



**Royal  
Botanic Garden  
Edinburgh**

**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**

**for the year ended 31 March 2015**

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## **Strategic Report of the Board of Trustees incorporating Foreword**

The Royal Botanic Garden Edinburgh (RBGE) since its inception in 1670 has grown into one of the world's most esteemed centres for botany and horticulture and a cherished visitor destination. Thanks to our passion, expertise, drive and innovation we are renowned for our science, our horticulture, and the excellence of our education and engagement programmes.

The global challenge of increasing destruction of natural habitats and associated loss of plant species provides RBGE with the real and immediate mission of exploring, conserving and explaining the world of plants for a better future. This requires us to work at different scales: from leading single species and habitat recovery programmes in Scotland and DNA sequencing of bryophytes, to the mapping of medicinal plants in Nepal and producing inventories of the most threatened habitats in the Tropics. Such work is vital if we are to sustain the natural systems upon which all life depends.

At the national level, as Scotland's botanical institute, we play a significant role in delivering the Scottish Biodiversity Strategy, and as a Non Departmental Public Body we give the Government access to scientific excellence and support the delivery of the Programme for Government. As a charity and an information hub working in many partnerships, RBGE is well placed to inspire a very wide audience to engage with the natural world that underpins our health, wealth and wellbeing, and to encourage people to discuss, and get involved with, current environmental issues.

At the international level we are a global resource, providing expertise, training and information to help people around the world to conserve ecosystems and protect natural capital. Through our extensive partnerships, particularly in South East Asia, tropical South America, Nepal and the Middle East, we strengthen the global capacity to address the issues of plant conservation, undertaking joint projects and seeking and sharing examples of best practice. We have a strong focus on species-rich economically important plant groups such as the ginger family (Zingiberaceae), legumes (Fabaceae), begonias (Begoniaceae), conifers, and the Gesneriaceae and the Sapotaceae.

Plants give people pleasure and our four gardens – Edinburgh, Dawyck, Logan and Benmore – are collectively one of Scotland's top visitor attractions with nearly 900,000 visits per year. There is always something new in our gardens to stimulate the senses, and their stunning landscapes with over 13,000 species of plants continue to delight domestic and international visitors.

RBGE is very well placed to continue providing leadership in the fields of plant science, horticulture and education. Our Corporate Plan provides a course for the whole organisation to follow over the next five years. It presents our priorities and a focus for our Board, staff, volunteers, and stakeholders, building on our successes and ensuring that we remain dynamic and in a good strategic position to make a valuable contribution to society in the decades ahead.

To achieve the plan we need to be appropriately resourced, and much effort is required over the next five years to increase current sources of income and to develop new ones to supplement the Scottish Government's investment. Our buildings and facilities require considerable capital expenditure to ensure that they are fit for purpose and our collections remain secure and in good condition. We must also continue to invest in developing our staff and to further strengthen our national and international partnerships.

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 available for distribution 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.
- 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: "*To explore, conserve and explain the world of plants for a better future*"

## Strategy and Planning

The Corporate Plan 2015/20 was completed following a strategic review carried out under the leadership of the new Regius Keeper. This included revising the mission statement to reflect the RBGE's increasing focus on conservation outcomes. Our Plan can be viewed on our website:

[http://www.rbge.org.uk/assets/files/about\\_us/Corporate\\_Info/RBGE\\_Corporate\\_Plan\\_2015.pdf](http://www.rbge.org.uk/assets/files/about_us/Corporate_Info/RBGE_Corporate_Plan_2015.pdf)

Particular emphasis has been placed on increasing the number of collaborative projects with partner organisations in Scotland and elsewhere, thereby leveraging increased value for money from our scarce resources. We have also embarked on a series of projects which will contribute to the Government's Programme for Scotland 2014/15, and includes gender balance on our Board of Trustees, paying the National Living Wage, and encouraging apprenticeships, where resources permit.

The re-development of the North East Corner (Inverleith) is 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. Significant enabling works have been completed during the financial year 2014/15 (FY 14/15) and we expect to complete the Nursery programme by Autumn 2016. The Masterplan was reviewed in 2014/15 as part of a Garden wide appraisal of future capital projects and spend to achieve better value for money from what will be an expensive project.

Income generation remains a key component of our strategy to support the on-going activities of the RBGE as well as capital projects and increased priority will be given to this area during the next few financial years. We will also build on our international reputation and develop a comprehensive programme of fundraising to support our contribution to the natural capital of the planet.

The strategy formulation process, carried out during FY 14/15, for the next 5 year period has been much more engaging for the senior staff than previous versions. There was a clearer direction and focus on outcomes, which helped cascade our objectives down the strategy map (can be viewed in our Corporate Plan p4) to improve comprehension by our staff and coherence of our activities. Our strategy management framework is constructed to demonstrate the value that we provide to our stakeholders, particularly in the fields of biodiversity research, collections management, education, and as one of Scotland's top visitor attractions. Additionally, it is helpful for communicating the mission and strategy internally and externally, and uses measures/indicators to drive RBGE's current and future success. In the RBGE's Strategy Map our objectives 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. Consequently, improved alignment of staff to purpose has been achieved and our staff's personal objectives and career development requirements are fully aligned to our revised mission.

## Performance Management

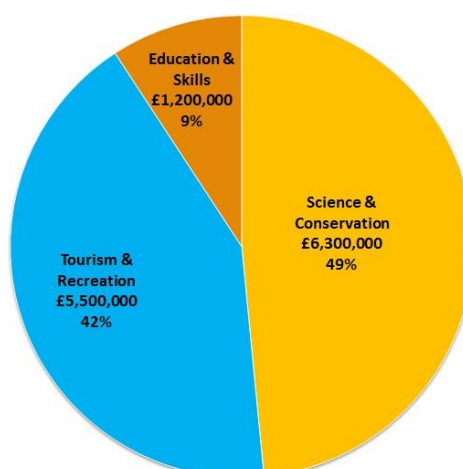
Directly linked to the Corporate Plan, RBGE employs a performance management system, the Executive Strategy Manager™, which has been in use since 2010/11 and is used primarily to assist the Senior Management Team with its decision making.

The first year of Outcome Costing (pioneered at RBGE) has been completed and we will continue gathering data to enable improved decision-making by the SMT in future, thereby informing future operational plans. Furthermore, when sufficient datasets have been collected outcome cost-effectiveness analysis will be possible, which will give increased insights to resource allocations.

## Impact Costs Summary

A key component in determining value for money, also known as cost effectiveness, of an outcome is to know how much resource was allocated to its achievement. Our Strategic Objective Costing model is based on calculating the staff effort (time-sheets providing the requisite data to calculate the costs) allocated to tasks directly supporting the achievement of a specific strategic objective. Added to the staff costs are non-salary expenditures, which are identified by double-coding all such costs to both cost centres and to the relevant objective. By aggregating the staff and non-salary cost allocations the total cost of the objective is calculated. By tracking the cost chain from input through output to outcome objective it is possible to determine outcome costs. Outcome costs can be seen as a proxy for effort allocated to the achievement of the specified outcome and RBGE's outcome costs are shown below.

### RBGE Outcome Costs FY 14/15



The staff performance management process ensures that mid-year and end-of-year meetings with Reporting Officers ensure that staff objectives remain on course for completion.

## Key Impacts

The RBGE describes its outcomes as Impacts to provide a better understanding of how our work makes a difference to our various stakeholders. The table below shows the Key Results Indicators for our principal impacts (outcomes) for 2014/15. These are Science & Conservation, Tourism & Recreation, and Education & Skills. We spend the highest proportion of our non-salary budget on our Land & Buildings activity (output) and so we have included a report on this component of our performance. As developments with the Scottish Government's National Performance Framework emerge it will be possible to make meaningful linkages to them.

## Science and Conservation

The RBGE is an internationally renowned centre of expertise in plant biodiversity research and biodiversity conservation. The collective expertise of our plant scientists and horticulturists, well developed national and international partnerships, and our living collections, herbarium and library underpin RBGE and Scotland's substantial contribution to understanding the planet's botanical resources, and addressing global biodiversity loss and ecological degradation.

Our Key Results for FY 14/15 are shown below:

Impacts	Measure	Target	Actual
Research	Articles written over last 5 years cited more than 50 times	N/A	41
Collection	Herbarium specimen downloads in year	N/A	256,374
Conservation	Threatened Scottish species in conservation programme	N/A	181

Examples of achievements this year include:

- Contributing to our scientific global impact was our implementation of the "*Plants and You*" project working with rural communities in Nepal to develop user-friendly plant guides providing high quality botanical information to support livelihood choices. The establishment of a Biodiversity Education Garden in the National Botanic Garden (NBG) in Kathmandu has been initiated through collaborative work with RBGE; the British Embassy in Kathmandu considers the development of this Garden as a flagship project for celebrating the Britain-Nepal bicentenary in March 2016. The Middle East is a difficult region to work in for many geo-political reasons. However, capitalising on our very specific expertise in the regions built up over a number of decades, we launched Iraq's first citizen science project aiming to increase knowledge of the poorly known species of dragonfly and butterflies; this is a precursor to attempting a similar approach for plants. In addition, we developed the masterplan for Iraq's first modern botanic garden. Additionally, we are also involved in the initial stages of a proposed new national park near Riyadh, Saudi Arabia. The multi-lingual animated film "*The Tropical Dry Forest*" was produced to raise awareness, especially in Latin America, of the importance of conserving the unique but neglected dry forest ecosystem. This proved to be very popular as it was viewed 9,000 times in three weeks following its release.

- More locally, during the year we launched an on-line tool for the protection of epiphyte diversity when faced with climate change and tree disease; this was based on academic publications (Biological Conservation. Ecological Indicators), and was promoted in trade journals (Quarterly Journal of Forestry). Importantly, this knowledge was embedded in policy advice on ClimateXChange reporting. Consequently, we were invited by Scottish Natural Heritage to make a contribution which fed into direct intervention in nature reserve planning and management in Scotland.
- RBGE scientists led the authorship of the Scottish Code for Conservation Translocations and associated best practice guidelines (80pp). The code defines a set of principles for translocations in Scotland, and together with the best practice guidelines, provides a framework for national implementation of the wider International Union for Conservation of Nature (IUCN) translocation guidelines (co-authored by RBGE scientists in 2013). The Scottish code and guidelines were launched by Scotland's then Environment and Climate Change Minister (Paul Wheelhouse MSP) and adopted by the National Species Reintroduction Forum, consisting of 26 organisations from the science, land use and conservation sectors. Significantly, RBGE made a major contribution to conservation by distributing about 600 conifers to 'safe sites' during the year and this included 160 plants of the threatened conifer *Cedrus libani*.
- Drug abuse is a problem that affects countries across the globe. To highlight some of the environmental and social consequences of illicit coca cultivation in Colombia we were involved in a debate "Cocaine: between white lines" at the Edinburgh International Science Festival and at the Cabaret of Dangerous Ideas at the Edinburgh Fringe Festival. What was interesting with this project was how our scientific expertise can contribute to modern social agendas that may have long term impacts on society.
- On a more upbeat note RBGE hosted the launch of the Edinburgh Living Landscapes (ELL) Programme with Minister for Local Government and Planning, Derek Mackay MSP. Our ELL work includes hosting an apprentice from The Conservation Volunteers working on lichen pollution indicators. We also hosted three summer work placements as part of the Scottish government's CareerWISE scheme which aims to encourage more girls and women to consider and pursue STEM (science, technology, engineering and mathematics) careers.
- Taxonomic research resulted in 17 new species including the discovery of three new genera of African Violet family (Gesneriaceae), six new species in the tomato family (Solanaceae) and four new species of Begonia. Other taxonomic research has increased understanding of: evolutionary diversification, phylogenetic relationships and evolutionary insights from complete plastid genome sequences.
- Our Living Collections, which are located at Edinburgh, Benmore, Dawyck, and Logan Botanic Gardens, continue to achieve very high standards of maintenance with the completion of the planting programme. Particular emphasis has been placed on increasing new wild collected material that adds significantly to the conservation value of the Living Collection. Notable additions have been new plant material collected by garden staff not previously cultivated in the garden before from Tajikistan, central Russia and Tanzania. Other new plant material with significantly better collection data have been accessed particularly from Japan, Taiwan, and China.



Future planning has been significantly enhanced by our plant collecting expeditions which usually involve a combination of Scientists and Horticulturists to maximise benefits from such trips. Our Arboricultural Team have continued their work on British embassies and are seeking further income generation opportunities.

## Tourism and Recreation

Our aim is to offer a first-class visitor attraction to enable more communities, families and individuals to enjoy and be inspired by our gardens and their facilities, become more environmentally responsible, and to support the work of the Royal Botanic Garden Edinburgh. In this financial year, Logan and Dawyck Botanic Gardens successfully maintained their five star quality tourism awards, Benmore maintained its four star quality tourism award but, disappointingly, RBGE's flagship Edinburgh Garden dropped from five to four star, due to a lack of consistency in the standard of its customer service. Training and development of all visitor-facing staff is currently underway to regain five star status in Edinburgh in 2016.

Our Key Results for FY 14/15 are shown below:

Impacts	Measure	Target	Actual	Total
Edinburgh	Visitor numbers	795,000	845,889	948,264
Benmore	Visitor numbers		46,640	
Dawyck	Visitor numbers		34,715	
Logan	Visitor numbers		21,020	

Included in the figures above:

Edinburgh Glasshouses	Visitor numbers		65,788	
Inverleith House	Visitor numbers		20,756	

All four Gardens attained a 'Taste Our Best' accreditation from VisitScotland for their use of locally sourced, sustainable produce, with low carbon miles.

RBGE undertook a visitor survey at Dawyck Botanic Garden during the year, generating feedback from 208 visitors, and providing management teams with an informative snapshot of the typical visitor to the Garden. Customer satisfaction was exceptionally high. Over a third of our visitors were aware of the five star tourism quality award.

RBGE was an engaged partner in the Year of Homecoming with events and activities taking place under the Homecoming banner throughout 2014, culminating in Homecoming support for the Botanic Lights Night in the Garden event which received £25,000 worth of funding along with welcomed marketing support from VisitScotland. A world class programme of contemporary art was originated and presented at Inverleith House throughout the year including renowned artists Corin Sworn, Isa Genzken, Tony Conrad and Raoul De Keyser. All exhibitions received national and international media coverage and were considered to be 'firsts' for Scotland or the UK. Innovative and well-attended public engagement sessions accompanied the exhibitions, including Herbarium Tours and talks by Herbarium staff, marking the 50th Anniversary of the

building and providing public access to the RBGE's Collections. High media visibility was achieved including BBC2's Edinburgh Festival coverage, receiving over 1M viewings. Over eighty volunteers assisted with the delivery of the art programme and seven internships were hosted.

## Education and Skills

Formal education at RBGE continues to provide a hugely popular, far-reaching service that conveys the excellence of collections, research and horticulture to a degree and in ways that few other programmes globally can match. We have worked to enthuse everyone who learns with us about exploring, conserving and explaining the World of Plants, ultimately developing a strong and loyal local and international group of students. It continues to be a significant income stream that weathers the vagaries of the economic downturn, and higher education uncertainties very robustly indeed. The increase in international market brought about through PropaGate Learning, and blended learning opportunities has proven to be very useful.

Through 2014/15, the schools team have continued to adapt the programme, departmental and delivery approaches to address the radical changes in Curriculum for Excellence (CfE) brought in over the past two years. Our festive seasonal programme has gone from strength to strength, reflecting increase in teacher confidence to get out of the classroom and back into site-visits. Similar success has been seen in SSERC, a schools CPD delivery organisation. Each session brings income to the garden, as well as allowing RBGE's teaching expertise, and the profile of our research and collections to impact directly on teachers from a wide geographical spread in Scotland. Traveling workshops are in development for next F/Y to school cluster groups in order to increase reach and impact.

Our Key Results for FY 14/15 are shown below:

	FY 2014/15
HND/BSc/MSc & ECA Course participants	164
RBGE Diploma Course participants	37
RHS Course participants	239
School Groups and Teacher CPD Course participants	9870

The Edible Gardening Team consolidated their work with community groups in 2014/15. A new seasonal member of staff for the project (community gardener role) increased capacity and RBGE now offers plots to 5 or 6 groups each year. We delivered our first Certificate in Practical Horticulture course for project volunteers and community gardeners and built a relationship with charity Edinburgh Garden Partners offering their volunteers beginner gardener training.

The adult education 'short' courses have been commercially successful this year, performing considerably above budget expectations. Programming seemingly works well in terms of course choices, as evidenced by good uptake.

Our Key Results for FY 14/15 are shown below:

	FY 2014/15
No. of Adult Short courses participants	961
No. of Adult Certificate course participants	153

## Land and Buildings

We are fully dependent upon our land and buildings to fulfil our functions. Land, which extends to 116 hectares across four sites, provides rich and natural beauty that is our signature as a world leading Botanic Garden. RBGE's property portfolio as at 1st April 2014 comprised nearly 30,000m<sup>2</sup> of built environment across the four Gardens, with an asset book value of circa £40M. Many of RBGE's buildings are of significant architectural interest including the iconic Victorian and Front Range Glasshouses in Edinburgh and other historic listed buildings and structures across the estate, the John Hope Gateway and the recently restored Benmore Fernery.

We aim over the short to medium term to ensure the property portfolio is optimised to meet corporate priorities identified through its strategic plans. Inevitably, this means that significant amounts of our financial resources must be spent to maintain and develop our built environment. Significant progress on addressing the maintenance issues has been made during the year.

Our Key Results for FY 14/15 are shown below:

Impacts	Measure	Target	Actual
Revenue Spend	£	£504K	£540K
Capital Spend	£	£1.7M	£1.7M

The mild autumn/winter period helped and glass losses from storms were the lowest ever due to the proactive glass replacement programme carried out in the summer period. All service contracts were fully reinstated for plant and equipment and this highlighted some issues on key installations, most notably the air conditioning and lifts at the Herbarium which will need significant investment to be made. On the statutory compliance side we have had new up dated Asbestos and Water Risk Assessments surveys carried out across the Gardens which will be finalised in the next year. A condition survey was carried out for the whole built environment across all sites which has highlighted a backlog maintenance requirement of circa £14M.

Projects carried out in the year include the re-roofing and stonework repairs to the Courtyard buildings and Garden Cottage at Benmore, along with replacement of roadway washed away by the river. The major projects were the Botanic Cottage and the Nursery. The Botanic Cottage project (project budget £1.7M) has been progressing with the build since 8th September, with the stone cottage approx. 3/4 completed. The weather has had an impact on works on site and the contractor now estimates a

completion date in December 2015. With support and funding from the City of Edinburgh Council and the Department for Culture, Media and Sport, we installed additional facilities at the Edinburgh Garden, as part of the 'Public Buildings Wifi Scheme'.

The RBGE has reflected in its Corporate Plan a number of 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, maintain our internationally important collections, carry out our educational activities, reduce utility costs and our carbon footprint. We also have ambitious plans for developing state-of-the-art Visitor Centres at both Logan and Benmore Botanic Gardens.

## **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 £8.6m (£8.5m 2013/14) and capital grant of £1.2m (£2.2m 2013/14). Other grants, gifts and donations of £2m (£1.6m 2013/14) were received; £1.5m (£1.7m 2013/14) was generated from admissions to the Regional Gardens and Glasshouses, education courses, rents, concessions, membership income and other activities; trading and commercial activity contributed £0.7m (£1.0m 2013/14). Staff costs amounted to £7.9m (£8.3m 2013/14) and £4.8m (£4.3m 2013/14) was spent on other operating costs excluding depreciation. Capital expenditure of £1.7m (£2.6m 2013/14) was incurred.

The consolidated Income and Expenditure Account for the year shows a surplus of £137k (£262k 2013/14).

The Botanic Trading Company made a profit of £404k (£367k in 2013/14) and £386k was Gift Aided to RBGE (£372k in 2013/14). This represents an increase of 3.8% compared to the prior year and was in line with budget.

No significant events have occurred since 1 April 2015 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 2014, 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.

The repairs and maintenance budget for Estates was reinstated to previous levels in 2014/15 (£450K), which has significantly improved operating capability, albeit backlog maintenance across the whole portfolio is estimated via condition survey carried out this year, at some £14M.

Capital funding has been used to carry out several essential projects over the year including completion of Phases 1 and most of Phase 2 of the Nursery Infrastructure and Enabling Works project along with advancing the design of Phase 3, which is the new Nursery Glasshouse. In addition works commenced on two projects to enhance Fire Safety and provision of Safety Access to all of the existing Glasshouses, both at the Edinburgh Garden.

Looking forward, RBGE intends to revisit its Estates Strategy with the development of a new Property Asset Management Plan during 2015/16. 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 2015, there were a total of 318 volunteers (334 in 2013/14) 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 2014/15

Category			Volume of Carbon emitted (tCO <sub>2</sub> ) 2014/15	Percentage of total Carbon emitted (%)	Cost of Carbon emitted (£)
Buildings	Edinburgh		2,419	85%	£402,846
	Benmore		54	2%	
	Dawyck		16	1%	
	Logan		67	2%	
Transport	Fleet		2	N/A	N/A
	Business		197	7%	
Further Sources	Waste	Landfill	47	2%	N/A
		Recycled	0		N/A
	Water		20	1%	£72,120
			2,822	100%	£474,966

Carbon emissions have reduced by 20.6% since last year. When we are able to make progress with it, development of the North East Corner will contribute significantly to further reductions in carbon emissions.

Usage of electricity and gas has reduced by 20% and 20.6% respectively and this is good news. There could be a number of reasons for this reduction: a relatively mild winter, installation of LED lighting at the Edinburgh site, installation of hydro power at Dawyck, other energy saving measures such as the installation of 'switch-off' stickers and posters, printers which use less energy. The impacts of these changes may be great or small, depending on the size and use of equipment.

Travel on business has increased in all areas, including in the more sustainable forms of travel such as the train.

## **Waste minimisation and management**

All major waste streams of recyclable materials are in place, including food recycling from waste in staff canteen and visitor catering venues. The Waste Group conducts regular audits of areas of the site and suggests improvements in recycling provision where it sees opportunity. The highest proportion of waste is generated by retail and catering facilities. Our franchisees are working with us to identify means to reduce waste.

## **Use of finite resources**

The main use of finite resources across all four gardens is the heating requirement of the glasshouses and offices buildings. These use natural gas and oil. Some measures have been taken previously to reduce this, such as the installation of new combination boilers in 2013. Until the main system is overhauled and the glazing systems of the glasshouses are updated this heating requirement is unlikely to change dramatically. However, further changes which could be identified through measuring and monitoring, such as installation of insulation may be an option in other areas of the estate.

In 2014 Dawyck installed a hydropower system which generates electricity which is sold back to the grid. This reduces Dawyck's energy use and generates income for the Garden.

Logan has installed solar photovoltaic panels which generated 4,000kWh of energy last year. This is sold to the grid and RHI payments are received by the Garden for each kWh generated. A new conservatory was opened at Logan last year to display southern hemisphere frost-tender plants. This is heated with renewable energy air source heat pumps which are operating very well. They do, however, make maintaining a frost-free environment almost cost-free because the heat provided was entirely adequate in the mild winter of 2014/15 without the need for additional gas heating. The Curator at Logan is keen to install further renewable energy equipment as buildings and facilities are upgraded and redeveloped.

## **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. This Group sets targets every year to improve monitoring across all four gardens and to manage and maintain habitats for wildlife.

In 2014 a BioBlitz, a 24 hour period of intensive counting of all species found, was organized at Logan Botanic Garden. Over 360 species were recorded here, many were new records for this part of Scotland, including Hummingbird Hawk moth, more usually found in warmer parts of Europe.

These new records demonstrate the value of the botanic gardens not only as havens for wild species but the work of the Group in recording and monitoring them.

## **Legal and Administrative Details**

### **PRINCIPAL OFFICE**

The Royal Botanic Garden, Edinburgh  
20A Inverleith Row  
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### **BANKERS**

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Brodies LLP Solicitors  
15 Atholl Crescent  
Edinburgh, EH3 8HA

### **AUDITORS**

#### **External**

Audit Scotland  
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Edinburgh EH2 2QU

#### **Internal**

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34 Melville Street  
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### **INVESTMENT ADVISERS**

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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 2015 RBGE settled its debts on average within 13 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. The portfolio is managed by Investment Managers using a Total Return approach. During the year dividend income of £20k was received; the investments increased in value by 9%.

## 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 2015 were £1,257k (£1,114k 2013/14) made up of £633k on the General Fund and £624k on the Board Reserve.

## Equal Opportunities Policy

RBGE is actively 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	3	125
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


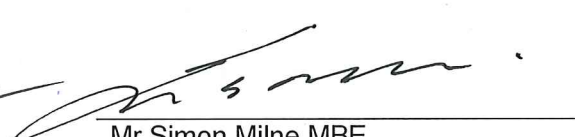
There were no personal data related incidents during the year.

### Sickness Absence Data

During 2014/15 the average number of day's absence per employee was 6.32, significantly higher than the 3.99 days reported for 2013/14, though still lower than the national average reported by CIPD of 7.9 days. This increase is attributable to a higher level of long term sickness (defined as over 20 consecutive days of absence), which has increased from 274 days in 2013/14 to 749 in 2014/15. Short term absence in 2014/15 has increased slightly compared to 2013/14, from 739 days to 862 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 KCB FRSE Chairman of the Board of Trustees	Mr Simon Milne MBE Regius Keeper and Accountable Officer
8 October 2015	8 October 2015

## **Remuneration Report 2014-15**

### **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  
Dr Ian Sword CBE FRSE (to December 2014)  
Diana Murray  
Tim Rollinson CBE (from March 2015)

The Regius Keeper and Director of Corporate Services attend meetings of the Committee as required to provide advice/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 14-15 including performance pay (where paid)	Salary 13-14 including performance pay (where paid)	Value of pension benefits for single total figure 2014-15	Value of pension benefits for single total figure 2013-14	Single total figure of remunera- tion 2014-15	Single total figure of remunera- tion 2013-14	Real increase in pension and related lump sum at pension age	Accrued pension at pension age as at 31/3/15 and related lump sum	CETV at 31/3/14	CETV at 31/3/15	Real increase in CETV
S Milne Regius Keeper 56	£90 - £95k	£5 --£10k (Full year equivalent £90-95k)	£33,881	£3,447	£125 - £130k	£10 - £15k	£0 - £2.5k. No lump sum.	£0 - £5k. No lump sum.	£3k	£32k	£21k
A Macnab, Director of Corporate Services 60	£75 - £80k	£70 - £75k	£18,497	£17,003	£90 - £95k	£90-£95k	£0 - £2.5k plus £2.5 - £5k lump sum.	£10 -£15k plus £40 - £45k lump sum.	£298k	£335k	£19k
D Rae, Director of Horticulture, (until 31/10/14) 60	£40 - £45k (Full-year equivalent £75 - £80k)	£75 - £80k	£14,767	£44,296	£55 - £60k	£120 - £125k	£0 - £2.5k plus £0 - £2.5k lump sum	£35 - £40k plus £105 - £110k lump sum	£766k	£788k	£15k
H Jackson Director of Enterprise 54	£70 - £75k	£65 - £70k	£26,221	£25,835 <sup>1</sup>	£95 - £100k	£90-£95k	£0 - £2.5k. No lump sum.	£5 - £10k. No lump sum.	£95k <sup>1</sup>	£121k	£15k
P Hollingsworth, Director of Science 46	£65 - £70k	£65 - £70k	£21,455	£19,433	£90 - £95k	£85 - £90k	£0 - £2.5k plus £2.5 - £5k lump sum	£15 - £20k plus £45 - £50k lump sum	£210k	£236k	£13k

1 An inflationary adjustment was included in last year's figure by MyCSP in error; this has now been corrected.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

### **Remuneration Comparison**

The banded remuneration of the highest paid 'director' at RBGE in the financial year 2014-15, taken as a full year equivalent, was £90-95k (2013-14 was £95-100k). The median of this range was 4 times (2013-14 3.8 times) the median remuneration of the workforce, which was £23,162 (2013-14 £25,674).


In 2014-15, 0 employees received remuneration in excess of the highest paid director, the same figure as for 2013-14. Remuneration ranged from £14,975 FTE to £90-95k (2013-14 - £14,389 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 2014-15 or in 2013-14 in accordance with Scottish Government pay policy.

### **Compensation for Loss of Office**

There have been no exit packages and no Directors have been paid compensation to leave during 2014-15.

  
Mr Simon Milne MBE  
Regius Keeper and Accountable Officer  
8 October 2015

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

Under paragraph 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 FBiol FRSE

Patricia Henton FRSE

Angela McNaught BSc FCCA

Professor Thomas Meagher

Diana Murray MA, FSA FSAScot, MIFA

Tim Rollinson CBE

Professor Janet Sprent OBE FRSE (Retired 31 January 2015)

Dr Ian Sword CBE FRSE (Retired 31 December 2014)

Professor Beverley Glover (Appointed 1 February 2015)

Professor Ian Wall FRSE, FRICS, Hon FRIAS (Appointed 1 January 2015)

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 Plan runs for a period of five years and following approval by the Board of Trustees is submitted for final approval to the Cabinet Secretary for Rural Affairs, Food and Environment. The current Plan is valid from 2015-2020. The RBGE develops an Annual Operational (Business) Plan which reflects our strategic goals contained in the Corporate Plan and provides the necessary guidance and performance measures for our staff to achieve our aims.

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 Public Appointment Centre of Excellence (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 Board operates in accordance with the 'Principles of Corporate Governance' as set out in 'On Board: A Guide for Board Members of Public Bodies in Scotland' published by the Scottish Government.

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

The Regius Keeper and Accountable Officer is Mr Simon Milne MBE.

### **Audit Committee**

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

Angela McNaught BSc FCCA (Chair)  
Professor Janet Sprent OBE FRSE (to 31 January 2015)  
Tim Rollinson CBE  
Professor Ian Wall FRSE, FRICS, Hon FRIAS (from 1 February 2015)

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 (Chair) (to 31 December 2014)  
Professor Ian Wall FRSE, FRICS, Hon FRIAS (Chair) (from 1 January 2015)  
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 Director 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 2015 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 follows:

### *Environmental Sustainability (Net score 12)*

A significant number of our buildings were constructed in the early-mid last century and, as a consequence, are extremely inefficient in terms of energy usage. This factor is a component of our justification for the North East Corner Project. Nursery infrastructure enabling works have now been completed including new solar PV system on potting shed. The new energy efficient glasshouse can be constructed later in 2015/16. Reduction of CO<sub>2</sub> and other harmful emissions is a priority for this overall project. Assessment of Dawyck Hydro performance has identified areas where adjustments can bring significant increase in power production. Further investigation is underway.

### *Financial Sustainability (Net score 12)*

Finances are under considerable pressure to support our principal activities as well as to safeguard an adequate maintenance programme. Moreover, that position is further threatened by unplanned maintenance issues emerging, many of which are expensive.

### *Land and Buildings - General (Net score 12)*

The legacy of underfunding in property maintenance over previous years is manifesting itself in rapid deterioration of the built environment and associated infrastructure. Targeted increased expenditure is required to offset further decline, albeit this will now be a challenge to redress the backlog which has developed. A typical example of urgent requirement can be witnessed at Benmore where the whole of the limited Projects budget (R&M) has been consumed with just one project, which in itself has had to be cross-subsidised as the ongoing works uncover more urgent requirements which cannot be ignored. In a bid to expose the extent of backlog maintenance across the Estate, a Condition Survey/Forward Maintenance survey is currently underway, which will identify key issues/risks and need over the next 5 years.

### *Land and Buildings – Masterplan (Net score 12)*

Planning approval for the revised Nursery project was received and works have now been completed for Phase I and II. It is anticipated that Phase III will commence in winter 2015. Construction of the Botanic Cottage started in September 2014 and was 50% complete as at the end of 2014/15 and within budget. Revised Masterplan proposals received Board approval in March 2015 and an application has been submitted to RESAS for funding to RIBA stage C and the Government Gateway process.

## 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 monthly 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.

### National Fraud Initiative 2014-15

The National Fraud Initiative in Scotland (NFI) is a national detection exercise carried out by Audit Scotland. RBGE has participated in this for the second time in 2014-15. The results provide good assurance for the Board and the Senior Management Team on our internal control systems.

### 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 member of the Scottish Government Shared Procurement Service has been embedded at RBGE and assists with all procurement activities to ensure compliance with regulations, directives and guidelines. As a consequence we anticipate obtaining best value and making substantial savings from public expenditure in our procurement processes.

### **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.

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 2014/15.

## **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 three areas during the year:

- Pension Administration
- Capital Expenditure
- Budgetary Control

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 with only one recommendation that was classified as a fundamental issue which required review by the Board. This recommendation related to consideration being given to the stage during the capital approvals process at which external funders can be approached to fund capital projects. 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 KCB FRSE  
Chairman of the Board of Trustees

8 October 2015

  
Mr Simon Milne MBE  
Regius Keeper and Accountable  
Officer

8 October 2015

## **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 and its group for the year ended 31 March 2015 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 Consolidated Balance Sheet, the 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 Accountable Officer and auditor**

As explained more fully in the Statement of the Board and Regius Keeper's Responsibilities, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 circumstances of the body and its group and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. 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 affairs of the body and its group as at 31 March 2015 and of their

incoming resources and application of resources, including their 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 Strategic 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.



Rachel Browne  
Senior Audit Manager  
Audit Scotland  
18 George Street  
Edinburgh  
EH2 2QU

9 October 2015

Rachel Browne is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000.

**Consolidated Income and Expenditure Account  
for the year ended 31 March 2015**

	Notes	2014/15 £000	2013/14 £000
<b>Income</b>			
Revenue grant in aid	2	8,595	8,495
Voluntary income	3	2,000	1,627
Gain on sale of investments		37	50
Incoming resources from charitable activities	4	1,494	1,703
Income from activities for generating funds	5	688	947
		<b>12,814</b>	<b>12,822</b>
<b>Expenditure</b>			
Staff costs	8	7,951	8,257
Depreciation	11,12	1,887	1,746
Less release from capital grant fund	20	(1,972)	(1,804)
Other operating costs	9	4,763	4,336
		<b>12,629</b>	<b>12,535</b>
<b>Operating surplus</b>		<b>185</b>	<b>287</b>
Dividends and interest receivable	6	37	35
Difference between depreciation based on revalued amounts and the release from the capital grant fund		(85)	(60)
<b>Surplus for the financial year</b>		<b>137</b>	<b>262</b>
<b>Transferred to:</b>			
General Fund		21	353
Board Reserve Funds		126	(58)
Endowment Funds		48	69
Project Fund		(58)	(102)
		<b>137</b>	<b>262</b>

The notes on pages 36 to 53 form part of these accounts.



**Consolidated Statement of Financial Activities  
for the year ended 31 March 2015**

				2014/15	2013/14	
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
		£000	£000	£000	£000	£000
<b>Incoming Resources</b>						
Funding from Scottish Government		8,595	1,200	0	9,795	10,677
Voluntary income		853	1,578	0	2,431	2,282
Investment income		16	1	62	79	86
Incoming resources from charitable activities		1,408	86	0	1,494	1,703
Activities for generating funds		619	66	0	685	947
<b>Total incoming resources</b>		<b>11,491</b>	<b>2,931</b>	<b>62</b>	<b>14,484</b>	<b>15,695</b>
<b>Resources Expended</b>						
Charitable activities						
Collections		4,972	1,055	0	6,027	5,742
Visitor offer		1,796	289	0	2,085	1,818
Education		899	119	8	1,026	967
Scientific research		3,019	1,794	0	4,813	4,691
Governance costs		110	8	0	118	121
Costs of generating voluntary income		311	66	0	377	315
Fundraising trading: cost of goods sold and other costs		156	0	0	156	685
<b>Total Resources Expended</b>	7	<b>11,263</b>	<b>3,331</b>	<b>8</b>	<b>14,602</b>	<b>14,339</b>
<b>Net incoming resources</b>		<b>228</b>	<b>(400)</b>	<b>54</b>	<b>(118)</b>	<b>1,356</b>
Realised gains on investment assets		0	0	(6)	(6)	0
<b>Net expenditure for the year</b>		<b>228</b>	<b>(400)</b>	<b>48</b>	<b>(124)</b>	<b>1,356</b>
Unrealised gain on fixed assets		0	391	23	414	975
Excess of depreciation based on revalued amounts over equivalent release of capital grant		(85)	85	0	0	0
<b>Net movement in funds</b>		<b>143</b>	<b>76</b>	<b>71</b>	<b>290</b>	<b>2,331</b>
<b>RESERVES AS AT 1 APRIL 2014</b>		<b>1,114</b>	<b>46,575</b>	<b>1,133</b>	<b>48,822</b>	<b>46,491</b>
<b>RESERVES AS AT 31 MARCH 2015</b>		<b>1,257</b>	<b>46,651</b>	<b>1,204</b>	<b>49,112</b>	<b>48,822</b>

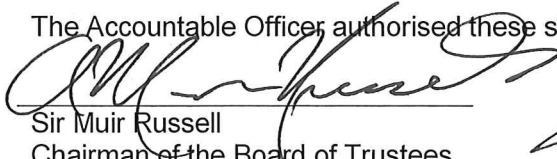
All recognised gains and losses have been included within the Statement of Financial Activities.  
All activities are classed as continuing.


The notes on pages 36 to 53 form part of these accounts.

**Consolidated Balance Sheet as at 31 March 2015**

	Notes	RBGE		Consolidated	
		2015 £000	2014 £000	2015 £000	2014 £000
<b>Fixed Assets</b>					
Other tangible assets	11	45,341	45,113	45,344	45,118
Intangible assets	12	34	68	34	68
Investments	13a	939	871	870	798
		46,314	46,052	46,248	45,984
<b>Current Assets</b>					
Stock	14	101	234	101	359
Debtors	15	1,436	1,103	1,093	748
Current asset investments	13b	655	879	655	879
Cash at bank and in hand	23	2,958	2,888	3,377	3,199
		5,150	5,104	5,226	5,185
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	16	(1,887)	(1,770)	(1,896)	(1,798)
<b>Net Current Assets</b>					
		3,263	3,334	3,330	3,387
<b>Total Assets less Current Liabilities</b>					
		49,577	49,386	49,578	49,371
<b>Creditors: Amounts falling due after more than one year</b>					
	16	(466)	(549)	(466)	(549)
<b>Provision for Liabilities and Charges</b>					
	17	0	0	0	0
<b>Total Assets less Liabilities</b>					
		<b>49,111</b>	<b>48,837</b>	<b>49,112</b>	<b>48,822</b>
<b>CAPITAL AND RESERVES</b>					
<b>General Funds</b>					
Accumulated surplus on the general fund	18	633	612	633	612
Board reserve fund: trustee funds	18	623	517	624	502
<b>Total Unrestricted Funds</b>					
		1,256	1,129	1,257	1,114
<b>Restricted Funds</b>					
Capital revaluation reserve	18	15,415	14,940	15,415	14,940
Capital grants fund	18	30,362	30,703	30,362	30,703
Project fund	18	874	932	874	932
<b>Total Restricted Funds</b>					
		46,651	46,575	46,651	46,575
<b>Endowment Funds</b>					
Ferguson Bequest	18	880	830	880	830
Education Endowment	18	29	30	29	30
QMMG Endowment	18	30	30	30	30
Investments Revaluation Reserve	18	265	243	265	243
<b>Total Endowment Funds</b>					
		1,204	1,133	1,204	1,133
		<b>49,111</b>	<b>48,837</b>	<b>49,112</b>	<b>48,822</b>

The Accountable Officer authorised these statements for issue on 8<sup>th</sup> October, 2015

  
Sir Muir Russell  
Chairman of the Board of Trustees  
8 October 2015

  
Mr Simon Milne  
Regius Keeper and Accountable Officer  
8 October 2015

The notes on pages 36 to 53 form part of these accounts.

**Statement of Recognised Gains and Losses  
for the year ended 31 March 2015**

	2014/15	2013/14
	£000	£000
Unrealised (loss) / gain on revaluation of investments	23	(35)
Unrealised gain on revaluation of fixed assets	391	1,070
<b>Total recognised gains and losses related to the financial year</b>	<b>414</b>	<b>1,035</b>

**Consolidated Cash Flow Statement  
for the year ended 31 March 2015**

		2014/15	2013/14
	Notes	£000	£000
<b>Net cash (outflow) / inflow from operating activities</b>	23	(118)	(119)
<b>Return on investments and servicing of finance</b>			
Interest received	6	17	20
Dividends received	6	20	21
Net cash inflow from returns on investments and servicing of finance	6	37	41
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(1,685)	(2,512)
Payments to acquire investments	13a	(69)	(88)
Receipts from sale of investments		97	181
Decrease/ (increase) in current asset investments		224	
Net cash outflow from capital expenditure and financial investment		(1,433)	(2,419)
<b>Net cash outflow before financing</b>		<b>(1,514)</b>	<b>(2,497)</b>
<b>Financing</b>			
Capital funding from Scottish Government	2	1,200	2,182
Other capital grants		431	522
Endowment Funds		61	
<b>Increase / (Decrease) in cash</b>		<b>178</b>	<b>207</b>

The notes on pages 36 to 53 form part of these accounts.

## **Notes to the Accounts for the year ended 31 March 2015**

### **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 (FReM) 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 FReM 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.

The accounts are prepared on the going concern basis which provides that the entity will continue in operational existence for the foreseeable future.

#### **b) Basis of consolidation**

The consolidated accounts, ("the Group") include the accounts of the Royal Botanic Garden Edinburgh ("RBGE") and its subsidiary company, The Botanics Trading Company Limited ("BTC"), for the year ended 31 March 2015. The accounts were consolidated on a line by line basis for assets and liabilities.

#### **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. Land and buildings are subject to 5 yearly full revaluation by a valuer with indexation applied annually in the intervening years. 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**

Grant In Aid is included within the Income and Expenditure Account.

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>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Revenue Grant in Aid	8,595	8,495
Capital Grant	1,200	2,182
Total Grant from RESAS	<u>9,795</u>	<u>10,677</u>

## 3. VOLUNTARY INCOME

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Income from Botanic Foundation	251	236
Gift Aid from BTC	386	372
Grants from UK Government entities	489	531
Grants from EU	148	45
Other grants	572	254
Donations	154	189
	<u>2,000</u>	<u>1,627</u>

## 4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Admissions	377	379
Education charges	737	778
Rents receivable	23	27
Membership income	222	216
Other income from third parties	135	303
	<u>1,494</u>	<u>1,703</u>

## 5. ACTIVITIES FOR GENERATING FUNDS

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Trading company income	266	770
Commercial development	367	121
Commemorative programme	55	56
	<u>688</u>	<u>947</u>

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

## 6. INVESTMENT INCOME

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Dividends	20	21
Interest receivable	17	14
	<u>37</u>	<u>35</u>



**7. RESOURCES EXPENDED**

	<b>Staff costs £000</b>	<b>Depreciation £000</b>	<b>Other Direct Costs £000</b>	<b>Allocated Costs £000</b>	<b>2014/15 Total £000</b>	<b>2013/14 Total £000</b>
Charitable activities						
Collections	2,824		515	2,880	6,219	5,932
Visitor offer	833		455	798	2,086	1,803
Education	423		268	327	1,018	954
Scientific research	2,434		1,007	1,201	4,642	4,547
Support costs	1,228	1,886	2,295	(5,409)		
Governance costs	24		57	22	103	102
Costs of generating voluntary income	153		41	182	376	312
Fundraising/consultancy trading costs	32	1	125		158	689
<b>Total</b>	<b>7,951</b>	<b>1,887</b>	<b>4,763</b>	<b>0</b>	<b>14,602</b>	<b>14,339</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 £3,613k (2013/14 £3,207k).

**8. TRUSTEES REMUNERATION AND STAFF COSTS****a) Trustees' remuneration**

Trustees do not receive any remuneration for their services. Travelling and subsistence expenses of £870.00 (2013/14 £913.28) in relation to four trustees have been charged as part of other direct costs – Note 9.

**b) Regius Keeper's remuneration**

	<b>2014/15 £000</b>	<b>2013/14 £000</b>
Remuneration excluding pension contributions	91	71
Pension contributions	22	17
	<b>113</b>	<b>88</b>

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

	<b>2014/15</b>	<b>2013/14</b>
Numbers of employees at		
£50,000 - £59,999	7	10
£60,000 - £69,999	4	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**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Salaries	6,391	6,678
Social security costs	423	446
Staff pensions	1,137	1,133
	<b>7,951</b>	<b>8,257</b>

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

	<b>2014/15</b>	<b>2013/14</b>
Horticulture	99.5	93.50
Science	53.5	53.25
Corporate Services	31.5	30.25
Botanics Trading Company Ltd.	0	14.50
Externally funded	15.5	22.75
Directorate	2.00	2.00
Enterprise	26.5	27.00
	<b>228.5</b>	<b>243.25</b>

All BTC staff were transferred to Event Network Europe Ltd on the 1st of April 2014 under statutory TUPE arrangements when Event Network became the franchisee for the retail outlets at Dawyck, Edinburgh and Logan.

**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 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. 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 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 [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

New Career Average pension arrangements will be introduced from 1<sup>st</sup> April 2015 and the majority of **classic**, **premium**, **classic plus** and **nuvos** members will join the new scheme. Further details of this new scheme are available at <http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>

'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 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [here](#).

For 2014-15, employers' contributions of £1,117,985.22 were payable to the PCSPS (2013-14 £1,117,544.33) at one of four rates in the range 16.7% to 24.3% of pensionable earnings, 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 2014-15 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 £18,087.04 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 earnings. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,470.14, 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 2014/15 or 2013/14.

**9. OTHER OPERATING COSTS**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Botanics Trading Company	214	540
Materials	605	533
Direct Project Costs	731	615
Repairs and Maintenance	688	401
Rates and Utilities	786	846
Trustees travel and subsistence	1	1
Staff travel and subsistence	195	261
General services	733	597
Audit fees	25	22
Legal, consultancy and other professional fees	785	520
	<b>4,763</b>	<b>4,336</b>

**10. PROJECTS**

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. Projects are evaluated on a case by case basis in accordance with the income and expenditure recognition requirements of the Charity SORP 2005.

**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 2014	42,270	2,145	1,149	1,257	2,317	195	56	49,389
Additions	1,131	530	0	0	24	0	0	1,685
Disposals	0	0	0	0	0	(33)	0	(33)
Revaluation	408	0	0	0	0	0	0	408
Transfers	726	(726)	0	0	0	0	0	0
At 31 March 2015	<b>44,535</b>	<b>1,949</b>	<b>1,149</b>	<b>1,257</b>	<b>2,341</b>	<b>162</b>	<b>56</b>	<b>51,449</b>
<b>Depreciation</b>								
At 1 April 2014	1,142	0	858	962	1,137	121	51	4,271
Charge for the period	1,253	0	114	85	368	32	1	1,853
Disposals	0	0	0	0	0	(32)	0	(32)
Backlog accumulations	13	0	0	0	0	0	0	13
At 31 March 2015	<b>2,408</b>	<b>0</b>	<b>972</b>	<b>1,047</b>	<b>1,505</b>	<b>121</b>	<b>52</b>	<b>6,105</b>
<b>Net book value</b>								
At 31 March 2015	<b>42,127</b>	<b>1,949</b>	<b>177</b>	<b>210</b>	<b>836</b>	<b>41</b>	<b>4</b>	<b>45,344</b>
At 31 March 2014	<b>41,128</b>	<b>2,145</b>	<b>291</b>	<b>295</b>	<b>1,180</b>	<b>74</b>	<b>5</b>	<b>45,118</b>

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 2015 at depreciated historic cost. Depreciation on other tangible assets has been calculated on the historic cost amount at 31 March 2015.

**12. INTANGIBLE ASSETS**

	<b>2014/15 £000</b>	<b>2013/14 £000</b>
At 1 April 2014	260	260
Software acquired during the year	0	0
As at 31 March 2015	<u>260</u>	<u>260</u>
Amortisation:		
As at 1 April 2014	192	145
Charge for the year	34	47
As at 31 March 2015	<u>226</u>	<u>192</u>
Net Book Value		
As at 31 March 2014	68	115
<b>As at 31 March 2015</b>	<u><b>34</b></u>	<u><b>68</b></u>

**13. INVESTMENTS****a) Fixed asset investments**

	<b>Group Total</b>	<b>Listed</b>	<b>Subsidiary Undertakings</b>	<b>RBGE Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Investments at cost as at 1 April 2014	555	555	73	628
Revaluation reserve as at 1 April 2014	243	243	0	243
Investments at valuation as at 1 April 2014	<u>798</u>	<u>798</u>	<u>73</u>	<u>871</u>
Add: Additions at cost	69	69	0	69
Less: Repayment of loan/conversion to grant	0	0	(4)	(4)
Less: Disposals	(60)	(60)	0	(60)
Unrealised gain on revaluation at 31 March 2015	23	23	0	23
Add Cash movement	40	40	0	40
<b>Investments at valuation as at 31 March 2015</b>	<u><b>870</b></u>	<u><b>870</b></u>	<u><b>69</b></u>	<u><b>939</b></u>
Cost as at 31 March 2015	605	605	73	678
Less: Repayment of loan/conversion to grant	0	0	(4)	(4)
Revaluation reserve as at 31 March 2015	265	265	0	265
<b>Investments at valuation as 31 March 2015</b>	<u><b>870</b></u>	<u><b>870</b></u>	<u><b>69</b></u>	<u><b>939</b></u>

**Subsidiary companies**

The investment in the Botanics Trading Company Ltd represents a long term loan of £68,000 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 2015 the portfolio was made up of 13% fixed interest, 4% index linked, 74% equities, 1% alternative and 8% cash. The corresponding figures for 2013/14 were 6% fixed interest, 5% index linked, 85% equities, 1% alternative and 3% cash

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

- Findlay Park American Fund 5.98%

## b) Current asset investments

As at 31 March 2015 £654,802 of cash was held in term deposit accounts (2014 £878,534):

	RBGE		Group	
	2014/15	2013/14	2014/15	2013/14
	£000	£000	£000	£000
Term deposits	655	879	655	879

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

	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Heating oil	22	28	22	28
RBG Shops (retail goods for resale)	0	0	0	125
Publications	79	206	79	206
	<u>101</u>	<u>234</u>	<u>101</u>	<u>359</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.

On 1<sup>st</sup> April 2014 Event Network Europe Ltd became the franchisee for the BTC retail outlets at Dawyck, Edinburgh and Logan, this included the purchase of all stocks on hand.

## 15. DEBTORS

	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Prepaid expenditure and accrued income	687	437	690	441
Sundry debtors	333	267	403	307
Due by other group entities	416	399	0	0
	<u>1,436</u>	<u>1,103</u>	<u>1,093</u>	<u>748</u>

	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balances with central government	120	0	120	0
Balances with local authorities	118	6	118	6
Balances with public corporations	0	59	0	59
Subtotal of intra government balances	<u>238</u>	<u>65</u>	<u>238</u>	<u>65</u>
Balances with bodies external to government	1,198	1,038	855	683
	<u>1,436</u>	<u>1,103</u>	<u>1,093</u>	<u>748</u>



## 16. CREDITORS

<b>Amounts falling due within one year</b>	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Accrued charges	360	134	360	134
Creditors – social security	134	136	134	136
Creditors - other	432	476	441	504
Creditors - VAT	100	62	100	62
Trade creditors – revenue	385	499	385	499
Trade creditors - capital	340	440	340	440
Botanics Foundation	111	0	111	0
Deferred severance costs	25	23	25	23
	<b>1,887</b>	<b>1,770</b>	<b>1,896</b>	<b>1,798</b>

<b>Amounts falling due within one year</b>	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balances with central government	399	322	815	322
Balances with local authorities	1	0	1	0
Subtotal of intra government balances	<b>400</b>	<b>322</b>	<b>816</b>	<b>322</b>
Balances with bodies external to government	1,487	1,448	1,080	1,476
	<b>1,887</b>	<b>1,770</b>	<b>1,896</b>	<b>1,798</b>

<b>Amounts falling due after more than one year</b>	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
VAT	435	495	435	495
Deferred severance	31	54	31	54
	<b>466</b>	<b>549</b>	<b>466</b>	<b>549</b>

<b>Amounts falling due after more than one year</b>	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balances with central government	435	495	435	495
Balances with bodies external to government	31	54	31	54
	<b>466</b>	<b>549</b>	<b>466</b>	<b>549</b>

## 17. PROVISIONS FOR LIABILITIES AND CHARGES

There were no provisions for liabilities and charges in either 2014/15 or 2013/14.

**18. STATEMENT OF RESERVES**

	As at 31 March 2014	Income	Expenditure	Revaluation	Group As at 31 March 2015
	£000	£000	£000	£000	£000
<b>Unrestricted</b>					
General fund	612	11,181	11,075	(85)	633
Board reserve	502	135	13	0	624
<b>Total unrestricted funds</b>	<b>1,114</b>	<b>11,316</b>	<b>11,088</b>	<b>(85)</b>	<b>1,257</b>
<b>Restricted</b>					
Capital revaluation reserve	14,940	0	0	475	15,415
Capital grants fund	30,703	1,631	1,972	0	30,362
Projects fund	932	1,301	1,359	0	874
<b>Total restricted funds</b>	<b>46,575</b>	<b>2,932</b>	<b>3,331</b>	<b>475</b>	<b>46,651</b>
<b>Endowments</b>					
Ferguson bequest	830	57	7	0	880
Education endowment	30	1	2	0	29
QMMG endowment	30	0	0	0	30
Investments revaluation	243	0	0	22	265
<b>Total endowments</b>	<b>1,133</b>	<b>58</b>	<b>9</b>	<b>22</b>	<b>1,204</b>
<b>Total</b>	<b>48,822</b>	<b>14,306</b>	<b>14,428</b>	<b>412</b>	<b>49,112</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 2014/15 £000	Investments 2014/15 £000	Total 2014/15 £000	Total 2013/14 £000
At 1 April 2014	14,940	243	15,183	14,148
Surplus/(deficit) arising on revaluation in year	390	22	412	975
Difference between depreciation based on revalued amounts and the release from the capital grant fund	85	0	85	60
<b>At 31 March 2015</b>	<b>15,415</b>	<b>265</b>	<b>15,680</b>	<b>15,183</b>

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

## 20. CAPITAL GRANTS FUND

	<b>RBGE</b>		<b>Group</b>	
	<b>2014/15</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2014	30,703	29,672	30,703	29,672
RESAS capital grant	1,200	2,182	1,200	2,182
Other capital grants	431	653	431	653
Less release from capital grant fund	(1,972)	(1,804)	(1,972)	(1,804)
<b>At 31 March 2015</b>	<b>30,362</b>	<b>30,703</b>	<b>30,362</b>	<b>30,703</b>
Scottish Government capital grant	14,427	14,789	14,427	14,789
Gateway capital grants	14,335	14,705	14,335	14,705
Other capital grants	1,600	1,209	1,600	1,209
	<b>30,362</b>	<b>30,703</b>	<b>30,362</b>	<b>30,703</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.

<b>Profit and Loss</b>	<b>2014/15</b>	<b>2013/14</b>
<b>Account</b>	<b>£000</b>	<b>£000</b>
Turnover	652	1,143
Cost of sales	(126)	(406)
<b>Gross Profit</b>	<b>526</b>	<b>737</b>
Other expenses	(119)	(367)
Interest receivable	0	0
Interest payable	(3)	(3)
<b>Net profit</b>	<b>404</b>	<b>367</b>
Gift aid to RBGE	(386)	(372)
Tax on profit	(2)	
Retained (loss) / profit for the year	<b>16</b>	<b>(5)</b>

<b>Balance Sheet</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Fixed assets	3	5
Current assets	492	477
Current liabilities	(429)	(423)
Loan from RBGE	(64)	(72)
	<b>2</b>	<b>(13)</b>
Share capital	1	1
Accumulated (loss)/profit	1	(14)
	<b>2</b>	<b>(13)</b>

The company donates its taxable profits, allowable for distribution from reserves, 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. This is now a dormant company.

<b>Profit and Loss</b>	<b>2014/15</b>	<b>2013/14</b>
<b>Account</b>	<b>£000</b>	<b>£000</b>
Turnover	0	0
Cost of Sales	0	0
<b>Gross Profit</b>	<b>0</b>	<b>0</b>
Other expenses	0	0
Interest receivable	0	0
Interest payable	0	0
<b>Net (Loss)/Profit</b>	<b>0</b>	<b>0</b>
Gift Aid to RBGE	0	0
Retained (loss)/profit for the year	0	0

<b>Balance Sheet</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Fixed assets	0	0
Current assets	0	0
Current liabilities	(1)	(1)
Loan from RBGE	0	0
Deferred capital grants	0	0
<b>Net liabilities</b>	<b>(1)</b>	<b>(1)</b>
Share capital	0	0
Accumulated profit	(1)	(1)
	<b>(1)</b>	<b>(1)</b>

## 23. CASH FLOW STATEMENT

### Reconciliation of operating deficit as per SOFA to net cash outflow from operating activities

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Operating surplus		287
Net income/(expenditure) as per SOFA*	(124)	
Depreciation charge	1,887	1,746
Amortisation of deferred grants		(1,804)
Capital GIA	(1,200)	
Other capital grants	(431)	
(Gain)/loss on sale of fixed assets		(16)
(Gain)/loss on sale of investments	6	(50)
Unrealised gain on investment	(31)	
Dividends, interest and rents from investments	(37)	
Decrease in stocks	258	67
Decrease/(increase) in debtors	(345)	35
Increase/(decrease) in creditors	15	(384)
Reserve movements (Board, Project, Endowments)	(116)	
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(118)</b>	<b>(119)</b>

\*From 2014/15 this has been taken from the SOFA rather than the I&E account

## 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:

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Opening cash balance	3,199	2,992
Change in year	178	207
Closing cash balance	<u>3,377</u>	<u>3,199</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 and Director of Enterprise are Directors 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 2015 there were capital commitments contracted for but not provided for in the accounts of £1,027k (2014: £83k).

## 26. CONTINGENT LIABILITY

In 2013/14 RBGE reached agreement with HMRC regarding the operation of the Lennartz VAT mechanism with regard to the John Hope Gateway and as a result a refund of £265k was received from HMRC. Over the remainder of the 10 year life span (2013 – 2023) 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. There is a contingent liability that we would need to repay a proportion of the £265k, should the building use change significantly.

## **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, consisting of a stylized 'R' followed by a series of loops and a long horizontal stroke.

Signed by the authority of the Scottish Ministers

Dated: 9 December 2005

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