



Royal Botanic Garden Edinburgh

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS For the year ended 31 March 2019

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Trustees' Report

“To explore, conserve and explain the world of plants for a better future”

The global challenge of the increasing destruction of natural habitats and associated loss of plant species drives the real and immediate mission of the Royal Botanic Garden Edinburgh (RBGE) to explore, conserve and explain 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 to sustain the natural systems upon which all life depends.

At the national level, as Scotland's botanical institute, RBGE is a major partner in the Scottish Government's Biodiversity Strategy, and as a Non Departmental Public Body, we provide the Government with scientific expertise and support the delivery of the Programme for Government. As a charity and an information hub working in many partnerships, RBGE inspires a very wide audience to engage with current environmental issues and climate challenges and to access the natural world that underpins our health and wellbeing.

At the international level, RBGE is a global resource, providing expertise, training and information to support 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, RBGE strengthens the global capacity to address the issues of plant conservation, undertaking joint projects and seeking and sharing examples of best practice.

Plants give people pleasure and our four gardens – Edinburgh, Dawyck, Logan and Benmore – are collectively one of Scotland's top visitor attractions with over 13,500 species of plants to delight domestic and international visitors resulting in 1,062,002 visits during financial year (FY) 2018/19.

RBGE is a Scottish charity under the provisions of the Charities and Trustee Investment (Scotland) Act 2005 registered as SC007983. RBGE has a wholly owned subsidiary, the Botanic Trading Company Ltd (BTC) which carries out retail, catering and consultancy 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.

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:

- carry out investigation and research into the science of plants and related subjects and to disseminate the results of the investigation and research,
- maintain and develop collections of living plants and preserved plant material, books, archives and other related objects,
- keep the collections as national reference collections, and ensure they are secure and that they are available to persons for the purposes of study.
- 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,
- provide other services (including quarantine) in relation to plants, and
- afford members of the public opportunities to enter any land managed by the Board for the purpose of gaining knowledge and enjoyment from the collections.

Strategy and Planning

The Corporate Plan 2015-20 was completed following a strategic review carried out under the leadership of the Regius Keeper and is now in its fifth year. RBGE is further developing our significant contribution to the Scottish Government's National Outcomes as the Five Year Corporate Plan 2020-25 is built.

As RBGE moves to the second cycle of strategic review we are further honing activities to be fully aligned to achieving the objectives and directing resources for maximum impact. RBGE Corporate and Business planning is set in five-year cycles by the Scottish Government however, due to the nature of its work, RBGE's overarching strategy looks significantly further forward. The key element of the overall strategic direction is RBGE's Biodiversity Strategy, on which our organisational development plans are built.

To underpin the delivery of the organisational development plans there is an urgent need to re-develop the north east corner of the Edinburgh garden, to restore and replace the failing infrastructure and facilities to ensure the organisation can fully function beyond 2025. The 'Edinburgh Biomes Masterplan', proposal for capital investment, includes a state of the art plant health suite, new research glasshouses, re-furnished heritage glasshouses, a new public glasshouse, new bespoke designed education facilities and a new sustainable energy centre. The development will protect the National Living Collection, provide a significantly enhanced glasshouse experience for visitors and support Scotland's understanding of the need to respond to the climate emergency, support the further development of education provision at RBGE, increase self-generated income, reduce energy costs and reduce carbon emissions.

Outline Business Cases (OBCs) for the Edinburgh Biomes Masterplan were submitted to the Scottish Government Gateway Review in 2017 & 2018. These described the strategic need for this project along with costs and financial modelling to allow Scottish Ministers to make funding decisions. In 2018/19 the Scottish Government allocated £1 million to enable further design work to be carried out. A further allocation was made for 2019/20 to progress towards Full Business Case and planning consent. A comprehensive programme of fundraising is in development to support the funding of the Edinburgh Biomes Masterplan. Following the appointment of the Director of Development in May 2018, RBGE has built a new development and fundraising team. We will launch the most ambitious fundraising campaign in the RBGE's history to support Edinburgh Biomes. Philanthropy will play a pivotal role in helping to safeguard our heritage buildings and our globally important living plant collection, and secure RBGE as a globally renowned scientific institution and leading visitor attraction.

Performance Management

RBGE has a robust performance management system to assist Senior Managers with their decision making. Departmental staff report on the progress of their deliverables, all of which are aligned to RBGE's strategic objectives. The Senior Management Team monitors performance against annual targets via exception reporting and action tracking undertaken on a monthly basis. In addition, all staff performance is monitored via mid-year and end-of-year appraisal meetings with line managers to ensure that colleagues' objectives remain aligned to organisational objectives and on course for completion.

Key Outcomes

- RBGE works closely with the Scottish Government to evidence the considerable contribution RBGE makes in fulfilling the National Outcomes for Scotland.

- RBGE outcomes for 2018/19 for biodiversity research, plant health, the National Collections, tourism, community engagement and education are reported below.

RBGE contributes to the following Scottish Government National Outcomes-

Environment: understanding, protecting and rebuilding national and international biodiversity and natural capital; responding to climate change and delivering world leading international plant research, conservation and sustainability programmes; energy from renewable sources, reduced waste, healthy diet, sustainable communities and quality greenspaces.

Economy & Work and Business: Economic growth through tourism, entrepreneurial activity, and research funding

International: contribution to the sustainable development of other nations, Scotland's reputation for innovative and world leading botanical research and horticulture.

Education: upskilling and engagement in science and horticulture, workplace and through-life learning, international capacity building and producing world leading botanists and horticulturists

Communities: health and wellbeing of communities, engagement with greenspace, quality of life, social development, engagement with extracurricular activities

Biodiversity Research

RBGE science focuses on increasing our understanding of plant diversity, providing the evidence base to underpin conservation interventions, and developing knowledge and capacity in taxonomy and biodiversity science. Many of our projects have now been highlighted in the [UK Sixth National Report to the United Nations Convention on Biological Diversity](#) (Jan 2019), recognising our contribution on a global scale.

National Biodiversity Research

In 2018/19 RBGE continued to deliver key strands of the Scottish Biodiversity Strategy and to support the conservation of native plant species and habitats. Highlights included:

- Our work into the [genetic status of Scotland's native wild apple](#) quantified the risks posed by hybridisation with cultivated varieties and identified priority areas for conservation of the 'last bastions' of pure wild stock. This received significant coverage in print and broadcast media including BBC Radio's '[Out of Doors](#).'
- In March 2019, our research into the conservation of genetic diversity was used in the designation of the UK's first Genetic Conservation Unit at Beinn Eighe, designed to conserve genetic diversity and evolutionary potential of Scots Pine.
- We co-authored a landmark Nature Communications paper using genetic data to elucidate the evolutionary history and relationships among the world's mosses, providing an important framework for wider scientific research.
- In September 2018, our work on the genomics of the liverwort *Plagiochila carringtonii* (Carrington's featherwort) was featured as part of the Wellcome Sanger Institute's '25 Genomes for 25 Years,' including a [video](#) and a major feature in [The Guardian](#), highlighting the significance of modern genomic approaches.
- We used DNA barcoding to better understand the distribution and conservation status of the nationally rare moss *Orthodontium gracile* by distinguishing it from an extremely similar 'look-alike' species, the invasive non-native *Orthodontium lineare*.
- Our Edinburgh Shoreline project – initially funded until April 2019 – was granted an extra £15,000 from Scottish Natural Heritage's Green Infrastructure Community Engagement Fund to continue its

work, which has included supporting local people to produce both a film and exhibition celebrating the natural and cultural history of the Edinburgh shoreline, the latter attracting more than 40,000 visitors.

- Our community 'Bioblitz' in June 2018 led to the recording of the 1000th wild species at our Edinburgh garden. By the end of February 2019 this list stood at 1081 species, indicating the importance of this Edinburgh green space for wider biodiversity as well as scientific and ornamental plants.

International Biodiversity Research

We continue to support countries across the world to meet the targets of international conventions such as the Global Strategy for Plant Conservation (2011-2020) and the Convention on Biodiversity's 'Aichi 2020' Targets. In 2018/19 our achievements included:

- Through our fundamental species discovery programme, RBGE scientists named 46 new species in 2018/19, across *Begoniaceae*, *Gesneriaceae*, *Malvaceae*, *Sapotaceae*, *Solanaceae*, and *Zingiberaceae*. These included the 1900th known species of Begonia, making this group the fourth largest plant genus on Earth. We also named an [entirely new genus of ginger](#), *Suletteria*, and made the first record of the genus *Etilingera* in Nepal, a significant extension of the known range of this genus.
- In May 2018 we published an influential paper on [Tropical savannas and dry forests](#), highlighting and stimulating further research into the environmental significance of these previously underestimated biomes. Three further papers were published highlighting the nature and importance of dry tropical biomes.
- Our new book, Asian Begonia: 300 Species Portraits, published in June 2018, beautifully showcases to a wide audience the power of living collections in biodiversity research.
- In July 2018 we began a £375,000, Darwin Initiative project to develop community-based, equitable and sustainable forest management in Tanzania, in which rigorous assessment of protocols which will aid the development of best practice and incentives to extend the approach across forests that have previously be managed poorly for both biodiversity and people.
- In June 2018, the Regius Keeper signed an MoU establishing a new research and funding partnership with Rainforest Concern. In January 2019 we launched a joint appeal to purchase 2,000 Ha of Chilean Rainforest for in situ conservation, which was widely publicised in the media.
- Our annotated checklist to the endemic plants of Chile, developed with nine Chilean partner organisations, went live on a new [website](#) in September 2018, providing worldwide access to thirty years' of RBGE research into the diversity of Chilean plants, supporting their in situ and ex situ conservation.
- RBGE became a key partner in two major new, global, interdisciplinary sustainable development projects – the South Asian Nitrogen Hub, and the Trade, Development and Environment Hub – supported by the UKRI Global Challenges Research Fund, both kick-started in January 2019.
- The Darwin Initiative project 'Reducing Environmental Degradation in Afghanistan' (Bamyan Province), concluded this year, having achieved a remarkable 30-40% decrease in woody plant extraction, improvements in indoor air quality, and more reliable hot water provision in its target communities.
- In Oman, our report describing 43 Important Plant Areas in the country has been agreed by government and is being incorporated into a National Spatial Strategy which will inform efforts towards sustainable development over the next two decades.

- We held British Council (Newton Research Links) funded workshops in both Lima (Peru) and Mendoza (Argentina), bringing together scientists from across the world to study and support the unique flora of the Andes, particularly in the context of global climate change.
- At the World Flora Online, a key Target of the GSPC, RBGE co-chaired the Taxonomic Working Group, has taken on responsibility for the Taxonomic Expert Network, and provided data for *Begoniaceae*, *Sapotaceae*, and *Zingiberaceae*, which will form the taxonomic authorities for these families, supporting future research and conservation in these groups.
- Our new 'DART-MS' facility has been installed at the Roslin Institute, and initial testing completed. With funding from the players of the People's Postcode Lottery, this will enable molecular analysis, identification and tracking of illegally-logged timber from around the world.
- We were awarded a £125,000 grant by the British Council's Newton Fund, to run collaborative collecting expeditions in the highly biodiverse and little-studied Upper Marañon Valley of Peru, and a further £126,000 by the British Council Cultural Heritage Protection Fund to extend the scope of our project on the natural and cultural heritage of Soqotra. This project has already documented more than 300 heritage sites.

Plant Health

In 2018/19 RBGE has continued to make significant progress in bio-security and plant health, continuing our role as the sector lead for the natural environment and horticulture in Scotland's Centre of Expertise in Plant Health. Other highlights include:

- Developing a new course in biosecurity for plant practitioners as part of the Botanic Garden Education Network.
- Launching a public engagement programme on biosecurity based around the theme of 'No Hitchhikers' in partnership with SEFARI.
- Installation of long-term monitoring plots at our Edinburgh garden, as part of an inter-European pathogen alert system.
- Our work on the elm zigzag sawfly, first identified in the UK by RBGE scientists, was widely publicised in the media.
- Our plant health work has been greatly facilitated by the extensive refurbishment of the dedicated Ferguson Lab.
- We have been granted planning permission for a new Plant Health Suite as part of the Edinburgh Biomes project.

Our Key Results Indicators in Biodiversity Research for 2018/19 are:

Impacts	Measure	Target	Actual
Research	Scientific papers published	165	170
Research	Articles written over the last 5 years cited more than 50 times	40	49
Research & conservation	New species described	52	46
Research & conservation	Species covered in monographs & floras	664	205
Research & conservation	Species covered in checklists	5096	5099
Conservation	Threatened Scottish species in conservation programmes	n/a	156
Conservation	Threatened Scottish species in recovery programmes	n/a	9

National Collections

We hold a world leading living collection of some 13,500 plant species, a herbarium of 3 million preserved plant specimens, and specialist botanical library and archive.

The National Living Collection

Plant health remains a concern. As part of our best practice plant health controls, isolation glasshouses were constructed at Logan, Benmore and Dawyck in 2018/19. In response to increased frequency of adverse weather events tree management surveys were undertaken at all four gardens. The storms in September, October and December caused damage to trees across all four gardens and delayed planned arboricultural work in Edinburgh, Benmore, Logan and Dawyck.

Our new nursery facility has grown wild collected material collected from Japan, Nepal, eastern Russia, China, North America, Slovakia and Tajikistan, for planting at each of the four gardens and also as part of the Conifer Conservation Programme. While closer to home the Scottish Native Plant Programme has propagated and cultivated plants including; *Cicerbita alpina* as part of a restoration programme within the Cairngorms National Park, *Euphrasia* as part of a project with Edinburgh University and a range of native plants used this spring to plant the rain garden in Edinburgh and Edinburgh Living Landscape.

During the growing season indoor staff trialled using biological control only in the public display glasshouses and first indications are that although initially more expensive than using pesticides it has been largely successful.

In the Edinburgh garden we have sought to emphasise our global collection through the completion of a number of garden landscape features including; in the Nepalese garden construction of stone arch and associated plantings, on-going renovation of the Chinese Hillside including the construction of a replacement Ting and new Stupa gifted by the Chinese community in the city.

At Benmore, new plantings have taken place throughout the garden but particularly with new wild collected Japanese material above the Fernery and historic wild collected micro propagated Rhododendrons. At Logan in the southern woodland the drainage and associated path system was completed and will allow the planned future expansion of Chilean plantings in this area. While at Dawyck, the planned tree removal south of Beech Terrace has continued with the removal of stumps over winter months.

The National Preserved Collection

Continued progress has been made on the curation, conservation, and enrichment of our herbarium collection. This year we incorporated a key new set of circa 1,600 specimens from the private herbarium of Skye naturalist Andrew Currie, thanks to the efficient efforts of a team of BSBI volunteers. Across the whole herbarium, 921,876 herbarium specimen records have now been fully databased, representing nearly a third of the entire collection; 468,253 of these have been digitally imaged. In October 2018 we hosted our first WeDigBio onsite transcription event, part of a global campaign to engage the public to capture digital data about biodiversity collections. In collaboration with RBG Kew and the Natural History Museum London, we also completed an ODA-funded project to digitise herbarium specimens of economically important genera in *Fabaceae*, one of the largest plant families.

RBGE's records are now recognised as a 'colossal' dataset by the Global Biodiversity Information Facility, meaning they are in the top 1% of datasets in terms of occurrence in downloads. Herbarium specimens are increasingly being cited in scientific literature, and citations of RBGE specimens recorded to GBIF increased to 100 for 2018/19 (from 5 in 2015-16). Although these citations are just the 'tip of

the iceberg’ of the number of times RBGE specimens are *used*, we are starting to see improved recognition of the importance of our baseline taxonomic data.

Crucially this year, under the management of the Estates team, the herbarium was successfully re-roofed, ensuring the physical safety of the herbarium, library and archives. A new display area has been created in the herbarium, to facilitate visitor engagement with the collections through artefacts, videos, and hands-on exploration.

Over the past year, RBGE has played a key role in the creation of a new Europe-wide Research Infrastructure comprising a Distributed System of Scientific Collections (the EU DiSSCo project) for around 1.5 billion natural history collections. Within this, the Synthesys+ project was initiated in February 2019, with RBGE as joint leader of Research Activities and receiving funding worth €521,000 over the next four years, while MOBILISE was also initiated in 2019 with RBGE leading the working group on Development of Standards and Guidelines for Data. Our herbarium outreach programme continues to expand, with several local schools visiting for tours, and 130 higher and advanced pupils from around Scotland attending our ‘Taxonomy Day’ in February.

Our Key Results Indicators for FY 2018/19 are shown below:

Impacts	Measure	Target	Actual
Herbarium Collection	Records databased	925,000	921,876
Herbarium Collection	Specimens digitally imaged	470,000	468,253
Herbarium Collection	Herbarium specimen record downloads in year	475,000	2,004,718

The Botanical Library & Archive

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. Despite a brief closure period for essential ceiling maintenance, the Library continued to be well used with more than 7,700 access occurrences over the year an increase of 18% on 2017/18. Increasingly RBGE’s 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.

A number of new, unique items were added to the collection this year including the diaries of Thomas Blaikie (1751-1838), original botanical illustrations, the slide collection of Sheila Collette, photographs of Sphagnum moss collection and 18th century Scottish nursery catalogues. In total 2,154 items were added to the Library Collection in 2018/19 and the Library was accessed 11,699 times.

RBGE, as part of the Scottish Cultural Heritage Consortium, was awarded a number of PhD AHRC Collaborative Doctoral Partnership (CDP) studentships under the third round of the CDP scheme. The studentships will support in-depth research on the Library and Archive collections.

In 2018/19 volunteers undertook work on projects in the Library and Archives to engage more individuals with our collections while, at the same time, helping to open up those collections to an even wider audience.

Visitor Attraction and Tourism

RBGE provides first-class visitor attractions to enable more communities, families and individuals to enjoy and be inspired by our four Gardens. The total of visits for the financial year 2018/19 across all four RBGE Gardens was 1,062,002 exceeding our target of 970,000 and 5% increase from

2017/18. Visitor growth has been due to many factors including: mild and dry weather; new and exciting plantings added to the National Living Collection; large scale events and an increase in marketing aimed at tourists. Visit figures breakdown as follows:

- RBGE Edinburgh: 950,444 visits (+5%)
- Benmore Botanic Garden: 49,217 (-2%)
- Dawyck Botanic Garden: 36,861 (+5%)
- Logan Botanic Garden: 25,480 (+1%)
- Edinburgh Glasshouse visits: 111,558 (-4%)

Events & Engagement

During 2018/19 the RBGE events and exhibitions programme promoted Scottish Biodiversity reaching more than 110,000 people of all ages and backgrounds.

The exhibition programme spanned both the arts and the sciences with Inverleith House achieving by far the highest visitor numbers in many years attracting over 40,000 visitors to the refreshed programme of events.

RBGE's illuminated light trail, Christmas at the Botanic performed very well over 18/19, with the 2018 event delivering more visitors and significantly more income than the previous year exceeding target income by over 40% and achieving 93% good/excellent customer satisfaction ratings.

RBGE Publications team saw their most successful year in terms of sales / distribution, helped by the release of "Scottish Plant Lore" in 2018 which was launched with a sell-out event at the Edinburgh International Book Festival.

Other outcomes and activities included:

- Over 6,000 trail booklets sold for the Easter and Halloween family trails, enabling over 12,000 family visitors to engage with nature and RBGE's collections.
- Successfully delivered the first literary festival and series of public engagement activities in support of The Lost Words exhibition.
- Explored a number of external partnerships to create new strategic partnership events for the 350th anniversary programme.
- Media channels growth: Instagram +39%; Twitter +12% and Facebook +5%.
- Delivered RBGE's key messages throughout the year with a communications plan which delivered 3,007 press cuttings, 1,992 digital credits and 359 pieces of broadcast.
- RBGE hosted a number of events as part of the Edinburgh Science Festival.
- Launched a new, modern and dynamic RBGE website which has attracted over half a million unique users this year and increased traffic and engagement through social media.

Community Engagement

The establishment of the market garden in the RBGE nursery, which has achieved Soil Association organic standard, provides produce not only to the Gateway restaurant but to the many community groups based in the Botanic Cottage.

Established in 2017, the Botanic Cottage, achieved over 81% occupancy and hosted 10,332 visits from people from a wide spectrum of the community including: disadvantaged adults and families; people with autism, dementia and mental health issues; adults and teenagers with learning disabilities; ethnic minorities and refugees; and community gardening and cooking initiatives. 44 volunteers contributed to the Edible Gardening, Botanic Cottage and Market Garden volunteer teams. By setting an example in

achieving greater self-sufficiency, supplying organic, home-grown salads, vegetables and fruit for consumption in our cafes and restaurant we have been able to promote positive messages on the health benefits of growing, sharing and eating fresh, locally-sourced produce.

- Meet the gardener sessions, 87 sessions target delivered
- 153 practical gardening sessions delivered to socially excluded communities
- A total of 7,631 interactions with individuals at events, workshops and training sessions
- Market Garden course delivered that was oversubscribed, showing real demand

Education

The goal of Education at RBGE is to offer outstanding experiences that meet and exceed our current and future learners needs, provide people with the skills and knowledge for a greener planet, and are a major contributor to RBGE's reputation, revenues, and relationships.

In 2018/19 RBGE Education staff have worked hard to deliver high quality student programmes. Once again we have seen the extension of our online learning programmes in both Botanical Illustration and core RHS offer. Our schools programme fell -5.4% on last year which is perhaps indicative of the increasing pressure on school budgets, overall 8,546 school pupils participated in guided programmes in 399 class visits, including Higher Biology pupils attending the Taxonomy Day meeting with scientists and visiting the herbarium - inspiring more young people to become scientists. The schools programme is being carefully monitored and further analysis and teacher feedback is being sought to inform to future opportunities for the schools programme potentially afforded by the Edinburgh Biomes Masterplan.

Fears over Brexit have impacted on interest from overseas students and a marketing plan has been put in place to attract a further 10 MSc students in the coming year.

The Education 5 year plan was completed and at present we are undertaking the actions ratified in Year 1 of the plan as we seek to undertake further market research alongside a short course programme review towards affirming staff and resources.

Our Key Results for FY 18/19 are shown below:

Impacts	Measure	Actual 16/17	Actual 17/18	Actual 18/19
HND/BSc/MSc	Course participants	71	57	66
RBGE Diploma	Course participants	99*	37	49
RHS	Course participants (taught and distance)	344	385	589
School groups & Teacher CPD	Course participants	8,647	9,033	10,443

*number of students currently enrolled, although only one new intake (8 students) was planned to start this year.

Our Key Results for FY 18/19 are shown below:

Impacts	Measure	Actual 16/17	Actual 17/18	Actual 18/19
Adult Short Courses	Course participants	1,170	1,234	1,235
Adult Certificate	Course participants	415	827	792
RBGE Certificate	Course participants	0	0	140

Estates

The land and buildings occupied by RBGE are owned by Scottish Ministers and are leased to the RBGE Board. Relevant financial information relating to valuation, depreciation etc. on land and buildings can be found in Note 11. The property portfolio comprises nearly 30,000m² of built environment over 100 buildings across four Gardens, including approximately 116 hectares of land, with an asset book value of circa £52 million.

Funding for the Estate is provided from both revenue and capital sources. The repairs and maintenance budget for Estates 2018/19 was set at £664k. Total outturn was £766k, the overspend mainly a result of emergency repairs of £64k at Benmore due to a fire. Backlog maintenance across the Estate remains at circa £15 million.

Many of RBGE's buildings are of significant architectural interest including the Grade A listed Victorian and Front Range Glasshouses, the John Hope Gateway, the restored Benmore Fernery and the Botanic Cottage. Significant levels of RBGE's financial resources are spent to maintain the built environment.

Our Key Results for FY 18/19 are shown below:

Impacts	Measure	Target	Actual
Revenue Spend	£000	664	766
Capital Spend	£000	1,785	2,490

Development and management of Capital projects: the following are some of the capital projects carried out and delivered across the RBGE Estate:

Herbarium roof; Library ceiling; Logan tractor shed; Benmore works; Electrical charging points; and Edinburgh garden electrical infrastructure

Financial Review

The statement of Financial Activities on page 31 shows an overall movement on funds of £2,095k mostly due to the revaluation of fixed assets of £1,151k. When this is excluded the net income / expenditure position is a net surplus of £944k. Unrestricted funds have increased by £406k, mainly due to increased profits with the Botanic Trading Company which will be gift aided to RBGE in the current financial year. Restricted funds have increased by £465k, due to an excess of capital funds over depreciation (£654k); partly offset by a deficit of £189k on restricted projects in 2018/19. Endowment funds are in surplus by £73k for the year with the investment portfolio seeing capital gains of £44k, as well as income of £35k.

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.

Financial Reporting Standard 102 was updated in December 2017 to ensure that there is clarity and consistency in how gift aid payments by subsidiaries are reported. Under the revised treatment, gift aid payments can only be recognised in the accounts when paid, unless there is a deed of covenant in place, although no tax charge needs to be shown. This has led to a prior year adjustment to the RBGE accounts to reflect the timing of the actual payment of gift aid, creating negative reserves at the start of the year. Although there is no impact to the group accounts in previous years, as the reserves within BTC are yet to be transferred to RBGE the change has increased the group reserves in the current year.

During the year the Garden received revenue grant in aid of £8.5m (£8.5m 2017/18) and capital grant of £2.6m (£1.0m 2017/18). Other grants, gifts and donations of £2.5m (£2.2m 2017/18) were received including grants towards capital projects of £0.1m; £2.5m (£2m 2017/18) was generated from admissions to the Regional Gardens and Glasshouses, education courses, rents, concessions, membership income and other activities; trading and commercial activity contributed £3.3m (£2.1m 2017/18). Staff costs amounted to £9.5m (£8.9m 2017/18) and £6.8m (£6.0m 2017/18) was spent on other operating costs excluding depreciation.

Capital expenditure of £2.9m (£1.0m 2017/18) was incurred, of which almost £2.5m was spent on land and buildings. The biggest project spend in the year was on Edinburgh Biomes preparatory work and a replacement roof for the Herbarium building in Edinburgh.

In 2018/19 we received research grant income of £1.8 million (including £260k 'overhead/salary recharges')

The Statement of Financial Activities for RBGE (page 30) shows an overall net movement on funds of £2,349k, mainly due to the impact of the revaluation of land and buildings of £1,151k. The change in how gift aid from The Botanic Trading Company is reported means that gift aid of £620k that was previously reported as income in 2017/18 is now reported in 2018/19. This, along with an interim payment for 18/19 of £730k, results in a surplus for the year on unrestricted funds of £660k. However, as the previous gift aid payment no longer appears in RBGE reserves at 31 March 2018, there is negative balance of £523k at that point.

The reserves remain healthy with an increase in group unrestricted funds from £97k to £503k. Project funds have decreased from £822k to £633k due to expenditure on grants and donations received in previous years.

Uncertainty continues around the level of longer-term funding from Scottish Government which makes future planning difficult.

Estates Management Strategy

The RBGE Asset Management Plan 2018-23 and the associated Estates Strategy was reviewed in 2018/19 in light of the anticipated Edinburgh Biomes Masterplan works. This key document adopts a holistic approach to the RBGE Estate assessing it in terms of Condition; Suitability; Sufficiency and Sustainability - effectively assessing its fitness for purpose for the organisation it supports. The resulting ratings applied to each property (asset) assist senior managers in decision making and resource allocation.

Other Fixed Assets

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

Volunteers

The contribution of volunteers to RBGE is invaluable. In all four gardens and in many departments, volunteers contribute significantly to the success of the organisation, our science, education, horticulture and membership teams in particular have benefitted from their considerable expertise and assistance over the last 12 months. At the end of March 2019 there were over 250 people giving their time to us to support the delivery of RBGE's core objectives. For example, in 2018/19 volunteers undertook around 2000 hours of work on projects in the Library and Archives. This programme of activity aims to engage more individuals with our collections and helps to open up those collections to an even wider audience.

To further improve our understanding of the breadth and depth of the contribution of volunteers, in 2018/19 RBGE commenced a review of volunteers' activities across the gardens and the associated administration. We will conclude this in 2019/20.

RBGE Friends Committee continues to play a big role in our income generation and marketing initiatives. As always, RBGE continues to be hugely indebted to our volunteers for their commitment and hard work.

Sustainability Report 2018/19

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. In 2018 the Climate Change (Emissions Reduction Targets) (Scotland) Bill introduced even more ambitious targets. The Bill increases the 2050 target for reduction of greenhouse gas emissions from 80% of 1990 levels to 90% of these; it also increases the target level for 2020 from 42% to 56% and introduces a new target for 2030 to 66%.

Section 44 of the 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.

RBGE also reports separately to Scottish Government and publish the results on its website.

Carbon Emissions 2018/19

Category		Volume of Carbon emitted (tCO ₂) 2018/19	Percentage of total Carbon emitted (%)	Cost of Carbon emitted (£)
Buildings	Edinburgh ¹	2458	80.6	493,997
	Benmore			
	Dawyck			
	Logan			
Transport	Fleet	23	0.7	196,348
	Business	448	14.7	
Further Sources	Waste	Landfill	2.1	44,945
		Recycled		
	Water	57	1.9	19,526
Renewable energy	Generated	(12)	N/A	N/A
Total (including subtraction 12 tonnes renewable electricity generated)		3038	100.0	754,816

¹ These figures do not include Fuel oil usage, which was not supplied. In 2015/16 the relevant emissions due to this source were 17 tCO₂e

RBGE carbon footprint is 3038 tonnes of CO₂ emitted. This figure has increased by 34% from last year. Emissions related to the heating and lighting of buildings and overseas travel have increased. Costs

have not increased proportionally and this indicates that accuracy of emissions data may be improving and accounting for the higher figures rather than increased usage.

RBGE has installed a number of technologies that reduce the use of finite resources. These include solar photovoltaic panels, rainwater catchments and combined heat and power plant. Three electric vehicle charging points are available at Edinburgh for use by staff, volunteers and professional visitors. There are two charging points, with space for four vehicles, for use by staff and the visiting public at Logan. Dawyck has one charge point (for two cars) also for staff and visitors and a similar charge point will be installed at Benmore in 2020.

Waste streams are in place for dry mixed, food, and glass recycling. All garden waste is composted and reused on site. The catering franchise has made steps to replace disposable (non-recyclable) coffee cups with 100% recycled and recyclable cups for sale in the catering outlets at Edinburgh. Water taps are available for visitors to fill up water bottles, and products in single use plastic bottles are no longer on sale in visitor outlets.

Three of the four RBGE sites have Green Tourism Gold Awards and the Environmental Policy is on display on the website and on site for staff and visitors to view.

Extensive and informative reports on the wildlife in the Edinburgh garden are available to view here <https://stories.rbge.org.uk/archives/category/garden-wildlife>

Legal and Administrative Details

PRINCIPAL OFFICE

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

BANKERS

The Royal Bank of Scotland
Davidsons Mains Branch
38 Cramond Road South
Edinburgh, EH4 6AA

SOLICITORS

Shepherd & Wedderburn W.S.
Saltire Court
20 Castle Terrace
Edinburgh, EH1 2EG

Brodies LLP Solicitors
15 Atholl Crescent
Edinburgh, EH3 8HA

AUDITORS

External

Audit Scotland
4th Floor Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT

Internal

Henderson Loggie
34 Melville Street
Edinburgh EH3 7HA

INVESTMENT ADVISERS

Adam & Company Investment
Management Limited (to May 2018)
25 St Andrew Square
Edinburgh EH2 1AF

Brewin Dolphin (from May 2018)
Atria One
144 Morrison Street
Edinburgh EH3 9BR

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

RBGE's policy is 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. The average for 2018/19 was 20 days (2017/18 20 days).

Investment Policy and Performance

It is the policy of RBGE 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. RBGE changed Investment Managers during the year, from Adam & Co, to Brewin Dolphin. During the year dividend income of £35k was received; the investment portfolio increased in value by 0.21% against a benchmark of 1.33%.

An ethical investment policy was approved by the RBGE Board in 2018/19 and implementation has commenced.

Reserves Policy

The Reserves of the organisation are explained in Note 1 of the accounts. The Trustees view is that a target level of £100k of unrestricted reserves for RBGE is desirable to give the organisation flexibility to cope with funding fluctuations. The unrestricted funds within RBGE as at 31 March 2019 were £137k (£523k 2017/18) made up of £0k on the General Fund and £137k on the Board Reserve.

People

Equal Opportunities, Diversity & Inclusion

RBGE is actively committed to ensuring that all staff, volunteers, students and visitors 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 in accordance with the Equalities Act 2010.

Although not covered as a listed authority under the specific duty of the Equalities Act 2010, 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.

Having achieved the Athena Swan bronze award accreditation in 2016, RBGE will apply for the silver award in 2019/20. Developing from the Athena Swan work, in 2017 we established a wider staff-led group focussing more broadly Equalities, Diversity and Inclusion (EDI). In 2018/19 RBGE has been developing ways to mainstream EDI across RBGE.

The success of the greater focus on equalities issues in recent years can be seen in the significant reduction in RBGE's gender pay gap, from 17.7% in 2015 down to 9.1% in 2018. In addition our mean gender pay gap is now a very positive 5.9% and our median gender pay gap is -7.2%

In 2018/19 RBGE rolled out the organisational values, which had been developed from feedback from a variety of staff surveys since 2017, these values are as follows:

- **Inclusive** – we recognise, reward and celebrate each other's unique contribution and treat everyone with dignity and respect
- **Pride** – we have a strong sense of belonging and demonstrate this through what we say and what we do
- **Purpose** – we are clear on the long and short term priorities of RBGE and align our contribution, responses and actions to these
- **Communicative** – we are open, respectful, and consultative, creating an environment of transparency and trust
- **Collaborative** – we respect expertise and actively seek opportunities to improve how we work together
- **Customer-focussed** – we understand the needs of our customers and colleagues, and meet and exceed their expectations
- **Curiosity** – we are inquisitive and engaged with the world around us, constantly exploring, expanding our expertise and sharing our knowledge

Staff Satisfaction Survey

RBGE had positive results from our staff engagement survey, completed in autumn 2018. Over 70% of staff completed the questionnaire and responses were on the whole very positive with greater satisfaction being reported in the significant majority of areas than in previous survey in 2016.

Employee Consultation

The management of RBGE consults collectively with the representatives of the recognised trade unions. Our partnership agreement remains in place and biannual partnership meetings, involving the Regius Keeper and a Head of Division along with the Head of HR, continue to take place with Prospect staff representatives.

Sickness Absence Data

The average number of days absence per employee dropped considerably, from 7.99 days in 2017/18 to 5.07 in 2018/19. This is well below the public sector average of 8.4 days of absence per employee published by CIPD.

Short term absence in 2018/19 has increased compared to 2017/18, from 540 to 723 days. The overall

large decrease in absence is a result of a significant drop in long term sickness absence (defined as over 20 consecutive days), from 1,418 days in 2017/18 to 630 in 2018/19. Long term absence had been showing increases year on year in the past two years therefore this significant decrease is a change in trend.

The total days of reported staff absence 2016/17 to 2018/19 is shown below:

Year	Total Absence (days)
16/17	1,872
17/18	1,958
18/19	1,353

Disclosure of Relevant Audit Information

All reasonable steps have been taken to ensure that all relevant audit information has been disclosed to the auditors. So far as I am aware, all relevant information has been provided to the auditors.



Sir Muir Russell KCB FRSE
Chairman of the Board of Trustees
9 October 2019



Mr Simon Milne MBE
Regius Keeper and Accountable Officer
9 October 2019

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 must give a true and fair view of the state of affairs of the group and of its income and expenditure, Statement of Financial Position 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;
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

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. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Royal Botanic Garden Edinburgh assets, are set out in the Financial Memorandum of the Royal Botanic Garden Edinburgh issued by Scottish Ministers.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Royal Botanic Garden Edinburgh auditors are aware of that information. So far as I am aware, all relevant information has been provided to the auditors.

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

Patricia Henton MBE, FRSE (resigned 03.11.18)
Professor Thomas Meagher
Diana Murray MA, FRSE, FSA, FSAScot, MIFA
Professor Beverley Glover
Professor Ian Wall FRSE, FRICS, Hon FRIAS, FSA Scot
Chris Wallace
Dr David Hamilton

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 Operational Delivery Plans along with the Framework Document are in place to enable RBGE and the Scottish Government to develop a shared understanding of the joint priorities over the medium term which contribute towards delivery of the Scottish Government's National Outcomes, and to ensure that RBGE's 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 however the Scottish Government requested that 2019/20 be used as a transition year as RBGE moves to a more stream-lined planning, delivery and performance management model.

Thus RBGE has developed a Transition Plan for 2019/20, underpinned by the Operational Delivery Plan, which reflects the strategic goals contained in the Corporate Plan and provides the necessary guidance and performance measures for our staff to achieve our aims. There are clear links between our staff objectives and those contained in the Operational Delivery Plan, thereby ensuring full alignment.

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 the Scottish Government's sponsor team 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's 'On

Board: A Guide for Board Members of Public Bodies in Scotland', the Framework Document, Risk Register, Staff Handbook and Statement of Roles and Responsibilities of RBGE Trustees. 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 Royal Botanic Garden Edinburgh also has a **Science Advisory Committee**. The aim of the group is to advise the RBGE Board of Trustees, the Regius Keeper, and the Director of Science, on:

- RBGE's science and conservation strategy
- The wider scientific, environmental and policy context in which RBGE's science sits, to inform its remit and collaborative opportunities
- Opportunities for increasing research grant income
- Opportunities for increasing the international profile and impacts of the scientific and biodiversity activities of RBGE

The members of this committee are:

Professor Thomas Meagher (Chair)
Professor Beverley Glover
Professor Janet Sprent FRSE (Emeritus)
Professor Simon Hiscock
Professor Susanne Renner
Dr Ian Bainbridge
Professor John Grace (Emeritus) FRSE
Professor Janis Antonovics, PhD, FRS, FLS

The Regius Keeper and Accountable Officer

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

Audit Committee

The RBGE Board has set up an Audit Committee, chaired by a non-executive member. The Audit Committee meets four times per year to provide independent advice and assurance on the effectiveness of the internal control and risk management systems. In 2018/19 the Audit Committee commenced a review of the effectiveness of its activities which is to be completed in 2019/20. As part of this review the effectiveness of the internal and external audit functions will be reviewed. The following were members of the Audit Committee during the period covered by the accounts:

Chris Wallace (Chair)
Professor Ian Wall FRSE, FRICS, Hon FRIAS, FSA Scot
Patricia Henton MBE, FRSE (resigned 03.11.18)

Dr David Hamilton, Trustee, participated in the Audit Committee meeting held in February 2019. 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:

Professor Ian Wall FRSE, FRICS, Hon FRIAS, FSA Scot (Chair)
Dr David Hamilton

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 Accountable Officer, the Director General Economy within Scottish Government, 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 2019 and up to the date of approval of the annual report and accounts and accords with guidance from the Scottish Ministers. The Regius Keeper has received assurances from all Directors about operations and internal controls under their remit and no issues have been identified.

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.

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

High risks are reported quarterly, medium risks six monthly, and low risks annually in our performance reports to ensure that the risk management process is embedded in the operational management of RBGE.

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 which are then updated in the quarterly performance report.

Major Risks to RBGE Strategy

The major risks faced by RBGE were reviewed on a quarterly 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:

- Inability to innovate in science due to lack of resources / working practices and/or low impact of science in comparison with other organisations
Mitigating action: Science consultation on sustainable development & biodiversity well progressed. Renewed strategy due June 2019/20.
- Catastrophic failure of glass
Mitigating action: Ongoing maintenance programme pending delivery of Edinburgh Biomes Masterplan
- Risk of fire or other significant damage to herbarium / archive, failure to protect irreplaceable National Botanical Collections
Mitigating action: Continue security & fire protection systems training (staff & volunteers) & procedures upgrades. Major Incident Response Plan test planned.
- Inability to mitigate pathogen threats
Mitigating action: Review Biosecurity policy & procedures. Deliver Biosecurity plan communications & training
- Reduced access to EU science and education funding
Mitigating action: Factor into planning post 2020
- Negative impact of currency and supply chain obstacles
Mitigating action: Frequent monitoring, communication with suppliers, updating projections
- Reduced talent pools and loss of EU (non UK) national staff
Mitigating action: Seek to widen recruitment approaches
- Inability to generate funded income
Mitigating action: Multi-strand Fundraising plan
- Inability to sustain / grow commercial income
Mitigating action: RBGE & BTC income generation plan in development for 2019/22
- Poor cybersecurity, GDPR non-compliance
Mitigating action: Funded IT support workplan set in place Aug 18 – Aug 20. GDPR compliance workplan Apr 18 review Mar 19
- Poor ICT capability, inefficient systems
Mitigating action: Forward IT improvement workplan in development

Detailed mitigation plans are in place to address the above as appropriate.

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.

There is 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.

The National Fraud Initiative in Scotland (NFI) is a national detection exercise carried out by Audit Scotland on behalf of the Cabinet Office. RBGE has continued to participate in this time in 2018-19. The results provide good assurance for the Board and the Senior Management Team on our internal control systems.

Project Management

For major capital projects (valued at in excess of £2M) a Project Board, involving the Board of Trustees (and representatives of Scottish Government, as required), 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 Scottish Government sponsored 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, 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 is embedded at RBGE and assists with all procurement activities to ensure compliance with regulations, directives and guidelines.

Other Government Policies

RBGE subscribes to diversity initiatives and has successfully put in place processes to increase opportunities for equalities within the workplace. We pay, as a minimum, the Scottish Living Wage and have required all new bids for contracts to provide evidence that a similar intention exists by the bidding contractor. The RBGE engages with Scotland's Digital Future as much as resources can permit and reports separately under the Climate Change (Scotland) Act.

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.

RBGE undertakes to ensure correct management of any personal data. There were six minor data related incidents in 2018/19. RBGE has implemented the new General Data Protection Regulations (GDPR) by updating and strengthening policies and procedures, delivering training for Information Asset Owners and Administrators, understanding data flows in and out of the organisation and updating the Information Asset Register and Privacy Statements. To test the robustness of the systems put in place, RBGE's approach to GDPR was audited in 2018/19. Further improvements will be implemented in 2019/20.

Publication Scheme

The RBGE has a publications scheme that is available 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. The Regius Keeper has received assurances from all Directors about operations and internal controls under their remit and no issues have been identified.

At each quarterly Board of Trustees meeting, the Trustees receive an update on key operational matters including risks from the Regius Keeper, and a copy of the quarterly Performance Report.

The Internal Auditors reviewed these areas during the year:

- Information and Cyber security
- Data Protection Regulations
- Payroll processing

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, none of which were classified as fundamental issues which required review by the Board. The Asset Management report highlighted contingency arrangements for safeguarding the living collections. Senior management continue to address this by reviewing, developing and testing disaster recovery procedures.

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
9 October 2019



Mr Simon Milne MBE
Regius Keeper and Accountable Officer
9 October 2019

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

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Royal Botanic Garden Edinburgh for the year ended 31 March 2019 under the National Heritage (Scotland) Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the RBGE Statement of Financial Activities, Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 26 January 2018. The period of total uninterrupted appointment is two years. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material

misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on regularity of expenditure and income

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.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers.

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:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

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 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

A handwritten signature in black ink that reads "Paul Craig". The signature is written in a cursive style with a large initial 'P' and a long, sweeping tail on the 'g'.

Paul Craig, CA
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

11 October 2019

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

RBGE Statement of Financial Activities for the year ended 31 March 2019

2017/18 comparatives can be found at note 2a to the accounts

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2018/19 Total Funds £000	Restated 2017/18 Total Funds £000
Income and Endowments from:						
Scottish Government	3	8,495	2,600	-	11,095	9,495
Donations and Legacies	4	2,181	1,686	-	3,867	2,776
Charitable activities	5	2,345	172	-	2,517	2,043
Other trading activities	6	201	783	-	984	662
Investments	7	4	-	35	39	34
Total income and Endowments		13,226	5,241	35	18,502	15,010
Expenditure on:						
Raising funds		208	-	-	208	460
Charitable activities						
Collections		5,387	754	-	6,141	5,500
Visitor offer		1,452	203	-	1,655	2,928
Education		1,387	194	6	1,587	1,608
Scientific research		4,132	3,625	-	7,757	5,296
Impairment of fixed assets		-	-	-	-	164
Total Expenditure		12,566	4,776	6	17,348	15,956
Net gains/(losses) on investments	19	-	-	44	44	(37)
Net income/(expenditure)		660	465	73	1,198	(983)
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets	19	-	1,151	-	1,151	6,644
Net movement in funds		660	1,616	73	2,349	5,661
RESERVES AS AT 1 APRIL 2018		(523)	54,241	1,253	54,971	49,310
RESERVES AS AT 31 MARCH 2019		137	55,857	1,326	57,320	54,971

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

- The restated figures and prior year adjustment are explained further at note 2a on page 38.

The notes on pages 34 to 56 form part of these accounts.

Consolidated Statement of Financial Activities for the year ended 31 March 2019

2017/18 comparatives can be found at note 2b to the accounts

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2018/19 Total Funds £000	2017/18 Total Funds £000
Income and Endowments from:						
Scottish Government	3	8,495	2,600	-	11,095	9,495
Donations and Legacies	4	831	1,686	-	2,517	2,210
Charitable activities	5	2,305	172	-	2,477	2,043
Other trading activities	6	2,486	783	-	3,269	2,160
Investments	7	3	-	35	38	34
Total Income and Endowments		14,120	5,241	35	19,396	15,942
Expenditure on:						
Raising Funds	29	1,356	-	-	1,356	1,339
Charitable activities						
Collections		5,387	754	-	6,141	5,500
Visitor offer		1,452	203	-	1,655	2,928
Education		1,387	194	6	1,587	1,608
Scientific research		4,132	3,625	-	7,757	5,296
Impairment of fixed assets		-	-	-	-	164
Total Expenditure	8	13,714	4,776	6	18,496	16,835
Net gains/(losses) on investments	19	-	-	44	44	(37)
Net income/(expenditure)		406	465	73	944	(930)
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets	19	-	1,151	-	1,151	6,644
Net movement in funds		406	1,616	73	2,095	5,714
RESERVES AS AT 1 APRIL 2018		97	54,241	1,253	55,591	49,877
RESERVES AS AT 31 MARCH 2019		503	55,857	1,326	57,686	55,591

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

- The restated figures and prior year adjustment are explained further at note 2a on page 37

The notes on pages 34 to 56 form part of these accounts.

Consolidated Balance Sheet as at 31 March 2019

	Notes	RBGE		Consolidated	
		2019 £000	Restated 2018 £000	2019 £000	2018 £000
Fixed Assets					
Other tangible assets	11	54,641	52,728	54,670	52,728
Intangible assets	12	-	2	-	2
Investments	13a	1,048	979	995	922
		<u>55,689</u>	<u>53,709</u>	<u>55,665</u>	<u>53,652</u>
Current Assets					
Stock	14	96	82	249	232
Debtors	15	1,909	2,043	1,997	2,057
Current asset investments	13b	106	106	106	106
Cash at bank and in hand	23	1,306	1,333	1,654	1,950
		<u>3,417</u>	<u>3,564</u>	<u>4,006</u>	<u>4,345</u>
Current Liabilities					
Creditors: Amounts falling due within one year	16	(1,591)	(2,047)	(1,785)	(2,151)
		<u>1,826</u>	<u>1,517</u>	<u>2,221</u>	<u>2,194</u>
Net Current Assets					
Total Assets less Current Liabilities					
		<u>57,515</u>	<u>55,226</u>	<u>57,886</u>	<u>55,846</u>
Creditors: Amounts falling due after more than one year	16	(195)	(255)	(195)	(255)
Provisions		-	-	(5)	-
Total Assets less Liabilities					
		<u>57,320</u>	<u>54,971</u>	<u>57,686</u>	<u>55,591</u>
CAPITAL AND RESERVES					
General Funds					
Accumulated surplus on the general fund	17	-	-	-	-
Board reserve fund: trustee funds	17	137	(523)	503	97
Total Unrestricted Funds					
		<u>137</u>	<u>(523)</u>	<u>503</u>	<u>97</u>
Restricted Funds					
Capital revaluation reserve	17	25,355	24,204	25,355	24,204
Capital grants fund	17	29,869	29,216	29,869	29,216
Project fund	17	633	821	633	821
Total Restricted Funds					
		<u>55,857</u>	<u>54,241</u>	<u>55,857</u>	<u>54,241</u>
Endowment Funds					
Ferguson Bequest	17	1,091	1,062	1,091	1,062
Education Endowment	17	35	35	35	35
QMMG Endowment	17	30	30	30	30
Investments Revaluation Reserve	17	170	126	170	126
Total Endowment Funds					
		<u>1,326</u>	<u>1,253</u>	<u>1,326</u>	<u>1,253</u>
		<u>57,320</u>	<u>54,971</u>	<u>57,686</u>	<u>55,591</u>

The Accountable Officer authorised these statements for issue on 9 October 2019



Sir Muir Russell
Chairman of the Board of Trustees
9 October 2019



Mr Simon Milne
Regius Keeper and Accountable Officer
9 October 2019

The notes on pages 34 to 56 form part of these accounts.

Consolidated Statement of Cash Flows for the year ended 31 March 2019

		2018/19	2017/18
	Notes	£000	£000
Net cash (used in) / provided by operating activities	23	(158)	81
Cash flows from investing activities			
Interest received		4	1
Payments to acquire fixed assets	11 & 12	(2,901)	(1,017)
Receipts from sale of investments		13	-
Net cash provided by (used in) investing activities		(2,888)	(1,016)
Cash flows from financing activities			
Capital funding from Scottish Government	3	2,600	1,000
Other capital grants	4	146	138
Cash provided by (used in) financing activities		2,746	1,138
Change in cash and cash equivalents in the reporting period		(296)	203
		2018/19	2017/18
		£000	£000
Change in cash and cash equivalents in the reporting period		(296)	203
Cash and cash equivalents at the beginning of the reporting period		1,950	1,747
Cash and cash equivalents at the end of the reporting period		1,654	1,950

The notes on pages 34 to 56 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2019

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 Charities and Trustee Investment (Scotland) Act (2005), the Charities Accounts (Scotland) Regulation (2006) and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP FRS102) (effective January 2015) 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 Summary which can be seen at note 27.

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

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts are to the nearest £1,000.

The charity's legal form and address of main office are shown at pages 3 and 15 of the Trustees' Report.

In preparing the accounts we have complied with FRS102 and SORP FRS102.

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 2019. 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. From 2017/18, Infrastructure has been separated from land and buildings and is held at depreciated replacement cost.
- iv. 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	3-10	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) **Income Policy**

In the Statement of Financial Activities (SOFA), Grant in Aid including Capital Grant is credited to income in the year for which it is received. Income from donations and other grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Government grants are recognised based on the performance model.

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) **Expenditure Policy**

Within the Statement of Financial Activities the costs of the development and membership departments are shown as expenditure on raising funds. Staff and operating costs incurred in relation to governance are included within expenditure on charitable activities. These include internal and external audit, Trustees expenses and meeting costs. Charitable activities are those in furtherance of the RBGE's objectives. Indirect costs have been allocated on the basis of activity recording analysis. Liabilities and provisions are recognised as expenditure as soon as there is a legal or constructive obligation committing RBGE to the expenditure.

g) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of RBGE. Designated funds are unrestricted funds which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are to be used for the purpose specified by the donor.

h) **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 Botanic 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.

i) 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.

j) Debtors

Trade and other debtors represent balances due from customers at the year end, less any specific doubtful debts.

k) Liabilities and Provisions

Liabilities and provisions, including trade creditors, are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

l) Cash and cash equivalents

Cash is made up by balances held with the charity's bankers which are available on demand. It also includes petty cash and float balances.

m) 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.

n) 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.

o) 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. The cost recognised within the Statement of Financial Activities will be equal to the contribution payable to the schemes for the year. Further details about the pension scheme is

available at note 9f. 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.

p) **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.

q) **Foreign Currency Policy**

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

r) **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.

s) **Gift Aid Payments from Subsidiary**

To ensure that there is clarity and consistency in how gift aid payments by subsidiaries are reported, Financial Reporting Standard 102, which was updated in December 2017. Under the revised treatment, gift aid payments can only be recognised in the accounts when paid, unless there is a deed of covenant in place, although no tax charge needs to be shown.

2. PRIOR YEAR COMPARATIVES RESTATEMENT

2a. PRIOR YEAR ADJUSTMENT

The prior year comparatives restatement relates to the impact of the change to Financial Reporting Standard 102, which was updated in December 2017 to ensure that there is clarity and consistency in how gift aid payments by subsidiaries are reported. Under the revised treatment, gift aid payments can only be recognised in the accounts when paid, unless there is a deed of covenant in place, although no tax charge needs to be shown. This has led to a prior year adjustment to the RBGE accounts to reflect the timing of the actual payment of gift aid. There is no impact to the group accounts in previous years.

As a result of this, the £620k gift aid received from Botanics Trading Company (BTC) that was previously reported as received in 2017/18 has now been accounted for as received in the 2018/19 Statement of Financial Activities (SOFA). The change in accounting treatment also means that £566k that was previously reported as received from BTC in 2016/17 has now been accounted for as income in the restated SOFA for 2017/18. The overall impact from this in 2017/18 is a decrease of £0.054 million in income and net movement in funds; and to reduce the reserves balance brought forward at 1 April 2017 by £0.566 million.

An explanation of how those adjustments have affected the financial position and the financial performance reported previously is set out in the table below.

	Net Assets Debtors	Reserve Balance – Unrestricted Funds		
	£000	£000		
Financial position – 31 March 2017				
Balance in previously published accounts	3,165	106		
Remove BTC Gift Aid paid in 2017/18	(566)	(566)		
Corrected balances as at 31 March 2017	<u>2,599</u>	<u>(460)</u>		
Financial position – 31 March 2018				
Balance in previously published accounts	2,663	97		
Remove BTC Gift Aid paid in 2018/19	(620)	(620)		
Corrected balances as at 31 March 2018	<u>2,043</u>	<u>(523)</u>		
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Financial performance – Year to 31 March 2018				
Previously reported net movement in funds	(9)	5,738	(14)	5,715
Include BTC Gift Aid paid in 2017/18	566	-	-	566
Exclude BTC Gift Aid paid in 2018/19	(620)	-	-	(620)
Restated net movement in funds	<u>(63)</u>	<u>5,738</u>	<u>(14)</u>	<u>5,661</u>

Gift aid is included in Donations and Legacies income in the Statement of Financial Activities. The prior year decrease of £54k is reflected in the restated figure for Donations and Legacies the year ended 31 March 2018 at note 2b.

2b. RBGE Statement of Financial Activities for the year ended 31 March 2018

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Restated 2017/18 Total Funds £000
Income and Endowments from:				
Scottish Government	8,495	1,000	-	9,495
Donations and Legacies	1,232*	1,544	-	2,776*
Charitable activities	1,961	82	-	2,043
Other trading activities	276	386	-	662
Investments	3	-	31	34
Total income and Endowments	11,967	3,012	31	15,010
Expenditure on:				
Raising funds	460	-	-	460
Charitable activities				
Collections	4,853	647	-	5,500
Visitor offer	2,281	647	-	2,928
Education	1,337	263	8	1,608
Scientific research	3,099	2,197	-	5,296
Impairment of Fixed Assets	-	164	-	164
Total Expenditure	12,030	3,918	8	15,956
Net gains/(losses) on investments	-	-	(37)	(37)
Net income/(expenditure)	(63)	(906)	(14)	(983)
Other recognised gains/(losses):				
Gains/(losses) on revaluation of fixed assets	-	6,644	-	6,644
Net movement in funds	(63)	5,738	(14)	5,661
RESERVES AS AT 1 APRIL 2017	(460)	48,503	1,267	49,310
RESERVES AS AT 31 MARCH 2018	(523)	54,241	1,253	54,971

* The prior year comparatives restatement relates to the impact of the change to Financial Reporting Standard 102, which was updated in December 2017 to ensure that there is clarity and consistency in how gift aid payments by subsidiaries are reported. Under the revised treatment, gift aid payments can only be recognised in the accounts when paid, unless there is a deed of covenant in place, although no tax charge needs to be shown. This has led to a prior year adjustment to the RBGE accounts to reflect the timing of the actual payment of gift aid. More detail is given at note 2a.

2c. Consolidated Statement of Financial Activities for the year ended 31 March 2018

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2017/18 Total Funds £000
Income and Endowments from:				
Scottish Government	8,495	1,000	-	9,495
Donations and Legacies	666*	1,544	-	2,210*
Charitable activities	1,961	82	-	2,043
Other trading activities	1,774*	386	-	2,160*
Investments	3	-	31	34
Total Income and Endowments	12,899	3,012	31	15,942
Expenditure on:				
Raising Funds	1,339	-	-	1,339
Charitable activities				
Collections	4,853	647	-	5,500
Visitor offer	2,281	647	-	2,928
Education	1,337	263	8	1,608
Scientific research	3,099	2,197	-	5,296
Impairment of Fixed Assets	-	164	-	164
Total Expenditure	12,909	3,918	8	16,835
Net gains/(losses) on investments	-	-	(37)	(37)
Net income/(expenditure)	(10)	(906)	(14)	(930)
Other recognised gains/(losses):				
Gains/(losses) on revaluation of fixed assets	-	6,644	-	6,644
Net movement in funds	(10)	5,738	(14)	5,714
RESERVES AS AT 1 APRIL 2017	107	48,503	1,267	49,877
RESERVES AS AT 31 MARCH 2018	97	54,241	1,253	55,591

* Donations and Legacies and Other Trading activities have both been restated to correct the treatment of Gift Aid from BTC in the group accounts within these headings. There is no change to the overall reserves.

The prior year comparatives restatement detailed in note 2a does not have any impact on the Group SOFA.

3. GRANT-IN-AID

	RBGE		Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Revenue Grant in Aid	8,495	8,495	8,495	8,495
Capital Grant	2,600	1,000	2,600	1,000
Total Grant from RESAS	11,095	9,495	11,095	9,495

4. DONATIONS AND LEGACIES

	RBGE		Group	
	2018/19	Restated 2017/18	2018/19	Restated 2017/18
	£000	£000	£000	£000
Income from Botanics Foundation	201	147	201	147
Gift Aid from BTC	1350	566	-	-
Grants from UK Government entities	828	419	828	419
Grants from EU	124	148	124	148
Other grants	972	797	972	797
Donations and Legacies	246	561	246	561
Capital grants – non-Grant-in-Aid	146	138	146	138
	3,867	2,776	2,517	2,210

5. INCOME FROM CHARITABLE ACTIVITIES

	RBGE		Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Admissions	683	657	683	657
Education charges	1,227	930	1,227	930
Rents receivable	45	23	15	23
Membership income	209	215	209	215
Other income from third parties	353	218	343	218
	2,517	2,043	2,477	2,043

6. OTHER TRADING ACTIVITIES

	RBGE		Group	
	2018/19	Restated 2017/18	2018/19	Restated 2017/18
	£000	£000	£000	£000
Trading company income	-	-	2,325	1,578
Commercial development	228	269	188	189
Commemorative programme	756	393	756	393
	984	662	3,269	2,160

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

7. INVESTMENT INCOME

	RBGE		Group	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Dividends	35	31	35	31
Interest receivable	4	3	3	3
	<u>39</u>	<u>34</u>	<u>38</u>	<u>34</u>

8. EXPENDITURE

	Staff costs £000	Dep'n £000	Other Direct Costs £000	Allocated Costs £000	2018/19 Total £000	2017/18 Total £000
Raising Funds	140	7	1,209	-	1,356	1,339
Charitable activities						
Collections	3,337	754	568	1,482	6,141	5,500
Visitor offer	900	203	152	400	1,655	2,928
Education	725	194	287	381	1,587	1,608
Scientific research	2,719	954	2,211	1,873	7,757	5,296
Total	<u>7,821</u>	<u>2,112</u>	<u>4,427</u>	<u>4,136</u>	18,496	16,671

Support costs have been allocated as per note 1f. The cost of charitable activities includes the cost of support services (facilities management, finance, human resources, ICT, corporate services management, press and marketing) of £4,136k (2017/18 £3,787k).

9. TRUSTEES' REMUNERATION AND STAFF COSTS

a. Trustees' remuneration

Trustees do not receive any remuneration for their services. Travelling and subsistence expenses of £4,624 (2017/18 £4,407) in relation to eight trustees have been charged as part of other direct costs – Note 10.

b. Regius Keeper's remuneration

	2018/19 £000	2017/18 £000
Remuneration excluding pension contributions	102	98
Pension contributions	25	24
	<u>127</u>	<u>122</u>

The total amount paid to key personnel, who are considered to be the leadership team, amounted to: £434,504 (2017/18: £522,793)

c. Employees with earnings above £60,000

Numbers of employees at	2018/19	2017/18
£60,000 - £69,999	2	-
£70,000 - £79,999	1	2
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
£100,000-£109,999	1	-

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

d. Staff salaries and social security

	2018/19	2017/18
	£000	£000
Salaries	7,121	6,629
Social security costs	674	631
Staff pensions	1,379	1,295
Redundancy costs	6	-
Total RBGE staff costs	9,180	8,555
BTC staff costs	367	308
Total Group staff costs	9,547	8,863

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

	2018/19	2017/18
Horticulture and Estates	107.4	94.3
Science and IT	51.9	50.5
Resources & Planning/Corporate Services	14.2	13.5
Directorate	2.0	12.5*
Enterprise & Development	34.7	25.0
Botanics Trading Company	14.6	14.7
Externally funded	15.6	13.5
Total FTE	240.4	224.0

* In 2017/18, Estates were reported as part of Directorate.

f. The average headcount during the year analysed by function

	2018/19	2017/18
Horticulture and Estates	117.3	106
Science and IT	62.5	61
Resources & Planning/Corporate Services	16.5	16
Directorate	2.0	13*
Enterprise & Development	43.5	32
Botanics Trading Company	22.0	22
Externally funded	16.5	16
Total Headcount	280.3	266

* In 2017/18, Estates were reported as part of Directorate.

g. Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015.

Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) 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 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. 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. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. 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 8% and 14.75% (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 0.5% 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**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

'The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes but RBGE is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [here](#).

For 2018-19, employers' contributions of £1,362,820 were payable to the PCSPS and CSOPS (2017-18 £1,272,636) at one of four rates in the range 20.0% to 24.5% 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 2018-

19 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 £26,804 (2017-18: £21,817) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,078 (2017-18: £896.04), 0.5% 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.

h. Compensation for Loss of Office

There were no voluntary exit/compulsory redundancy departures during 2018/19. One member of staff left due to the ending of a fixed term contract that lasted more than 2 years.

Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0,000 - £25,000	0 (0)	1 (2)	0 (2)
£25,000 - £50,000	0 (0)	0 (2)	0 (2)
Total number of exit packages	0 (0)	1 (4)	0 (4)
Total cost /£	£0 (£0)	£5,603 (£92,079)	£0 (£92,079)

Figures in brackets represent 2017/18 comparison.

10. OTHER DIRECT COSTS

	2018/19 £000	2017/18 £000
Botanics Trading Company	770	879
Depreciation	2,108	2,022
Impairment of fixed assets	-	164
Materials	613	514
Direct Project Costs	1,086	681
Repairs and Maintenance	1,092	1,090
Rates and Utilities	907	724
Trustees travel and subsistence	2	4
Staff travel and subsistence	214	347
General services	1,439	1,053
External Audit fees	17	16
Internal Audit fees	6	8
Legal, consultancy and other professional fees	583	778
	<u>8,837</u>	<u>8,280</u>

11. TANGIBLE FIXED ASSETS

	Land & Buildings	General Infrastructure	Assets under Construction	Garden Machinery	Scientific Equipment	Office Equipment	Motor Vehicles	RBGE Total	BTC	Group Total
Cost or Valuation										
At 1 Apr 2018	49,485	1,299	1,680	1,212	1,389	2,825	184	58,074	5	58,079
Additions	1,040	-	1,488	156	94	85	-	2,863	36	2,899
Disposals	-	-	-	(100)	(3)	(23)	-	(126)	-	(126)
Impairment	-	-	-	-	-	-	-	-	-	-
Revaluation	1,189	-	-	-	-	-	-	1,189	-	1,189
At 31 Mar 2019	51,714	1,299	3,168	1,268	1,480	2,887	184	62,000	41	62,041
Depreciation										
At 1 Apr 2018	-	416	-	1,092	1,265	2,410	163	5,346	5	5,351
Charge for the period	1,611	130	-	50	44	265	1	2,101	7	2,108
Disposals	-	-	-	(100)	(3)	(23)	-	(126)	-	(126)
Backlog	38	-	-	-	-	-	-	38	-	38
At 31 Mar 2019	1,649	546	-	1,042	1,306	2,652	164	7,359	12	7,371
Net book value										
At 31 Mar 2019	50,065	753	3,168	226	174	235	20	54,641	29	54,670
At 31 Mar 2018	49,485	883	1,680	120	124	415	21	52,728	-	52,728

Land and buildings were revalued on 31 March 2018 by The City of Edinburgh Council on the basis of fair value or 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).

Infrastructure assets have been separated from land and buildings and are held at depreciated replacement costs.

12. INTANGIBLE ASSETS

	RBGE and Group 2019 £000	RBGE and Group 2018 £000
At 1 April 2018	248	250
Software acquired during the year	-	-
Disposals	-	(2)
As at 31 March 2019	<u>248</u>	<u>248</u>
Amortisation:		
As at 1 April 2018	246	243
Charge for the year	2	5
Disposals	-	(2)
As at 31 March 2019	<u>248</u>	<u>246</u>
Net Book Value		
As at 31 March 2019	<u>-</u>	<u>2</u>
As at 31 March 2018	<u>2</u>	<u>7</u>

13. INVESTMENTS

a. Fixed asset investments

	Group Total £000	Listed £000	Subsidiary Undertakings £000	RBGE Total £000
Investments at cost as at 1 Apr 2018	796	796	57	853
Revaluation reserve as at 1 Apr 2018	126	126	-	126
Investments at valuation as at 1 April 2018	<u>922</u>	<u>922</u>	<u>57</u>	<u>979</u>
Less: Repayment of loan/conversion to grant	-	-	(4)	(4)
Add: Dividends received into fund	35	35	-	35
Less: Fund management fee	(6)	(6)	-	(6)
Add: Unrealised gain on revaluation at 31 March 2019	44	44	-	44
Investments at valuation as at 31 March 2019	<u>995</u>	<u>995</u>	<u>53</u>	<u>1,048</u>
Cost as at 31 March 2019	796	796	57	853
Less: Repayment of loan/conversion to grant	-	-	(4)	(4)
Revaluation reserve as at 31 Mar 2019	199	199	-	199
Investments at valuation as at 31 March 2019	<u>995</u>	<u>995</u>	<u>53</u>	<u>1,048</u>

Subsidiary companies

The investment in the Botanics Trading Company Ltd represents a long term loan of £52,000 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 2019 the portfolio was made up of 16% fixed interest, 67% equities, 9% alternative and 8% cash. The corresponding figures for 2017/18 were 20% fixed interest, 76% equities, 3% alternative and 1% cash.

No investment holdings were over 5% of the Portfolio Value.

b. Current asset investments

As at 31 March 2019 £106,256 of cash was held in term deposit accounts (2018 £106,098):

	RBGE		Group	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Term deposits	106	106	106	106

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

c. Financial instruments disclosures

i. Credit Risk

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

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

ii. Liquidity Risk

RBGE does not have any external borrowings.

iii. Market Risk

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

14. STOCKS

	RBGE		Group	
	2019 £000	2018 £000	2019 £000	2018 £000
Heating oil	25	24	25	24
RBGE Shops (retail goods for resale)	-	-	153	150
Publications	71	58	71	58
	<u>96</u>	<u>82</u>	<u>249</u>	<u>232</u>

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

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

15. DEBTORS

	RBGE		Group	
	2019 £000	Restated 2018 £000	2019 £000	2018 £000
Prepaid expenditure and accrued income	542	1,532	546	1,532
Sundry debtors	779	455	1,451	525
Due by other group entities	588	56	-	-
	<u>1,909</u>	<u>2,043</u>	<u>1,997</u>	<u>2,057</u>

	RBGE		Group	
	2019 £000	Restated 2018 £000	2019 £000	2018 £000
Balances with central government	144	110	214	180
Balances with local authorities	119	2	119	2
Subtotal of intra government balances	<u>263</u>	<u>112</u>	<u>333</u>	<u>182</u>
Balances with bodies external to government	1,646	1,931	1,664	1,875
	<u>1,909</u>	<u>2,043</u>	<u>1,997</u>	<u>2,057</u>

16. CREDITORS

Amounts falling due within one year	RBGE		Group	
	2019	2018	2019	2018
	£000	£000	£000	£000
Accrued charges	451	687	461	687
Holiday pay	114	114	114	114
Creditors – social security	-	155	5	159
Creditors - other	421	275	421	289
Creditors - VAT	115	132	290	132
Trade creditors – revenue	362	352	366	438
Trade creditors - capital	128	30	128	30
Botanics Foundation	-	302	-	302
	1,591	2,047	1,785	2,151

Amounts falling due within one year	RBGE		Group	
	2019	2018	2019	2018
	£000	£000	£000	£000
Balances with central government	64	287	69	948
Balances with local authorities	-	2	-	2
Subtotal of intra government balances	64	289	69	950
Balances with bodies external to government				
	1,527	1,758	1,716	1,201
	1,591	2,047	1,785	2,151

Amounts falling due after more than one year	RBGE		Group	
	2019	2018	2019	2018
	£000	£000	£000	£000
VAT	195	255	195	255
	195	255	195	255

Amounts falling due after more than one year	RBGE		Group	
	2019	2018	2019	2018
	£000	£000	£000	£000
Balances with central government	195	255	195	255
	195	255	195	255

17. STATEMENT OF RESERVES

	As at 31 March 2018 £000	Income £000	Expendit ure £000	Transfers £000	Impair- ment	Reval- uation £000	Group As at 31 March 2019 £000
Unrestricted							
General fund	-	11,794	11,132	(662)	-	-	-
Board reserve	97	2,326	2,582	662	-	-	503
Total unrestricted funds	97	14,120	13,714	-	-	-	503
Restricted							
Capital revaluation reserve	24,204	-	-	-	-	1,151	25,355
Capital grants fund	29,216	2,759	2,106	-	-	-	29,869
Projects fund	821	2,482	2,670	-	-	-	633
Total restricted funds	54,241	5,241	4,776	-	-	1,151	55,857
Endowments							
Ferguson bequest	1,062	35	6	-	-	-	1,091
Education endowment	35	-	-	-	-	-	35
QMMG endowment	30	-	-	-	-	-	30
Investments revaluation	126	-	-	-	-	44	170
Total endowments	1,253	35	6	-	-	44	1,326
Total	55,591	19,396	18,496	-	-	1,195	57,686

The Reserves of the organisation are explained in Note 1 of the accounts. The Capital Grants Fund represents funding for expenditure which has been capitalised as Tangible Assets in the balance sheet where either the funds received were subject to restrictions or the funds were Government Capital Grant in Aid. This reserve will fund the future depreciation costs arising from those assets.

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.

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed Assets	-	54,670	995	55,665
Current Assets	2,488	1,187	331	4,006
Current Liabilities	(1,785)	-	-	(1,785)
Creditors > 1 year	(195)	-	-	(195)
Provisions	(5)			(5)
Total	503	55,857	1,326	57,686

19. REVALUATION RESERVE

	Tangible Fixed Assets 2019 £000	Investments 2019 £000	Total 2019 £000	Total 2018 £000
At 1 April 2018	24,204	126	24,330	17,727
Surplus/(deficit) arising on revaluation in year	1,189	44	1,233	6,603
Difference between depreciation based on revalued amounts and historic cost	(38)	-	(38)	-
At 31 March 2019	25,355	170	25,525	24,330

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

20. CAPITAL GRANTS FUND

	RBGE		Group	
	2019 £000	2018 £000	2019 £000	2018 £000
At 1 April 2018	29,216	30,263	29,216	30,263
RESAS capital grant	2,600	1,000	2,600	1,000
Other capital grants	146	138	146	138
Gain/(loss) on sale of fixed assets	13	-	13	-
Less depreciation	(2,106)	(2,021)	(2,106)	(2,021)
Impairment of fixed assets	-	(164)	-	(164)
At 31 March 2019	29,869	29,216	29,869	29,216
Scottish Government capital grant	13,685	12,879	13,685	12,879
Gateway capital grants	14,149	14,259	14,149	14,259
Other capital grants	2,035	2,078	2,035	2,078
	29,869	29,216	29,869	29,216

21. TRADING SUBSIDIARY

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

Profit and Loss Account	2018/19	Restated	Balance Sheet	2019	Restated
	£000	2017/18		£000	2018
Turnover	2,325	1,578	Fixed assets	29	-
Cost of sales	(541)	(481)	Current assets	1,201	837
Gross Profit	1,784	1,097	Current liabilities	(814)	(164)
Other expenses	(681)	(475)	Loan from RBGE	(48)	(52)
Interest receivable	1	-		368	621
Interest payable	(2)	(2)	Share capital	1	1
Net profit	1,102	620	Accumulated	367	620
Gift aid to RBGE	(1,350)	(566)	(loss)/profit		
Tax on profit	(5)	1		368	621
Retained (loss) / profit for the year	(253)	55			

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

The wholly owned subsidiary the Centre for Middle Eastern Plants Ltd. is now a dormant company.

23. CASH FLOW STATEMENT

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018/19	2017/18
	£000	£000
Net income/(expenditure) as per SOFA	944	(930)
Depreciation charge	2,111	2,021
Impairment of fixed assets	-	164
Capital GIA	(2,600)	(1,000)
Other capital grants	(146)	(138)
Gain)/loss on sale of fixed assets	(13)	-
(Gain)/loss on sale of investments	-	-
Unrealised gain on investment	(44)	37
Dividends, interest and rents from investments inc fees	(32)	(34)
Increase in stocks	(17)	(14)
Decrease/(increase) in debtors	60	477
Increase/(decrease) in creditors & provisions	(421)	(516)
Reserve movements (Board, Project, Endowments)	-	14
Net cash provided by (used in) operating activities	(158)	81

Analysis of cash and cash equivalents

	RBGE		Group	
	2019 £000	2018 £000	2019 £000	2018 £000
Cash in hand	1,306	1,333	1,654	1,950
Total cash and equivalents	1,306	1,333	1,654	1,950

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 Science and IT was a Director of CMEP for the whole year and of BTC until the 23 July 2018. The Director of Enterprise and Head of Resources & Planning were Directors of BTC from the 23 July 2018 and the 3 May 2018 respectively. Two RBGE Trustees were appointed to the Botanic Foundation Board in accordance with the Trust Deed of the Foundation. In 2018/19 Sir Muir Russell, and Diana Murray held these positions. At an RBGE Board meeting of 28 February 2018, the Trustees agreed that any unapplied self-generated income should be donated to the Botanic Foundation, in addition to legacies received, to support the objectives of RBGE, as the Foundation Board see fit. As a result a legacies to the value of £718,675 were transferred directly into the Foundation's name in 2018/19.

During the year, none of the Trustees, members of key management staff or other related parties has undertaken any material transactions with RBGE. Donations from the Trustees to RBGE amounted to £3,298 in 2018/19.

25. CAPITAL COMMITMENTS

As at 31 March 2019 there were capital commitments contracted for but not provided for in the accounts of £23,865 (2018: £0k).

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.

27. INCOME AND EXPENDITURE SUMMARY

	Notes	RBGE		Group	
		2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Income					
Scottish Government - Revenue grant in aid	3	8,495	8,495	8,495	8,495
Donations and Legacies excl capital grants	4	3,721	2,638	2,371	2,072
Charitable activities	5	2,517	2,043	2,477	2,043
Other trading activities	6	971	662	3,256	2,160
Investments	7	39	34	38	34
		15,743	13,872	16,637	14,804
Expenditure					
Staff costs	9d	9,180	8,555	9,547	8,863
Other operating costs		5,345	4,603	6,123	5,174
		14,525	13,158	15,670	14,037
Donation to Botanics Foundation		(719)	(612)	(719)	(612)
Surplus/(Deficit) for the year		499	102	248	155

The group surplus of £248k comprises a surplus of £660k of unrestricted RBGE funds, a deficit on BTC of £253k, related to changes in gift aid reporting, a surplus of £29k transferring into endowments and £189k funded from restricted project funds. In addition to this, the Restricted Capital Grants fund relating to depreciation was underspent compared to new grants received by £653k; and the endowment had a £44k revaluation gain. Once this is taken into account the surplus for the year – as recorded in the Consolidated SOFA at page 31 – is £944k.

28. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since 1 April 2019 that will have an impact on these accounts.

29. RAISING FUNDS EXPENDITURE

Reconciliation of RBGE total to consolidated expenditure within the statement of financial activities.

	2018/19 £000	2017/18 £000
RBGE total expenditure per SOFA	208	460
BTC Cost of Sales	541	481
BTC Expenses	686	476
BTC Interest payable	2	2
Less inter group transactions		
Rental	(30)	(30)
Accountancy Fees	(10)	(10)
Salary Allowance	(34)	(33)
Support Services	(7)	(7)
Total consolidated amount per SOFA	1,356	1,339

Accounts Direction

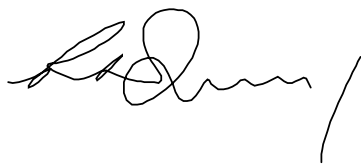
ROYAL BOTANIC GARDEN, EDINBURGH DIRECTION BY THE SCOTTISH MINISTERS

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 (FRM) 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 series of loops and a long horizontal stroke at the end.

Signed by the authority of the Scottish Ministers

Dated: 9 December 2005