

Kew

Royal Botanic Gardens

Annual Report and Accounts

for the year ended 31 March 2021

HC 379



Royal Botanic Gardens, Kew

Annual Report and Accounts for the year ended 31 March 2021

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Foreword

It has been a challenging year for RBG Kew, as it has for so many. Our overriding priorities throughout the COVID-19 pandemic have been, and continue to be, the safety and wellbeing of our staff and visitors, caring for our collections and managing our finances. We have sought to strike a balance between dealing with the immediate crisis, and planning and investing for our long-term future. Despite the significant challenges presented by the pandemic, we have achieved a great deal and have learned some valuable lessons.

In response to global efforts to reduce the spread of COVID-19, we closed the gardens from 22 March until 1 June 2020, the longest period of closure in our history. Since June 2020, the gardens have remained open with restricted visitor numbers and indoor venues open or closed in line with government guidance.

The pandemic significantly reduced our self-generated income and heavily impacted our work, including having to cancel or postpone many visitor programmes and much of our overseas fieldwork. In order to manage the financial impact, we implemented cost-saving measures and utilised the government's Coronavirus Job Retention Scheme (JRS). We are extremely grateful to Defra for providing £6m of in-year financial support which, alongside our cost reduction measures and fundraising, has meant our unrestricted reserves are undiminished. We anticipate the year ahead will still be a challenging one.

Despite the challenges presented by the pandemic, we advanced several important priorities during the year. We published *Our manifesto for change 2021-2030* – an ambitious ten-year strategy to help end the extinction crisis and contribute to creating a world where nature is protected. In the wake of a global pandemic, and with the future of the planet in peril, the strategy represents a public commitment by RBG Kew to do everything in our power to reverse the environmental devastation of biodiversity loss and climate change. We also published our scientific priorities for the next ten years, as well as our sustainability strategy, which sets out our commitment to becoming climate positive by 2030 and the actions we will take to achieve this.

We developed plans for the Science Quarter, a project to rejuvenate and redevelop our science buildings and laboratories at Kew Gardens to create world-class facilities for our staff, partner organisations and visiting scientists. Looking ahead, we will seek funding for this important project. We began construction on the Arboretum Headquarters and the Family Kitchen & Shop, both due to be completed in 2021. At Wakehurst, we made good progress on the North American Landscape and the Wakehurst Development Plan.

We maintained engagement with our members and visitors throughout the year by increasing our digital output through films, images, articles and online learning resources, as well as the launch of our first podcast series. We held virtual conferences and engagement events which broadened our influence in terms of numbers and geographical reach. The accompanying symposium to our *State of the World's Plants and Fungi 2020* report was held virtually in October and proved a huge success, with over 3,000 people from 100 countries participating.

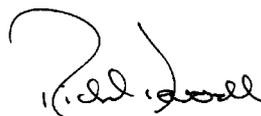
Valerie Gooding, Ian Karet, Michael Lear and Sir Derek Myers retired as Trustees in the final quarter of the year. Their dedication, extraordinary commitment and wise counsel have made RBG Kew, the institution and all the people who work here, much stronger – they will all be missed.

We were delighted to announce the appointment of five new Trustees. Professor Christopher Gilligan, Sir Paul Nurse and David Richardson joined our Board in March 2021, and Judith Batchelar in April 2021. Professor Ian Graham will join us in November. Each one brings significant expertise and experience that will add a great deal to an already strong Board and help us as we embark on our ambitious new ten-year strategy.

We would like to thank staff and volunteers who have supported RBG Kew in this challenging year – your dedication, resilience and ingenuity have been incredible and we are extremely grateful. We would also like to thank members and donors for their generous support during a challenging year and for their understanding during the closure of the gardens. We are delighted that since 1 June 2020 we have been able to keep the gardens open for the enjoyment of our visitors. Since reopening, we have witnessed a robust desire from our members and visitors to access the gardens, and our unending thanks go to all those who made their safe access possible.



Dame Amelia Fawcett
Chair of the Board of Trustees
Royal Botanic Gardens, Kew
8 July 2021



Richard Deverell
Director
Royal Botanic Gardens, Kew
8 July 2021

Management commentary

Statutory functions

The National Heritage Act 1983 (“the Act”) sets out the statutory functions and powers of RBG Kew. The General Functions of RBG Kew (s.24 of the Act) are to:

- Carry out investigation and research into the science of plants and related subjects, and disseminate the results of the investigation and research.
- Provide advice, instruction and education in relation to those aspects of the science of plants with which the Board are for the time being in fact concerned.
- Provide other services (including quarantine) in relation to plants.
- Care for their collections of plants, preserved plant material and other objects relating to plants, books and records.
- Keep the collections as national reference collections, secure that they are available to persons for the purposes of study, and add to and adapt them as scientific needs and the Board’s resources allow.
- Afford to members of the public opportunities to enter any land occupied or managed by the Board, for the purpose of gaining knowledge and enjoyment from the Board’s collections.

Our mission to 2030 is ‘to understand and protect plants and fungi for the wellbeing of people and the future of all life on Earth’.

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission to inform all decision-making and strategic planning.

Highlights and challenges

The impact of the **COVID-19 pandemic** presented significant challenges in 2020–21.

The following overarching priorities were identified:

- the safety and wellbeing of our people (staff, volunteers, students, visitors and contractors)
- caring for our collections
- securing and managing our finances

Following changes in government guidance, we were able to reopen the gardens on 1 June 2020 after 71 days of closure in response to the pandemic. The gardens have remained open since with the introduction of substantial changes to the way we operate, including social distancing measures and reduced visitor numbers. The Reopening Steering Group met regularly to assess how things were going and make any necessary changes.

We have been working hard to ensure the protection of our staff as well as our visitors and continue to demonstrate that we are COVID-19 secure. The majority of workspaces and science facilities were reopened from summer 2020 onwards, with building capacities reduced and enhanced cleaning regimes in place. In accordance with government guidance, staff have worked from home where possible throughout the year. We have been mindful of the impact of the pandemic on staff wellbeing and have maintained regular communication, instigated monthly virtual all-staff talks with the Director, promoted our Employee Assistance Programme and held wellbeing events.

It has proved to be a challenging year for **horticulture**. The focus has been on essential care of the Living Collections while operating with reduced staff levels due to the pandemic. This essential care for our collections and estates continued throughout the year, with social distancing and COVID-19 secure measures in place.

During the period in which the gardens were closed we lost all visitor-related income and offered a two-month extension to members. In order to mitigate the financial impact, we introduced expenditure cuts, utilised the JRS for about 60% of staff and did not make a planned general pay increase for staff in 2020. Defra provided £6m additional grant-in-aid funding for 2020–21 which, together with cost-saving measures and fundraising, has meant our unrestricted reserves are undiminished despite a turbulent year. Budget planning for 2021–22 demonstrates the year ahead will be challenging as we recover from the impacts of the pandemic.

We increased our **digital output** to engage a virtual audience. We delivered ‘Virtual Kew’ with 360-degree seasonal video footage as well as a redesigned YouTube and E-Commerce offer. We launched Kew’s first podcast, ‘Unearthed: Mysteries from an unseen world’, hosted by James Wong. The six-part podcast series reveals the mysteries of plants and fungi and helps challenge the perception of botanic gardens.

We witnessed a robust desire by our members and visitors to access Kew Gardens and Wakehurst during the second and third national lockdowns. Wakehurst experienced unprecedented demand with visitor numbers up 5% on the previous year, despite 71 days of closure at the start of 2020–21. Wakehurst member visits were up 4% year-on-year and strong attendance at the winter lantern trail Glow Wild also contributed significantly to visitor recovery.

COVID-19 restrictions limited opportunities for the **Commercial Innovation Unit** to agree new prospects in the year. The Herbal Essences bio:renew ‘Save 20 in 2020’ campaign, a collaboration between RBG Kew and Procter & Gamble, was launched in July to support species conservation. It saw Herbal Essences bio:renew donate to the Millennium Seed Bank (MSB) Partnership, and raise awareness about both the threat to plant biodiversity and the importance of seed banking.

Following a successful reopening, we invited visitors to **Travel the World at Kew** (August–October), with poetry, prose and illustrations from around the world displayed across our landscape. Gruffalo Adventures came to Kew Gardens and Wakehurst in October half-term and the interactive trail was very popular. In the same month, Jan Hendrix’s *Paradise Lost* exhibition opened at the Shirley Sherwood Gallery, although it had to close early as a result of the national lockdown. This well-received exhibition included newly commissioned artworks and work on loan from the National History Museum.

We made good progress on our long-term priorities. In October, we began construction of the **Arboretum Headquarters** and the **Family Kitchen & Shop**, which will provide family-friendly catering and retail facilities. Both projects will complete in 2021–22. We also advanced plans to redevelop our science facilities at Kew Gardens. The **Science Quarter** project will provide critical infrastructure for our scientists and students, and will facilitate a step-change in the quality and impact of RBG Kew’s research in the coming decades.

At **Wakehurst**, the functional base layer of plants for the American Prairie was direct sown in the autumn and has started to germinate. Over 50,000 live plants from the nursery will be planted in autumn 2021. There was continued progress on the Wakehurst Development Plan.

In November we **celebrated 20 years since HRH The Prince of Wales opened the MSB** and its associated science facilities at Wakehurst. Since then, 2.4 billion seeds have been banked in the MSB with over 39,000 plant species from 190 countries and territories safely stored in its sub-zero vaults.

2020–21 also saw the publication of **State of the World's Plants and Fungi 2020**, the first 'State of the World's' report to combine plants and fungi. The report set an important standard from which trends in the global status of plant and fungal diversity can be tracked annually. Press coverage in the UK saw over 200 articles reaching an estimated 394 million people, with an additional 90 international articles. The State of the World's Plants and Fungi Symposium was held virtually on 13–15 October and was well-attended globally.

The updated **World Heritage Site Management Plan 2020–2025** was submitted to UNESCO in December 2020. We continue to monitor and engage with planning applications that impact on Kew Gardens as a World Heritage Site, and to manage the delivery of the plan.

On 24–26 February 2021, RBG Kew with Botanic Gardens Conservation International hosted a virtual conference on **Reforestation for Biodiversity, Carbon Capture and Sustainable Livelihoods**, with over 2,600 participants from 100 countries. We drafted a Conference Declaration supported by evidence presented in our 'ten golden rules for reforestation' review paper. The declaration makes key requests to policymakers and reforestation financiers and practitioners, to enable better decision-making for global reforestation.

In March we published **Our manifesto for change 2021–2030**. This ten-year strategy sets out RBG Kew's mission 'to understand and protect plants and fungi for the wellbeing of people and the future of all life on Earth'. It reveals how we will draw on our leading scientific research, unrivalled collections of plants and fungi, global network of partners, and our gardens at Kew and Wakehurst, as well as our 260-year history, to seek to shape policy and practice and advocate for environmental sustainability. An important theme in our manifesto is to make RBG Kew relevant and welcoming to everyone and we have made a long-term commitment to improve in this area.

Our manifesto was published alongside our **Scientific Priorities 2021–2030** which contains a ten-year vision and five-year initiatives for Science under five key priorities. This will be followed by a more detailed science strategy in autumn 2021, which will specify actions and targets for the next five years. We also launched our **sustainability strategy**, which sets out three pathways to sustainable change and our commitment to become climate positive by 2030.

Plans for future periods

To ensure we achieve our mission and the strategic objectives in *Our manifesto for change*, we have developed a corporate operational plan which sets out the key activities we will undertake in the year ahead, including activities to support our recovery from the impact of the COVID-19 pandemic. The corporate priorities in the 2021–22 plan are categorised under the five new commitments in *Our manifesto for change*:

- delivering science-based solutions to help us protect biodiversity and use natural resources sustainably
- inspiring people to protect the natural world
- training the next generation of experts
- extending our reach
- influencing national and international opinion and policy

In addition, we have a sixth category of enabling priorities to ensure we have the people, financial health and infrastructure to succeed.

The corporate priorities are underpinned by directorate plans, which lay out more detailed priorities. Some of our priorities are funding-dependent and delivery milestones will be adapted accordingly. In 2021–22 we will start to develop multi-year operational plans to deliver *Our manifesto for change*.

To monitor our progress in achieving our objectives we review our organisational performance on a quarterly basis, using success measures and delivery milestones as indicators of success. We will also implement mechanisms to ensure governance of the delivery of our new corporate strategy, develop funding models and will update our success measures.

Measuring success

The table below shows performance during 2020–21 for each of our corporate success measures; an explanation is provided on page 8 overleaf. Due to the impact of the COVID-19 pandemic, some data is not available and performance against a number of targets has been significantly affected. However, performance was strong in many areas, such as the number of citations to RBG Kew staff publications, where we outperformed all previous years.

Strategic Objective	Success Measure	Outturn 2019–20	Target 2020–21	Outturn 2020–21	% Outturn vs target
Our collections are curated to excellent standards and are widely used for the benefit of humankind	1. Number of new plant, fungal and seed accessions to the RBG Kew Science Collections	29,017	21,762	5,287	24%
	2. Number of IUCN† threatened species in our Seed Collection	811	848	1,110	131%
	3. Number of taxa that have threatened conservation status (IUCN Red List: Vu, En, Cr, EW)	n/a	1,000	1,412	141%
	4. Number of visits to RBG Kew digital collections database resources	4.4m	4.0m	4.35m	109%
Our science makes a demonstrable contribution to solving critical challenges facing humanity today	5. Total number of scientific publications	412	308	373	121%
	6. Number of citations to RBG Kew scientific publications	35,319	30,000	49,750	166%
We are the world's leading botanic gardens where our large and diverse audiences develop their understanding of why plants and fungi matter	7. Total visits to Kew Gardens and Wakehurst	2,587,317	1,431,129	1,652,132	115%
	8. Total number of household memberships for Kew Gardens and Wakehurst	98,351	89,434	97,705	109%
	9. Percentage of daytime visitors who feel they have learnt something as a result of their visit to RBG Kew	79%	70%	No data available	n/a
We are valued as the pre-eminent provider of public education on plant and fungal science, conservation and horticulture	10. Net brand alignment score	32	n/a	No data available	n/a
	11. Number of school pupil visits to Kew Gardens and Wakehurst	100,788	22,513	2,240	10%
	12. Horticulture students/apprentices moving on to relevant education/employment (%)	85%	95%	100%	105%
We are a sustainable dynamic organisation, making positive global impacts in partnership with others	13. Self-generated income	£57.3m	£41.5m	£35.5m	86%
	14. Staff engagement index score	75%	76%	77%	101%
	15. Quality of built estate (percentage increase in the number of assets categorised as in 'Good' condition)	55%	60%	57%	97%
	16. Carbon emissions from all fuel sources (scope 1 emissions – tonnes CO ₂)	5,257	4,873	4,212	116%

† International Union for Conservation of Nature

Notes on performance

1. Number of new plant, fungal and seed accessions to the RBG Kew Science Collections

This measure records the number of new specimens added to the plant, fungal and seed collections. The low figure for accessions this year relates to the impact of COVID-19 both at Kew (through our inability to conduct fieldwork collection activities) and at partner institutions from whom we receive materials.

2. Number of IUCN threatened species in our Seed Collection

This measure demonstrates the representation of species in our Seed Collection that are recorded on the IUCN Red List of Threatened Species. In 2020–21, we significantly exceeded our target due a combination of accessioned seed collections, new IUCN assessments, and cleaning of data.

3. Number of taxa that have threatened conservation status (IUCN Red List: Vu, En, Cr, EW)

This measure demonstrates the representation of taxonomic groups in our Living Collections that are recorded on the IUCN Red List of Threatened Species. This is a new measure for 2020–21; consequently, we do not have an outturn for the previous year as comparison.

4. Number of visits to RBG Kew digital collections database resources

This measure records the level of usage of RBG Kew's databases. Access in 2020–21 exceeded our target, demonstrating the importance of increasing access to Kew's collections through mass digitisation.

5. Total number of scientific publications

The overall number of scientific publications for 2020–21 was 373, significantly above our target of 308.

6. Number of citations to RBG Kew scientific publications

This measure records the number of instances RBG Kew publications have been cited. In 2020–21, we achieved 49,750 citations, outperforming all previous years, reflecting the positive and influential global impact of our scientific publications.

7. Total visits to Kew Gardens and Wakehurst

This measure records the overall number of visitors to Kew Gardens and Wakehurst. Total visits to Kew Gardens in 2020–21 were 1,283,955, representing a 43% decrease compared to 2019–20 as a result of two months of closure and restrictions on visitor numbers and travel. Despite Wakehurst also being closed for two months, total visits to Wakehurst in 2020–21 were 368,177 representing a 5% increase compared to 2019–20. Wakehurst and National Trust member visits have grown considerably since June 2020, which contributed significantly to visitor recovery.

8. Total number of Members of Kew Gardens and Wakehurst

The total number of household memberships was 97,705, which was above this year's target and reflects the continued support of our members during the pandemic. The 2019–20 outturn has been amended to reflect household memberships (rather than total members previously reported).

9. Percentage of daytime visitors who feel they have learnt something as a result of their visit

This measure demonstrates our role in developing understanding of the importance of plants and fungi. Our visitor surveys, which are run at both Kew Gardens and Wakehurst, were cancelled in 2020–21 as part of a cost saving exercise due to COVID-19, so we were unable to record our performance against this measure.

10. Net brand alignment score

This measure shows whether perceptions of RBG Kew align with our brand positioning and ethos among key stakeholders. As with the visitor survey, our tracking research was cancelled in 2020–21 as part of a cost saving exercise due to COVID-19, so we were unable to record our performance against this measure.

11. Number of school pupil visits to Kew Gardens and Wakehurst

The number of visits to both sites totalled 2,240, approximately 2% of the number of visits in 2019–20. The schools' programmes were significantly impacted due to COVID-19 restrictions throughout the year. The outturn for 2019–20 has been amended from 102,725 to 100,788. This is due to late processing of school visit cancellations as the COVID-19 restrictions came into force in March 2020.

12. Horticulture students/apprentices moving on to relevant education/employment

This measure aims to show the effectiveness of RBG Kew's professional training programmes. Of the horticulture students/apprentices who participated in our survey, 100% moved onto relevant education/employment. This measure usually includes our MSc students but there was insufficient data this year due to the impact of COVID-19 and low survey response rates. To note – the outturn for 2019–20 just reflects horticulture students and apprentices.

13. Self-generated income

We measure our income generated from non-government sources including fundraising, research grants, admissions, memberships and commercial enterprises. The total self-generated income for the year was lower than target. Ongoing COVID-19 restrictions affected the performance of retail and events at our sites throughout the year, and the impact of restrictions and the use of the JRS resulted in lower than anticipated new science grants and delays in existing research work, including overseas fieldwork.

14. Staff engagement index score

The staff engagement score is calculated using a set of questions taken from our annual people survey. Our 2020–21 score was 77%, which is an increase from last year and a very strong result despite the impact of COVID-19 and significant use of the JRS during the year.

15. Quality of the built estate

This indicator measures the improvements in the built estate arising from our estates work programme. Despite COVID-19 associated challenges, we have been able to continue our estates improvement work and only narrowly missed our target.

16. Carbon emissions

This measure records scope 1 emissions from fuel sources. Emissions for the year totalled 4,212 tonnes CO₂. Further detail is provided in the sustainability report on pages 20 to 23.

Customer care statement

At Kew Gardens we tracked visitor feedback through our Visitor Operations team, Membership Services and social media channels. Queries this year were up hugely on last year (Visitor Operations up 155%, Membership Services up 153%), and were dominated by reopening and COVID-19-related information, as well as Christmas at Kew, which closed earlier than planned due to COVID-19 restrictions. On social media a significant conversation started as a result of our posts and press activity on equality, diversity and inclusion (EDI), which received a mixed response, but which was generally supportive of RBG Kew's stance.

At Wakehurst there was also an increase in visitor enquiries and feedback via social media platforms. However, more than ever, we saw visitors turning to social and review sites (TripAdvisor and Google) to share their experiences.

As a result of budget constraints, and barriers to running face-to-face research, we did not run our usual visitor survey in 2020–21 at either Kew Gardens or Wakehurst, so we do not have a measure of visitor experience other than the generally positive ad hoc comments from the gardens, but the survey will return in early 2021–22.

Health and safety statement

We recognise the importance of managing health and safety risks on our sites at Kew Gardens and Wakehurst and as part of the work carried out by our staff off-site. This year was dominated by the COVID-19 pandemic and significant resource was dedicated to the careful management of this. New frameworks, processes and controls were introduced to ensure the safety of both staff and visitors. These controls were inspected or reviewed by the relevant enforcing authorities – primarily because the gardens remained open during lockdown periods. In all circumstances, the enforcing authorities were satisfied that COVID-19 controls were compliant, demonstrating the collaborative efforts of the organisation.

The Health and Safety Committee continues to meet quarterly to review current health and safety arrangements and set direction for the organisation. The Committee is chaired by the Director of RBG Kew and includes representatives of the three recognised trades unions, a representative from the Departmental Health and Safety Coordinators as well as the Health and Safety Department.

We have relevant health and safety objectives, key performance indicators and a corporate health and safety risk register, all of which are reviewed on a regular basis.

The annual staff survey continues to be positive, with 94% of staff saying they had a good understanding of health and safety responsibilities and 93% saying that health and safety was managed well or very well at Kew.

In the reporting year April 2020 to March 2021, there were three RIDDOR reportable incidents at RBG Kew, two involving staff and one involving a member of the public. All incidents were investigated, and remedial action taken as appropriate.

Diversity, Inclusion and Equality statement

Diversity and inclusion of staff and volunteers is a key priority for RBG Kew, and our People and Culture strategy supports the overall corporate strategy and our ambition to be a dynamic and sustainable organisation. This has resulted in the launch of Kew's EDI strategy:

A Head of EDI was appointed to start in May 2021.

Primary objectives for this new role include:

- assist in embedding Kew's EDI strategy across the organisation, staff engagement and communications
- set up governance of EDI strategy and a Champions Network
- support existing staff networks and develop more, ensuring they are firmly established and running effectively
- review any gaps Kew has in relation to meeting its obligations under the public sector Equality Duty
- drive up diversity reporting to meet targets and analyse data to inform interventions
- support embedding EDI into decision making and impact assessments

A working group focused on history, equity and inclusion at RBG Kew was set up in July 2020 by the Director of Science and activities focused on four primary themes:

- history and heritage
- data and collections
- science practice
- public engagement

Diversity and Equality – visitors

Attracting diverse audiences and offering equality of access across our learning programmes is a key priority for Kew. A core element of this is our Community Access Scheme (CAS), which offers subsidised entry tickets for organisations that provide services directly to people who face physical, sensory, psychological or social barriers to visiting Kew independently. New webpages have been launched on kew.org to promote the CAS and provide information and downloadable resources on activities run virtually or in the gardens.

Throughout the pandemic we engaged communities, families and youth through programmes online. These included monthly virtual knitting, poetry, creative writing, tai chi, and music and wellbeing workshops, as well as Kew's award-winning Youth Explainer training programme and Youth Forum. Our Discovery and Access team worked with the charity Sense to design and record a 'Make your own terrarium' video accessible to people who are deafblind and with complex disabilities.

Produce from Kew's Community Allotment was donated to three organisations running food banks – West London Welcome, The Salvation Army (Hounslow) and The Vineyard – benefitting over 100 people. And during October half-term and December, complimentary tickets were provided to vulnerable families to enjoy the Gruffalo trail and Christmas at Kew.

The Kew Access Forum was relaunched this year and met online for the first time in December. The Forum advises on the development of our public offer, services, and resources to improve accessibility and promote inclusion, and is made up of representatives from local and national organisations: Hammersmith and Fulham Mencap, Richmond Mind, Alzheimer's Richmond, Kingston Centre for Independent Living, Skylarks, Sense, Kingston Carers' Network and Middlesex Association for the Blind.

Kew has also worked with a consultancy to train visitor-facing staff and volunteers in Disability Confidence, enabling staff and volunteers to become more confident in identifying access issues and interacting with and supporting disabled visitors.

One of the priorities outlined in *Our manifesto for change* is 'extend our reach'. We will be establishing an EDI Committee in summer 2021 to oversee this important priority. Work has begun to outline how we will achieve the ambitious target of a ten-fold increase in the number of visitors from presently under-represented communities to the gardens by 2030.

Outreach programme

RBG Kew's flagship national outreach learning initiative, Grow Wild, has inspired millions of positive actions for our future environment. Through bringing people together to value and celebrate UK native wildflowers and fungi, Grow Wild has enabled new learning, community connections and wellbeing benefits across the UK, especially with children, younger people and adults living in deprived areas.

Despite the challenges delivering activities during the past year, Grow Wild has exceeded almost all its annual targets. In particular, our approach to digital engagement during the first lockdown nurtured a growing and more diverse audience, especially engaging more young people. Our campaigns organically trended, facilitating 395,000 positive actions online – exceeding our target by 163%.

This year our spring distribution of wildflower seed kits were reserved for key workers and attracted 20,000 applications in 48 hours. The kits include an extra seed packet to share with loved ones so they can grow together from afar. These achievements are thanks to the support from The National Lottery Community Fund and other donors.

Schools

The number of pupils visiting RBG Kew this year was greatly reduced due to the pandemic. In 2020–21, 1,792 pupils visited Kew Gardens (90,904 students in 2019–20), of which 717 took part in taught sessions. 448 pupils visited Wakehurst (9,884 students in 2019–20) of which 188 took part in taught sessions. Many programmes were rewritten to allow for social distancing restrictions and limited access to indoor spaces.

As a result of the pandemic, our schools programme this year has focused on our online offer. At the beginning of lockdown, we launched Learning at Home resources (for Key Stages 1–5) and pre- and post-visit resources, making them available to families as well as teachers. In the first week the resources were viewed over 6,000 times. A Schools Learning email newsletter was launched in 2020 and we now have over 4,100 subscribers as well as over 3,500 teachers signed up to Endeavour – Kew's free online learning platform for schools.

Volunteering statement

Kew recognises the vital and integral role played by volunteers in reaching our goals and targets, and the skills, knowledge and value our volunteering community contributes to Kew. However, in common with most sectors of society, the pandemic had a profound impact on volunteering in 2020–21. At the end of March 2021, we had 724 volunteers across the organisation, compared to an average of 760 the preceding year. At the onset of the March 2020 lockdown, volunteers were stood down and encouraged to support Kew remotely by getting involved in transcribing some of Kew's herbarium specimens on the DigiVol platform. To keep as many volunteers as possible engaged with our programmes,

we also promoted more remote/virtual volunteering opportunities throughout the year, such as our Library and Archives Travelling Plants project, our Interpretation team's Reading Squad and our Economic Botany team's Museum Entry Books project.

The return of on-site volunteers to their respective roles had to be governed by health and safety considerations and the availability of staff on-site to manage volunteers. Throughout the year it proved easier to safely accommodate a return for those volunteers who had roles in our outdoor spaces than those who had desk-based or indoor roles. As a result, our volunteering community was able to donate 26,000 hours to Kew's mission compared to over 100,000 hours the preceding year. This equates to a value of £0.4m that the organisation would have had to spend on an equivalent contribution of staff time in 2020–21 (£1.7m in 2019–20).

Kew has a record of working with volunteers since 1992 and had a volunteer retention rate of 91% (including fixed-term appointments) and 95% (excluding fixed-term appointments) in the 2020–21 financial year. Our traditional volunteer roles include horticultural support, visitor engagement and support to our schools, families and science programmes, with successful diversification of programmes over recent years to include an award-winning Youth Explainer volunteer programme, as well as programmes for harder to reach volunteering audiences. In addition, we promote environmental volunteering by hosting 'Employee Volunteering Days' for the corporate sector. Despite the constraints of the pandemic, last year 46 corporate volunteers took part in seven in-person corporate volunteering days, while 50 corporate volunteers participated in transcribing our Fungarium and Herbarium collections on DigiVol.

Kew has a devolved structure for the management of volunteers across the organisation, with a Volunteer Manager and Volunteer Officer post responsible for the development of our volunteer strategy, policy and procedures. These posts are supported by a Volunteer Steering Group consisting of pertinent stakeholders such as volunteers, their coordinators and the Kew trade unions, who help steer the development of our volunteering programmes and promote best practice.

Kew celebrates and thanks our volunteers, whose gifts of time and talent make such an invaluable contribution to our mission. Despite the pandemic, it was gratifying to be able to celebrate this contribution by continuing with our annual long service volunteer awards programme and our externally sponsored Marsh Trust awards programme – two small ways of highlighting some of the sterling volunteer contributions to RBG Kew.

Third party engagement

RBG Kew is committed to ethical responsibility, both as an institution and on the part of individual members of staff, volunteers and students. As an organisation largely funded by charitable donations and public funds, RBG Kew aims to achieve value for money and deliver the greatest possible positive impact for our beneficiaries and the public.

RBG Kew works with a range of third parties in pursuance of our objectives. In negotiating relationships, we seek to further the aims of RBG Kew, as described in our mission, and protect our reputation and brand. In doing so we undertake to use appropriate due diligence in developing third party engagement relationships and to use a least harm and maximum benefit approach in assessing potential partners. This approach is set out in RBG Kew's third-party engagement

policy, which was approved by the Board of Trustees in March 2020. The policy will continue to be promoted and embedded across the organisation in 2021–22.

Safeguarding

Accountability for RBG Kew's safeguarding policy rests with the Board of Trustees. The Audit and Risk Committee monitors the implementation of the policy and reviews the risks and controls in place to manage safeguarding at RBG Kew.

The Director of Horticulture and Learning, the Director of Wakehurst and the Director of Science are the three safeguarding leads for RBG Kew, with responsibility delegated to the Head of Learning and Participation at Kew Gardens and Head of Programmes and Learning at Wakehurst. Safeguarding is managed through the Safeguarding Oversight Committee, which meets biannually and includes senior staff from across the organisation. Nominated Safeguarding Champions from each directorate meet every two months to identify any gaps that need addressing and support the implementation of the policy through cascading information and following up actions.

During 2020–21, over 100 staff and volunteers attended safeguarding training delivered online. Training, focused on safeguarding governance, was also run for Safeguarding Leads, HR and department heads responsible for visitor-facing activities. Kew's safeguarding policy and procedures were translated into French and an online safeguarding training course in French was provided to Kew staff in Madagascar. Resources were produced emphasising the importance of safeguarding at RBG Kew and the need to report any safeguarding incidents and concerns.

Fundraising approach and list of donors

RBG Kew is an exempt charity, with Defra acting as its principal regulator for charity law purposes. In 2020–21, most fundraising activity was undertaken as a service provided by RBG Kew's subsidiary, RBG Kew Enterprises Ltd, and recharged to RBG Kew. Both RBG Kew and RBG Kew Enterprises Ltd adhere to the Code of Fundraising Practice issued by the Fundraising Regulator. There have been no incidences identified of failure to comply with the Code by RBG Kew, RBG Kew Enterprises Ltd, or any other partners worked with during the year. No complaints were made regarding our fundraising practices. We regularly review fundraising processes to ensure that no undue pressure is placed on visitors or supporters and that all approaches protect the public and vulnerable people from unreasonably intrusive or persistent fundraising.

The Board of Trustees of RBG Kew thank the following for their generous support of our vital work:

The Amar-Franses & Foster-Jenkins Trust

Arcadia – a charitable fund of Lisbet Rausing and Peter Baldwin

John Armitage Charitable Trust

The Nicholas Bacon Charitable Trust

Struan Bartlett

BGS Cayzer Charitable Trust

Bloomberg LP

Rosamond Brown

Barbara Browse

Dr Roland P Buehlmann

Bytes Software Services

Eduardo, Alex and Adrian Catalano

Cibus Investments Limited on behalf of the Cibus Foundation

The John S Cohen Foundation

CSSC Sports and Leisure

The Davis Foundation

EcoWorld London

Esmée Fairbairn Foundation

Evolution Education Trust

Fondation Franklinia

Sarah Fransen

The George Family Foundation

Ground Control Ltd

GSK

IKEA of Sweden AB

Kusuma Trust UK

John Lewis & Partners

The Mallinckrodt Foundation

Gill and David Mathers

The National Lottery Community Fund

The Negaunee Foundation

Oak Foundation

Jonathan and Jennifer Oppenheimer Foundation

Mrs Roslyn Packer AC

Jan and Linda Pethick

PF Charitable Trust

The Roger and Ingrid Pilkington Charitable Trust

Players of People's Postcode Lottery

Michael and Sue Pragnell

PuraPharm

Abdul, Mehbooba and Iqbal Qayyum

Richmond Parish Lands Charity

The Schroder Foundation

Sfumato Foundation

Jake and Hélène Marie Shafran

James Sherwood and Shirley Sherwood OBE

Sky

Peter Sowerby Foundation

The 3 Ts Charitable Trust

The White Family Charitable Trust

The Winslow Family

And all other supporters, including our loyal Patrons and those who have chosen to remain anonymous.

Governance statement

Overview

RBG Kew was founded as a Royal Garden in 1759. Under the National Heritage Act 1983 ('the Act') it became an executive non-departmental public body (NDPB) and a body corporate, with exempt charitable status, operating under a Board of Trustees and a Director.

As an exempt charity and an NDPB, RBG Kew aspires to high standards of corporate governance. This statement sets out the arrangements RBG Kew has in place and reports on the effectiveness of the arrangements and the key activities and issues which have arisen since the last report.

Our internal governance rules are set out in the 'Governance at RBG Kew' document, which details the operating rules for RBG Kew and what it means to be an arm's-length public body and an exempt charity. The document also helps staff to navigate rules relating to decision making, delegated authorities and internal control mechanisms. It was updated in 2020.

As an executive NDPB, we operate at arm's length from our sponsor department, Defra. Defra's role is a strategic one. A revised Framework Document was agreed with Defra in 2018.

1. Governance arrangements

The Board of Trustees

The Board of Trustees was established under the Act and came into existence on 8 August 1983. It has collective and non-delegable responsibility for RBG Kew. It determines the strategy of the organisation and ensures that it has appropriate policies and procedures to fulfil its statutory and administrative obligations with regard to the use of public funds. Collectively, the Trustees operate as the Board, observing the legal and good practice expectations included in their responsibilities.

The Board meets four times a year, and additionally when necessary, to consider matters relating to the overall control, business performance and strategy of the organisation. In 2020 the Board has met more frequently to discuss the impact and management of COVID-19. Board and Committee meetings were held via video conference and continue to be held in this way in Q1 2021–22, in line with government guidance.

The 12 Trustees on the Board have been selected to provide an appropriate balance of skills, experience and knowledge to discharge their duties effectively. Of the 12 Trustees, 11 have been appointed by the Secretary of State for Environment, Food and Rural Affairs and one by Her Majesty The Queen. The recruitment of Trustees is regulated by the Office of the Commissioner for Public Appointments and conducted through fair and open competition, in accordance with the Governance Code on Public Appointments. In addition, we use the expertise of a number of Independent Members who sit on different Boards and Committees. On appointment Trustees are briefed by Defra and inducted into RBG Kew's operations.

Membership of the Board during 2020–21 was as follows:

Dame Amelia Fawcett (Chair)
Valerie Gooding (Queen's Trustee until 31 March 2021)
Nick Baird
Professor Liam Dolan (appointed Queen's Trustee on 9 April 2021)
Catherine Dugmore
Sarah Flannigan
Krishnan Guru-Murthy
Professor Sue Hartley
Ian Karet (until 28 February 2021)
Jantiene Klein Roseboom van der Veer
Michael Lear (until 28 February 2021)
Sir Derek Myers (until 28 February 2021)
Professor Christopher Gilligan (from 8 March 2021)
Sir Paul Nurse (from 8 March 2021)
David Richardson (from 8 March 2021)

Two further Trustees were appointed during the year. Judith Batchelar's appointment commenced on 1 April 2021 and Ian Graham's appointment will commence on 1 November 2021.

Standard Board agenda items include a regular report from the Director covering major strategic issues, financial updates, reports from Committees and any declarations of interest. The Board considered a range of significant matters during the year including:

- response and planning in relation to the impact of the COVID-19 pandemic
- development and finalisation of the corporate, science and sustainability strategies
- development of plans for the Science Quarter
- preparation for the upcoming fundraising campaign
- business cases: Family Shop & Kitchen and Enhancing the Visitor Experience programme
- one-year review against business case: The Children's Garden and facilities management transition
- broadening access to underrepresented audiences and history, equity and inclusion at RBG Kew
- Landscape Ecology Programme at Wakehurst
- approval for pricing for 2021–22 for Kew Gardens, Wakehurst and membership
- approval of key policies, including delegated financial authorities and reserves
- approval of the RBG Kew Annual Report and Accounts, revised budget and operational plan 2020–21, and budget and operational plan 2021–22, and RBG Kew/Kew Enterprises operating agreement

Board effectiveness reviews are carried out annually, with the last review taking place in December 2020. The review concluded that the Board was operating effectively with some areas identified for improvement and associated recommendations agreed. Improvements made include a new format for Board papers to provide greater clarity and focus, more regular communication between meetings and increased focus on Kew Science and risk management. Other improvements will be introduced in the year ahead, including 'deep dives' on our new strategic priorities.

Committees

RBG Kew has two types of committees – Committees of the Board of Trustees and Committees of the Executive Board. Committees are advisory and only make decisions in relation to the execution of the specific remit of each Committee.

Committees include a minimum of two Trustees, and some have Independent Members. Each Committee has written terms of reference.

Committees of the Board of Trustees play an important governance function in assuring the Board of Trustees that the Executive Board is carrying out its role appropriately. Committees of the Board include the Audit and Risk Committee, Finance Committee, and Remuneration and Nominations Committee.

Committees of the Executive Board exist to create opportunities for Trustees and other non-executive experts to advise and make recommendations to Executive Board members on strategic development in respective subject areas. These Committees comprise the Foundation Council, Science Advisory Committee, Visitor and Commercial Advisory Committee and, in 2020–21, temporary Committees including the Corporate Strategy Sub-Committee and Science Quarter Steering Group.

A synopsis of Committee meetings is provided to each meeting of the Board of Trustees, with an opportunity for Committee Chairs to raise concerns. Forward work plans are prepared for the Board of Trustees, Audit and Risk Committee and Finance Committee. A record of Committee membership and attendance is on page 15.

Audit and Risk Committee

The Audit and Risk Committee advises the Director of RBG Kew (the Accounting Officer) and assists the Board of Trustees in monitoring the integrity of financial reporting and the effectiveness of internal control, governance and risk management systems. It also advises the Board on the scope and effectiveness of the internal audit service and monitors the work of the external auditors. It reviews the financial statements and annual report and reviews procedures for the detection of fraud and handling of allegations from whistleblowers.

Membership of the Committee as at 31 March 2021 comprised two Trustees and an Independent Member. A key aspect of the Committee's work is to review the RBG Kew strategic risk register as well as directorate registers. Topics discussed in 2020–21 included:

- RBG Kew's response to COVID-19 and key areas of risk resulting from the pandemic
- annual review of safeguarding and third-party engagement, and modern slavery policy and statement
- triennial review of financial policy and practice
- operations in Madagascar
- estates forward maintenance planning
- mitigation of the risks to collections in the Herbarium
- register of interests for Trustees, Executive Board, Kew Enterprises Directors and Independent Members
- internal audit reports and progress on completing recommendations, and internal audit strategy and plan 2021–22

Finance Committee (renamed Finance and Resources Committee from 25 February 2021)

The main responsibility of the Finance Committee is to review significant financial matters on behalf of the Board and make recommendations to the full Board for decision. Membership of the Committee as at 31 March 2021 comprised two Trustees and two Independent Members. Matters reviewed by the Committee during the year included:

- COVID-19 scenario planning
- scrutiny of business cases for major projects and events and long-term financial plans
- review of RBG Kew's reserves, cash management and investment policies
- capital funding and science grant income
- 2021–22 operational plan and budget
- Kew Gardens' membership scheme performance and fundraising

Remuneration and Nominations Committee

The Remuneration and Nominations Committee is chaired by the Chair of RBG Kew and comprises two additional Trustees. The Committee met twice in the year. In addition to reviewing senior executives' remuneration, it focused on Trustee appointments. It also reviews and approves the appointment of all Independent Members to the RBG Kew Board and its Committees.

Foundation Council

The Foundation Council is a group of philanthropic supporters who act as advocates and ambassadors for the Foundation, helping to build a network of supporters that will sustain our future. In 2020 the Council welcomed three new members and updated its Terms of Reference. The Council met four times during the year. Highlights from the meetings included:

- presentation on Kew Science's Commercial Innovation Unit (CIU) (formerly the Commercial Phytochemistry Unit)
- plans for a new Young Person's membership, effective from 1 April 2021
- presentations on Kew's new corporate and science strategies
- updated fundraising campaign timelines
- campaign flagship projects, including the Wakehurst Development Plan and proposed Science Quarter

Science Advisory Committee

The Science Advisory Committee advises on the long-term strategy for science at RBG Kew. The Committee comprises three Trustees and one Independent Member. The Committee met twice during the year and conducted another meeting by correspondence. The Committee discussed:

- the development of the Scientific Priorities for RBG Kew
- alignment of the next science strategy with the new RBG Kew corporate strategy, *Our manifesto for change*
- an update on risks to the collections (ongoing monitoring and mitigation)
- activities of the CIU
- Millennium Seed Bank (MSB) 20-year anniversary celebration communication plan
- new organisational structure for implementation of the science strategy 2021–2025
- revised Science Advisory Committee format, including approval of new Terms of Reference

Visitor and Commercial Advisory Committee

The Visitor and Commercial Advisory Committee provides strategic oversight of the visitor offer at Kew Gardens and Wakehurst, and on driving growth of RBG Kew's commercial offer. The Committee consists of three Trustees and one Independent Member. It met three times in 2020–21.

The Committee discussed topics including:

- visitor and commercial performance at Kew Gardens and Wakehurst
- COVID-19 reopening plans for Kew Gardens and Wakehurst
- proposals for the visitor offer and public programming
- catering at Kew Gardens and Wakehurst
- interpretation and wayfinding
- Wakehurst Commercial and Marketing Development Plans
- membership at Kew Gardens and Wakehurst

Corporate Strategy Sub-Committee

The Corporate Strategy Sub-Committee was a temporary sub-committee of the Executive Board, established in February 2020, to provide steering and support in the areas of defining Kew's corporate strategy, *Our manifesto for change 2021–2030*. The sub-committee, which was disbanded in January 2021, also advised on the launch of the strategy which took place in March 2021. It was chaired by the Director of RBG Kew and comprised four Trustees and two Independent Members.

Science Quarter Steering Group

The Science Quarter Steering Group was a temporary committee that first met in September 2020. The Steering Group provided robust challenge and development expertise to the work on the Science Quarter, a project to redevelop our science buildings and laboratories at Kew Gardens. It assessed various options for the Science Quarter against the objective to create world-class science facilities for RBG Kew's staff, partner organisations and visiting scientists. The Steering Group presented its findings to the Board of Trustees in March 2021. Membership comprised of a Chair, three Trustees and two independent development professionals and was disbanded in June 2021.

Board of Trustee and Committee attendance in 2020–21

Board & Committee	Main Board	Audit and Risk	Finance	Remuneration and Nominations	Science Advisory	Visitor and Commercial Advisory	Foundation Council	Corporate Strategy Sub-Committee	Science Quarter Steering Group
RBG Kew Trustees									
Dame Amelia Fawcett	4/4*		5/5	2/2*				6/6*	
Nick Baird	3/4		5/5	2/2				5/6	
Professor Liam Dolan	4/4				2/2*				
Catherine Dugmore	4/4	4/4*		2/2					6/7
Sarah Flannigan	4/4					3/3	3/3		
Valerie Gooding	4/4					3/3			
Krishnan Guru-Murthy	4/4					3/3			
Professor Sue Hartley	4/4				2/2				4/7
Jantiene Klein Roseboom van der Veer	4/4	4/4			2/2			5/6	5/7
Ian Karet (to Feb 2021)	3/3		5/5*		1/2		0/3	4/6	
Michael Lear (to Feb 2021)	3/3								
Sir Derek Myers (to Feb 2021)	3/3	3/3*							
Sir Paul Nurse (Trustee from March 2021, formerly Independent Member)	3/4								
David Richardson (from March 2021)	1/1								
Chris Gilligan (from March 2021)	1/1								
Independent Members									
Marcus Agius							4/4		7/7*
John Botts			4/4						
Andy Bassadone						3/3			
Trevor Cotton								3/6	
Lady Barbara Davis							2/4		
Jon Drori								6/6	
David Fransen							4/4		
Sarah Fransen							4/4		
Robert Lloyd George (from Dec 2020)							2/2		
Joseph Gromacki							2/4		
Sir Henry Keswick (to Dec 2020)							0/1		
Kenneth Khaw							1/4		
Shane Lincoln									7/7
George Loudon					1/2		2/4		
Roger Madelin									7/7
Mike Mcdonagh		4/4							
Jan Pethick							4/4		
Jane Reeves			5/5						
Jamie Ritblat							3/4		6/7
Hélène Marie Shafran							3/4		
Charles Sherwood (to Jul 2020)							1/1		
John Taysom							4/4		
Joanna Waterous							2/4		
Pippa Wicks							4/4*		
Ruth Yeoh							3/4		

NB Where the number of meetings shown against a Trustee is less than total number of meetings held this indicates that the individual did not hold office at the time of the meeting

*Denotes chair

Director of RBG Kew and Accounting Officer

The Director is accountable to the Board for the running of RBG Kew and is appointed by the Board, subject to approval of the Secretary of State. The Director is also the Accounting Officer for RBG Kew and is responsible for:

- accounting for public funding and stewardship of assets for which they have charge
- ensuring propriety, regularity, value for money and feasibility in the handling of public funds
- ensuring that RBG Kew is managed in accordance with the standards set out in HMT's Managing Public Money

The Accounting Officer is accountable to Parliament and Defra's Principal Accounting Officer for the use of grant-in-aid and also advises the Defra Minister. These responsibilities are set out in the Framework Document.

Executive Board

The Executive Board is a decision-making forum acting under delegated authority from the Director, and is chaired by the Director. The Board's primary purpose is to support the Director in delivering Kew's corporate strategy. The Executive Board meets on a weekly basis. Membership in 2020–21 was as follows:

- Director RBG Kew (Chair), Richard Deverell
- Chief Information Officer, Ian McKetty
- Director of Foundation, Meredith Pierce Hunter
- Director of Horticulture, Learning & Operations, Richard Barley
- Director of Marketing & Commercial Enterprise, Sandra Botterell
- Director of Resources, Fern Stoner
- Director of Science, Professor Alex Antonelli
- Director of Wakehurst, Tony Sweeney

The Foundation and Friends of The Royal Botanic Gardens, Kew

Established as an independent charity in 1990, The Foundation and Friends of The Royal Botanic Gardens, Kew (Kew Foundation) exists to raise funds for the purposes of RBG Kew. Kew Foundation exists as a separate legal entity with responsibility for legacy fundraising and managing investment income to support the work of RBG Kew.

At 31 March 2021 it had four Trustees, one of which is RBG Kew appointed. The Board of Kew Foundation met three times in 2020–21 and welcomed one new Trustee independent of RBG Kew. Two Trustees resigned in the year – one an independent Trustee and the other an RBG Kew appointed Trustee.

The Foundation is deemed to have an associate relationship with RBG Kew from an accounting perspective, based on the number of Trustees who can be appointed by RBG Kew. As such, in accordance with accounting standards, a share of the Foundation's net assets is consolidated into the accounts this financial year (see Note 17 of the financial statements) reflecting the proportion of Trustees who can be appointed by RBG Kew, which was 40% at 31 March 2021. RBG Kew does not have the ability to exercise control over the net assets recognised, which remain subject to decision-making by the Foundation's independent Board of Trustees, and these assets are therefore shown as restricted assets in RBG Kew's financial statements.

Bentham-Moxon Trust

The Bentham-Moxon Trust is a separate registered charity which provides financial support for botanical collections, research and publications that further the work of RBG Kew. The Trust makes annual grants to RBG Kew and can make grants to non-related parties and organisations.

An associate relationship is deemed to exist between RBG Kew and the Trust based on the number of RBG Kew staff who are members of the Trust's Board of Trustees. As such, a share of the net assets of Bentham-Moxon Trust is recognised in the RBG Kew accounts reflecting the proportion of Trustees who are appointed by the Director of RBG Kew, which was 50% at 31 March 2021. RBG Kew does not have the ability to exercise control over the net assets recognised, which remain subject to decision-making by the Trust's independent Board of Trustees, and these assets are therefore shown as restricted assets in RBG Kew's financial statements.

RBG Kew Enterprises Ltd

Enterprises is the wholly owned trading subsidiary of RBG Kew, and its accounts are consolidated into the accounts of RBG Kew. It is governed by a Board of Directors appointed by and accountable to the Board of Trustees of RBG Kew. Enterprises is structured into three divisions: Commercial Enterprises, Foundation and CIU. The Board maintains general responsibility and accountability for Enterprises as a whole, reviews performance and approves strategy and budget, remuneration policies and standard corporate matters such as the Annual Report and Accounts. The Director of RBG Kew is an ex-officio member, while the other Directors are Trustees and executive staff. The Operating Agreement between RBG Kew and Kew Enterprises was approved and signed in March 2021. The Board met four times in 2020–21.

Enterprises' key identified business risks are its dependence on visitors to Kew Gardens and Wakehurst, and the success of commercial events held in the gardens. The risk in these areas has increased in light of the COVID-19 pandemic with retail outlets closed for some of the year, and events and venue hire curtailed during the year in accordance with government guidance. However, other non-visitor-related income streams (including licensing income, e-commerce income and recharge of fundraising services) were not as vulnerable to the impact of COVID-19. These income streams provide some assurance of the company's financial resilience. Risks and mitigations have been managed carefully throughout the COVID-19 pandemic.

Defra

We support delivery of the Defra strategy and wider UK government objectives. The Defra strategy sets out a shared vision and a set of strategic objectives for the Defra group. RBG Kew supports Defra's strategic approach as a member of Defra's Environment Committee and Natural Environment and Rural outcome system, and RBG Kew's activities are included in the Defra group delivery plan.

Regular meetings take place between Defra officials and RBG Kew management. There are meetings between the sponsor Minister, Chair of the Trustees and the Director of RBG Kew every six months.

At a working level, contact with Defra officials is frequent and covers a variety of strategic and financial matters including the impact of the COVID-19 pandemic through 2020–21. A Defra representative attends RBG Kew's Audit and Risk Committee meetings. A Framework Document sets out RBG Kew's relationship with Defra.

Risk management

The Board of Trustees, and the Audit and Risk Committee on behalf of the Board, has overall responsibility for overseeing risk management activities at RBG Kew. Day to day management of risk is the responsibility of the Director and Executive Board.

We have a comprehensive risk management system, which is centred around a hierarchical structure of risk registers flowing from departmental, through directorate and up to strategic/corporate levels. This structure promotes the escalation of risks that cannot be controlled at the lower levels or which may have an impact on other departments, directorates, or the organisation as a whole. Quarterly reviews of the strategic risk register are undertaken throughout the year as part of the Executive Board operational plan review process. We have a risk policy and risk appetite statement as part of our risk management framework, and these are approved annually by the Executive Board and Audit and Risk Committee. The risk statement provides our appetite for risk against RBG Kew's five corporate objectives and six categories of risk.

The Audit and Risk Committee ensures oversight of risk management by reviewing relevant activities and outputs, including the strategic risk register and audit activity, on a quarterly basis. It requests an Executive Director to attend each meeting and describe the risk environment within their directorate. This provides Committee members with an opportunity to review operational risk registers.

Directors of the following areas attended in 2020–21: Marketing and Commercial Enterprise Directorate; Wakehurst Directorate; Resources Directorate and Estates Department. The Committee also reviewed the EU Exit risk register in November 2020. A rolling programme of directorate risk register reviews continues into 2021–22.

A fundamental review of the strategic risk register was undertaken in June 2020. This type of review is typically carried out biennially, to ensure RBG Kew is focusing its efforts, mitigations, controls and funding in the right places.

Key risks

The majority of our strategic risks relate to our ability to secure sufficient income so that we can safeguard our collections, continue to meet our obligations as a World Heritage Site, deliver world class science and maintain our estates infrastructure. The COVID-19 pandemic has increased these risks, primarily as a result of loss of visitor income, and has brought additional risks relating to our people, our visitors and our programmes. These risks were identified, managed and escalated through our risk management framework. Key risks are also escalated to Defra.

As of March 2021, six risks carried a red risk rating. These are detailed below alongside mitigating activities for each risk:

1. Protection of our internationally important Science

Collections: We have continued to actively manage the risk from fire, flood, pest damage and other environmental conditions such as temperature and humidity, within the constraints of the Grade 2* listed Herbarium. Our focus remains on digitising our collections to provide a 'back up' copy to partially mitigate the risk and a long-term plan to redevelop our science buildings.

2. Protection of our Living Collections from environmental factors: We continue to monitor and manage the risk with careful landscaping and increased plant resilience, adaptation to underlying site ecology, biosecurity controls and continued tree management to prevent the loss of valuable (sometimes irreplaceable) taxa from our Living Collections.

3. Care for the built estate: We have developed and continue to follow a ten-year plan to repair and maintain our aging and historically important estate (with a significant number of buildings and structures, including more than 40 listed buildings across two sites), prioritising critical works and continued statutory compliance.

4. Insufficient growth in self-generated income: The COVID-19 pandemic significantly impacted our visitor income. We continue to diversify our income streams such as commercial partnerships and licensing.

5. Decline in government funding: We are partly funded by Defra and it is key for us to ensure sufficient funding, including capital for critical infrastructure. We continue to promote and clearly articulate Kew's contribution to Defra and broader government policy and engage with the multi-year spending allocations which will allow us to better plan ahead.

6. COVID-19 pandemic: There was a significant impact on our finances, operations and people, from the pandemic throughout 2020 and into 2021. We immediately implemented a framework to support staff in terms of health, safety and wellbeing; our sites are COVID-secure, and we have relevant control measures in place to protect our staff and visitors. Throughout the year, there continued to be significant work to actively review and manage the risks related to COVID-19. We expect the risk rating to decline in 2021 as the government roadmap out of lockdown is rolled out.

The UK EU Exit (Brexit)

The potential impacts of Brexit on RBG Kew were identified and captured in a dedicated risk register which was reviewed by the Audit and Risk Committee in November 2020 in preparation for Brexit on 31 December 2020. Two Brexit risks carry a red risk rating: decline in government funding and a decline in visitor numbers due to a reduction in overseas tourism to the UK. The impact of Brexit on overseas tourism and visitor numbers is unlikely to be known for some time as a result of travel restrictions related to COVID-19.

The impact of Brexit is being closely monitored but its impact on Kew's operations is expected to be low.

Internal control framework

The Trustees and the Director as Accounting Officer are responsible for maintaining a sound system of internal control that supports the achievement of RBG Kew's policies, aims and objectives, and safeguards public funds and assets.

The Accounting Officer of RBG Kew is accountable to the Principal Accounting Officer of Defra, to enable her to discharge her overall responsibility for ensuring that RBG Kew, as an NDPB of Defra, has adequate internal control systems and procedures in place.

As Accounting Officer, RBG Kew's Director has responsibility for reviewing the effectiveness of the system of internal control. This is informed by the work of the internal auditors and the senior managers responsible for the development and maintenance of the internal control framework.

The internal audit strategy and plan for the year were approved by the Audit and Risk Committee in March 2020. The plan was based on:

- an assessment of RBG Kew's strategic risk register
- discussions with key stakeholders and Executive Board
- an assessment of, and follow-up on, previous internal audit reviews

The Head of the Internal Audit service provided the Committee with regular updates on progress against the audit plan at its quarterly meetings.

The Committee also considered progress against the recommendations for improvement in internal control made by RBG Kew's external auditors.

Financial management and control

Financial management is supported through monthly management accounts, monthly financial reporting to the Executive Board, quarterly re-forecasts (and more frequently in 2020–21 in response to the pandemic), and summary reporting to the Finance Committee and Board of Trustees. This financial reporting is reviewed to assess performance, to understand any emerging risks or opportunities and take any necessary financial decisions. Financial information is available to all budget holders to enable them to monitor their performance against budgets at any time. The financial delegations' policy is approved by the Board of Trustees annually and was last approved in October 2020.

Fraud risk management

We have a zero-tolerance policy towards fraud, bribery and corruption and all staff are required to undertake annual mandatory 'Responsible for Information' training which includes content relating to fraud, bribery and corruption. All internal audits consider the risk and likelihood of fraud within the scope of their remit. The Audit and Risk Committee reviewed the anti-fraud, bribery and corruption policy and the whistleblowing policy during the year, reviewed a counter fraud action plan and received a report on gifts and hospitality offered during the year.

We contribute to government counter-fraud initiatives and activities through collaboration with the Defra Group Counter Fraud Network, where best practice is shared between Defra departments and other arm's-length bodies. During the year there was one incident of fraud relating to a theft from a coin machine at one of Kew Gardens' retail and catering outlets. In response, the coin machine was repositioned to allow access to be monitored and improved locks were installed. Any incidents of fraud are logged and reported to both the Defra Group Counter Fraud Network and the Audit and Risk Committee. There were no reports of whistleblowing in the period.

Performance management

The Executive Board met quarterly to review progress on delivery of the operational plan and budget. The Board focused on the major initiatives and deliverables that will deliver our corporate strategy.

Management of interests

RBG Kew has processes in place for managing conflicts of interest as set out in Governance at RBG Kew. Trustees, Executive Board members, Kew Enterprises Directors and Independent Members are formally required to review their interests annually and declarations of interest are standing items on Board and Committee agendas. Registers of

interests are maintained and are reviewed by the Audit and Risk Committee annually. The Trustees Register of Interests is published on kew.org. In 2020–21, no Trustees or members of the Executive Board held company directorships or other significant interests which conflicted with their responsibilities.

2. Governance and internal control issues

The areas reviewed by Internal Audit during the year included:

- facilities management – statutory compliance
- core financial controls – grant-funded science projects (including expenses and reporting)
- Enhancing the Visitor Experience (EVE) programme
- Madagascar office – financial and HR controls
- cyber security
- financial controls and processes – remote working
- HR – right to work and new immigration rules

Of the five internal audit reviews for which an assurance opinion was provided, three received 'substantial' assurance, one received 'adequate' assurance, and one received 'limited' assurance.

The internal audit of cyber security received 'limited' assurance. The review of the key controls and processes relating to cyber security focused on the organisation's own gap analysis against the Cyber Essentials Accreditation Processes and an email phishing exercise for staff. The audit raised some recommendations for improving the control environment.

'Substantial' assurance was received for the internal audit of facilities management – statutory compliance, indicating that there was a clear framework in place for monitoring statutory compliance. The internal audit of the EVE programme also received 'substantial' assurance, while the core financial controls – grant-funded science projects audit received 'adequate' assurance.

The internal audit plan for the year was amended to include a review of control risks relating to increased remote working in response to the COVID-19 pandemic. The audit of financial controls and processes: remote working concentrated on a range of key financial controls, with testing focused on periods of disruption or remote working, to ensure controls remained in place and operated effectively. This audit received 'substantial' assurance.

There were two internal audits carried out on an advisory basis for which no assurance opinion was provided, these were: Madagascar operations – financial and HR controls and HR – right to work and new immigration rules. These advisory reviews identified recommended improvements which management have accepted and are in the process of implementing.

The Audit and Risk Committee has received regular reports on progress in implementing audit recommendations throughout the year. The internal audit annual report for 2020–21 concluded that RBG Kew's governance, risk management and internal control arrangements were generally adequate and effective.

Based on the information and explanation provided in 2020-21, the Audit and Risk Committee concluded it was satisfied that risks are managed appropriately and risk management is robust and embedded. The Committee is satisfied that internal control arrangements are solid and improving, and benefit from the scrutiny and challenge offered by internal audit and by the Committee. The Committee is satisfied that the volume of audit days available is sufficient to maintain coverage of key risk areas.

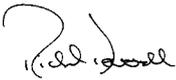
Conclusion

Our risk and internal control framework is considered to be generally sound and has proved adequate in terms of meeting Kew's obligations, mitigating risks and safeguarding assets. However, it will need to continue to evolve to meet the challenges outlined above and to take note of the observations in the reports of the National Audit Office.



Dame Amelia Fawcett

Chair of the Board of Trustees
Royal Botanic Gardens, Kew
8 July 2021



Richard Deverell

Director
Royal Botanic Gardens, Kew
8 July 2021

Sustainability report

Summary

This year RBG Kew developed a new sustainability strategy, which was launched in May 2021. This strategy sets out a step-change in our sustainability activity, as we commit to becoming climate positive by 2030.

We also saw many firsts: our first timber-framed buildings on site, our first net-zero-ready building with an electrical air-source heat pump and our first solar panels at Kew Gardens (although at Wakehurst the MSB has had solar panels since 2012).

Our performance in 2020–21 is unlikely to be reflective of ‘normal’ trends due to the extreme disruption from COVID-19. Our travel emissions have never been lower. Energy and waste have both reduced due to the closing of the gardens and staff mostly working from home. However, watering our collections is not optional, and dry spells in 2020 have led to a significant increase in water use.

Sustainability targets

This is the final year for which we will report against the 2009–10 baseline – the baseline year will be updated in line with the new Greening Government Commitments from 2021–22. Note that in some areas we do not hold data for 2009–10 and where necessary we report against a more recent baseline. Since 2009–10 there has been an increase in the number of visitors to our sites of more than one third.

Details of performance

About our data

This data is reported in accordance with HM Treasury’s Sustainability Reporting Guidance 2019–20. We have also chosen to align with the requirements set out in Streamlined Energy and Carbon Reporting guidelines (RBG Kew is below the organisational size threshold).

Consumption figures are based on a mix of billed amounts and direct meter readings and may be subject to future adjustments. COVID-19 has impacted our teams and operations significantly, resulting in some unusual performance patterns through 2020–21.

Carbon footprint overview

Carbon footprint reporting is aligned with the guidelines set out in the GHG Protocol (ghgprotocol.org). During 2020, RBG Kew conducted a carbon footprint baselining exercise with a consultant to produce a baseline of our scope 1, scope 2, ‘core scope 3’ and ‘wider scope 3’ organisational footprint. Core scope 3 categories are reported below. Wider scope 3 categories (including purchased goods and services) cannot yet be accurately reported, but we will work to understand and report all scope 3 categories by 2025.

The inclusion of additional categories of emissions has resulted in an increase in our total emissions reporting between 2018–19 and 2019–20, despite the fact that many categories previously reported have continued to decrease (such as heating and electricity use). Many categories in 2020–21 are abnormally low due to COVID-19 and may bounce back somewhat in 2021–22.

Summary of performance					
Area		2020–21 performance	2009–10 baseline	Performance vs 2009–10 baseline (% change)	GGC 2020 target
Building CO ₂ e emissions (1)	Emissions (tonnes CO ₂ e)	5,080	8,869	– 43%	5,055
	Energy expenditure	£1,199,976	£945,000	+ 27%	-
Water	Water supplied (m ³)	541,190	158,000	+ 343%	< 158,000
	Water supply costs	£294,648	£238,000	+ 24%	-
Waste	Waste (tonnes)	888	1,233	– 28%	-
	Waste to landfill (%)	2%	Unknown	-	< 10%
	Disposal costs	£135,985	£80,416	+ 69%	-

- For consistent reporting against the previous GGC 2020 target (extended to 2021 due to COVID-19), this emissions total includes emissions from heating and powering buildings (electricity, gas, oil and LPG). CHP emissions are included (2020–21). Additional emissions categories are available in the carbon footprint overview on the following page.

Carbon footprint (tonnes CO ₂ e)	Emissions source	2017-18	2018-19	2019-20	2020-21
Scope 1	Heating and CHP (1)	4,018	3,721	3,603	3,498
Scope 1	Fuel use (vehicles and generators)	**	**	418	606
Scope 1	Other direct (2)	**	**	244	108
Scope 2	Electricity	2,616	2,027	1,810	1,498
Scope 3	Business travel	659	693	1,146	10
Scope 3	Employee commute	**	**	864	155
Scope 3	Water	113	114	93	137
Scope 3	Waste	134	39	57	28
Scope 3	Investments	**	**	42	42
Scope 3	Energy scope 3 (3)	1,393	1,123	1,007	912
Totals	Total emissions	8,993	7,717	9,284	6,994
	Scope 1 emissions	4,018	3,721	4,265	4,212
	Scope 2 emissions	2,616	2,027	1,810	1,498
	Scope 3 emissions (listed above)	2,299	1,969	3,209	1,284

** indicates no data available

1. In mid-March 2021 the Temperate House biomass boiler came into use. Kew sources UK wood pellets, and their use will be reported from 2021-22 onwards.
2. Other direct emissions include refrigerant use and land use emissions (estimated)
3. This includes transmission and distribution losses (electricity), and well-to-tank emissions (gas, oil, LPG, petrol, diesel and electricity).

Energy breakdown (use and generation)

Energy (MWh)	2017-18	2018-19	2019-20	2020-21
Total	29,338	28,057	27,385	25,749
Electricity	7,498	7,218	7,266	6,424
Electricity (CHP)	1,004	982	803	862
Electricity generation (solar)	45.8	46.9	45.9	49.2
Gas	17,617	17,296	16,822	16,406
Oil	3,149	2,485	2,406	1,980
LPG (Propane)	23.7	28.9	42.4	28.1
Energy costs (£m)	£1.4m	£1.55m	£1.56m	£1.20m

Travel and commuting

COVID-19 has drastically reduced our travel and commuting emissions in 2020-21, with nearly all international trips postponed or cancelled. While many trips will be avoided and events held online, there will be a future rebound in travel once restrictions lift and travel for scientific conservation

work can resume. Following increased working at home during 2020-21 by many of our staff, RBG Kew will develop flexible working guidance in 2021 which will support long-term reductions in emissions from employee commuting.

Travel and commuting emissions (tonnes CO ₂ e)	2017-18	2018-19	2019-20	2020-21
Advanced booking (flights and rail)	534	611	1,060	2
Private vehicle mileage	19	19	22	5
Public transport expenses	106	63	64	3
Total emissions	659	693	1,146	10
Employee commuting	No data	No data	864	154

Note: this data includes UK and international business travel.

Waste and resource consumption minimisation

RBG Kew has taken significant steps to divert all possible waste away from landfill and utilise the principles of the waste hierarchy to maximise reuse and recycling. We compost around 4,000 tonnes of garden waste per annum, for use on site (RBG Kew holds an Environment Agency permit for both Kew Gardens and Wakehurst). This material does not leave our site, so it is not counted within our waste or recycling tonnage.

We cannot currently record and report the weight or value of reused equipment and materials, but significant reuse occurs throughout our operations, including repair of equipment and purchase of items that can be easily updated for year-on-year adaptation, such as garden signage.

This has been a very disrupted year for other resource consumption, such as office paper use – so we will report paper use starting next year.

Water use

A large proportion of our water use is used to preserve the Living Collections: variations in temperature and rainfall contribute to fluctuations in our water consumption. An extended dry spell in spring and summer 2020 resulted in the need for significant irrigation, leading to an increase in water use.

We also abstract groundwater (under licence from the Environment Agency) for the cooling of Kew's Herbarium.

Sustainable procurement

RBG Kew has a procurement policy which sets out how we purchase goods, services and works, taking into account the social, economic and environmental impact. Purchasing has enormous potential to support people, communities and the environment. We aim to achieve social and environmental good through every pound that we spend – as well as good value for money. We will work more closely with our large suppliers to better understand, report and reduce their environmental impacts – encouraging suppliers to set their own science-based carbon reduction targets and provide emissions data relating to the goods and services provided to RBG Kew.

Sustainable construction

RBG Kew's new buildings are built to BREEAM Excellent or Outstanding standard, most recently the timber-framed Arboretum Headquarters and Family Kitchen & Shop at Kew Gardens, both opening in 2021. BREEAM Excellent or Outstanding rating recognises significant environmental features in a building. In future we aim to use additional sustainability standards, such as Passivhaus certification, and whole-life carbon assessment, to ensure environmental excellence in construction and operation for new build projects.

Waste (tonnes)	2017-18	2018-19	2019-20	2020-21
Total waste	1,318	941	1,072	887
Reused, recycled, off-site compost	511	289	228	189
Energy from waste (energy recovery)	619	619	784	683
Landfill waste (of which waste deemed hazardous)	188 (180)	33 (21)	60 (28)	15 (2.8)
Total disposal cost (£)	264,446	200,281	155,972	135,985

Water (m ³)	2017-18	2018-19	2019-20	2020-21
Total water consumption	306,096	289,716	222,347	246,542
Supplied	202,346	205,138	166,700	246,380
Abstracted (1)	103,750	84,578	55,647	162
Water utility costs (2)	£332,151	£363,427	£462,508	£294,648

1. Low annual abstraction level for 2019–20 and 2020–21 due to Ground Source Heat Pump system refurbishments.
2. From 2019–20 onwards, the water utility cost also includes wastewater costs to provide a more holistic representation of costs.

Biodiversity action plans

RBG Kew has a 330-hectare site at Kew Gardens and a 535-hectare site at Wakehurst which contain our globally biodiverse Living Collections, as managed by Kew's Living Collections strategy (2019). Currently, 5% of the accessions to the Living Collections are categorised as threatened by extinction under the IUCN Red List of Threatened Species.

Certain habitats within Kew Gardens, including those found within the 15-hectare Natural Area (semi-natural woodland with pockets of unimproved neutral and acid grassland), are regarded as being of high conservation value for the Greater London Area. At Wakehurst, a 156-hectare site (Wakehurst and Chiddingly Woods – noted for its Wealdon ghyll woodland with exposures of sand rock, a nationally rare habitat) has been designated a Site of Special Scientific Interest. Both are managed to conserve the integrity of the sites and support diverse and thriving species assemblages.

Climate change adaptation

Future climate change risks to Kew's landscapes, collections and listed buildings have been assessed as part of the World Heritage Site Management Plan 2020–2025. Key risks include the increased potential for severe weather events leading to storm damage or prolonged droughts, increased flood risk, the introduction of new plant pathogens and changes to existing growing conditions in the gardens. Controls and mitigation measures for the projected impact of climate change will continue to be analysed and integrated into all aspects of site management. We are investigating the opportunity to participate in the government Climate Change Adaptation Reporting Scheme in future.

Environmental management system

RBG Kew's environmental management system is based on the requirements of BS EN ISO 14001:2015. This system will continue to be an integral tool to manage RBG Kew's environmental impacts and to provide a mechanism to monitor, report and deliver against targets and objectives. Our 2020 recertification audit was undertaken online due to COVID-19. We received extremely positive feedback from our auditors, with a single minor non-conformity and a number of positive observations. Our ISO14001 certificate is available to view on kew.org.

UN Sustainable Development Goals

Our new sustainability strategy, launched in May 2021, identifies the myriad ways in which Kew's work contributes to the UN Sustainable Development Goals. We will develop further reporting to highlight our support of the UN Global Goals in future years.

Governance

Overall responsibility for sustainability performance lies with Kew's Executive Board. For targeted action, sustainability progress will also be supported by a number of working groups. A Net Zero Working Group has been formed, which meets regularly to discuss detailed actions and progress made. Other groups include the Travel Plan Working Group and the ISO14001 Working Group.

Management Group

In 2021 we will develop sustainability KPIs and internal reporting dashboards for tracking sustainability progress. Sustainability performance metrics will be incorporated into the operational plans for each directorate and reviewed quarterly by the Executive Board. We will report sustainability progress to our Executive Board and our Board of Trustees.

Statement of Trustees' and Accounting Officer's responsibilities

Under Schedule 1 Part IV subsection 39(2) National Heritage Act 1983 the Board of Trustees of RBG Kew is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Environment, Food and Rural Affairs, with the consent of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of RBG Kew's and the group's state of affairs at the year end and of the group's incoming resources, application of resources, Balance Sheet and cash flows for the financial year.

In preparing the accounts, the Trustees and Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Secretary of State for Environment, Food and Rural Affairs 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 as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis

The Director of RBG Kew has been appointed as the Accounting Officer for RBG Kew, by Defra's Principal Accounting Officer. 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 RBG Kew's assets, are set out in 'Managing Public Money' published by HM Treasury.

The Accounting Officer and Board of Trustees confirm that:

- the annual report and accounts as a whole is fair, balanced and understandable and they take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable
- there is no relevant audit information of which the auditor is unaware
- they have taken all the steps they ought to ensure the auditor is aware of all relevant audit information

Statutory Information

Results

The accounts have been prepared in a form directed by the Secretary of State, with the approval of HM Treasury, under Schedule I Part IV subsection 39(4) of the National Heritage Act 1983 and on the basis of the accounting policies set out in Note 2.

Total income for the year was £80.7m (£94.3m in 2019–20) of which £35.2m (£32.0m in 2019–20) was grant-in-aid from Defra. Total expenditure was £77.7m (£86.8m in 2019–20) and there was a £1.0m gain on investments (£1.1m loss in 2019–20) and a loss on revaluation of assets of £5.8m (£9.4m loss in 2019–20) leaving a deficit of £1.8m (£3.0m deficit in 2019–20) after revaluation of assets.

The deficit of £1.8m consisted of a £1.9m surplus on the unrestricted designated reserves, a £2.0m increase in the restricted donations and projects reserves, a £0.2m net gain being the share of the results of the Bentham-Moxon Trust and Kew Foundation, a £0.1m gain on the value of endowment investments, plus a deficit totalling £6.0m on the capital and capital revaluation reserves. The capital reserves reflect capital and project funds to be offset by future depreciation on assets purchased or future capital or project expenditure.

Total funds decreased to £254.8m (£256.6m 2019–20). These include a revaluation fund of £107.3m (£116.4m in 2019–20) to reflect the value of certain land and buildings to which the Trustees do not have title, as outlined below, and the capital reserves of £107.8m (£104.7m in 2019–20) which consist of restricted grants and unrestricted income for capital expenditure to be used to offset future depreciation of assets already purchased. The share of net assets of associates represents £12.7m (£12.5m in 2019–20) of restricted reserves.

The Coronavirus Job Retention Scheme was used for about 60% of staff in response to the severe disruption to Kew's income streams arising from the pandemic for most of 2020. This included during the period of closure or limited capacity for visitors in the gardens. Defra were engaged in discussions on any potential opportunities for redeployment of staff.

Land and buildings

The Board does not hold title to the land and buildings used by RBG Kew, except for the Wellcome Trust Millennium Building and adjacent land at Wakehurst, including Havelock Farm (35 acres of land purchased by RBG Kew in 2012, located in the centre of the existing Wakehurst estate). The National Trust owns the freehold of the remaining land at Wakehurst. The land and buildings at the Kew Gardens site are owned by the Crown. The Board exercises the management and maintenance functions on behalf of the Minister in relation to the properties used. Information on land and buildings can be seen in Note 11.

Other fixed assets

Significant changes in other fixed assets are shown in Notes 10 and 11.

Investments

Investments are detailed in Note 12 and are held in accordance with the Trustees' powers. Due to the limited investment funds available, the Accounting Officer and Trustees consider the Churches, Charities and Local Authorities Investment Fund provides an adequate balance between risk and reward.

Investments include a share of the net assets of associates (the Foundation and Bentham-Moxon Trust) determined by the proportion of the voting rights held by RBG Kew of each charity. Each associate sets and monitors its own investment policies.

Payments to creditors

Our policy is to settle all invoices with our creditors within 30 days unless otherwise specified in the contract, and to observe the principles of the CBI Prompt Payment Code. During 2020–21 RBG Kew settled its debts on average in 30 days (30 days in 2019–20).

Reserves

The reserves of the organisation are explained in Note 2 of the accounts. The Board has agreed that the unrestricted part of the general reserves (Unrestricted General Reserve – other) should not fall below a minimum of £3m to give the organisation the flexibility to cope with fluctuations in income streams and unforeseen expenditure. The reserves policy is reviewed on an annual basis.

At 31 March 2021, this fund stands at £6.5m (£6.5m at 31 March 2020) and may be used to partly fund any short-term shortfall in income and to meet major capital needs in the future. In addition, as at 31 March 2021, RBG Kew holds designated unrestricted funds for future capital and project requirements of £7.5m (£5.6m at 31 March 2020).

The minimum level of unrestricted reserves is anticipated to be retained at £3m to meet working capital requirements and provide funds to cope with future fluctuations in income. However, this will be kept under review by the Board through 2021–22.

Foundation and Friends of the Royal Botanic Gardens, Kew

The Foundation and Friends of RBG Kew is a registered charity (registration no. 803428) as well as a company limited by guarantee. It is a distinct entity to RBG Kew whose purpose is to provide grant funding to support RBG Kew's activities. It is consolidated into these accounts as an associate.

Bentham-Moxon Trust

The Bentham-Moxon Trust is a separate registered charity (registration no. 305966). It is a distinct entity to RBG Kew whose purpose is to provide financial support for botanical collections, research and publications that further the work of research organisations, including RBG Kew. It is consolidated into these accounts as an associate.

RBG Kew Enterprises Limited

RBG Kew owns 100% of the issued share capital of RBG Kew Enterprises Limited. Its results have been fully consolidated into the accounts of RBG Kew.

Director

Richard Deverell has been the Director of RBG Kew since 17 September 2012.

Internal audit

The Board has appointed Mazars as internal auditors who report on a quarterly basis to the Audit and Risk Committee. 2020–21 was Mazars' fifth year as RBG Kew's internal auditors following their reappointment in January 2020. The contract commenced in January 2020 for financial years 2020–21, 2021–22 and 2022–23.

Bankers

Lloyds Banking Group
4th Floor
25 Gresham Street
London
EC2V 7HN

External auditor (RBG Kew)

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
London
SW1W 9SP

External auditor (RBG Kew Enterprises Ltd)

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Solicitors

Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

Employee involvement

Consultations take place with employees' representatives so that the views of employees may be taken into account in making decisions which are likely to affect their interests.

Gender pay gap

The relevant gender pay gap averages for RBG Kew as at March 2020 were 12.64% (mean average) and 10.87% (median average). The bonus pay gap, including non-consolidated payments paid to staff, was 0.23% (mean average) and 0% (median average). The proportion of men and women receiving a bonus, including non-consolidated payments, was 6.7% and 8.8% respectively. The hourly pay quartiles are shown in the table below:

Quartile	Female	Male
Lower quartile	63.04%	39.96%
Lower middle quartile	64.58%	35.42%
Upper middle quartile	62.05%	37.95%
Upper quartile	48.21%	51.79%

Trade Union Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, relevant data in relation to the usage and expenditure on trade union facility time is as follows:

- There was a total of 17 employees who were union officials during the relevant period.
- Fourteen employees spent up to 1% of their working hours on facility time and three spent between 1% and 50% of their working hours on facility time.
- The percentage of the pay bill spent on facility time was:

Cost of facility time	£10,764
Total pay bill	£43.7m
% of total pay bill spent on facility time	0.0246%

- The time spent on paid trade union activities as a percentage of total paid facility time was 100%.

Freedom of Information

Between 1 April 2020 and 31 March 2021 RBG Kew received 39 Freedom of Information requests. 35 requests were responded to during this period: one request was carried forward from the 2019–20 financial year; five requests have been carried forward into the new financial year and are due to be responded to within the statutory timeframe. Out of the 35 requests responded to in this financial year, 33 (94%) were dealt with in line with the statutory timeframe.

Going concern

The Trustees have considered the factors that may influence the organisation in the 12 months following certification of these accounts, in particular the ongoing impact of the COVID-19 pandemic. Self-generated income is expected to continue to be adversely affected in 2021–22, but to a lessening degree as vaccination programmes expand and visitor numbers return to more typical expectations. RBG Kew has prepared a balanced budget for 2021–22 on this basis and in line with the government’s roadmap out of lockdown, with shortfalls in self-generated income offset by expenditure reductions and cost-saving measures. Government funding for 2021–22 has been confirmed, a contingency is held within the budget, and RBG Kew’s levels of general unrestricted and designated reserves provide cover for any additional adverse income risks should these emerge. Defra has been kept updated on the financial challenges and continues to be supportive.

Under the National Heritage Act 1983, RBG Kew has statutory responsibilities as outlined in this report, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient government funding support will continue to be made available to fulfil this responsibility. It is noted that the level of support in future years is subject to confirmation later in 2021–22 as part of the government’s current Comprehensive Spending Review.

On the basis set out above, the Trustees believe it is appropriate to prepare the accounts on a going concern basis. The Trustees note that the Directors of its trading company, RBG Kew Enterprises Limited, have prepared the accounts of the company on a going concern basis, and expect to continue to support RBG Kew through the gifting of profits made by the company in the future.

Insurance

RBG Kew has a range of commercial insurance policies which include public liability, professional indemnity, motor vehicle and other relevant products. As a risk mitigation strategy, a new cyber liability insurance policy was laid in 2020. However, commercial insurance has not been taken in a number of other areas, notably heritage buildings without commercial use, in line with the HM Treasury guidance ‘Managing Public Money’.

Personal data related incidents

RBG Kew identified a data breach in May 2021 concerning access to an external portal by two ex-employees. Upon identification the situation was quickly contained and an investigation carried out. It was deemed that the situation presented a low risk to the rights and freedoms of individuals. However, due to the large dataset involved, the incident was reported to the Information Commissioner’s Office (ICO) as a precautionary measure. We are awaiting a response from the ICO.

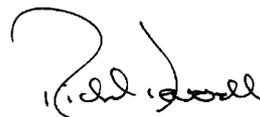
Sickness absence

The average number of days’ sickness for staff in 2020–21 was 1.8 days (3.5 in 2019–20).



Dame Amelia Fawcett

Chair of the Board of Trustees
Royal Botanic Gardens, Kew
8 July 2021



Richard Deverell

Director
Royal Botanic Gardens, Kew
8 July 2021

Remuneration report

Remuneration policy

The remuneration of the Director is set by the Remuneration and Nominations Committee, a sub-committee of the Board of Trustees. The members are identified on page 15.

The salary of the Director is reviewed on an annual basis, and in reaching its recommendations the Committee has regard to performance, based on objectives set by the Board of Trustees, affordability and government pay policy.

The Remuneration and Nominations Committee reviews the Director's recommendations on the remuneration packages of Executive Board members and other employees on individual contracts on an annual basis. The Trustees do not receive any remuneration for their services to RBG Kew. Note 9 details their expenses.

Service contracts

Kew appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments to be on merit, on the basis of fair and open competition, but also includes the circumstances when appointments may otherwise be made.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the current Executive Board.

The Remuneration and Nominations Committee sets performance objectives and awards bonuses based on performance against agreed objectives.

The value of pension benefits during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. This may be a negative value in the year.

Remuneration (Audited)		2020-21 Salary	2020-21 Pension benefits to nearest (£1,000)	2020-21 Total to nearest (£1,000)	2019-20 Salary	2019-20 Pension benefits to nearest (£1,000)	2019-20 Total to nearest (£1,000)
		£	£	£	£	£	£
Richard Deverell ¹	Director	193,426	26,000	219,426	191,311	26,000	217,311
Alexandre Antonelli	Director, Science	148,625	58,000	206,625	146,813	57,000	203,813
Richard Barley ²	Director, Horticulture and Learning	115,439	41,000	156,439	114,153	41,000	155,153
Sandra Botterell ³	Director, Marketing and Commercial Enterprise	129,426	13,000	142,426	145,604	13,000	158,604
Ian McKetty	Chief Information Officer	116,147	45,000	161,147	114,731	45,000	159,731
Meredith Pierce-Hunter ⁴	Director, Kew Foundation	130,050	10,000	140,050	130,050	10,000	140,050
Fern Stoner	Director, Resources	114,927	45,000	159,927	111,410	44,000	155,410
Tony Sweeney	Director, Wakehurst	104,474	41,000	145,474	103,200	40,000	143,200
Andrew Williams ⁵	Director, Estates and Capital Development until 30/06/2020	28,892	11,000	39,892	114,159	45,000	159,159

Any increase in Executive Board member salaries in 2020-21 as indicated above reflects a full year of the pay award made to all staff in 2019-20. No pay award was made to staff in 2020-21.

- Salary includes annual salary from RBG Kew of £173,426 (2019-20 £171,311), and £20,000 (2019-20 £20,000) for fundraising services from RBG Kew Enterprises in 2020-21.
- Salary includes annual salary from RBG Kew of £105,439 (2019-20 £104,153) and £10,000 (2019-20 £10,000) for fundraising services from RBG Kew Enterprises in 2020-21.
- Employed by RBG Kew Enterprises. Includes bonus payment of £nil (2019-20 £16,178).
- Employed by RBG Kew Enterprises.
- An additional voluntary exit payment of £66,000 was made in June 2020.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by RBG Kew and thus recorded in these accounts.

Benefits in kind

Post holders do not receive any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument. For certain post holders, on-site accommodation is provided for the proper performance of the duties of the employment, or where it is customary for employees in that role to be provided with on-site living accommodation for the better performance of the duties of the employment. This is not treated as a taxable emolument.

Gender

As at 31 March 2021, the gender split of the Executive Board was five men and three women.

Median salary ratio

The median salary in the organisation in 2020–21 was £26,500 (£26,500 in 2019–20).

The ratio to the Director's remuneration of £193,426 in 2020–21 (£191,311 in 2019–20) was 7.3 (7.2 in 2019–20). Agency pay has been excluded from the median salary calculation since this pay arrangement would give rise to a distortion of the results.

The range of pay in the organisation in 2020–21 was £16,387–£193,426 (£15,429–£191,311 in 2019–20).

Pension benefits (Audited)	Accrued pension at age 60 as at 31/03/21 & related lump sum	Real increase in pension & related lump sum at age 60	CETV at 31/03/21	CETV at 31/03/20	Real increase in CETV	Employer contribution to partnership pension account
Director	£'000	£'000	£'000	£'000	£'000	£'000
Richard Deverell	-	-	-	-	-	26
Richard Barley	15 – 20	0 – 2.5	307	256	33	N/A
Sandra Botterell	-	-	-	-	-	13
Ian McKetty	10 – 15	2.5 – 5	151	110	28	N/A
Meredith Pierce-Hunter	-	-	-	-	-	10
Fern Stoner	15 – 20	2.5 – 5	212	174	22	N/A
Tony Sweeney	10 – 15	0 – 2.5	235	184	35	N/A
Andrew Williams	15 – 20	0 – 2.5	211	202	6	N/A
Alexandre Antonelli	5 – 10	2.5 – 5	71	37	22	N/A

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements.

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

Real increase in CETV

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

Civil Service pension schemes

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: three 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 ten years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between ten 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 the appointed provider – Legal & General. 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 here: civilservicepensionscheme.org.uk.

Tax arrangements of public appointees

RBG Kew has a number of staff engaged under contract and not through payroll. In line with guidance from HM Treasury, RBG Kew is required to publish information about its controls to ensure the regularity of the tax arrangements of its non-payroll appointees. The scope includes any individual who is engaged to carry out a role in the organisation, including office holders who are earning more than £245 per day and who are self-employed, supplied by an agency or other company or working through a personal service company.

Table 1: For all off-payroll engagements as of 31 March 2021, of more than £245 per day and that last for more than six months (not audited):

Number of existing engagements as of 31 March 2021	13
Of which at the time of reporting:	
Number that have existed for less than one year	10

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, assurance has been sought.

Table 2: For all off-payroll appointments engaged at any point during the year ended 31 March 2021 and earning at least £245 per day:

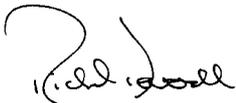
The number of appointments in force during the time period	18
Of which:	
Number determined as in scope of IR35	-
Number determined as out of scope of IR35	18
Of which:	
Number of engagements reassessed for compliance or assurance purposes during the year	-
Of which: Number of engagements that saw a change to IR35 status following review	-
Number of engagements where the status was disputed under provisions in the off-payroll legislation	-
Of which: Number of engagements that saw a change to IR35 status following review	-

Table 3: Off-payroll engagements of Board members with significant financial responsibility during the year (not audited):

Number of off-payroll engagements at board level and/or senior officials with significant financial responsibility	-
Total number of individuals that are board members and/or senior officials with significant financial responsibility	9



Dame Amelia Fawcett
 Chair of the Board of Trustees
 Royal Botanic Gardens, Kew
 8 July 2021



Richard Deverell
 Director
 Royal Botanic Gardens, Kew
 8 July 2021

Auditor's Certificate and Report

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Royal Botanic Gardens, Kew charity and group for the year ended 31 March 2021 under the National Heritage Act 1983. The financial statements comprise: the Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Royal Botanic Gardens, Kew charity and group's affairs as at 31 March 2021 and of the Royal Botanic Gardens, Kew charity and group income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Heritage Act 1983 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Royal Botanic Gardens, Kew charity and group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In auditing the financial statements, I have concluded that the Royal Botanic Gardens, Kew charity and group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Royal Botanic Gardens, Kew charity and group's ability to continue as a going concern for a period of at least twelve

months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Trustees' report, but does not include the financial statements and my auditor's certificate thereon. The Trustees and Accounting Officer are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the National Heritage Act 1983;
- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Royal Botanic Gardens, Kew charity and group and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' report,

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer

As explained more fully in the Statement of Trustees and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- internal controls as Trustees and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Royal Botanic Gardens, Kew charity and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Heritage Act 1983.

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 a certificate 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Royal Botanic Gardens, Kew charity and group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Royal Botanic Gardens, Kew charity and group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Royal Botanic Gardens, Kew charity and group's controls that had a direct effect on the financial statements, such as provisions of the UK Charities Act, pensions legislation and tax legislations; or that had a fundamental effect on the operations of the charity and group, including The National Heritage Act 1983 and the Coronavirus Act 2020,
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, property valuations regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and asset valuations;
- obtaining an understanding of Royal Botanic Gardens, Kew charity and group's framework of authority as well as other legal and regulatory frameworks that the Royal Botanic Gardens, Kew charity and group operates in, focusing on those laws and regulations that had a direct effect on the

financial statements or that had a fundamental effect on the operations of the Royal Botanic Gardens, Kew charity and group. The key laws and regulations I considered in this context The National Heritage Act 1983, Managing Public Money, Employment Law, Tax Legislation, Health and Safety legislation, and the Coronavirus Act 2020; and

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

14 July 2021

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Royal Botanic Gardens, Kew

Consolidated Statement of Financial Activities for the year ended 31 March 2021

	Notes	Unrestricted	Restricted	Endowment	2020-21 Total	Unrestricted	Restricted	Endowment	2019-20 Total
		£m	£m	£m	£m	£m	£m	£m	£m
Income from:									
Grant-in-aid	3	22.9	12.3	-	35.2	16.9	15.1	-	32.0
Grants and donations – RBG Kew	4	3.2	12.1	-	15.3	2.4	16.4	-	18.8
Charitable activities	6	13.6	5.4	-	19.0	24.1	-	-	24.1
Other trading activities	5/16	11.0	-	-	11.0	18.8	-	-	18.8
Investments		-	-	-	-	0.2	-	-	0.2
Share of associates' results	17	-	0.2	-	0.2	-	0.4	-	0.4
Total income		50.7	30.0	-	80.7	62.4	31.9	-	94.3
Expenditure on:									
Raising funds – trading	7/16	7.1	-	-	7.1	10.8	-	-	10.8
Raising funds – fundraising	7/16	3.7	-	-	3.7	4.3	-	-	4.3
Charitable activities									
Research and conservation	7	27.9	22.2	-	50.1	29.8	19.1	-	48.9
Visitor activities	7	13.6	3.2	-	16.8	19.3	2.3	-	21.6
Share of associates' results	17	-	-	-	-	-	1.2	-	1.2
Total expenditure		52.3	25.4	-	77.7	64.2	22.6	-	86.8
Net gains / (losses) on investments		1.0	-	-	1.0	(1.1)	-	-	(1.1)
Net income/ (expenditure)		(0.6)	4.6	-	4.0	(2.9)	9.3	-	6.4
Revaluation of assets		(5.9)	-	0.1	(5.8)	(9.4)	-	-	(9.4)
Net movement in funds	18	(6.5)	4.6	0.1	(1.8)	(12.3)	9.3	-	(3.0)
Reconciliation of funds:									
Total funds at 1 April	18	157.9	98.5	0.2	256.6	170.2	89.2	0.2	259.6
Total funds at 31 March	18	151.4	103.1	0.3	254.8	157.9	98.5	0.2	256.6

All activities arise from continuing operations.

All recognised gains and losses have been included in the Statement of Financial Activities. The Notes on pages 36 to 49 form part of these accounts.

Royal Botanic Gardens, Kew

Balance Sheets at 31 March 2021

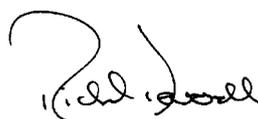
	Notes	Royal Botanic Gardens, Kew		Consolidated	
		2021	2020	2021	2020
		£m	£m	£m	£m
Fixed assets					
Intangible assets	10	1.0	-	1.0	-
Tangible assets	10	7.3	7.9	7.3	7.9
Heritage assets	11	201.7	208.9	201.7	208.9
Investments	12	6.3	5.2	18.7	17.4
		216.3	222.0	228.7	234.2
Current assets					
Stocks of goods for sale		0.4	0.4	1.3	1.3
Debtors	13	10.1	17.7	8.7	9.1
Cash at bank and in hand		31.3	23.3	35.0	27.7
		41.8	41.4	45.0	38.1
Liabilities					
Creditors: amounts falling due within one year	14	(15.7)	(18.9)	(18.6)	(15.3)
Net current assets		26.1	22.5	26.4	22.8
Total assets less current liabilities		242.4	244.5	255.1	257.0
Creditors: amounts falling due after more than one year	15	(0.3)	(0.4)	(0.3)	(0.4)
Net assets		242.1	244.1	254.8	256.6
Funds					
Unrestricted general	18	44.1	41.5	44.1	41.5
Unrestricted revaluation	18	107.3	116.4	107.3	116.4
Restricted	18	90.4	86.0	103.1	98.5
Endowment	18	0.3	0.2	0.3	0.2
		242.1	244.1	254.8	256.6

The notes on pages 36 to 49 form part of these accounts.

The financial statements were approved by the Director and Board of Trustees on 7 July 2021 and signed on their behalf by:



Dame Amelia Fawcett
Chair of the Board of Trustees
Royal Botanic Gardens, Kew
8 July 2021



Richard Deverell
Director
Royal Botanic Gardens, Kew
8 July 2021

Royal Botanic Gardens, Kew

Consolidated Cash Flow Statement for the year ended 31 March 2021

	Note	2020–21 £m	2019–20 £m
Cash flows from operating activities			
Net cash provided by operating activities	(a)	14.5	12.9
Cash flow from investing activities			
Dividends, interest and rents receivable		0.2	0.4
Purchase of property, plant and equipment		(1.7)	(3.6)
Purchase of heritage assets		(5.7)	(4.3)
Cash flow from financing activities			
Cash inflows from new borrowing		-	-
Change in cash and cash equivalents in the reporting period		7.3	5.4
Cash and cash equivalents at 1 April 2020	(b)	27.7	22.3
Cash and cash equivalents at 31 March 2021		35.0	27.7

a) Reconciliation of net income to net cash flow from operating activities

	2020–21 £m	2019–20 £m
Net income for the reporting period	4.0	6.4
Depreciation charges	4.7	4.7
(Gains)/losses on investments	(1.2)	1.9
Loss on disposal of fixed assets	3.6	1.1
Decrease / (increase) in stock	-	(0.1)
(Increase) / decrease in debtors	0.4	0.5
Increase / (decrease) in creditors	3.2	(1.2)
Dividends, interest and rents receivable	(0.2)	(0.4)
Net cash provided by operating activities	14.5	12.9

b) Analysis of cash and cash equivalents

	2020–21 £m	2019–20 £m
Cash at bank and in hand	35.0	27.7
Total cash and cash equivalents	35.0	27.7

c) Analysis of changes in net debt

	As at 1 April 2020 £m	Cash flows £m	Non-cash changes £m	As at 31 March 2021 £m
Cash and cash equivalents				
Cash at bank and in hand	27.7	7.3	-	35.0
	27.7	7.3	-	35.0
Borrowings				
Due within one year	-	-	-	-
Due after one year	(0.4)	0.1	-	(0.3)
	(0.4)	0.1	-	(0.3)
Total	27.3	7.2		34.7

Notes to the accounts year ended 31 March 2021

1. Form of accounts

As stated in the Statutory Information, these accounts have been prepared in the form directed by the Department for Environment, Food and Rural Affairs, on a going concern basis and in accordance with FRS102. Without limiting the information given, the accounts meet the accounting and disclosure requirements of applicable accounting standards so far as those requirements are appropriate and comply with the Financial Reporting Manual to the extent that they are not in conflict with the FRS102 Statement of Recommended Practice, Accounting and Reporting by Charities (SORP). Royal Botanic Gardens, Kew is a public benefit entity.

2. Accounting policies

Accounting convention

The accounts are prepared under the modified historical cost convention and fixed assets and investments are shown at their value to the business by reference to current costs.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Royal Botanic Gardens, Kew and its subsidiary RBG Kew Enterprises Limited for the year ended 31 March 2021. Consolidation has been carried out on a line-by-line basis.

The Foundation and Friends of the Royal Botanic Gardens, Kew (Foundation) and the Bentham-Moxon Trust are consolidated in the accounts as material associate undertakings as Kew has more than 20%, but not more than 50%, of voting power, based on the number of trustees on the boards of these charities who are appointed by Kew or who are employed by Kew. A share of the net assets of these charities, based on the voting power percentage of Kew staff or Trustees, is included as investments and as restricted reserves in the consolidated accounts. In the opinion of the Trustees, Kew does not have the ability to exercise control over these organisations or the net assets recognised, and the net assets could only be realised following the approval of these charities' independent Boards of Trustees and not RBG Kew's Board of Trustees.

Going concern status

The accounts have been prepared on a going concern basis. Under the National Heritage Act 1983, RBG Kew has statutory responsibilities as outlined in this report, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient government funding support will continue to be made available to fulfil this responsibility.

It is expected that the COVID-19 pandemic will continue to impact the RBG Kew group's operating activities over the next 12 months, with particular impact on visitor-related income. As detailed in the 'Statement of Trustees' and Accounting Officer's responsibilities', the Trustees have carefully reviewed RBG Kew's expected self-generated income and cashflows from operating activities and taken mitigating actions to ensure that these financial impacts are managed to further secure RBG Kew's financial sustainability over the next 12 months.

Significant judgements and estimation uncertainty

In the preparation of financial statements, RBG Kew is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of income and expenditure. These include: the useful economic lives of assets over which depreciation is calculated; estimates of income or expenditure to accrue in advance of receipt or invoice; the recoverability of debt; and the valuation and impairment of land and buildings, plant and equipment. All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events.

In relation to the valuation of land and buildings, desktop valuation exercises were carried out by professional valuers for the 2020–21 and 2019–20 year-end valuations. With regards to the 2019–20 valuations, in applying the Royal Institute of Chartered Surveyors (RICS) Red Book Global Valuation Global Standards 2020, the valuer declared a 'material valuation uncertainty' in the valuation report. This was on the basis of current and potential future uncertainties in market values caused by the impact of COVID-19. but the Trustees considered that the valuation provided was an appropriate basis on which to determine a materially fair value of relevant land and buildings at the date of reporting. No such uncertainty was declared with relation to the 2020-21 valuations.

Income

Government grants

Grant-in-aid, including capital grant, is credited to income in the year for which it is received. Grant-in-aid received for a specific purpose is treated as restricted income (capital or revenue).

Income from activities and generated funds

Income is accounted for on a receivable basis, net of VAT. Grant income is recognised when RBG Kew has met any performance or other deliverable criteria for its recognition. Where the grant is received in advance of performance its recognition is deferred and included in creditors, where entitlement occurs before the grant is received it is accrued to debtors. Member subscriptions, season tickets, corporate memberships and Patron membership are accounted for in the period when received and are not refundable if membership is cancelled.

Income is allocated to Restricted Income when it is given by the donor or grant maker for specific purposes.

Charitable activities – Income from government grants

Income from government grants represents income received through the government's Coronavirus Job Retention Scheme, which is recognised on a performance basis in line with when the related salary expenditure of furloughed staff is incurred, and in compliance with the conditions attaching to the Scheme.

Gifts in kind

Gifts in kind are valued at the estimated value to RBG Kew of the service or goods received, based on the market price of an equivalent service or goods.

Donated services

Kew also engages with unpaid volunteers to support our activities over the course of the year. Due to the absence of a reliable measurement basis, the contributions of volunteers are not included as income in the accounts. The details of the roles played by these volunteers and the nature of their contributions can be found in the section 'Volunteering statement'.

Investment income

Investment income comprises interest receivable from cash at bank and short-term deposits, income from investments held in the Churches, Charities and Local Authorities Investment Fund and income relating to investment properties. Investments also includes eight properties that are now being commercially let.

Expenditure

Expenditure is accounted for on an accruals basis and is classified under the relevant activity within the 'Statement of Financial Activities'.

Expense allocation

Costs are allocated to Research and Conservation and Visitor Activities in line with the objectives of RBG Kew as set out in the management commentary.

Indirect costs have been allocated to the headings in the 'Statement of Financial Activities' on the basis of headcount. Governance costs include the costs of strategic planning, the Annual Report and Accounts, the external audit fee and Trustees' expenses.

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to its payment that limit its recognition.

Heritage assets

The land and buildings and collections used by RBG Kew are heritage assets as defined by Financial Reporting Standard 102 (section 34) and are accounted for in accordance with this as set out below.

Land and buildings

The Board of Trustees does not hold title to the land and buildings used by RBG Kew, except for the Wellcome Trust Millennium Building and the land it is situated on, and the adjacent Havelock Farm, which was acquired in 2012–13. The remaining land and buildings are owned by the Crown at Kew Gardens and by the National Trust at Wakehurst. As required by FRS102, existing buildings and their associated land used for fundraising, administration or accommodation purposes, plus the Wellcome Trust Millennium Building, were valued and capitalised on the Balance Sheet at 31 March 2001 (Note 11). Subsequent additions are included initially at cost.

Land and buildings are revalued every five years by external professionally qualified valuers, on the basis of either open market value for existing use or depreciated replacement cost. Professional revaluations were carried out during 2001–02, 2006–07, 2011–12 and 2016–17. Up until 2018–19, in between professional revaluations, values have been updated using indices provided by the professional valuers. For the 2019–20 and 2020–21 accounts, in light of additional uncertainty arising from COVID-19 and its potential impact on land and building asset values, desktop valuation exercises have been undertaken by Kew's valuer. The results of the desktop valuations are reflected in these accounts.

With the exception of those buildings used for fundraising, administration or accommodation purposes, RBG Kew has not capitalised heritage buildings acquired before 2001–02. Under Charities SoRP this is allowable where it is considered that the cost of obtaining valuations for other existing buildings would be onerous compared to the benefit to the readers of the accounts. Expenditure on new buildings over £0.25m is capitalised.

Collections

The Board of Trustees has reviewed the costs of valuing the heritage assets by collection including, in particular, the staff time involved. It is considered that the cost of obtaining valuations for all existing collections would be onerous, because of the time it would take, compared to the benefit to the readers of the accounts. Therefore, no values have been placed on these as allowed by section 34 FRS102. New items to the collections costing more than £2,000 and acquired after 2001 are capitalised.

Collections are unlikely to depreciate and are expected to have a life in excess of 50 years, so no depreciation is provided against them. Impairment reviews of these collections are undertaken on a five-year basis and when changes in circumstances dictate.

Other fixed assets

Other fixed assets are stated at their value to the business by reference to cost less depreciation (previously at current costs). Historical costs are not disclosed as required by FRS102 as, in the view of the Accounting Officer and the Board of Trustees, this adds no information of value to the accounts.

Depreciation

Capital items costing more than £2,000 are capitalised as fixed assets. Depreciation is provided on all fixed assets, except land and collections, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Buildings: between 20 and 80 years

Gardens equipment: between 5 and 20 years

Scientific and laboratory equipment: over 10 years

Computer and photographic equipment: between 3 and 10 years

Office equipment and motor vehicles: over 5 years

A full month (or year in the case of buildings) of depreciation is charged in the month of disposal and none in the month of acquisition. The carrying value of tangible fixed assets is reviewed for impairment when events and/or changes in circumstances indicate the carrying value may not be recoverable.

Construction in progress

Internally generated assets are recognised as construction in progress, and not depreciated until the completed asset is brought into service.

Research and Development

Expenditure on research activities is written off as incurred, due to the inherent uncertainty surrounding the economic benefit resulting from the asset. Capitalisation of development costs is contingent on fulfilment of the criteria noted in FRS102 section 18.

Intangible fixed assets

When fully operational in the business, internally generated software is stated at fair value, which is depreciated replacement cost. Assets in construction are not amortised until brought into use. IT software assets are amortised over a three-year period.

Current assets and liabilities

Stock is stated at the lower of cost and net realisable value. Debtors are measured at their recoverable amounts and creditors at their settlement amounts when these can be measured or estimated reliably.

Pensions

Pension arrangements are described in Note 21 to the accounts. Pension contributions payable by RBG Kew are expensed as incurred.

Investments

Investments are stated at current market value at the Balance Sheet date. Valuations are kept up to date such that when investments are sold there is no gain or loss arising. As a result, the 'Statement of Financial Activities' only includes unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. As explained in the fixed asset accounting policy note, historical cost disclosures have not been provided.

Within Investments, RBG Kew recognises a share of the net assets of the Foundation and the Bentham-Moxon Trust as associates. RBG Kew's interest in the associate is determined by the proportion of the voting rights held by Kew of each of the charities. On recognition (and because there was no consideration involved), the interest in the associate is accounted for as a gift and recognised as a share of the associate net assets on the 'Statement of Financial Activities'. In subsequent years the carrying amount is adjusted to reflect RBG Kew's share of the net assets and the results of the associates.

Net liquid resources

Liquid resources comprise short term cash deposits. All cash is held in commercial banks and none with the Government Banking Service.

Reserves

Reserves are analysed under the headings 'Unrestricted', 'Unrestricted – designated', 'Restricted' and 'Endowment funds'.

General reserves

The Board of Trustees, with the approval of the Secretary of State for Environment, Food and Rural Affairs, may undertake certain activities the proceeds from which, together with donations and funds from other sources, including those profits of RBG Kew Enterprises Limited which have been covenanted to Kew, but excluding grant-in-aid, are taken to the General reserves. These funds may be used at the Board's discretion within the terms of section 24 of the National Heritage Act 1983.

Designated funds

These are unrestricted funds which have been set aside by the Trustees for particular purposes. The aim and use of each material fund is set out in the notes to the accounts.

Restricted funds

These are funds which have been given to Kew for specific purposes by donors. The aim and use of each material restricted fund are set out in the notes to the accounts. Kew recognises a share of the net assets of the Foundation and the Bentham-Moxon Trust as associates in line with the relevant accounting standards. These are restricted funds for which RBG Kew has no control or ability to utilise.

Endowment funds

These are capital funds where Trustees have no power to convert the capital to income. However, the income generated by these funds can be used for the purposes for which the endowment was given.

Revaluation reserve

This represents the cumulative difference between historic and current costs of fixed assets. Where this relates to unrestricted assets, it forms part of the unrestricted reserve. Where this relates to restricted assets, it forms part of the restricted reserve.

Taxation

The Royal Botanic Gardens, Kew is an exempt charity as a consequence of Schedule 5 subsection 4 of the National Heritage Act 1983. RBG Kew Enterprises Limited covenants most of its profits to the Royal Botanic Gardens, Kew and consequently only a small amount of taxation may be payable, mainly due to timing differences. The Royal Botanic Gardens, Kew and RBG Kew Enterprises Limited are group registered for VAT purposes and are able to recover part of their input VAT, and all VAT balances are processed through RBG Kew.

Leases

The Royal Botanic Gardens, Kew has no finance leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis.

3. Grant-in-aid

Grant-in-aid of £35.2m was received from Defra in 2020–21 to carry out its statutory functions as outlined in the management commentary (2019–20 £32.0m). Of this £12.3m is restricted to specific revenue and capital projects (2019–20 £15.1m).

4. Grants and donations

	Unrestricted £m	Restricted £m	2020–21 £m	2019–20 £m
Income received from Kew Foundation	-	3.1	3.1	7.7
Fundraising	3.0	4.4	7.4	6.8
Other project income	0.2	4.4	4.6	4.1
EU project income	-	0.1	0.1	0.1
Grant for maintaining Wakehurst	-	0.1	0.1	0.1
	3.2	12.1	15.3	18.8

Grants and donations income includes National Lottery Community Fund Grant income of £0.2m towards Grow Wild activity and £0.4m from the Players of People's Postcode Lottery towards research and conservation projects.

5. Other trading activities

	2020-21	2019-20
	£m	£m
Retailing	2.7	7.7
Commercial development (i)	7.0	10.7
Income from government grants (ii)	1.0	-
Corporate membership and sponsorship	0.3	0.4
	11.0	18.8

(i) Commercial development consists of concerts, events, licensing and venue hire.

(ii) Income from government grants represents income received by RBG Kew Enterprises under the Coronavirus Job Retention Scheme.

6. Income from charitable activities

Admissions	4.8	-	4.8	11.9	-	11.9
Memberships	6.8	-	6.8	7.5	-	7.5
Catering contracts	0.6	-	0.6	2.0	-	2.0
Education charges	0.2	-	0.2	0.8	-	0.8
Income from government grants	-	5.4	5.4	-	-	-
Other income from third parties	1.2	-	1.2	1.9	-	1.9
	13.6	5.4	19.0	24.1	-	24.1

Income from government grants represents income received under the government's Coronavirus Job Retention Scheme for staff furloughed in response to the COVID-19 coronavirus pandemic. Other income from third parties consists of supplies made of goods and services from, among other things, consultancies, provision of photographs, reproduction fees and identification services and rents receivable.

7. Expenditure

	Staff costs	Dep'n	Direct costs	Grant funding of activity	Support costs	Total 2020-21		Staff costs	Dep'n	Direct costs	Grant funding of activity	Support costs	Total 2019-20
	£m	£m	£m	£m	£m	£m		£m	£m	£m	£m	£m	£m
Raising funds – trading	2.8	-	4.3	-	-	7.1	Raising funds – trading	2.9	-	7.9	-	-	10.8
Raising funds – fundraising	2.8	-	0.9	-	-	3.7	Raising funds – fundraising	2.9	-	1.4	-	-	4.3
Research and Conservation	21.6	3.7	3.2	1.9	19.7	50.1	Research and Conservation	21.1	2.8	5.3	1.6	18.1	48.9
Visitor activities	7.6	1.0	2.7	-	5.5	16.8	Visitor activities	8.1	1.9	6.5	-	5.1	21.6
Support costs	8.9	-	16.3	-	(25.2)	-	Support costs	8.8	-	14.4	-	(23.2)	-
	43.7	4.7	27.4	1.9	-	77.7		43.8	4.7	35.5	1.6	-	85.6

Unrecovered VAT for the year of £0.6m has been charged against these accounts (2019-20 £0.5m). £110k (2019-20 £83k) was paid to the external auditors for audit fees. £73k (2019-20 £56k) was paid for the audit of RBG Kew, and £37k (2019-20 £27k) for the audit of RBG Kew Enterprises. No other fees were paid to the external auditors. Grant funding of activity are grants to institutions for botanic research and conservation projects.

8. Support costs

2020–21

	Staff costs	Other direct costs	Total 2020–21
	£m	£m	£m
Estates and Capital Development	2.6	10.1	12.7
IT	2.0	1.3	3.3
HR	0.9	0.3	1.2
Finance	1.3	-	1.3
Governance	0.3	0.1	0.4
Other support	1.8	4.5	6.3
	8.9	16.3	25.2

Other direct support costs include losses on disposals of fixed assets which were £3.7m in 2020–21 (2019–20: £1.1m). A single write-off of £2.9m was made in 2020–21 relating to the Climbers and Creepers indoor play facility at Kew which was demolished in the year, with the loss representing the revalued carrying value of the building in the accounts.

2019–20

	Staff costs	Other direct costs	Total 2019–20
	£m	£m	£m
Estates and Capital Development	2.6	10.6	13.2
IT	2.2	1.4	3.6
HR	1.0	0.6	1.6
Finance	1.2	0.1	1.3
Governance	0.2	0.1	0.3
Other support	1.6	1.6	3.2
	8.8	14.4	23.2

9. Staff costs and Trustees' emoluments

a) Employees with earnings above £60,000

	2020–21	2019–20 (restated*)
£60,000 – 69,999	19	15
£70,000 – 79,999	15	11
£80,000 – 89,999	3	3
£90,000 – 99,999	-	2
£100,000 – 109,999	3	2
£110,000 – 119,999	3	4
£130,000 – 139,999	2	1
£140,000 – 149,999	1	2
£190,000 – 199,999	1	1
	47	41

*Comparatives have been restated to correct data errors identified in 2019–20 accounts. The overall number of employees with earnings above £60,000 stated for 2019–20 has decreased from 45 to 41.

Details of senior staff remuneration can be found in the remuneration report.

b) Staff salaries and social security

	2020–21	2019–20
	£m	£m
Salaries	31.9	31.2
Social security costs	3.2	3.0
Pension costs	6.7	6.9
Redundancy and severance costs	1.2	0.5
Total staff costs	43.0	41.6
Agency staff costs	1.7	2.3
Capitalised salary and related costs	(1.0)	(0.1)
Net employee costs	43.7	43.8

£0.2m salary and social security costs (2019–20: £0.0m) and £0.0m pension costs (2019–20: £0.0m) have been capitalised within Non-Current Assets. There are £0.8m (2019–20: £0.1m) of agency staff costs which have also been capitalised.

c) Reporting of compensation schemes – voluntary and compulsory exit packages

	Total number of voluntary exit packages	
	2020–21	2019–20
Number of employees at:		
Less than £10,000	9	3
£10,000 to £25,000	18	2
£25,000 to £50,000	2	4
£50,000 to £100,000	3	2
Total number of exit packages	32	11
Total resource cost (£m)	0.6	0.3

During the year there were a total of 2 compulsory exit packages both in the £0–£10k bracket. During 2019–20 there were a total of 13 compulsory exit packages with 8 in the £0–£10k bracket, 4 in the £10k–£25k bracket and 1 in the £25k–£50k bracket.

d) The average monthly number of employees during the year, full time equivalents, analysed by function

	Average monthly FTE	
Function	2020–21	2019–20 (restated*)
Research and conservation	506	530
Visitor activities	147	155
Support services and Estates management	156	146
RBG Kew Enterprises Ltd – Commercial	76	92
RBG Kew Enterprises Ltd – Fundraising	55	54
Total (FTE)	940	977

The number of employees includes 14 agency staff for 2020–21 (2019–20: 13). There has been the equivalent costs of eight full-time employees capitalised within Non-Current Assets this year (2019–20: 0 employees)

*Employee numbers for 2019–20 have been restated to correct data error in the 2019–20 accounts. The total FTEs for 2019–20 has increased from 945 to 977.

e) Trustees' remuneration

Trustees do not receive any remuneration for their services. Travel and subsistence expenses of two Trustees (four in 2019–20) amounting to £1,005 (£5,037 in 2019–20) have been charged at cost as part of other direct costs.

10. Intangible and tangible assets Royal Botanic Gardens, Kew and Consolidated

	Software	Intangible assets under construction	Total intangible assets	Gardens equipment	IT equipment	Other	Total tangible assets
Valuation	£m	£m	£m	£m	£m	£m	£m
At 1 April 2020	6.5	-	6.5	5.5	3.3	10.6	19.4
Additions	-	1.0	1.0	0.1	0.1	0.5	0.7
Disposals	-	-	-	(0.1)	-	-	(0.1)
Transfers	-	-	-	-	-	-	-
At 31 March 2021	6.5	1.0	7.5	5.5	3.4	11.1	20.0
Depreciation							
At 1 April 2020	6.5	-	6.5	3.6	2.6	5.3	11.5
Charge for the year	-	-	-	0.3	0.3	0.8	1.4
Disposals	-	-	-	(0.1)	-	(0.1)	(0.2)
Transfers	-	-	-	-	-	-	-
At 31 March 2021	6.5	-	6.5	3.8	2.9	6.0	12.7
Net book value							
At 31 March 2021	0.0	1.0	1.0	1.7	0.5	5.1	7.3
At 31 March 2020	0.0	-	0.0	1.9	0.7	5.3	7.9

11. Heritage assets Royal Botanic Gardens, Kew and Consolidated

	Land	Dwellings	Buildings	Collections	Assets under construction – other	Total
Valuation	£m	£m	£m	£m	£m	£m
At 1 April 2020	45.3	13.5	147.3	0.3	2.5	208.9
Additions	-	-	-	-	5.7	5.7
Disposals	-	-	(3.8)	-	-	(3.8)
Transfers	-	-	1.2	-	(1.2)	-
Revaluation	(0.6)	(0.4)	(8.1)	-	-	(9.1)
At 31 March 2021	44.7	13.1	136.6	0.3	7.0	201.7
Depreciation						
At 1 April 2019	-	-	-	-	-	-
Charge for the year	-	0.2	3.1	-	-	3.3
Disposals	-	-	(0.2)	-	-	(0.2)
Revaluation	-	(0.2)	(2.9)	-	-	(3.1)
At 31 March 2021	-	-	-	-	-	-
Net book value						
At 31 March 2021	44.7	13.1	136.6	0.3	7.0	201.7
At 31 March 2020	45.3	13.5	147.3	0.3	2.5	208.9

The valuations of the land and buildings were carried out by Montagu Evans in March 2017. The assets were valued at 31 March 2017 using Open Market Value on an Existing Use basis or, if no market exists for a property, which may be rarely sold or is a specialised asset, then the depreciated replacement cost approach was used. Valuations were prepared in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The land was valued at £43.9m and the buildings at £109m. For the 2019–20 and 2020–21 accounts, desktop valuations were undertaken by Powis Hughes (for the Temperate House) and Montagu Evans (all other land and buildings) and asset values updated according to this valuation. In 2019–20 the valuers declared a 'material valuation uncertainty' in these valuations due to COVID-19 (see Note 2 'Significant judgements and estimation uncertainty'), but no material uncertainty has been declared in relation to the 2020–21 valuations. All heritage asset categories have been revalued, with the exception of Collections.

11. Heritage assets (continued)

As explained in Note 2, existing buildings at 31 March 2001 that are not used for fundraising, administration or accommodation purposes have not been capitalised, and RBG Kew's collections have not been capitalised, as allowed by section 34 FRS102. The Kew Gardens site of 132 hectares is a Grade I historic landscape and a World Heritage Site. The Wakehurst site of 202 hectares is in an Area of Outstanding Natural Beauty. RBG Kew manages over 280 buildings on the Kew Gardens and Wakehurst sites. Five of these are Grade I listed – the Orangery, Pagoda, Palm House, Temperate House and Wakehurst Mansion – and there are 37 Grade II listed buildings. The age of the buildings ranges from the 19th century through to the 21st century. RBG Kew occupies Crown land and buildings and does not currently have express obligations to undertake, and hence provide for, ongoing or accumulated maintenance for that land and buildings. Maintenance is undertaken and paid for in cooperation with Defra. RBG Kew has a ten-year Forward Maintenance Programme for its estate. Funds available for maintenance are prioritised by the Executive Board to the most urgent needs.

In 2020–21 £1.2m of estates capital work in progress was transferred to heritage building assets (2019–20 £10.9m).

All new land and buildings above the capitalisation threshold have been included in the Balance Sheet since April 2001 and transactions over the last five years are summarised below (this excludes Collections held as Heritage Assets).

	2016–17	2017–18	2018–19	2019–20	2020–21
	£m	£m	£m	£m	£m
Valuation					
At 1 April	202.9	177.9	204.4	222.4	208.6
Cost of additions funded by government grants	4.9	6.1	8.1	3.5	2.1
Cost of additions funded by other sources	7.6	11.9	3.3	0.8	3.6
Disposals transfers	-	-	(0.3)	(1.1)	(3.8)
Revaluations	(34.6)	8.5	8.8	(17.0)	(9.1)
Transfers	(2.9)	-	(1.9)	-	-
At 31 March	177.9	204.4	222.4	208.6	201.4

RBG Kew manages its collections as national reference collections as required by the National Heritage Act 1984. There are 19 separate collections recognised, but they combine into six main areas as follows:

1. Herbarium Collections: these consist of herbarium specimens (dried pressed specimens), spirit preserved specimens and mycological specimens.
2. Economic Botany Collection: items and artefacts that demonstrate the use of plants.
3. Library, Art and Archives Collections: these include books, periodicals, pamphlets, prints and drawings, objects d'art, handwritten material and photographs relating to the history of Kew.
4. Living Collections: all plants cultivated at Kew Gardens and Wakehurst.

5. Seed Collection: all the living seeds collected as part of the project and stored in the Millennium Seed Bank building at Wakehurst, and the reference seed collections.
6. Microscope Slide Collection: slides relating to plant anatomy, palynology, cytogenetics and mycology.

There is extensive information about Kew's collections available on the internet at kew.org/science/collections-and-resources. A brief summary for each of the main areas follows:

- The Herbarium Collections total approximately 7 million specimens. They are actively managed by the scientists at Kew and are added to each year from collecting expeditions by Kew staff and other institutions.
- The Economic Botany Collection is fully catalogued and consists of approximately 100,000 items added to annually with items from all around the world. The entire collection is available for inspection and there is also a display of items for the general public in The Botanical restaurant in Kew Gardens.
- The Library, Art and Archives Collections consist of over 8 million items, of which 7 million are archive sheets, and together they represent one of the most important botanical reference sources in the world. The Library Reading Room is open to the public and parts of the art collection are on show to the public in changing displays in the Shirley Sherwood Gallery of Botanical Art and the permanent display in the Marianne North Gallery.
- The Herbarium, Economic Botany and Library and Archives collections are being made available via ongoing digitisation projects to wider audiences and are accessible through the internet.
- The Living Collections are fully catalogued and managed by the horticulturists at Kew Gardens and Wakehurst. They provide a reference source for all botanical and horticultural science within Kew, with over 68,000 accessions representing over 27,000 taxa.
- Kew's Millennium Seed Bank at Wakehurst is the result of one of Kew's most successful projects and holds Kew's Seed Collection of over 96,000 samples representing 349 families and nearly 40,000 species, made up of 2.4 billion seeds.
- The Microscope Slide Collection totals about 150,000 items, prepared by Kew's scientists as part of their research leading to publications and as part of their identification work, including advisory work for UK Customs.

All of Kew's collections are actively managed and used for research purposes. The numbers of additions in the last four years are as follows:

	2017–18	2018–19	2019–20	2020–21
Herbarium Collections	25,541	25,139	22,513	4,231
Economic Botany Collection	411	761	738	30
Library, Art and Archives Collections	18,408	8,733	9,926	3,765
Living Collections	153	267	1,426	609
Seed Collection	4,654	5,378	3,434	927
Microscope Slide Collections	2,092	471	263	0

Accessions to the collections in 2020–21 were significantly impacted by the COVID-19 pandemic.

The majority of Kew's collections are held indefinitely and care for to maintain their quality and to make them available for research and to the public as appropriate. In relation to the Living Collections, Kew's disposal procedures detail the factors to be considered including the conservation rating of the plant and if it is in cultivation in other botanic gardens.

12. Investments

	Royal Botanic Gardens, Kew		Consolidated	
	2021	2020	2021	2020
	£m	£m	£m	£m
Valuation at 1 April	0.8	0.7	0.5	0.4
Investment properties	4.5	5.6	4.5	5.6
Revaluation of investment properties	1.0	(1.1)	1.0	(1.1)
Share of net assets of associate – Bentham-Moxon Trust	-	-	3.2	3.0
Share of net assets of associate – Foundation	-	-	9.5	9.5
	6.3	5.2	18.7	17.4

Investments includes eight properties that are now being commercially let. Five of these were previously capitalised as heritage assets, with three reclassified to investment properties with an NBV of £2.2m in the 2016–17 financial year and two reclassified to investment properties in 2018–19 with an NBV of £1.9m. The properties have been revalued by Kew's professional valuers. In the 2020–21 financial year an additional three heritage buildings not previously capitalised have been added to the investment property portfolio as these have been renovated and are now commercially let. The properties are included at a March 2021 valuation undertaken by Kew's professional valuers.

Investments at 31 March are analysed as follows:

	Royal Botanic Gardens, Kew		Consolidated	
	2021	2020	2021	2020
	£m	£m	£m	£m
RBG Kew Enterprises Ltd	0.3	0.3	-	-
CCLA Investment Fund	0.5	0.4	0.5	0.4
Investment properties	5.5	4.5	5.5	4.5
Share of net assets of associates	-	-	12.7	12.5
	6.3	5.2	18.7	17.4

13. Debtors

	Royal Botanic Gardens, Kew		Consolidated	
	2021	2020	2021	2020
	£m	£m	£m	£m
Trade debtors	0.3	0.6	0.8	1.1
Prepayments and accrued income	3.7	3.0	4.9	4.4
Owed by subsidiary	3.1	10.6	-	-
Owed by the Foundation	1.7	2.4	1.7	2.4
VAT (HMRC)	1.3	1.1	1.3	1.1
Other	-	-	-	0.1
Total debtors	10.1	17.7	8.7	9.1

	Royal Botanic Gardens, Kew		Consolidated	
	2021	2020	2021	2020
Intra-government bodies:				
Balances with central govt. bodies	2.9	2.4	2.9	2.7
Balances with local authorities	-	-	-	-
Balances with public corporations	-	-	-	-
Balances with bodies external to government	7.2	15.3	5.8	6.9
Total debtors	10.1	17.7	8.7	9.6

14. Creditors: Amounts falling due within one year

	Royal Botanic Gardens, Kew		Consolidated	
	2021	2020	2021	2020
	£m	£m	£m	£m
Trade creditors	0.3	1.3	0.5	1.4
Accruals & deferred income	11.9	9.5	15.0	11.2
Owed to subsidiary	0.6	5.7	-	-
Other	1.6	1.1	1.8	1.4
Tax & NI	0.7	0.7	0.7	0.7
Pension	0.6	0.6	0.6	0.6
Total creditors	15.7	18.9	18.6	15.3

Intra-government bodies:

Balances with central govt. bodies	-	1.3	-	1.3
Balances with local authorities	-	-	-	-
Balances with public corporations	-	-	-	-
Balances with bodies external to government	15.7	17.6	18.6	14.0
Total creditors	15.7	18.9	18.6	15.3

Deferred income relates to income where the activity being funded has not taken place by 31 March in any year and the performance conditions are not yet met. At 31 March 2020 deferred income was £2.8m. During 2020–21 £9.8m was deferred in the year and £7.0m released. At 31 March 2021 deferred income was £5.6m.

Creditors includes provisions of £1.5m (2019-20: £0.9m) primarily relating to potential exit costs for qualifying staff on fixed term contracts should redeployment not be possible at the end of the contract.

15. Creditors: Amounts falling due after more than one year

	Royal Botanic Gardens, Kew		Consolidated	
	2021	2020	2021	2020
	£m	£m	£m	£m
Loan	0.3	0.4	0.3	0.4
Total creditors	0.3	0.4	0.3	0.4

Intra-government bodies:

Balances with central govt. bodies	0.3	0.4	0.3	0.4
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In 2015-16 RBG Kew borrowed £0.5m from Defra as part of the government voted loan scheme to refurbish two of its residential properties for commercial letting. The interest rate is the National Loans Fund interest rate and was fixed at 1.78%. The loan will be repaid over 12 years from the rental income generated with instalments repaid annually.

16. Trading subsidiary

The subsidiary undertaking is as follows:

Name RBG Kew Enterprises Limited

Registered in England & Wales Company Number 2798886

Registered address Royal Botanic Gardens, Kew, Richmond TW9 3AB

Activity Retailing, commercial development, authentication services and

providing fundraising services

to RBG Kew and the Foundation and Friends of the Royal Botanic Gardens,

Kew.

Proportion of shares held Ordinary and Redeemable shares 100%

A summary of the results of the subsidiary is shown below.

All values are at historic costs.

	2020-21 £m	2019-20 £m
Activities for generating funds – trading	10.7	18.4
Activities for generating funds – fundraising	0.3	0.4
Costs of generating funds – trading	(7.1)	(10.8)
Costs of generating funds – fundraising	(3.7)	(4.3)
Net surplus	0.2	3.7
Add back consolidation adjustments (intercompany expenditure / income)	2.4	3.2
Net surplus excluding adjustments	2.6	6.9
Gift Aid payable to Kew	(2.6)	(6.9)
Retained in the subsidiary	-	-
Balance sheet		
Current assets	6.9	11.1
Current liabilities	(6.6)	(10.8)
	0.3	0.3
Share capital and reserves	0.3	0.3

17. Share of associates

	Bentham-Moxon Trust	Foundation	2020-21 Total £m	Bentham-Moxon Trust	Foundation	2019-20 Total £m
At 1 April	3.0	9.5	12.5	2.6	10.7	13.3
Share of associates' results – surplus	0.2	-	0.2	0.4	-	0.4
Share of associates' results – deficit	-	-	-	-	(1.2)	(1.2)
At 31 March	3.2	9.5	12.7	3.0	9.5	12.5

RBG Kew recognises a share of the net assets of Bentham-Moxon Trust and the Foundation based on the percentage of voting rights of these charities' boards of trustees held by Kew Trustees or Kew staff. For the Bentham Moxon Trust the percentage at the year-ended 31 March 2021 was 50% (2020: 50%). For the Foundation the percentage at the year-ended 31 March 2021 was 40% (2020: 40%).

The Foundation has a year end of 31 March and net assets are included as at 31 March 2021. The share of the Foundation's results included in the accounts is £nil reflecting a balanced operating result recorded by the Foundation for the year.

The Bentham-Moxon Trust has a year end of 31 December, and a share of net assets as at 31 December 2020 and 31 December 2019 are consolidated in these accounts, the difference to 31 March 2020 and 31 March 2021 being considered immaterial.

Kew does not have control of these entities or the net assets recognised, and the net assets could only be realised following the approval of the independent Boards of Trustees and not RBG Kew's Board of Trustees.

RBG Kew's share of the income and expenditure of each associate based on the above percentages is as follows:

Bentham-Moxon Trust	2020-21 £m	2019-20 £m	Kew Foundation	2020-21 £m	2019-20 £m
Investment income	0.1	0.1	Donations and legacy income	0.7	2.1
Botanical grants and research expenses	(0.0)	(0.1)	Investment income	0.1	0.1
Net gains / (losses) on investments	0.1	0.4	Expenditure on raising funds	(0.1)	(0.1)
Net expenditure	0.2	0.4	Charitable expenditure	(1.3)	(3.1)
			Net gains / (losses) on investments	0.6	(0.2)
			Net expenditure	-	(1.2)

18. Statement of funds: Consolidated

2020-21

	At 1 April 2020	Income	Expenditure	Revaluation	Transfers	At 31 March 2021
	£m	£m	£m	£m	£m	£m
Unrestricted						
General – other	6.5	48.2	(46.3)	-	(1.9)	6.5
General–capital	29.4	2.5	(1.8)	-	-	30.1
Capital Revaluation Reserve	112.3	-	(4.2)	(5.9)	-	102.2
Investment properties	4.1	-	-	1.0	-	5.1
Unrestricted – designated						
Future capital and projects	5.6	-	-	-	1.9	7.5
Total Unrestricted	157.9	50.7	(52.3)	(4.9)	-	151.4
Restricted						
General–capital	75.3	4.9	(2.5)	-	-	77.7
Donations	1.1	-	-	-	-	1.1
National Lottery Community Fund	0.3	0.2	(0.2)	-	-	0.3
Projects	9.3	24.7	(22.7)	-	-	11.3
Share of associates	12.5	0.2	-	-	-	12.7
Total Restricted	98.5	30.0	(25.4)	-	-	103.1
Endowment						
Scott-Marshall	0.2	-	-	0.1	-	0.3
Robin Spare Book Fund	0.0	-	-	-	-	0.0
Total Endowment	0.2	-	-	-	-	0.3
Total Reserves	256.6	80.7	(77.7)	(4.8)	-	254.8

2019-20

	At 1 April 2019	Income	Expenditure	Revaluation	Transfers	At 31 March 2020
	£m	£m	£m	£m	£m	£m
Unrestricted						
General – other	6.3	61.3	(60.1)	-	(1.0)	6.5
General – capital	30.6	1.1	(2.3)	-	-	29.4
Capital Revaluation Reserve	123.1	-	(1.4)	(9.4)	-	112.3
Investment properties	5.2	-	-	(1.1)	-	4.1
Unrestricted – designated						
Future capital and projects	5.0	-	(0.4)	-	1.0	5.6
Total Unrestricted	170.2	62.4	(64.2)	(10.5)	-	157.9
Restricted						
General – capital	70.4	6.9	(2.0)	-	-	75.3
Donations	1.1	-	-	-	-	1.1
National Lottery Community Fund	0.1	1.2	(1.0)	-	-	0.3
Projects	4.3	23.4	(18.4)	-	-	9.3
Share of associates	13.3	0.4	(1.2)	-	-	12.5
Total Restricted	89.2	31.9	(22.6)	-	-	98.5
Endowment						
Scott-Marshall	0.2	-	-	-	-	0.2
Robin Spare Book Fund	0.0	-	-	-	-	0.0
Total Endowment	0.2	-	-	-	-	0.2
Total Reserves	259.6	94.3	(86.8)	(10.5)	-	256.6

Unrestricted Funds – General Capital/Investment properties

The addition to unrestricted capital funds reflects unrestricted funds used for capital expenditure. Expenditure reflects the depreciation of those assets and any loss on disposal for the year.

Investment properties includes eight properties that are commercially let. Five properties had been previously capitalised as heritage assets. The reserve includes the revaluation of these properties.

Unrestricted – Designated Funds – future capital and projects

This consists of funds designated for future expenditure on capital and other projects as approved by the Board of Trustees. Transfers of £1.9m from unrestricted funds are for capital projects including the Family Kitchen & Shop project.

Restricted Funds

The addition to restricted capital funds reflects restricted grants received during the year for capital expenditure. Expenditure reflects the depreciation of those assets and any loss on disposal for the year.

The donations fund represents money given mainly by members of the public for specific purposes ranging from the purchase of books for the Library to money to support different parts of the gardens. There are seven different accounts within donations (2019-20: seven).

Projects are where RBG Kew receives money from third parties to fund various activities such as specific areas of research, developments in the gardens, restoration of buildings etc., much of this money coming via the Foundation division. There were over 150 such projects this year. The National Lottery Community Fund grant is received towards Grow Wild activity.

The share of net assets of the associates, Bentham-Moxon Trust and Foundation are disclosed in Note 17 and are based on the proportion of voting power which Kew has in each charity. Kew does not have control of these entities or the net assets recognised, and the net assets could only be realised following the approval of the independent boards of trustees and not RBG Kew's Board of Trustees.

Endowment Funds

The income from the Scott-Marshall endowment is to be used to provide travel scholarships for horticultural staff at RBG Kew.

19. Analysis of net assets between funds

	2020-21			
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
General – other	14.0	12.7	0.3	27.0
General – capital	30.1	77.7	-	107.8
Revaluation reserve	107.3	-	-	107.3
Share of net assets of associates	-	12.7	-	12.7
	151.4	103.1	0.3	254.8

	2019-20			
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
General – other	12.1	10.7	0.2	23.0
General – capital	29.4	75.3	-	104.7
Revaluation reserve	116.4	-	-	116.4
Share of net assets of associates	-	12.5	-	12.5
	157.9	98.5	0.2	256.6

20. Analysis of funds

	2020-21			
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
Reserves balances at 31 March are represented by:				
Fixed assets	132.3	77.7	-	210.0
Investments	5.5	12.9	0.3	18.7
Current assets	30.3	14.7	-	45.0
Creditors – less than 1 year	(16.7)	(1.9)	-	(18.6)
Creditors – more than 1 year	-	(0.3)	-	(0.3)
	151.4	103.1	0.3	254.8

	2019-20			
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
Reserves balances at 31 March are represented by:				
Fixed assets	141.5	75.3	-	216.8
Investments	4.5	12.7	0.2	17.4
Current assets	23.9	14.2	-	38.1
Creditors	(12.0)	(3.7)	-	(15.7)
	157.9	98.5	0.2	256.6

21. Pension costs

The majority of staff of RBG Kew are members of the Principal Civil Service Pension Scheme (PCSPS). The Principal Civil Service Pension Scheme (PCSPS) – known as ‘alpha’ – is an unfunded multi-employer defined benefit scheme, but RBG Kew 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.

For 2020–21, employers’ contributions of £5.9m were payable to the PCSPS (2019–20 £6.4m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020–21 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 £0.1m (2019–20 £0.1m) were paid to one 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.

From 1 October 2019 the majority of RBG Kew’s new entrants are enrolled in a new defined contribution scheme. It made pension contributions of £0.3m (2019: £0.1m) and 231 staff were members of this scheme at 31 March 2021 (2020: 98).

RBG Kew Enterprises Ltd operates a Group Personal Pension Plan for its employees, which is a defined contribution scheme. It made pension contributions of £0.4m to this scheme during the year (£0.4m in 2019–20). 179 staff were members of the defined contribution scheme at 31 March 2021.

22. Commitments

At 31 March 2021 there were major financial commitments in relation to capital development expenditure of £4.5m. The amount payable within one year is £4.5m (£0.5m in 2019–20).

23. Connected charities and other related party transactions

RBG Kew has dealings with the Department for Environment, Food and Rural Affairs (Defra) and its sponsored bodies, and other government departments and their sponsored bodies, and receives grant-in-aid from Defra.

Connected charities

RBG Kew recognises in its accounts its share of the net assets of material associates. As stated in the statutory information, the purpose of the Foundation and Friends of RBG Kew is to provide support for RBG Kew.

Fundraising services are provided by RBG Kew Enterprises primarily to RBG Kew but also to the Foundation. To support its activities, RBG Kew Enterprises has two divisions – Commercial and Foundation. All fundraising costs (pay and other costs) are incurred by RBG Kew Enterprises – Foundation division, and the majority are recharged to either RBG Kew or Foundation at cost in line with the relevant service level agreements.

The Foundation’s activities are limited to legacy fundraising, the management of investments, and any grants which started pre-July 2017. RBG Kew Enterprises provides legacy fundraising services and services to support the management of grants and investments to the Foundation. RBG Kew provides back-office support services to the Foundation including finance services.

The Foundation made grants to RBG Kew in the year totalling £3.1m (£7.7m in 2019–20).

RBG Kew Enterprises made charges for fundraising services to the Foundation totalling £0.2m (2019–20: £0.2m); RBG Kew made charges for back-office support services to the Foundation totalling £0.05m (£0.03m in 2019–20).

There are a maximum of six Trustees on the Foundation Board; two Trustees can be appointed by RBG Kew, four Trustees are independent. At 31 March 2021 Nick Baird was a Trustee for both organisations. Ian Karet served as a Trustee for both organisations until his resignation from the Foundation Board in February 2021. In addition, there were three independent Trustees. No control of the Foundation by RBG Kew is indicated at 31 March 2021.

The Bentham-Moxon Trust is a separate registered charity (registration no. 305966) which provides financial support for botanical collections and research and publications that further the work of Kew. Three members of staff are Trustees (Colin Clubbe, Tim Utteridge and Diane Scott) along with three external Trustees. The Trust makes annual grants to Kew and can make grants to non-related parties and organisations.

Whilst Kew does not control either the Foundation or the Bentham-Moxon Trust, both entities are considered material associates based on the number of Trustees Kew is able to appoint which is greater than 20% but not more than 50%. As a result, a share of net assets of both entities are included in the accounts as restricted assets. However, Kew does not have control of these entities or the net assets recognised, and the net assets could only be realised following the approval of the independent Boards of Trustees and not Kew’s Board of Trustees.

During the year RBG Kew received £0.1m (£0.1m in 2019–20) from the Bentham-Moxon Trust.

In addition to the material associates, there are a number of other charitable organisations with which RBG Kew has a relationship. The Kew Asia Foundation Limited was incorporated on 4 March 2015 in Hong Kong to support and promote education, scientific research in the science of plants and related subjects through horticultural collaboration between the community of Hong Kong, and RBG Kew by inspiring and delivering science-based plant conservation worldwide. The Kew Asia Foundation is currently dormant and is in the process of being dissolved. RBG Kew also has the right to appoint three Trustees to the Castle Howard Arboretum Trust and one Trustee to the Marks Hall Estate. The Kew Foundation America and The Joseph Banks Society, which were registered 501(c) (3) not-for-profit corporations in the United States were dissolved in 2020.

Other related party transactions

During the year RBG Kew had the following transactions in which there was a related interest:

Dame Amelia Fawcett, Chair of the Trustees, is also on the Board of Governors for the Wellcome Trust. In 2020–21 expenditure incurred was £0 (2019–20 £2,000) and income received was £0 (2019–20 £46,000).

Nick Baird, Trustee, is also Group Corporate Affairs Director at Centrica. In 2020–21 expenditure incurred with Centrica was £56,000 (2019–20 £51,000) and income received was £0 (2019–20 £0).

Judith Batchelar, Trustee, is also a Non-Executive Director for the Environment Agency. In 2020–21 expenditure incurred was £12,000 (2019–20 £13,000) and income received was £0 (2019–20 £0). Judith Batchelar is also a Council Member for the Natural Environment Research Council. In 2020–21 expenditure incurred was £0 (2019–20 £0) and income received was £16,000 (2019–20 £15,000)

Catherine Dugmore and Professor Sue Hartley, Trustees, are both Board Members of Natural England. In 2020–21 expenditure incurred with Natural England was £0 (2019–20 £0) and income received was £65,000 (2019–20 £65,000).

Valerie Gooding, Trustee, was also a Non-Executive Director of Vodafone PLC during the year. In 2020–21 expenditure incurred with Vodafone was £76,000 (2019–20 £30,000) and income received was £0 (2019–20 £0).

Professor Liam Dolan, Trustee, is Professor at the University of Oxford. In 2020–21 expenditure incurred with University of Oxford was £12,000 (2019–20 £0) and income received was £360 (2019–20 £300). Professor Liam Dolan is also a Trustee for New Phytologist Trust. In 2020–21 expenditure incurred with New Phytology Trust was £0 (2019–20 £0) and income received was £1,000 (2019–20 £0). Professor Liam Dolan is also a Plant Science Advisor for Gatsby Charitable Trust. In 2020–21 expenditure incurred with Gatsby Charitable Trust was £0 (2019–20 £0) and income received was £3,000 (2019–20 £0).

Chris Gilligan, Trustee, is Director of Research at University of Cambridge. In 2020–21 expenditure incurred was £1,000 (2019–20 £500) and income received was £0 (2019–20 £0).

Enquiries about the Trustees' Register of Interests should be sent to the Head of Governance & Director's Office, Royal Botanic Gardens, Kew, Richmond, TW9 3AE.

24. Financial instruments

As the cash requirements of RBG Kew are met largely through grant-in-aid received from Defra, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. Kew has no complex financial instruments and the risk of exposure to credit, liquidity or market risk is minimal.

25. Events after the reporting date

These financial statements were authorised by the Accounting Officer for issue on the same date as they were certified by the Comptroller and Auditor General.

26. Losses and special payments

Losses and special payments during the year totalled £0.0m (2019–20 £0.2m). This covers bad debt provisions and stock losses.

Annex

Royal Botanic Gardens, Kew five-year financial summary

Statement of Financial Activities

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Income					
Grant-in-aid	33.0	40.8	36.3	32.0	35.2
Grants and donations – RBG Kew	23.2	31.2	19.5	18.8	15.3
Grants and donations – Gain/(loss) from increased/(decreased) share of net assets of associates	0.5	11.0	-	-	-
Income from activities	21.7	28.4	37.1	42.9	30.0
Investment income	0.0	0.1	0.1	0.2	-
Share of associates' results	0.2	0.2	-	0.4	0.2
Total income	78.6	111.7	93.0	94.3	80.7
Expenditure					
Charitable expenditure	59.6	70.5	66.9	70.5	66.9
Raising funds – trading / fundraising	7.0	10.9	12.8	15.1	10.8
Share of associates' results	-	-	0.4	1.2	-
Total expenditure	66.6	81.4	80.1	86.8	77.7
Net income	12.0	30.3	12.9	7.5	3.0
Revaluation of fixed assets	6.6	8.0	8.9	(10.5)	(4.8)
Net movement in funds	18.6	38.3	21.8	(3.0)	(1.8)
Funds at 1 April	180.9	199.5	237.8	259.6	256.6
Funds at 31 March	199.5	237.8	259.6	256.6	254.8

Summary Balance Sheet

At 31 March	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m
Fixed assets	192.6	227.0	243.4	234.2	228.7
Current assets	20.5	29.3	33.1	38.1	45.0
Creditors	(13.6)	(18.5)	(16.9)	(15.7)	(18.9)
Total assets less liabilities	199.5	237.8	259.6	256.6	254.8
Unrestricted	153.6	161.0	170.2	157.9	151.4
Restricted	45.7	76.6	89.2	98.5	103.1
Endowment	0.2	0.2	0.2	0.2	0.3
Total funds	199.5	237.8	259.6	256.6	254.8

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