receives feed-in-tariff for units generated. A recently installed conservatory at Logan has been built utilising air source heat pumps meaning that its operation will be carbon neutral. All these measures help to reduce the use of finite resources.

### **Biodiversity**

RBGE has an extremely active Biodiversity Group which monitors and measures the plants and wildlife which occur naturally on the Edinburgh site, excluding the planted landscape. Last year they conducted a Bioblitz, a 24 hour period of intensive counting of all species found, which provided a total number of over 500 species of plants, birds, mammals and insects of all kinds. This Group sets targets every year to improve monitoring across all four gardens and to manage and maintain habitats for wildlife. Examples of these targets include the production of a report on areas of particular value for certain groups and recommendations for their management which was provided to the Horticulture Department last year, and an audit for counting and cleaning out the nest boxes on the Edinburgh site and ensuring that they are located in optimum positions.

## **Legal and Administrative Details**

### **PRINCIPAL OFFICE**

The Royal Botanic Garden, Edinburgh  
20A Inverleith Row  
Edinburgh, EH3 5LR

### **BANKERS**

The Royal Bank of Scotland  
Goldenacre Branch  
2 South Trinity Road  
Edinburgh, EH5 3NR

### **SOLICITORS**

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Saltire Court  
20 Castle Terrace  
Edinburgh, EH1 2EG

Brodies LLP Solicitors  
15 Atholl Crescent  
Edinburgh, EH3 8HA

### **AUDITORS**

Audit Scotland  
18 George Street  
Edinburgh EH2 2QU

### **INVESTMENT ADVISERS**

Adam & Company Investment Management Limited  
25 St Andrew Square  
Edinburgh EH2 1AF

### **Appointment of Auditors**

In terms of Schedule 1 to the National Heritage (Scotland) Act 1985, an auditor appointed by the Auditor General for Scotland audits the statement of accounts prepared by the Board of Trustees in respect of each financial year. Scottish Ministers lay copies of it and the auditor's report before the Scottish Parliament.

### **Payment Policy**

It is the Garden's policy to settle all debts with its creditors within 30 days but wherever possible to comply with the Scottish Government requirement to pay within 10 days. During the year to 31 March 2014 RBGE settled its debts on average within 15 days.

### **Investment Policy and Performance**

It is the policy of the Royal Botanic Garden Edinburgh to keep capital balances intact, and use only the income generated for expenditure related to the charity. However, in exceptional circumstances Trustees may, at their discretion, consider the use of capital for specific projects. In 2013/14 £150k of investments were sold to fund the Dawyck Hydroelectric scheme.

The portfolio is managed by Investment Managers using a Total Return approach. During the year dividend income of £21k was received; the investments increased in value by 9.1%.

## Reserves Policy

The Reserves of the organisation are explained in Note 1 of the accounts. The Trustees view is that a target level of £500k of unrestricted reserves is desirable to give the organisation flexibility to cope with funding fluctuations. This target has now been achieved; the unrestricted funds as at 31 March 2014 were £1,114k (£817k 2012/13) made up of £612k on the General Fund and £502k on the Board Reserve.

## Equal Opportunities Policy

RBGE continues to be committed to ensuring that all staff, volunteers, students and customers are treated equally irrespective of their sex, marital status, age, race, ethnic origin, sexual orientation, disability, religion or social background, any pregnancy or maternity, gender reassignment, or marriage / civil partnership status.

Although not covered by the specific duty of the Equalities Act, RBGE is committed to the general duty. To this end we endeavour to ensure the organisation has due regard for the need to eliminate unlawful discrimination, continue to advance equality of opportunity, and continue to foster good relations between people regardless of their background.

## Employee Consultation

The management of RBGE consults collectively with the representatives of our two recognised trades unions, Prospect and Unite. Although the formal Whitley Committee mechanisms are still in place, in practice, discussions take place on both a more regular basis and in a more informal manner. All parties find this far more effective as a means of operation.

In terms of communication to staff generally, information is communicated by way of notices and circulars in both written and electronic format.

## Employee Gender Analysis

Gender	Directors / Senior Managers	Other Staff
Male	4	123
Female	1	119

Senior managers are defined as 'any member of staff at Senior Civil Service (SCS) level or equivalent'. This only applies to the Regius Keeper and Directors within RBGE.

## Personal Data Related Incidents

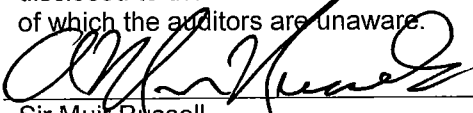
There were no personal data related incidents during the year.

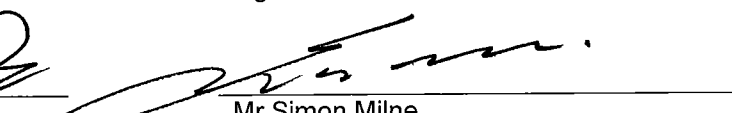
## Sickness Absence Data

During 2013/14 the average number of day's absence per employee was 3.99, significantly lower than the 6.33 days reported for 2012/13. This decrease is attributable to a lower level of long term sickness (defined as over 20 consecutive days of absence). This has reduced from 844 days in 2012/13 to 274 in 2013/14. Short term absence in 2013/14 has decreased slightly compared to 2012/13, from 764 days to 739 days.

## Disclosure of Relevant Audit Information

All reasonable steps have been taken to ensure that all relevant audit information has been disclosed to the auditors and to the best of our knowledge there is no relevant audit information of which the auditors are unaware.

  
Sir Muir Russell  
Chairman of the Board of Trustees  
2<sup>nd</sup> October 2014

  
Mr Simon Milne  
Regius Keeper and Accountable Officer  
2<sup>nd</sup> October 2014

## **Remuneration Report**

### **Remuneration Policy**

The remuneration of the Regius Keeper is set by the Board of Trustees but requires the agreement of the Scottish Government. This remuneration is reviewed annually by the Remuneration Committee. The following were members of the Remuneration Committee during the period covered by the Accounts:

Sir Muir Russell KCB DL FRSE  
Katrina Morrison  
Dr Ian Sword CBE FRSE  
Diana Murray

The Regius Keeper and Director of Corporate Services attend meetings of the Committee as required to provide advice and information when requested, but are not involved in the decision making process.

The remuneration of the senior management is reviewed annually. The Garden operates delegated pay and grading arrangements and is responsible for negotiating pay settlements within a pay remit agreed with the Scottish Government. A formal annual review process is in place for all staff, including senior management.

As part of its advisory and review role, the Remuneration Committee considers the following:

- The need to recruit, retain and motivate suitably able and qualified people;
- Government policies for improving public services;
- The affordability of recommendations for salary review.

### **Service Contracts**

Although senior management are not civil servants, RBGE follows the principles of the Civil Service Commissioners' Recruitment Code, which requires all indefinite appointments to be made on merit on the basis of fair and open competition.

The employees covered by this report hold indefinite appointments. Early termination, other than for misconduct, may result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

**The following sections of the Remuneration Report are subject to audit by Audit Scotland.**

### **Benefits in kind**

No benefits in kind were received by senior management during the year.

### **Pension**

Pension benefits are provided to senior management on the same basis as all other staff in the Principal Civil Service Pension Scheme which is described in Note 8(f) in the accounts.

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Name/Title/Age	Salary 13-14 including performance pay	Salary 12-13 including performance pay	Value of pension benefits for single total figure 2013-14	Value of pension benefits for single total figure 2012-13	Single total figure of remuneration 2013-14	Single total figure of remuneration 2012-13	Real increase in pension age related lump sum at pension age	Accrued pension at as at 31/3/14 and related lump sum	CETV at 31/3/13	CETV at 31/3/14	Real increase in CETV
S Blackmore, Regius Keeper (until 20 December 2013) 61	£70 - £75k (Full year equivalent £95-£100k)	£95-£100k	-£3,585	£4,542	£65-£70k (Full year equivalent £95 - £100k)	£100-£105k	£0 - £2.5k plus £0 -2.5k lump sum	£40 - £45k plus £120 - £125k lump sum	£927k	£938k	£3k
S Milne Regius Keeper (from 24 February 2014) 55	£5-£10k (Full year equivalent £90-95k)	Not applicable	£3,447	£0	£10 - £15k (Full year equivalent £95 - £100k)	£0	£0 - £2.5k. No lump sum	£0 - £5k. No lump sum	N/A	£3k	£2k
A Macnab, Director of Corporate Services 59	£70-£75k	£70-£75k	£17,003	£17,449	£90-£95k	£90-£95k	£0 - £2.5k plus £2.5 - £5k lump sum	£10 - £15k plus £35 - £40k lump sum	£262k	£298k	£17k
D Rae, Director of Horticulture, (Interim Regius Keeper from 21 December 2013 until 23 February 2014) 59	£75-£80k	£70-£75k	£44,296	£16,700	£120 - £125k	£85 - £90k	£0 - £2.5k plus £5 - £7.5k lump sum	£30 - £35k plus £100 - £105k lump sum	£679k	£766k	£43k
H Jackson Director of Enterprise 53	£65-£70k	£65-£70k	£26,679	£26,692	£95 - £100k	£90 - £95k	£0 - £2.5k. No lump sum	£5 - £10k. No lump sum	£73k	£98k	£15k
P Hollingsworth, Director of Science (since 8 May 2012) 45	£65-£70k	£55-£60k (Full year equivalent £65-£70k)	£19,433	£46,101	£85 - £90k	£100 - £105k (Full year equivalent £110 - £115k)	£0 - £2.5k plus £2.5 - £5k lump sum	£10 - £15k plus £40 - £45k lump sum	£185k	£210k	£12k



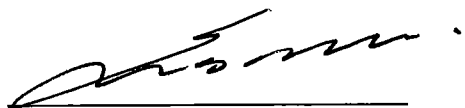
### **Remuneration Comparison**

The banded remuneration of the highest paid 'director' at RBGE in the financial year 2013-14, taken as a full year equivalent, was £95-100k (2012-13 also £95-100k). The median of this range was 3.8 times (2012-13 4.2 times) the median remuneration of the workforce, which was £25,674 (2012-13 £23,460).

In 2013-14, 0 employees received remuneration in excess of the highest paid director, the same figure as for 2012-13. Remuneration ranged from £14,389 to £95-100k (2012-13 £14,094 to £95-100k).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind, as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

No performance-related payments were made in 2013-14 in accordance with Scottish Government pay policy.



Mr Simon Milne  
Regius Keeper and Accountable Officer  
2<sup>nd</sup> October 2014

## **Statement of Board's And Regius Keeper's Responsibilities**

Under section 20 of Schedule 1 of the National Heritage (Scotland) Act 1985, the Board of Trustees of the Royal Botanic Garden Edinburgh is required to prepare, in accordance with best commercial practice, a consolidated statement of accounts dealing with the RBGE and its subsidiary companies (together referred to as the "group") for each financial year in the form and on the basis determined by Scottish Ministers. The accounts are prepared on an accruals basis and give a true and fair view of the group's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Board is required to:

- Observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in operation.

The Accountable Officer for the Scottish Government Rural and Environment, Science and Analytical Services Division (RESAS) has designated the Regius Keeper as the Accountable Officer for the Royal Botanic Garden Edinburgh. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Financial Memorandum of the Royal Botanic Garden Edinburgh issued by Scottish Ministers.

## **Governance Statement**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Board of Trustees**

Scottish Ministers appoint the Trustees of the Royal Botanic Garden Edinburgh. The following were members of the Board during the period covered by the Accounts:

#### **Chairman**

Sir Muir Russell KCB FRSE

#### **Trustees**

Professor Iain Gordon (Appointed 18 September 2013)

Patricia Henton BSc FRSE

Angela McNaught BSc FCCA

Professor Thomas Meagher (Appointed 18 September 2013)

Katrina Morrison MA MBA (Retired 30 June 2013)

Diana Murray (Appointed 18 September 2013)

Tim Rollinson CBE

Professor Janet Sprent OBE FRSE

Dr Ian Sword CBE FRSE

The Board of Trustees is responsible for developing and approving policy and strategy for RBGE. In practice, both are developed jointly by Trustees and management, and adopted formally by the Board. Management has a responsibility for ensuring effective processes and deployment of resources for optimum performance. Implementation and operation are solely the responsibility of the Regius Keeper and Senior Management Team. The Corporate and Business Plans, along with the Framework Document are in place to enable the sponsor team to develop a shared understanding of the joint priorities over the medium term to contribute towards delivery of the National Outcomes, and to ensure that individual bodies' corporate communications and engagement strategies fully reflect these. The Corporate/Business Plan is updated annually and following approval by the Board is submitted for final approval to our sponsor department in the Scottish Government: Rural and Environment, Science and Analytical Services Division (RESAS). None of the Board members have any financial interests in the Royal Botanic Garden Edinburgh. Details of relationships between RBGE and related parties are provided in Note 24 to the accounts.

When a requirement arises to appoint a new Trustee the RBGE works with sponsor teams and PACE to ensure appointment rounds and other appointment activity is conducted in line with the Codes of Practice for Ministerial Appointments to Public Bodies in Scotland. On appointment Trustees sign a code of conduct and complete a Register of Interests. The latter is renewed annually. They are given a Trustee Handbook that includes the National Heritage (Scotland) Act 1985 that sets out the remit of RBGE, Scottish Government On Board Guidance, the Management Statement and Financial Memorandum, Risk Register, Staff Handbook, Statement of Roles and Responsibilities of RBGE Trustees and the latest Corporate Plan. New Trustees meet with the Regius Keeper, Chairman of Trustees and Board Secretary and are invited to an induction tour of the Garden. According to their skills and aptitude they take responsibility for activity areas by appointment to a committee. Training needs are assessed and met and Trustees participate in an annual strategy day, held in October, where major risks are reviewed.

The Board met four times during the period covered by the accounts.

#### **The Regius Keeper and Accountable Officer**

The Regius Keeper and Accountable Officer for the period until 20 December 2013 was Professor Stephen Blackmore CBE FRSE. The Acting Regius Keeper and Accountable Officer for the period from 21 December 2013 to 23 February 2014 was Dr David Rae. Mr Simon Milne MBE assumed the position of Regius Keeper and Accountable Officer from 24 February 2014.

The Board of Trustees wish to thank Prof. Blackmore for his commitment to the RBGE during his 14 years as Regius Keeper. Under his leadership the RBGE made major advances in all areas of its operations.

### **Audit Committee**

The following were members of the Audit Committee during the period covered by the accounts:

Angela McNaught BSc FCCA (Chairman)  
Professor Janet Sprent OBE FRSE  
Tim Rollinson CBE

The Committee met four times during the period covered by the accounts.

### **Investment Committee**

The following were members of the Investment Committee during the period covered by the accounts:

Dr Ian Sword CBE FRSE (Chairman)  
Angela McNaught BSc FCCA

The Committee met once during the period covered by the accounts.

### **Scope of Responsibility**

The Regius Keeper, as Accountable Officer, and the Board of Trustees, have joint responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which the Regius Keeper is responsible in accordance with the responsibilities assigned to him in the Scottish Public Finance Manual (SPFM).

The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Government and other public bodies on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote value for money and high standards of propriety, and secure effective accountability and good systems of internal control.

In addition, the Regius Keeper is accountable to the principal Accountable Officer of the Scottish Government's Directorate General for Enterprise, Environment and Digital to enable him to discharge his overall responsibility for ensuring that RBGE, as a Scottish Government Non-Departmental Public Body, has adequate financial systems and procedures in place.

### **Purpose of the System of Internal Control**

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The process within the organisation accords with the SPFM and has been in place for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts and accords with guidance from the Scottish Ministers.

## Organisational Risk Management

### Risk Strategy and Risk Management

With the wide range of activities at RBGE and the diverse groups of stakeholders it serves it is essential that RBGE's approach to, and appetite for, risk is carefully assessed. The objectives set out in RBGE's Corporate Plan are directly aligned with 11 of the National Outcomes determined by Scottish Ministers. Future revisions of the Corporate Plan will focus on fewer National Outcomes to ensure maximum benefit from the RBGE's activities.

Strategic leadership on risk management comes from the Senior Management Team with oversight by the Board of Trustees. The Strategic Risk Register is updated by the Senior Management Team on a six monthly basis. Annually the Board of Trustees complete a review of the Key Strategic Risks; this review coincides with the Trustees annual strategic review.

At the detailed level, individual Directors are responsible for the implementation of risk management within their Division and the Senior Management Team monitors the progress of action taken to manage these risks and for the emergence of new risks. The current major risks are reported below.

Comprehensive guidance has been produced and widely disseminated, including via the Intranet, on risk awareness and risk management, and a robust risk assessment methodology has been implemented. The Senior Management Team and managers are responsible for assessing risk appetite, using a framework of key documents including the Corporate Plan, Financial Regulations, Collections Management Policies, Procurement Manual, Staff Handbook and the Health and Safety Policies.

### Major Risks to RBGE Strategy

The major risks faced by the Royal Botanic Garden were reviewed by the directors on a six monthly basis and their findings reported to the Board of Trustees. The Board carries out their own independent assessment once per year and the most serious risks that face the RBGE have been determined by the Board as:

Risk Identifier	Strategic Risk	Net Score
<b>G1</b>	Strategy	<b>12</b>
<b>G3a</b>	Sustainability: Environmental Sustainability	<b>12</b>
<b>G3b</b>	Sustainability: Financial Sustainability	<b>12</b>
<b>R2A</b>	Land and Buildings – General	<b>12</b>
<b>R2B</b>	Land and Buildings – Masterplan	<b>12</b>

#### G1

The budget allocation to support our strategy for 2013/14 was reduced in line with funding cuts from Scottish Government. This impacted adversely on our ability to meet our maintenance requirements. The Board of Trustees released additional funding from reserves to assist but also required future years' budgets to have an enhanced allocation to maintenance.

#### G3a

Plans for NEC are currently being reassessed but will take years to achieve and so any major carbon reductions are well into the future. Dawyck Hydro Scheme was completed on time and on budget. Final commissioning took place in April 2014 and this became fully operational in May 2014. Plans for Green Tourism Business Scheme awards are being progressed at Logan Botanic Garden and Edinburgh and they will both promote Environmental Sustainability.

#### G3b

A balanced budget for 2013/14 was only made possible through general cuts across all Divisions and, especially, a major cut in maintenance. This is not sustainable in the future and Trustees have charged the Directors with developing a budget for 2014/15 that includes at least a 'reasonable' amount for maintenance. The Board agreed the budget at their March meeting. Usage of our reserves is carefully managed by the Board and management to ensure longevity of that resource.

#### R2A

The allocation of budget to maintenance for this financial year has caused very severe limitations on our ability to carry out maintenance tasks to even meet our legal obligations. However, this position has been recognised by the Board and Management and efforts are being made to redirect resources for the next financial year.

#### R2B

Botanics Cottage has received planning permissions and funding is in place to commence the project at the beginning of the 2014/15. Management has rethought the requirements for the nursery, which will require a re-submission to the planning authorities, who have indicated that the revision will only constitute a minor change. The revised plan has been discussed with neighbours who are much more positive and are actively supporting these new developments. The NEC component is being reassessed and will be informed by a space audit due to report in April 2014.

### Financial Management and Control

RBGE maintains systems of internal financial control which are managed by the Finance Department. Guidance on all financial systems is available to staff on the Intranet. Financial management is supported through monthly management accounts to the Senior Management Team, and quarterly reporting to the Board of Trustees. Financial information is frequently reviewed during weekly meetings of the Senior Management Team and is available to all budget holders so that they can monitor their performance against budgets at any time.

### Fraud Risk Management

RBGE's policies relating to fraud are set out in the Staff Handbook and available on the intranet. These detail the steps taken to manage the risk of fraud and how to respond to fraudulent activity if it is suspected or discovered. Processes are in place to ensure that policies for counter-fraud are consistent with Scottish Government guidance, including a review of current counter-fraud activity. Robust reporting procedures have been adopted by sponsored bodies.

There is also a Whistleblowers Procedure set out in the Staff Handbook and a member of the Board of Trustees is appointed so as to be directly available to whistleblowers.

### Project Management

For major capital projects a Project Board involving representatives of RESAS is established and a separate risk register is maintained for each such project. Smaller projects are managed directly by RBGE Directors and the Estates Management Department. Major capital projects have gateway reviews and post project appraisals carried out. Non-capital projects, including externally funded research projects and consultancy work are managed through line managers within the Divisions and progress is monitored and significant financial variances are reported within the monthly management accounts.

### **Best Value**

In accordance with the principles of Best Value, the RBGE aims to foster a culture of continuous improvement. As part of this regime, Directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. Arrangements have been made to secure Best Value, as set out in the Scottish Public Finance Manual. Business cases for major capital investment are produced where spending limits require it.

A review by Scottish Government's Procurement Department was carried out during the year to ensure compliance with Best Practice. Plans were put in place to move to the Scottish Government Shared Procurement Service with effect from 1 April 2014.

## Information Management

As one of Scotland's National Collections, RBGE holds unique information resources relating to its living and preserved collections of plants, its library and archives. Increasingly these information resources are being captured in digital form, which provides for the wider dissemination of information via the internet and also for digital archives to be securely backed up and managed within a Business Continuity Plan. Although the RBGE suffered a significant ICT hardware failure in June 2013, the backup plan was implemented with no data loss suffered. Some inconvenience to staff arose during the downtime.

In addition RBGE undertakes to ensure correct management of any personal data and is not aware of any sensitive personal data related incidents during the year 2013/14.

## Workforce

A workforce plan is in place and is reproduced in our annual Corporate and Business Plans. This shows assumptions about staffing turnover. Our Human Resources Department undertakes an annual survey to measure levels of employee engagement.

## Publication Scheme

The RBGE has a publications scheme that is available to all stakeholders on our website.

## Review of Effectiveness

The Regius Keeper (as Accountable Officer) and the Board of Trustees have responsibility for reviewing the effectiveness of the system of internal control. RBGE's review of the effectiveness of the system of internal control is informed by the work of the Senior Management Team, supported by the findings of the programme of internal audit and comments made by the external auditors in their management letter and other reports.

At each quarterly Board of Trustees meeting, the Trustees receive an update on key operational matters from the Regius Keeper. On a six monthly basis they also receive a copy of the Strategic Risk Register which is prepared by the Senior Management Team.

The Internal Auditors reviewed two areas during the year:

- Education
- Events and Inverleith House

In addition there was a follow up report on the status of previous recommendations.

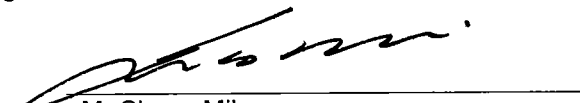
The Internal Auditor's Reports made recommendations in a number of areas. In all cases responses to the Auditors recommendations have been agreed and are being progressed as appropriate.

## Assessment of Corporate Governance

The RBGE's arrangements for corporate governance comply with generally accepted best practice principles and relevant guidance as set out in the Scottish Public Finance Manual and therefore meet the governance requirements of the Board of Trustees and Scottish Government. There are no significant issues of governance / internal control to be reported.



Sir Muir Russell  
Chairman of the Board of Trustees  
2<sup>nd</sup> October 2014



Mr Simon Milne  
Regius Keeper and Accountable Officer  
2<sup>nd</sup> October 2014

**Independent auditor's report to the members of the Board of Trustees of the Royal Botanic Garden, Edinburgh, the Auditor General for Scotland and the Scottish Parliament.**

I have audited the financial statements of the Royal Botanic Garden Edinburgh for the year ended 31 March 2014 under the National Heritage (Scotland) Act 1985 and section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Financial Activities, the Balance Sheet, Statement of Recognised Gains and Losses, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**Respective responsibilities of the Board, Regius Keeper and Auditor**

As explained more fully in the Statement of the Board and Regius Keeper's Responsibilities, the Board and Regius Keeper are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and the Regius Keeper is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board and Regius Keeper; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the annual report and consolidated accounts to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements, irregularities, or inconsistencies I consider the implications for my report.

**Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.



### **Opinion on regularity**

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers; and
- the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I am required by The Charities Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- The Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.

*Alasdair Craik*

Alasdair Craik, FCCA  
Senior Audit Manager  
Audit Scotland  
18 George Street  
Edinburgh  
EH2 2QU

8 October 2014

**Consolidated Income and Expenditure Account  
for the year ended 31 March 2014**

	Notes	2013/14 £000	2012/13 Restated £000
<b>Income</b>			
Revenue grant in aid	2	8,495	8,908
Voluntary income	3	1,627	1,886
Gain on sale of investments		50	13
Incoming resources from charitable activities	4	1,703	1,582
Income from activities for generating funds	5	947	882
		<b>12,822</b>	<b>13,271</b>
<b>Expenditure</b>			
Staff costs	8	8,257	8,038
Depreciation	11,12	1,746	1,740
Less release from capital grant fund	20	(1,804)	(1,586)
Other operating costs	9	4,336	4,787
		<b>12,535</b>	<b>12,979</b>
<b>Operating surplus</b>			
		287	292
Dividends and interest receivable	6	35	47
Difference between depreciation based on revalued amounts and the release from the capital grant fund		(60)	154
<b>Surplus for the financial year</b>			
		<b>262</b>	<b>493</b>
<b>Transferred to:</b>			
General Fund		353	604
Board Reserve Funds		(58)	(136)
Endowment Funds		69	25
Project Fund		(102)	0
		<b>262</b>	<b>493</b>

The notes on pages 30 to 47 form part of these accounts.

**Consolidated Statement of Financial Activities  
for the year ended 31 March 2014**

				2013/14	2012/13
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£000	£000	£000	£000
<b>Incoming Resources</b>					
Funding from Scottish Government		8,495	2,182	0	10,677
Voluntary income		824	1,451	7	2,282
Investment income		12	2	72	86
Incoming resources from charitable activities		1,428	275	0	1,703
Activities for generating funds		947	0	0	947
<b>Total incoming resources</b>		<b>11,706</b>	<b>3,910</b>	<b>79</b>	<b>15,695</b>
<b>Resources Expended</b>					
Charitable activities					
Collections		4,812	929	1	5,742
Visitor offer		1,546	272	0	1,818
Education		848	111	8	967
Scientific research		3,082	1,609	0	4,691
Governance costs		114	7	0	121
Costs of generating voluntary income		262	53	0	315
Fundraising trading: cost of goods sold and other costs		685	0	0	685
<b>Total Resources Expended</b>	<b>7</b>	<b>11,349</b>	<b>2,981</b>	<b>9</b>	<b>14,339</b>
<b>Net incoming resources</b>		<b>357</b>	<b>929</b>	<b>70</b>	<b>1,356</b>
Realised gains on investment assets		0	0	0	0
<b>Net expenditure for the year</b>		<b>357</b>	<b>929</b>	<b>70</b>	<b>1,356</b>
Unrealised gain on fixed assets		0	1,010	(35)	975
Excess of depreciation based on revalued amounts over equivalent release of capital grant		(60)	60	0	0
<b>Net movement in funds</b>		<b>297</b>	<b>1,999</b>	<b>35</b>	<b>2,331</b>
<b>RESERVES AS AT 1 APRIL 2013</b>		<b>817</b>	<b>44,576</b>	<b>1,098</b>	<b>46,491</b>
<b>RESERVES AS AT 31 MARCH 2014</b>		<b>1,114</b>	<b>46,575</b>	<b>1,133</b>	<b>48,822</b>

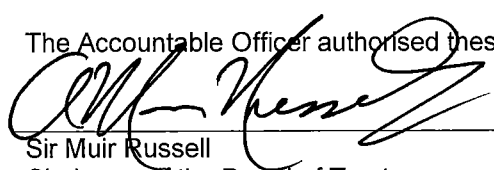
All recognised gains and losses have been included within the Statement of Financial Activities.  
All activities are classed as continuing.

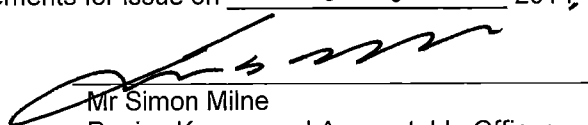
The notes on pages 30 to 47 form part of these accounts.

## Balance Sheet as at 31 March 2014

	Notes	RBGE		Consolidated	
		2014 £000	2013 £000	2014 £000	2013 £000
<b>Fixed Assets</b>					
Other tangible assets	11	45,113	43,195	45,118	43,201
Intangible assets	12	68	115	68	115
Investments	13a	871	997	798	920
		<u>46,052</u>	<u>44,307</u>	<u>45,984</u>	<u>44,236</u>
<b>Current Assets</b>					
Stock	14	234	166	359	344
Debtors	15	1,103	1,070	748	782
Current asset investments	13b	879	865	879	865
Cash at bank and in hand	23	2,888	2,788	3,199	2,992
		<u>5,104</u>	<u>4,889</u>	<u>5,185</u>	<u>4,983</u>
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	16	<u>(1,770)</u>	<u>(2,119)</u>	<u>(1,798)</u>	<u>(2,152)</u>
<b>Net Current Assets</b>		<u>3,334</u>	<u>2,770</u>	<u>3,387</u>	<u>2,831</u>
<b>Total Assets less Current Liabilities</b>		<u>49,386</u>	<u>47,077</u>	<u>49,371</u>	<u>47,067</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>(549)</u>	<u>(576)</u>	<u>(549)</u>	<u>(576)</u>
<b>Provision for Liabilities and Charges</b>	17	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets less Liabilities</b>		<u><b>48,837</b></u>	<u><b>46,501</b></u>	<u><b>48,822</b></u>	<u><b>46,491</b></u>
<b>CAPITAL AND RESERVES</b>					
<b>General Funds</b>					
Accumulated surplus on the general fund	18	612	258	612	258
Board reserve fund: trustee funds	18	517	569	502	559
<b>Total Unrestricted Funds</b>		<u>1,129</u>	<u>827</u>	<u>1,114</u>	<u>817</u>
<b>Restricted Funds</b>					
Capital revaluation reserve	18	14,940	13,869	14,940	13,869
Capital grants fund	18	30,703	29,672	30,703	29,672
Project fund	18	932	1,035	932	1,035
<b>Total Restricted Funds</b>		<u>46,575</u>	<u>44,576</u>	<u>46,575</u>	<u>44,576</u>
<b>Endowment Funds</b>					
Ferguson Bequest	18	830	768	830	768
Education Endowment	18	30	28	30	28
QMMG Endowment	18	30	23	30	23
Investments Revaluation Reserve	18	243	279	243	279
<b>Total Endowment Funds</b>		<u>1,133</u>	<u>1,098</u>	<u>1,133</u>	<u>1,098</u>
		<u><b>48,837</b></u>	<u><b>46,501</b></u>	<u><b>48,822</b></u>	<u><b>46,491</b></u>

The Accountable Officer authorised these statements for issue on 8<sup>th</sup> October 2014,

  
 Sir Muir Russell  
 Chairman of the Board of Trustees  
 2<sup>nd</sup> October 2014

  
 Mr Simon Milne  
 Regius Keeper and Accountable Officer  
 2<sup>nd</sup> October 2014

The notes on pages 30 to 47 form part of these accounts.

## Statement of Recognised Gains and Losses for the year ended 31 March 2014

	2013/14	2012/13
	£000	£000
Unrealised (loss) / gain on revaluation of investments	(35)	96
Unrealised gain on revaluation of fixed assets	1,070	1,412
<b>Total recognised gains and losses related to the financial year</b>	<b>1,035</b>	<b>1,508</b>

## Consolidated Cash Flow Statement for the year ended 31 March 2014

	Notes	2013/14 £000	2012/13 Restated £000
<b>Net cash (outflow) / inflow from operating activities</b>	23	(119)	268
<b>Return on investments and servicing of finance</b>			
Interest received	6	20	4
Dividends received	6	21	23
Net cash inflow from returns on investments and servicing of finance	6	41	27
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(2,512)	(2,326)
Payments to acquire intangible fixed assets		0	(30)
Payments to acquire investments	13a	(88)	(37)
Receipts from sale of tangible fixed assets		0	5
Receipts from sale of investments		181	35
Decrease in current asset investments		0	226
Net cash outflow from capital expenditure and financial investment		(2,419)	(2,127)
<b>Net cash outflow before financing</b>		(2,497)	(1,832)
<b>Financing</b>			
Capital funding from scottish government	2	2,182	2,291
Other capital grants		522	71
<b>Increase / (Decrease) in cash</b>		<b>207</b>	<b>530</b>

\*The notes on pages 30 to 47 form part of these accounts.

## Notes to the Accounts for the year ended 31 March 2014

### 1. ACCOUNTING POLICIES

#### a) Basis of accounting

The accounts have been prepared under the historical cost convention modified by the revaluation of tangible fixed assets and investments at their market value. The accounts have been prepared in accordance with an Accounts Direction given by Scottish Ministers in accordance with paragraph 20(3) of Schedule 1 of the National Heritage (Scotland) Act 1985. The Accounts Direction can be found at the end of these accounts.

The Accounts Direction requires RBGE to prepare the accounts in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRoM) which is in force for the year for which the statement of accounts are prepared. As a non-departmental public body which is also a registered charity, the FRoM requires that the accounts comply with the Statement of Recommended Practice Accounting and Reporting by Charities (revised 2005) ("the SORP") and provide any additional disclosures as required by the Manual. In addition to the requirements of the SORP, our sponsoring department has also directed us to prepare an Income and Expenditure Account in addition to the Statement of Financial Activities.

#### b) Basis of consolidation

The consolidated accounts, ("the Group") include the accounts of the Royal Botanic Garden Edinburgh. ("RBGE") and its subsidiary companies, The Botanics Trading Company Limited ("BTC") and The Centre for Middle Eastern Plants Limited ("CMEP"), for the year ended 31 March 2014. The accounts were consolidated on a line by line basis for assets and liabilities. CMEP did not trade during the year and is in the process of being made a dormant company.

#### c) Asset Policy

- i) The title to the land and buildings administered by the Board is held in the name of the Scottish Ministers. The Board holds a 99 year lease covering the use of these assets. Nevertheless, on the direction of the Scottish Ministers, these fixed assets have been valued and are included in the Balance Sheet. The method of valuation for specialised properties, that is land and buildings for which there is effectively no market, is depreciated replacement cost. Other properties are valued at open market value for existing use.
- ii) All items of capital expenditure greater than £5,000 are treated as additions to tangible fixed assets and land and buildings are subject to annual revaluation. Depreciation is charged on the basis of the revalued amounts for land and buildings and on historic cost for other tangible fixed assets. Historic costs are not disclosed as required by the SORP as, in accordance with the Government Financial Reporting Manual, this adds no information of value to the accounts.
- iii) Land is not depreciated. Depreciation is provided on all other fixed assets at rates calculated to write off their valuation, less estimated residual value, evenly over the remainder of their expected lives. The principal rates used are based on estimated lives as follows:

Buildings	10-50	Years
Garden Machinery	5-10	Years
Scientific Equipment	4-5	Years
Office Equipment	3-5	Years
Motor Vehicles	4	Years
Intangible Assets	3-5	Years

#### **d) Heritage Assets**

A heritage asset is defined as a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

The collections of specimens, reference books and other material related to work at the Royal Botanic Garden Edinburgh as at 31 March 2001 have not been capitalised in these accounts in line with HM Treasury Guidance for non-operational heritage assets. Individual items acquired after 1 April 2001 with a value at the date of acquisition in excess of £5,000 are capitalised. Under HM Treasury guidance, capitalised collection items are not depreciated or revalued.

The collections are truly "priceless" in that they cannot be valued meaningfully due to the number of items, lack of comparative market values and the diverse nature of the collections. It is not possible to obtain reliable cost or valuation information.

#### **e) Incoming Resources Policy**

Following a revision to the FReM, revenue Grant In Aid is now included within the Income and Expenditure Account. Previously, revenue Grant in Aid was credited directly to the general fund. The Income and Expenditure Account for 2012/13 has been restated to reflect this change.

Grants for the purchase of capital items are transferred to a Capital Grants Fund from which they are released as the assets are depreciated. Income from activities is accounted for on a receivable basis, net of VAT, with the exception of income from the Membership Scheme that is accounted for on a cash basis net of VAT. Gifts in Kind and Donated Services and Facilities have been included in the SOFA when they can be quantified with reasonable certainty.

#### **f) Resources Expended Policy**

Within the Statement of Financial Activities the costs of the development and membership departments are shown as the costs of generating voluntary income. Staff and operating costs incurred in relation to governance are shown separately. These include internal and external audit, Trustees expenses and meeting costs. The other categories of expenditure are deemed to be activities in furtherance of the RBGE's objectives. Indirect costs have been allocated on the basis of headcount.

Liabilities and provisions are recognised as resources expended as soon as there is a legal or constructive obligation committing RBGE to the expenditure.

#### **g) Reserves**

Reserves are analysed under the headings Restricted, Unrestricted and Endowment Funds. Restricted funds are those given to RBGE for specific purposes. Unrestricted funds are divided into the Board Reserve Fund and the General Fund. Each fund is described below.

##### **i) Board Reserve Fund**

The Board of Trustees, with the approval of Scottish Ministers, may undertake certain activities, the profits from which, together with donations and funds from other sources, including the results of the Botanics Trading Company, are taken to the Board Reserve. These funds may be used at the Board's discretion under the terms of the National Heritage (Scotland) Act 1985.

##### **ii) General Fund**

The General Fund represents the surplus or deficit on the Income and Expenditure Account after taking into account the movement attributed to other specific funds (including the Board Reserve).

##### **iii) Endowment Fund**

These are donations to RBGE that have been made by way of endowment. The Trustees either have no power to convert the capital to income (permanent endowment funds) or they do have

the power to convert the capital into expendable income (expendable endowments). All of the RBGE endowment funds are expendable.

**h) Stocks**

Stocks are stated at the lower of cost or net realisable value or, if this is different by a material amount, their value to the business by reference to current costs.

**i) Investments**

Investments are carried in the balance sheet at market value in accordance with the SORP. The unrealised surplus or deficit relative to cost is dealt with in the revaluation reserve. Investment in subsidiary companies represents share capital and long term loans.

**j) Taxation**

RBGE is a charity within the meaning of the Charities and Trustee Investment (Scotland) Act 2005 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator (Charity Number SC007983). Accordingly, RBGE is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

RBGE is registered, as a group, for Value Added Tax and claims partial recovery of input VAT.

**k) Pensions**

RBGE participates in the Principal Civil Service Pension Scheme (PCSPS). This scheme is an unfunded multi-employer defined benefit scheme and participating organisations are unable to identify their share of the underlying assets and liabilities on a consistent and reliable basis. Accordingly, RBGE has utilised the provisions of FRS 17 whereby the contributions to each scheme are recognised as if it were a defined contribution scheme. The cost recognised within the Statement of Financial Activities will be equal to the contribution payable to the schemes for the year.

In the past RBGE has also provided enhanced pensions to former employees who accepted early retirement and provision is made on an actuarial basis for the liability to those former employees at the time of their retirement.

**l) Financial Instruments**

Financial assets (represented by lending and receivables) are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining period of the instrument, using the following assumptions:

- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

**m) Foreign Currency Policy**

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the date of the transactions.

**n) Intra Group Transactions**

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.



## 2. GRANT-IN-AID

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Revenue Grant in Aid	8,495	8,908
Capital Grant	2,182	2,291
Total Grant from RESAS	<u>10,677</u>	<u>11,199</u>

## 3. VOLUNTARY INCOME

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Income from Botanics Foundation	236	71
Gift Aid from BTC	372	316
Grants from UK Government entities	531	552
Grants from EU	45	158
Other grants	254	620
Donations	189	169
	<u>1,627</u>	<u>1,886</u>

## 4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Admissions	379	347
Education charges	778	691
Rents receivable	27	31
Membership income	216	213
Other income from third parties	303	300
	<u>1,703</u>	<u>1,582</u>

## 5. ACTIVITIES FOR GENERATING FUNDS

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Trading company income	770	730
Commercial development	121	77
Commemorative programme	56	75
	<u>947</u>	<u>882</u>

Commercial development consists of theatrical events, venue hire, licensing and commercial publishing.

## 6. INVESTMENT INCOME

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Dividends	21	23
Interest receivable	14	24
	<u>35</u>	<u>47</u>

## 7. RESOURCES EXPENDED

	Staff costs £000	Depreciation £000	Other Direct Costs £000	Allocated Costs £000	2013/14 Total £000	2012/13 Total £000
Charitable activities						
Collections	2,923	0	507	2,502	5,932	5,840
Visitor offer	849	0	222	732	1,803	1,908
Education	348	0	307	299	954	1,001
Scientific research	2,609	0	772	1,166	4,547	4,777
Support costs	1,133	1,744	1,983	(4,860)	0	0
Governance costs	25	0	58	19	102	97
Costs of generating voluntary income	135	0	35	142	312	310
Fundraising/consultancy trading costs	235	2	452	0	689	632
<b>Total</b>	<b>8,257</b>	<b>1,746</b>	<b>4,336</b>	<b>0</b>	<b>14,339</b>	<b>14,565</b>

Support costs have been allocated on a per capita basis. The cost of charitable activities includes the cost of support services (facilities management, finance, human resources, ICT, corporate services management, press and marketing) of £3,207k (2012/13 £3,591k).

## 8. TRUSTEES REMUNERATION AND STAFF COSTS

### a) Trustees' remuneration

Trustees do not receive any remuneration for their services. Travelling and subsistence expenses of £913.28 (2012/13 £647.50) in relation to four trustees have been charged as part of other direct costs – Note 9.

### b) Regius Keeper's remuneration

	2013/14 £000	2012/13 £000
Remuneration excluding pension contributions	71	98
Pension contributions	17	24
	<b>88</b>	<b>122</b>

### c) Employees with earnings above £50,000

Numbers of employees at	2013/14	2012/13
£50,000 - £59,999	10	6
£60,000 - £69,999	3	3
£70,000 - £79,999	2	2
£80,000 - £89,999	0	0
£90,000 - £99,999	1	1
£100,000-£109,999	0	0

All of the above are members of the Principal Civil Service Pension Scheme.

### d) Staff salaries and social security

	2013/14 £000	2012/13 £000
Salaries	6,678	6,504
Social security costs	446	441
Staff pensions	1,133	1,093
	<b>8,257</b>	<b>8,038</b>

**e) The average number of full-time equivalent employees during the year analysed by function**

	2013/14	2012/13
Horticulture	93.50	91.50
Science	53.25	53.75
Corporate Services	30.25	29.75
Botanics Trading Company Ltd.	14.50	14.50
Externally funded	22.75	24.25
Directorate	2.00	3.00
Enterprise	27.00	27.00
	243.25	243.75

**f) Pensions**

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 1.5% and 6.25% of pensionable earnings for **classic** and 3.5% and 8.25% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2014. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but The Royal Botanic Garden Edinburgh is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

For 2013/14, employers' contributions of £1,117,544.33 were payable to the PCSPS (2012-13 £1,078,882.29) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2013/14 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £18,449.34 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,585.93, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £0. Contributions prepaid at that date were £0

**g) Compensation for loss of office**

There were no Civil Service or other compensation schemes within 2013/14. A voluntary exit scheme funded by the Scottish Government was open to all staff during February 2012 and a total of 20 exits subsequently agreed. Funding for this of £714,122, was received from the Scottish Government in March 2012. The compensation payments were paid out in April and July 2012 as staff left on agreed departure dates.

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which a legal or constructive obligation for their payment is established. Where RBGE has agreed early retirements, the additional costs are met by the RBGE and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme.

**9. OTHER OPERATING COSTS**

	<b>2013/14</b>	<b>2012/13</b>
	<b>£000</b>	<b>£000</b>
Botanics Trading Company	540	484
Materials	533	870
Direct Project Costs	615	582
Repairs and Maintenance	401	650
Rates and Utilities	846	821
Trustees travel and subsistence	1	1
Staff travel and subsistence	261	290
General services	597	605
Audit fees	22	20
Legal, consultancy and other professional fees	520	464
	4,336	4,787

## **10. ADJUSTMENT FOR MOVEMENT ON PROJECT FUNDS**

Projects are where the RBGE receives funding from third parties to support specific activities such as areas of scientific research or developments in the Garden. In previous years an adjustment was made to the Income and Expenditure Account to ensure that no surplus or deficit was shown on an annual basis in relation to all such projects.

Given the diverse nature of activities and funding sources contained within Projects it has been decided to discontinue the Project Adjustment. From 2013/14 onwards Projects will be evaluated on a case by case basis in accordance with the income and expenditure recognition requirements of the Charity SORP 2005. As a consequence it is anticipated that the Income and Expenditure Account will be subject to greater volatility.

The Income and Expenditure Account for 2012/13 has been restated to reflect this change in approach.

**11. TANGIBLE FIXED ASSETS**

	Land & Buildings	Assets under Construction	Garden Machinery	Scientific Equipment	Office Equipment	Motor Vehicles	BTC	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
At 1 April 2013	40,076	1,286	1,063	1,180	2,036	177	56	45,874
Additions	1,047	996	187	77	281	18	0	2,606
Disposals	0	0	(101)	0	0	0	0	(101)
Revaluation	1,010	0	0	0	0	0	0	1,010
Transfers	137	(137)	0	0	0	0	0	0
At 31 March 2014	42,270	2,145	1,149	1,257	2,317	195	56	49,389
<b>Depreciation</b>								
At 1 April 2013	0	0	874	836	821	92	50	2,673
Charge for the period	1,142	0	85	126	316	29	1	1,699
Disposals	0	0	(101)	0	0	0	0	(101)
At 31 March 2014	1,142	0	858	962	1,137	121	51	4,271
<b>Net book value</b>								
At 31 March 2014	41,128	2,145	291	295	1,180	74	5	45,118
At 31 March 2013	40,076	1,286	189	344	1,215	85	6	43,201

Land and buildings were revalued on 31 March 2013 by Ryden International Property Consultants on the basis of open market value for existing use, except for those properties and land which have such specialised use that they have no market value. Such properties and land are valued at depreciated replacement cost representing their value in use to the Group. Replacement costs were derived by the valuers on the basis of land values and estimated current construction costs, including professional fees and finance costs, for each individual property. The amount by which replacement cost for each property was discounted to arrive at depreciated replacement cost was assessed by the valuers on the basis of the current condition and state of repair of the property concerned (rather than by time apportioning over the total estimated life of the property).

Other tangible fixed assets were valued by the Trustees at 31 March 2014 at depreciated historic cost. Depreciation on other tangible assets has been calculated on the historic cost amount at 31 March 2014.

## 12. INTANGIBLE ASSETS

	2013/14 £000	2012/13 £000
At 1 April 2013	260	187
Software acquired during the year	0	30
Transfers	0	43
As at 31 March 2014	260	260
Amortisation:		
As at 1 April 2013	145	73
Charge for the year	47	49
Transfers	0	23
As at 31 March 2014	192	145
Net Book Value		
As at 31 March 2013	115	114
As at 31 March 2014	68	115

## 13. INVESTMENTS

### a) Fixed asset investments

	Group Total	Listed	Subsidiary Undertakings	RBGE Total
	£000	£000	£000	£000
Investments at cost as at 1 April 2013	642	642	77	719
Revaluation reserve as at 1 April 2013	278	278	0	278
Investments at valuation as at 1 April 2013	920	920	77	997
Add: Additions at cost	88	88	0	88
Less: Repayment of loan/conversion to grant	0	0	(4)	(4)
Less: Disposals	(132)	(132)	0	(132)
Unrealised gain on revaluation at 31 March 2014	(35)	(35)	0	(35)
Add Cash movement	(43)	(43)	0	(43)
<b>Investments at valuation as at 31 March 2014</b>	<b>798</b>	<b>798</b>	<b>73</b>	<b>871</b>
Cost as at 31 March 2014	555	555	77	632
Less: Repayment of loan/conversion to grant	0	0	(4)	(4)
Revaluation reserve as at 31 March 2014	243	243	0	243
<b>Investments at valuation as 31 March 2014</b>	<b>798</b>	<b>798</b>	<b>73</b>	<b>871</b>

### Subsidiary companies

The investment in the Botanics Trading Company Ltd represents a long term loan of £72,000 and £1,000 of share capital of the Botanics Trading Company Ltd which is a wholly owned subsidiary of the Trustees of the Royal Botanic Garden Edinburgh. The loan to the Botanics Trading Company Ltd is being repaid over twenty five years. It is secured by a floating charge over the assets of the company. Interest was applied at 3.5%.

### Listed investments

Listed company investments form part of the Ferguson Bequest and the Education Endowment. The investment portfolio is invested in a range of securities. As at 31 March 2014 the portfolio was made up of 6% fixed interest, 5% index linked, 85% equities, 1% alternative and 3% cash. The corresponding figures for 2012/13 were 14% fixed interest, 5% index linked, 73% equities, 1% alternative and 7% cash

The Investment Holdings which are over 5% of the Portfolio Value are:

- Findlay Park American Fund 6.91%
- Baillie Gifford Overseas Growth Fund 5.17%

### b) Current asset investments

As at 31 March 2014 £878,534 of cash was held in term deposit accounts (2013 £864,557):

	RBGE		Group	
	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000
Term deposits	879	865	879	865

Current asset investments represent term deposits held with commercial banks in line with the credit risk policy. The deposits relate to deferred VAT on the John Hope Gateway retained under the Lennartz Mechanism and Board Reserve funds.

### c) Financial instruments disclosures

#### i) Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other third parties as well as credit exposures to RBGE's customers. RBGE restricts deposits to the following banks (HSBC, Royal Bank of Scotland, Barclays, Lloyds TSB, Bank of Scotland, Co-Operative and Clydesdale) to a maximum counterparty limit of £300k. The treasury management policy is reviewed annually.

RBGE reviews the credit risk associated with financial institutions on a monthly basis and more regularly if market conditions are volatile or other information is made available on the financial security of UK banks and building societies.

#### ii) Liquidity Risk

RBGE does not have any external borrowings.

#### iii) Market Risk

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. RBGE is not considered dependent on interest receivable.



#### 14. STOCKS

	RBGE		Group	
	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000
Heating oil	28	31	28	31
RBG Shops (retail goods for resale)	0	0	125	178
Publications	206	135	206	135
	<u>234</u>	<u>166</u>	<u>359</u>	<u>344</u>

The current cost value of stocks is not materially different from historic cost and accordingly no adjustment has been made to reflect current costs.

The stock of heating oil is held for precautionary purposes to ensure the protection of the living collections in the event of power loss, gas supply interruption or a national emergency.

#### 15. DEBTORS

	RBGE		Group	
	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000
Prepaid expenditure and accrued income	437	309	441	315
Sundry debtors	267	426	307	467
Due by other group entities	399	335	0	0
	<u>1,103</u>	<u>1,070</u>	<u>748</u>	<u>782</u>

	RBGE		Group	
	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000
Balances with central government	0	29	0	29
Balances with local authorities	6	7	6	7
Balances with public corporations	59	71	59	71
Subtotal of intra government balances	<u>65</u>	<u>107</u>	<u>65</u>	<u>107</u>
Balances with bodies external to government	1,038	963	683	675
	<u>1,103</u>	<u>1,070</u>	<u>748</u>	<u>782</u>

## 16. CREDITORS

Amounts falling due within one year	RBGE		Group	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Accrued charges	134	621	134	621
Creditors – social security	136	144	136	144
Creditors - other	476	249	504	286
Creditors - VAT	62	148	62	148
Trade creditors – revenue	499	412	499	412
Trade creditors - capital	440	518	440	518
Deferred severance costs	23	23	23	23
Due to other group entities	0	4	0	0
	<u>1,770</u>	<u>2,119</u>	<u>1,798</u>	<u>2,152</u>

Amounts falling due within one year	RBGE		Group	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Balances with central government	322	612	322	612
Balances with local authorities	0	21	0	21
Subtotal of intra government balances	<u>322</u>	<u>633</u>	<u>322</u>	<u>633</u>
Balances with bodies external to government	1,448	1,486	1,476	1,519
	<u>1,770</u>	<u>2,119</u>	<u>1,798</u>	<u>2,152</u>

Amounts falling due after more than one year	RBGE		Group	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
VAT	495	499	495	499
Deferred severance	54	78	54	78
	<u>549</u>	<u>577</u>	<u>549</u>	<u>577</u>

Amounts falling due after more than one year	RBGE		Group	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Balances with central government	495	499	495	499
Balances with bodies external to government	54	78	54	78
	<u>549</u>	<u>577</u>	<u>549</u>	<u>577</u>

## 17. PROVISIONS FOR LIABILITIES AND CHARGES

	RBGE		Group	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
As At 1 April	0	8	0	8
(Charged) / provided in the year	0	(8)	0	(8)
As At 31 March	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

## 18. STATEMENT OF RESERVES

	As at 31 March 2013 £000	Income £000	Expenditure £000	Revaluation £000	Group As at 31 March 2014 £000
<b>Unrestricted</b>					
General fund	258	10,616	(10,202)	(60)	612
Board reserve	559	410	(467)	0	502
<b>Total unrestricted funds</b>	<b>817</b>	<b>11,026</b>	<b>(10,669)</b>	<b>(60)</b>	<b>1,114</b>
<b>Restricted</b>					
Capital revaluation reserve	13,869	0	0	1,071	14,940
Capital grants fund	29,672	2,835	(1,804)	0	30,703
Projects fund	1,035	1,074	(1,177)	0	932
<b>Total restricted funds</b>	<b>44,576</b>	<b>3,909</b>	<b>(2,981)</b>	<b>1,071</b>	<b>46,575</b>
<b>Endowments</b>					
Ferguson bequest	768	69	(7)	0	830
Education endowment	28	3	(1)	0	30
QMMG endowment	23	7	0	0	30
Investments revaluation	279	0	0	(36)	243
<b>Total endowments</b>	<b>1,098</b>	<b>79</b>	<b>(8)</b>	<b>(36)</b>	<b>1,133</b>
<b>Total</b>	<b>46,491</b>	<b>15,014</b>	<b>(13,658)</b>	<b>975</b>	<b>48,822</b>

The Reserves of the organisation are explained in Note 1 of the accounts. The Board Reserve is credited with income that is not related to grant-aided activities; expenditure is at the discretion of the Trustees. The Capital Grants Fund represents monies given by third parties for specific projects that are used to purchase capital equipment. It is released as the assets are depreciated or disposed of. Projects are where the Royal Botanic Garden Edinburgh receives money from third parties to fund various activities such as specific areas of research and developments in the Garden. The Ferguson Bequest is an endowment fund for botanical projects. The Education Endowment was established to support the educational activities of the RBGE. The QMMG Endowment is the Queen Mothers Memorial Garden endowment and was established to support the maintenance of the Queen Mothers Memorial Garden.

## 19. REVALUATION RESERVE

	Tangible Fixed Assets 2013/14 £000	Investments 2013/14 £000	Total 2013/14 £000	Total 2012/13 £000
At 1 April 2013	13,869	279	14,148	12,640
Surplus/(deficit) arising on revaluation in year	1,011	(36)	975	1,662
Difference between depreciation based on revalued amounts and the release from the capital grant fund	60	0	60	(154)
<b>At 31 March 2014</b>	<b>14,940</b>	<b>243</b>	<b>15,183</b>	<b>14,148</b>

The revaluation reserve relating to investments is attributable to the Ferguson Bequest and the Education Endowment.

## 20. CAPITAL GRANTS FUND

	RBGE		Group	
	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000
At 1 April 2013	29,672	28,896	29,672	28,896
RESAS capital grant	2,182	2,291	2,182	2,291
Other capital grants	653	71	653	71
Less release from capital grant fund	(1,804)	(1,586)	(1,804)	(1,586)
<b>At 31 March 2014</b>	<b>30,703</b>	<b>29,672</b>	<b>30,703</b>	<b>29,672</b>
Scottish Government capital grant	14,789	13,986	14,789	13,986
Gateway capital grants	14,705	15,078	14,705	15,078
Other capital grants	1,209	608	1,209	608
	<b>30,703</b>	<b>29,672</b>	<b>30,703</b>	<b>29,672</b>

## 21. TRADING SUBSIDIARY

A summary of the results of the wholly owned subsidiary the Botanics Trading Company Ltd. is shown below. All values are historic costs.

Profit and Loss Account	2013/14 £000	2012/13 £000	Balance Sheet	2013/14 £000	2012/13 £000
Turnover	1,143	1,045	Fixed assets	5	6
Cost of sales	(406)	(361)	Current assets	477	428
<b>Gross Profit</b>	<b>737</b>	<b>684</b>	Current liabilities	(423)	(366)
Other expenses	(367)	(359)	Loan from RBGE	(72)	(76)
Interest receivable	0	0			
Interest payable	(3)	(3)			
<b>Net profit</b>	<b>367</b>	<b>322</b>		<b>(13)</b>	<b>(8)</b>
Gift aid to RBGE	(372)	(316)			
Retained (loss) / profit for the year	<b>(5)</b>	<b>6</b>	Share capital	1	1
			Accumulated loss	(14)	(9)
				<b>(13)</b>	<b>(8)</b>

The company donates its net taxable profits to RBGE under the gift aid scheme on an annual basis.

## 22. CONSULTANCY SUBSIDIARY

A summary of the results of the wholly owned subsidiary the Centre for Middle Eastern Plants Ltd. is shown below. All values are historic costs.

<b>Profit and Loss Account</b>	<b>2013/14</b>	<b>2012/13</b>	<b>Balance Sheet</b>	<b>2013/14</b>	<b>2012/13</b>
	<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>
Turnover	0	0	Fixed assets	0	0
Cost of Sales	0	0	Current assets	0	2
<b>Gross Profit</b>	<b>0</b>	<b>0</b>	Current liabilities	(1)	(3)
Other expenses	0	2	Loan from RBGE	0	0
Interest receivable	0	0	Deferred capital grants	0	0
Interest payable	0	0	Net liabilities	<b>(1)</b>	<b>(1)</b>
Net (Loss)/Profit	<b>0</b>	<b>2</b>	Share capital	0	0
Gift Aid to RBGE	0	(2)	Accumulated profit	(1)	(1)
Retained (loss)/profit for the year	<b>0</b>	<b>0</b>		<b>(1)</b>	<b>(1)</b>

## 23. CASH FLOW STATEMENT

### Reconciliation of operating deficit to net cash outflow from operating activities

	<b>2013/14</b>	<b>2012/13</b>
	<b>£000</b>	<b>Restated £000</b>
Operating surplus	287	292
Depreciation charge	1,746	1,740
Amortisation of deferred grants	(1,804)	(1,586)
Gain on sale of fixed assets	(16)	(4)
Movement on Provisions	0	(9)
(Gain)/loss on sale of investments	(50)	(14)
Decrease in stocks	67	(28)
Decrease/(increase) in debtors	35	(254)
Increase/(decrease) in other creditors	(365)	(230)
Increase/(decrease) in revenue creditors	87	105
Increase/(decrease) in capital creditors	(78)	407
Increase/(decrease) in long term creditors	(28)	(151)
Net cash (outflow) / inflow from operating activities	<b>(119)</b>	<b>268</b>

### Analysis of changes in net funds in the year

The group has no borrowings or finance lease obligations. Accordingly the group's net funds (as defined in revised Financial Reporting Standard 1) are equal to its cash balances. The movement in cash balances in the year is as follows:

	2013/14 £000	2012/13 £000
Opening cash balance	2,992	2,462
Change in year	207	530
Closing cash balance	<u>3,199</u>	<u>2,992</u>

### 24. RELATED PARTY TRANSACTIONS

The Royal Botanic Garden Edinburgh is a non-departmental public body of the Scottish Government Rural and Environment Science and Analytical Services Division (RESAS) which is regarded as a related party. During the year, RBGE has had a number of material transactions with RESAS.

The Regius Keeper is, ex officio, a Trustee of the Sibbald Trust and the Botanic Foundation and a Director of the Botanic Trading Company Ltd (BTC) and the Centre for Middle Eastern Plants Limited (CMEP). The Director of Corporate Services is a Director of BTC. Floristics Scientist Tony Miller is a Director of CMEP. During the year, none of the Trustees, members of key management staff or other related parties has undertaken any material transactions with RBGE.

### 25. CAPITAL COMMITMENTS

As at 31 March 2014 there were capital commitments contracted for but not provided for in the accounts of £83k (2013: £319k).

### 26. CONTINGENT LIABILITY

During the year RBGE reached agreement with HMRC regarding the operation of the Lennartz VAT mechanism with regard to the John Hope Gateway. As a result a refund of £265k was received from HMRC and, following agreement from the Scottish Government, this amount was applied to capital projects within the year.

Over the remainder of the 10 year life span of the Lennartz mechanism it is likely that future payments to HMRC will be significantly reduced. The reduction will depend upon the purposes for which the Gateway building is used in the future together with the rate of VAT prevailing at the time of any payment to HMRC.

## **Accounts Direction**

**ROYAL BOTANIC GARDEN, EDINBURGH**


**DIRECTION BY THE SCOTTISH MINISTERS**

**The Scottish Ministers, in pursuance of paragraph 20(3) of Schedule 1 of the National Heritage (Scotland) Act 1985, hereby give the following direction.**

**The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.**

**The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.**

**This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 17 October 2002 is hereby revoked.**

A handwritten signature in black ink, appearing to be 'R. D. ...', written over a horizontal line.

Signed by the authority of the Scottish Ministers

Dated: 9 December 2005

