

Annual Report and Consolidated Financial Statements

For the year ended 31 January 2023



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Trees in Wisley's Orchard have been underplanted with wildflowers to boost biodiversity

Front cover: Sharing the joys of plants with children encourages the gardeners of the future

* These sections form part of the Trustees' Annual Report

Patron, Presidents and Trustees of the RHS

Patron

HM The Queen

Presidents Emeritus

Sir Nicholas Bacon Bt KCVO OBE DL

Mrs Elizabeth Banks CBE DL CMLI

Sir Richard Carew Pole Bt OBE VMH DL

Mr Giles Coode-Adams OBE VMH DL

Mr Robin Herbert CBE VMH

Council

Mr Keith Weed CBE

(re-elected as President 14 June 2022)

Mr Matthew Lindsey-Clark

(re-elected as Treasurer 14 June 2022)

Professor Mick Crawley FRS

Mr Nick Dunn VMH

Ms Sarah Eberle

Ms Tazim Essani (elected 14 June 2022)

Mr Wesley Kerr OBE

Mr Tony Kirkham MBE VMH (elected 14 June 2022)

Baroness Kate Lampard CBE

Mr Neil Lucas (retired 14 June 2022)

Ms Pamela Maynard

Ms Lorna Parker

Mr Mark Porter (retired 14 June 2022)

Dr David Rae OBE FRSE

Mr Darren Share MBE (elected 14 June 2022)

Professor Nicola Spence CBE

Lady Xa Tollemache

Ms Janet Walker

Mr Jon Wheatley (retired 14 June 2022)

Ms Ruth Willmott



Watercolour on board of *Watsonia rosea* (*W. borbonica* subsp. *borbonica*) initialled HP, from album *South African Flora*, p13, 19th century

Principal office of the Royal Horticultural Society,
80 Vincent Square, London SW1P 2PE
rhs.org.uk

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Looking back

RHS President Keith Weed celebrates our achievements in horticulture, sustainability and community over the past year, and reflects on the dedication of our Patron, Her Majesty Queen Elizabeth II



The past year brought growth to the RHS in more ways than one. Our new Director General Clare Matterson joined us with a wealth of expertise as former Director of Strategy at the Wellcome Trust and Executive Director of Engagement at the Natural History Museum. Clare has already started to make her mark on the RHS and her ambitious plans for the upcoming year will step up the Society's work to encourage more people to enjoy gardening. We are delighted that our community of members now totals more than 625,000 as we continue to engage gardeners in Britain and beyond through our publications, podcast, shows, gardens and more. In May, we celebrated the first anniversary of our newest garden, RHS Garden Bridgewater, and I couldn't be prouder of what the team of dedicated staff and volunteers has achieved.

The invaluable impact of RHS Bridgewater on the Salford community, through job opportunities and free entry for local residents on Tuesdays, reflects our dedication to creating happier communities through the power of plants and gardening. Our Community Grant helped create four new gardens in each of the Home Nations, providing green spaces that bring people together. RHS Britain in Bloom celebrated community gardening again, after a two-year hiatus, recognising groups who make a real difference in their local areas by bringing people together to garden. The 46 finalists included first-time entrant Irthington in Bloom in Carlisle, which transformed an abandoned school garden into an edibles garden for locals to grow and share fruit and vegetables. The winner, Amersham in Buckinghamshire, saw a 30% increase in wildlife areas through its dedication to wildlife gardening. In 2022 the strengthened environmental criteria resulted in many similar initiatives, proving the power of gardening to help tackle the impacts of the climate crisis.

We continue to do our part for the planet as we work towards our RHS sustainability goals. With our new Peat-Free Postdoctoral Fellow Dr Raghavendra Prasad on board, we launched our £1 million peat-free project to research alternatives to the use of commercial peat. Likewise we appointed our first Senior Ecologist, Gemma Golding, to lead ecological surveys across all five RHS Gardens to establish baseline data on wildlife and research how to increase biodiversity in gardens across the country. The knowledge arising from these projects will empower gardeners to pick up their tools to help support wildlife and the environment.

While we celebrate the past year's many achievements, we are deeply saddened by the great loss of our Patron, Her Majesty Queen Elizabeth II. Her Majesty became Patron of the Society on accession to the throne in 1952 and visited the RHS Chelsea Flower Show more than 50 times during her reign. Last year's show was one of the Queen's final public appearances and I was fortunate to spend time with her on the day. It was evident just how much pleasure she took in plants and knew the importance of horticulture. We are thankful to have celebrated Her Majesty's Platinum Jubilee at the show through bespoke portraits, a photography exhibition and British flowers. The Queen also signed her third Royal Signature on botanical art to commemorate the Jubilee. Her long-standing dedication to the RHS played a significant role in focusing the world's attention on what we do. The RHS truly feels the loss of the great source of strength that came from the Queen.

Thank you for your continued support that allows us to keep inspiring everyone to garden. We wish you another happy year of gardening.



Her Majesty Queen Elizabeth II's visit to the Chelsea Flower Show 2022 was one of her final public appearances

Staff and volunteers at RHS Garden Bridgewater helped make the first year hugely successful



A handwritten signature in black ink, reading 'Keith Weed'.

Keith Weed CBE,
RHS President

Looking ahead

Clare Matterson, RHS Director General, looks forward to a year in which the Society encourages yet more people to discover the joys of gardening



I've had a wonderful first year at the RHS, meeting many different people and learning about its incredible work to enrich everyone's life through gardening. None of this could be achieved without the dedication and support from our hard-working team of staff and volunteers. We're launching a new RHS strategy, setting out our priorities for the next seven years. Consulting widely with colleagues, Trustees, numerous supporters and friends of the RHS, we're finding people feel strongly that gardening plays a fundamental part in improving our physical, mental and social health, as well as a vital role in sustaining wildlife and nature.

In response to the biodiversity crisis and climate change, we're continuing to lead and collaborate on scientific research to advise gardeners about adapting to weather extremes and improving our environment. We'll share updates on projects looking at which species are best for improving air quality, slowing rainwater flow, providing shelter for wildlife and aiding urban cooling as well as our five-year project assessing peat-free growing alternatives.

A Plants for Purpose research project launching later this year will create a plant search tool for gardeners and horticulturists to choose the best garden plants for drought, pollution, high rainfall and other needs.

Sharing our scientific and horticultural knowledge to catalyse sustainable gardening practices remains a key focus. Over the past year, information gathering and audits have helped us understand our environmental impact as an organisation. Some of this year's priorities centre around creating a detailed plan for reducing our carbon footprint, from renewable energy generation and low-carbon heating solutions to sustainable travel to our gardens and the management of our shows.

We're introducing regular ecological surveys of the many habitats and species found within RHS gardens, including threatened species such as the hazel dormouse at Rosemoor, and we'll share findings from research projects investigating how gardening practices can impact wildlife.

Our New Shoots initiative, to increase the number and diversity of people choosing horticulture as a career, gets under way this year, initially with pilot projects at Wisley and Bridgewater. The aim is to help under-represented groups access opportunities in horticulture as well as to tackle the skills shortage within the industry.

We're encouraging more young people to discover the joys of gardening. The RHS Chelsea Flower Show is hosting a Children's Picnic, giving 100 schoolchildren the chance to experience the show and be inspired by plants. With the Natural History Museum and other partners, we're developing the National Education Nature Park, empowering and supporting educators and children to improve biodiversity in their school grounds.

Plenty is happening at RHS Gardens, too, such as opening the historic Old Laboratory at Wisley, developing the Harrogate Arms building and landscape at Harlow Carr, and an arboretum for Bridgewater.

The uncertain economic outlook continues to be a challenge and your membership is vital to fund our work to support people at every stage of their gardening journey. With the addition of 18 RHS partner gardens, making a total of 221, and unlimited entry to five RHS gardens, expert tailored advice, exclusive access to RHS flower shows, *The Garden* magazine and more, I hope your membership brings you joy, inspiration and lasting memories.

A handwritten signature of Clare Matterson in black ink.

Clare Matterson,
RHS Director General



Gardeners from different backgrounds are encouraged to come and work together



Why the RHS matters as a charity

The RHS has led the nation's gardening for more than 200 years. In this time of climate crisis, gardening is now playing a vital role in creating solutions for the planet and people

The impact of our work is far-reaching. Through our publications, educational opportunities, scientific research, gardens, shows and more we demonstrate the importance of horticulture. Our dedication to sustainability is increasingly prominent across all areas of the RHS as we aim to educate and empower gardeners to use their skills to help combat the effects of climate change. Our scientific research continues to highlight to the industry how gardening can benefit the planet's health and people's wellbeing. Our findings inform the best practices we use at gardens, shows and in our daily work to lead the way to a healthier planet with happier communities. This is helping to raise a new generation of innovative horticulturists who take different approaches to planet-friendly gardening. As well as demonstrating how gardening can be a powerful force for creating environmental change, our five RHS Gardens and world-famous flower shows bring horticulturists and gardeners together to encourage and inspire each other.

- Through our Sustainability Strategy, promoted by the RHS Planet-Friendly Gardening campaign, we support and encourage communities and the UK's

30 million gardeners to adopt sustainable gardening practices to help tackle the climate and biodiversity crises and promote physical, mental and social health.

- We encourage gardeners of different backgrounds to come together at the Festival of Flavours to share how they grow and cook food.
- Through our publications in applied scientific research, we share knowledge of how to promote biodiversity and develop climate-positive gardening.
- We provide teachers with guided resources and support to bring gardening into the classroom and encourage schoolchildren to grow.
- Through the RHS Community Grant, we create new gardens for communities where they can come together and enjoy green spaces.
- We help shape policies at government level through relationships with Defra and the cross-party organisations including the All Party Parliamentary Group for Horticulture and the Ornamental Horticulture Roundtable Group.
- We promote horticulture as a rewarding career through our qualifications and courses that equip new gardeners with skills and knowledge.
- Through advisory, libraries and scientific collections we share information to encourage everyone to grow.



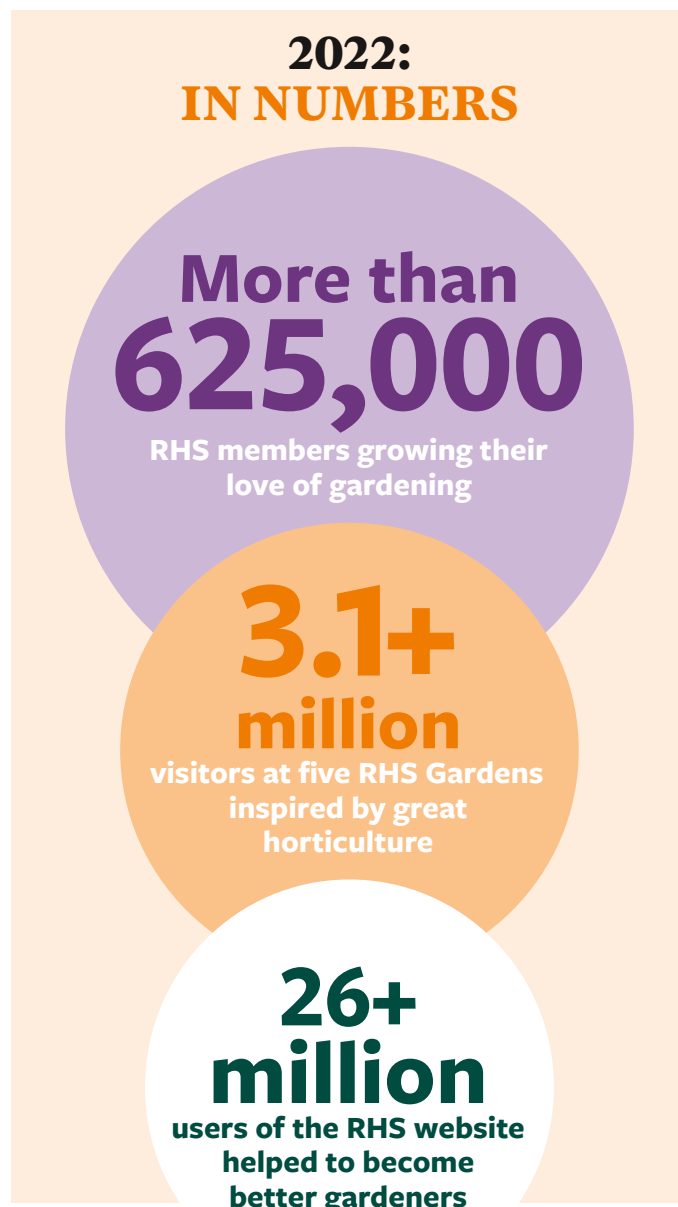
We are researching sustainable methods to improve plant health



Scientific research continues into sustainable gardening practices

Our charitable objectives

- 1 To inspire everyone to grow
- 2 To improve the health of plants, people and the environment through sustainable gardening
- 3 To help our environment by growing the next generation of horticulturists and horticultural scientists
- 4 To increase the voice and influence of all gardeners
- 5 To improve society by building stronger, healthier and happier communities through gardening
- 6 To conserve and share gardening heritage and horticultural science collections



To inspire everyone to grow

We want to inspire as many people as possible to garden, for the benefit of the planet. Here are some of the ways we achieved our objective:

We held the first ever Festival of Flavours

In autumn 2022, a five-day celebration of food took place across all RHS Gardens, bringing gardeners and chefs together to explore growing and cooking edibles.



Q&A

Manoj Malde, award-winning garden designer and RHS Ambassador for Inclusivity

Q: How did the Festival of Flavours inspire gardeners?

A: 'It was an opportunity to encourage gardeners to grow different ingredients, so we brought together people from a range of communities to share different cultural foods and inspire each other. Celebrity chefs specialising in different world cuisines used ingredients from the RHS Gardens in cookery demonstrations, even using the cultural names of ingredients to give visitors a holistic view of how different communities grow and cook edibles. The five events attracted more than 44,000 visitors.'

Q: How can even more people be inspired to grow edibles?

A: 'Sheila Das, RHS Garden Wisley Garden Manager, once told me that whether you cultivate ornamentals or edibles, it's all gardening. So, why not encourage gardeners to grow more edibles alongside their ornamentals? Many people's first experience of gardening is learning to plant and nurture seeds of food crops at school, before turning the edibles into delicious dishes. I think getting more children involved with growing food would start inspiring them from a young age. Further to that, the Festival of Flavours proved a great success for people sharing their cultures. Food is uniting; we sit and eat together, so there's a real opportunity to continue bringing together people of different backgrounds to celebrate the diversity of how edibles are grown and can be used.'



Wisley's World Food Garden crops were cooked and shared at the Festival of Flavours

We celebrated Chelsea in style

RHS Chelsea Flower Show 2022 returned to May with an explosion of spring colour. With 39 gardens – from wild gardens to the perfectly manicured and sustainable, and aspirational architectural feats to real take-home ideas – there was something for everyone.

New to 2022, thanks to the support of Project Giving Back, 12 UK-based charities were given the opportunity to create fully-funded gardens. All gardens were relocated after the Show to continue the legacy in the wider community, and the initiative continues to support charities into 2023 and 2024.

In the year when we sadly said goodbye to our Patron and former monarch Her Majesty Queen Elizabeth II, Chelsea was one of her final public appearances. Her Majesty helped put the world's eyes on Chelsea and the work of the RHS. Her long-standing support and dedication were celebrated through the Floral Platinum Jubilee displays at the show.



Andy Sturgeon's *The Mind Garden* at RHS Chelsea Flower Show 2022

OBJECTIVE 1: IN NUMBERS

400,000+

visitors to the four RHS Flower Shows: Chelsea Flower Show, Flower Show Tatton Park, Hampton Court Palace Garden Festival and Malvern Spring Festival

385,000

plant names in the RHS database, which are then made available to the public on [rhs.org.uk](https://www.rhs.org.uk) and in the *RHS Plant Finder*

55.9m

total use of all RHS Gardening Advice (advice queries and online sessions)

We had a bumper first year at RHS Garden Bridgewater

After opening in May 2021, our newest garden, RHS Garden Bridgewater, had an impressive first full year inspiring communities, individuals and schoolchildren to grow. Free entry to the garden for Salford residents every Tuesday attracted 18,986 visitors, while the total number of garden visitors in the year exceeded half a million. A focus on community also provided more than 162 jobs, 47% of which went to Salford residents. In all, more than 1,000 volunteers have contributed to making Bridgewater a success, while 147 weekly volunteers played an active role in providing an inspiring experience for visitors. The schools programme welcomed more than 9,000 schoolchildren on free school visits, from 155 different schools across the 10 Greater Manchester boroughs.



To improve the health of people, plants and the environment through sustainable gardening

We are investing in sustainable actions to benefit current and future generations. Here's how we achieved our objective:

In collaboration with industry and government the RHS is investing £1m in a five-year Transition to Peat-Free project

The RHS is working with experts to research sustainable peat alternatives, led by the new RHS Peat-Free Postdoctoral Research Fellow



Q&A

**Dr Raghavendra Prasad,
RHS Peat-Free
Postdoctoral Fellow**

Q: Why is peat-free important?

A: 'Peatland ecosystems can store twice the amount of carbon than all the land vegetation in the world for thousands of years in the ground. The UK peatlands alone hold up to 30 billion tonnes of carbon. Extracting peat for commercial use releases carbon into the atmosphere, so not using peat in gardens helps keep carbon stored. Peatlands also maintain hydrology by acting as huge sponges that hold a large quantity of water, which helps mitigate drought and capture excess rainfall to prevent potential flood. Plus they provide a home for rare and unique biodiversity. All these benefits are lost during commercial peat extraction.

To become peat-free means using an alternative, responsibly sourced and sustainable growing media with components that can support the plant.'

Q: How will this project help sustainable gardening?

A: 'This project forms part of the RHS' peat-free pledge of 2025 and sustainability strategy of 2030. We are working closely with commercial nurseries, the first five of whom collectively produce 46 million plants annually.

The project's key areas of focus are peat-free plug plants (because most young plug plants are peat based and typically come from European producers, contributing to their carbon footprint); peat-free growing/cultivation; challenging plant groups (carnivorous, ericaceous and *Proteaceae*); grower's protocol/technology to replace 1.7m m³ of the UK's peat; and behavioural studies of gardeners and growers.

The research will be shared, both internally to the RHS and to help guide our 625,000 RHS members, as well as the wider 30 million UK gardeners, on what to buy to avoid peat and provide support on how to use the new peat-free growing media technologies. The professional horticultural industry and the scientific community will also benefit from how this research fills a gap in knowledge for sustainable peat-free gardening.'



We highlighted youth and sustainability at Britain in Bloom

After a two-year hiatus, the Britain in Bloom finals returned in summer 2022 with 46 community gardening groups entering the competition. Finalists were judged according to a strengthened environmental criteria to encourage them to consider sustainability and planet-friendly techniques for their project. Amersham in Buckinghamshire took home the crown along with the Sustainability Award in recognition of its overall green achievements, such as increasing the town's wildflower areas by 30%, planting perennials for pollinators and recording flora and fauna to monitor progress. Youth participants were also championed in 2022 with the Young Persons Champion Award going to 20-year-old first-time entrant Danny Poland. He entered his village of Irthington as a local growing ambassador after creating everything from a sunflower project to a village-wide wildlife growing initiative.



We're investigating sustainable peat-free alternatives

OBJECTIVE 2: IN NUMBERS

20

PhDs and postdoctoral fellowships across 10 universities and research organisations working with the RHS to develop science solutions for people, gardens and nature

13

RHS Plant Health scientists presented scientific work at the International Plant Health Conference in September 2022 in Westminster, attended by 600 delegates

4

RHS Gardens working towards Plant Healthy certification, following the first garden in England – Harlow Carr – achieving this status in 2022

We conducted a nationwide heat survey

We asked more than 8,000 gardeners how their plants coped in last summer's extreme heat and discovered many established healthy plants succumbed to temperatures above 30°C. Findings will help RHS members and all gardeners better understand the impact of extreme heat on gardens and encourage a year-round sustainable approach to prepare for dry and hot spells. The Dry Garden at RHS Garden Hyde Hall displayed good heat resilience during the heatwave, demonstrating how the future of gardening in the UK may take shape with more heat-tolerant plants.

To help our environment by growing the next generation of horticulturists and horticultural scientists

Our initiatives bring gardening to all, from early childhood to mature career changers. Here's how we achieved our objective:



We gave generously from our Flourish Fund

In its second year, the fund once again distributed more than £150,000 to help connect a wider range of people with horticulture



JON DAVIES

Q&A Steven Cotton, Managing Director of Grow in Sheffield, Flourish Fund Recipient 2021 and 2022

Q: What is Grow?

A: 'Grow is a youth development charity that combines coaching with nature-based projects and programmes. We employ 16–24-year-olds, often from difficult backgrounds that affect their employability, to do garden maintenance across Sheffield. We started in 2018 after I was made redundant from my job in youth recruitment and wanted to channel my passion for helping young people into something new. I've loved gardening

since I was a child on my grandad's allotment, so I knew horticulture could help young people. We've been fortunate to receive the Flourish Fund for two years to help support this work and run our gardening programme.'

Q: How is the programme growing the next generation of horticulturists?

A: 'As well as learning how to prune, cut hedges, weed and more, the young people attend personal development sessions and it's inspiring to hear them express a newfound passion for growing through our programme. Even things like having a routine, getting enough sleep and eating well to fuel the gardening work have been positive changes for many. The time they spend with us gives them a head start if they choose to pursue a career in the industry.'



Engaging children with horticulture inspires tomorrow's horticulturists

We funded young designers at RHS Flower Show Tatton Park

Five individuals each received £12,000 to create a garden at Tatton. The talent of these 2022 finalists shows the innovation coming from the next generation of garden designers as they drew inspiration from recent tumultuous events to portray important messages. This included *The Covid Recovery Garden* by 25-year-old Rachel Platt, which won Best Construction for a Young Designer Garden and was an accessible oasis for sufferers of long Covid, featuring meandering paths and benches to rest. The RHS Young Designer of the Year award went to 26-year-old Will Scholey, who re-imagined a typical office environment and reduced the user's carbon footprint in *The WFH Garden*. Two gardens were relocated to hospitals after the show.



The Campaign for School Gardening reaches 28,900 members

By supporting staff, home educators and youth group leaders with resources, training and projects, we continued to encourage young people aged two to 18 years old to grow and connect with nature. Our Campaign members include 47% of all UK schools, and the overall number of members continues to increase monthly. The newest teacher training course, Grow a Better World, was launched last year to equip teachers with the knowledge to guide the next generation of horticulturists to support environmental sustainability through gardening.

OBJECTIVE 3: IN NUMBERS

5

schools received RHS Chelsea Flower Show 2022 show gardens, relocated in whole or in part, to be used to inspire and educate children to grow

72,800+

people engaged with our new digital platform, RHS The Garden app, accessing regular RHS updates and a chance to listen to the Gardening with the RHS podcast and *The Garden* magazine

15

books published by the RHS – including the fifth edition of the *RHS Encyclopedia of Gardening* – to inspire and educate horticulturists at all levels



To increase the voice and influence of all gardeners

Through all channels we are connecting and sharing gardening know-how. Here's how we achieved our objective:

We welcomed 10 new ambassadors to the RHS

The new ambassadors started their roles in May, to expand and promote gardening with wider audiences



Q&A Sue Kent, TV gardener and RHS Ambassador for Inclusivity for the Disabled Community

Q: Why is it important to give a voice to disabled gardeners?

A: 'During my career, I've had feedback from people who relate to me – both people in the disabled community and older people. We're all gardeners who have a passion for what we do, but experience mobility and dexterity issues. I've learned that many people in this community don't feel there's enough representation for gardeners like us. They feel there's a lack of understanding of their needs and not enough gardening ideas that take those needs into account. That's why it's important for me to show others that gardening is for everyone, even if it just needs to be done in a slightly different way to be made accessible.'

Q: What are your hopes for the future?

A: 'I want to make a difference for gardeners who don't feel represented. In my garden at the RHS Hampton Court Palace Garden Festival that was designed for people like me, I included benches to lounge on because disabled people can tire very quickly because we work extra hard. It was an easily maintained garden, rather than a low-maintenance garden and visitors told me that it showed how gardening could look for those with different needs. Going forward, my hope is that more disabled or older gardeners will feel the RHS is addressing their needs, whether that's through more gardening ideas for them or making RHS sites more accessible.'



Clare Matterson with the 10 new RHS ambassadors. From left, back row: Simon Lycett, Kate Bradbury, Tayshan Hayden-Smith, Sue Kent, Mark Gregory, Clare, Manoj Malde and James Alexander-Sinclair. Front, from left: Arit Anderson, Jo Whiley and Nicki Chapman

We asked members to vote for their Partner Garden of the Year

RHS members benefit from free admission to more than 200 Partner Gardens across the UK and abroad, which have provided green sanctuaries for many since Covid. For the second year, we asked members to vote for their favourite to be crowned Partner Garden of the Year to recognise the hard work and dedication of the garden owners in creating and maintaining these beautiful spaces.

Six regional winners were chosen, including the historical Highland estate Dunvegan Castle and Gardens for Scotland, and Lullingstone Castle and The World Garden in Kent for the South East. Nant-y-Bedd Garden in Monmouthshire, Wales, with its inspirational eco-friendly garden, including a natural swimming pond and edible forest garden, was the overall winner. One member described it as “a secret gem and a beautiful example of treating a wonderful place with absolute sensitivity and love”.

We hosted various specialist plant society shows

In 2022 the five RHS gardens hosted more than 20 plant society events including large national shows from Pelargonium and Geranium to Sweet Pea, Dahlia and Alpine Societies. There were also numerous weekend shows including Cactus, Cyclamen and Bonsai Societies and the main Plant Society weekend at Wisley in June. The plant society shows bring together enthusiasts to celebrate and share their favourite plants. Gardeners of all levels of experience could speak to experts, gain confidence and buy unusual species and cultivars. These well-attended events continue to promote the important conservation work of societies.

OBJECTIVE 4: IN NUMBERS

1+
million

followers on RHS social media channels including Twitter, Facebook, Instagram, LinkedIn, Pinterest and YouTube

9,977

entries to the RHS Photographic Competition 2022, celebrating the work of amateur garden photographers

98

guest speakers at Hilltop Live at RHS Garden Wisley, delivering talks and demonstrations on a wide range of horticultural subjects

To improve society by building stronger, healthier and happier communities through gardening

Plants and gardening can bring people together to benefit all. Here's how we achieved our objective:

We opened community gardens in Scotland, England, Wales and Northern Ireland

Thanks to an RHS Community Grant, we worked with leading designers to create community gardens in each of the Home Nations



Q&A

Victoria Wade, Blaenavon community garden, Wales

Q: Why was Blaenavon chosen?

A: 'The Forgeside Rugby Club applied for the grant to transform a site by their pitch and got really involved when they were chosen. Among the people there was a huge sense of community, but they lacked a green space to come together and socialise. They didn't have much horticultural knowledge, but were eager to learn, so I wanted to design a space that met their needs and provided a valuable community asset.'

Q: How have the people of Blaenavon benefited from the garden?

A: 'The community were excited from the offset. An astounding number of people showed up when the garden opened, and that support hasn't gone away. Loneliness among older people was an issue mentioned, so I provided a welcoming environment with benches where people now regularly come to sit and talk with each other. Many people in this area experience food poverty, so the garden serves as a space where they can come and eat together, even including a pizza oven. This community was passionate about their industrial past, being a major centre for iron production during the industrial revolution, so we designed the fiery planting and rusty steel planters as a nod to that history. It's amazing to see that the garden already provides so much value to them, but I know it's only going to go further as they continue to make it their own.'



We worked with Lewisham and Greenwich NHS Trust to open a Wellbeing Garden at University Hospital Lewisham



In summer 2022, the Wellbeing Garden in southeast London opened to benefit hospital staff and support their wellbeing. It was suggested by Maria Leong, an anaesthetist registrar at the hospital, and a survey of nearly 200 hospital staff showed unanimous support for the idea, which led to their active involvement in creating and maintaining the garden. Staff, patients and the wider community all stroll down the winding paths, sit on benches for a mindful break and grow plants. The RHS is building community partnerships to engage, train and upskill volunteers and staff to maintain and care for the garden.



Blaenavon community garden at Forgeside Rugby Club is a great success

OBJECTIVE 5: IN NUMBERS

550

sessions delivered in 2022 by the Community Outreach Team to help schools and groups grow together

£219,316

given to 61 groups through the RHS Community Wellbeing Grant, Connected Communities Grant and Sustainable Futures Grant to help deliver community gardening projects

2,861

Britain in Bloom and It's your Neighbourhood groups that look after their local green spaces

We celebrated prison gardens with the Windlesham Trophy

The Windlesham Trophy is awarded each year to a prison garden in England or Wales with outstanding horticulture. Judged by the RHS, the competition celebrates horticultural success and the benefits of green, outdoor spaces on wellbeing and rehabilitation rates. Thorn Cross Prison in Cheshire won the 2022 award, impressing judges with the quality of their planting in multiple gardens, such as Mediterranean and Japanese-inspired areas, formal gardens and a wildlife-friendly patch. Through gardening in this positive, rehabilitative environment, the prisoners have gained life skills and qualifications.

To conserve and share gardening heritage data and horticultural science collections

We safeguard horticultural history so it can be used to help gardening in the future. Here's how we achieved our objective:

We appointed a new Herbarium curator

Since April 2022, our new Herbarium curator has worked with volunteers to collect and record samples of cultivars to compile a historic record of UK garden plants at RHS Hilltop – The Home of Gardening Science



YVETTE HARVEY

Q&A

Toni Martin, RHS Herbarium Curator

Q: What work does the Herbarium do?

A: 'Herbarium staff and volunteers create preserved specimens from collected plant stems, leaves, flowers and/or fruit. At the Herbarium, the material is carefully described and colour charted using the RHS Colour Chart to scientifically measure colour differences of flowers and berries as these fade over time. At cultivar level we are looking at minute differences, plant hairs, colours and leaf shapes.'

I supervise a team of volunteers who collect garden plants – five collectors at RHS Garden Wisley, two at RHS Garden Rosemoor, two at RHS Garden Hyde Hall and we are recruiting four volunteers at RHS Garden Bridgewater and two for RHS Garden Harlow Carr. Last year I created targeted lists of plants that were not yet in our collection. We have 90,000 specimens and, by working with external organisations and Partner Gardens, are aiming to collect the estimated 400,000 cultivated plants in the UK by 2050.'

Q: Why is this collection important?

A: 'We are the largest herbarium focused on recording UK cultivated plants. The main aim of our work is to provide a reference that anyone can use through all seasons – herbarium specimens are always in bloom. Our specimens also act as a record for now and in the future. Every year, hundreds of thousands of new cultivars are grown and likewise many are lost (ie go extinct). By documenting the cultivars we have now, we are creating an important historical record of the current UK cultivated plant diversity. Our collection acts as a useful resource for scientists and researchers. Specimens could be used to look at the effects of climate change on cultivated plant diversity as well as how plants might be used for ecosystem services in gardens of the future. It is vital to classify the existing UK cultivated plant diversity because how can we protect what we have if we don't know what's out there?'





We improved accessibility to our collections

To improve access to our plant nursery catalogue collection, over 200 digital volunteers were recruited with National Lottery Heritage Fund funding to transcribe plant lists from rare early catalogues, adding geotag references to 2,000 historic nurseries. Groups of young people made short films on nurseries that existed in Reading and Hackney. More than 4,500 people enjoyed tours and talks at RHS Hilltop – The Home of Gardening Science Wisley library.

OBJECTIVE 6: IN NUMBERS

126,000+

users of our Lindley Library collections, both in person and online

5

Gold Botanical Art Awards given at the RHS Botanical Art & Photography Show 2022, recognising the importance of the works for their scientific accuracy

5

RHS scientists invited to share research on environmental and human health gardening at the International Horticultural Congress ISHS in Angers, France

We have the largest number of National Plant Collections held by any one organisation

The RHS now houses 32 Plant Heritage National Plant Collections – the largest number held by any one organisation – with 17 held at RHS Garden Wisley and custodians appointed across all 5 RHS Gardens. New collections of *Eucryphia*, *Albizia julibrissin*, *Lagerstroemia* (right) and more were acquired in 2022. Going forward, in-house trials of *Eucryphia* and *Lagerstroemia* could help those working across the horticultural sector learn how plants and trees can adapt and respond to ongoing climate change. The rhubarb and gooseberry collections were even moved away from RHS Wisley's dry warm conditions to cooler RHS Bridgewater. Having these collections registered within a conservation scheme protects the diversity of cultivated plants and ensures the preservation of this important genetic resource.



Exciting plans for the future

Our work continues to bring the benefits of gardening to more people



Biodiversity boost at Wisley's Orchard

An initiative is under way to transform the Orchard at RHS Garden Wisley into a more sustainable and wildlife-friendly environment that supports healthier crops. The new design is based around mixed groves of fruit trees rather than formal rows and will include varied understorey planting to boost biodiversity. Herbicides, pesticides and synthetic fertilisers are no longer used in the Orchard either and a broader range of edibles will gradually be added over time.

More sustainable Show Gardens for Chelsea

Improving sustainability is a core concern for our flower shows and we are working with show garden exhibitors to ensure eco-friendly methods are used for garden installations and removals. All gardens are also required to have a relocation plan, so they can continue being enjoyed across schools, communities and elsewhere after the show. Working with A Greener Festival, RHS Chelsea is also honouring sustainable show operations and welcoming many designers with green messages.



A Rewilding Britain Landscape garden (left) focused on sustainability in 2022 – a core message that Show Garden exhibitors must follow in 2023



Supporting young gardeners

We are excited about the new ways of getting children gardening this year. For the first time in its history, the RHS Chelsea Flower Show is hosting a Children's Picnic. It is bringing 100 children to the event to be inspired by the gardens and enjoy an afternoon picnic. Through a new partnership with the Natural History Museum, the RHS is also developing the National Education Nature Park programme to support educators across schools with curriculum-based climate education resources.



More support for plant nurseries

We are proud to continue our support for new and younger plant nurseries. At the 2023 RHS Chelsea Flower Show, the Great Pavilion will feature more than 75 specialist nurseries including first-time exhibitors mushroom-growers Caley Bros, Hedgehog Plants and Darren Everest Sweet Peas. There will also be a stand for eight members from the Plant Fairs Roadshow, a collective of more than 40 specialist nurseries, to raise the profiles of independent growers.



New exhibitions at The Old Laboratory

The new Gallery at RHS Garden Wisley's Old Laboratory is set to open in February 2023. This new exhibition space is showcasing the RHS' rich history and treasures from a variety of its collections. The first temporary exhibition will display the final royal signature of HM Queen Elizabeth II, which was unveiled at the RHS Chelsea Flower Show last year.



Pub development

More steps have been taken towards re-establishing the historic link between RHS Garden Harlow Carr and the Harrogate Arms. In 2023, newly-designed landscapes are being created for visitors to explore, with beautiful garden views. The refurbished pub will even contain an RHS café that makes use of fresh, seasonal produce grown in Harlow Carr's Kitchen Garden.



View from the Lake
with *Liquidambar
styraciflua* 'Worplesdon'
at RHS Garden Rosemoor

Financial Review

Results for Financial Year 01 February 2022

– 31 January 2023

prepared by Matthew Lindsey-Clark, RHS Treasurer

The Society had another year of strong operational achievement and financial success in 2022/23, with total income growing to a record £122.1m and a surplus of £1.7m before gains from investments, in line with the budget for the year.

While not without challenges both climatic and economic, this year marked a return to relative operational normality, following the disruption of the pandemic. Overall membership continued to grow and we ended the year with a record 626k members. All our Shows returned to normal operations with RHS Chelsea reverting to its normal May date, highlighted by the joyful visit to the Show by our late Patron, Her Majesty the Queen, in one of her last public engagements. The five RHS Gardens achieved yet another record year for visitors at 3.1m visitors, the first time we have broken through the 3m level. We enjoyed the benefit of a full year of contribution from RHS Garden Bridgewater, which drew in excess of 500k visitors over the year – a fantastic result that is well ahead of our pre-opening expectations. The Glow events also drew a record attendance of 329k visitors. Importantly, the year saw strong growth in our charitable activities as various programmes across Communities, Education, Science and Collections also returned to normal and, in many cases, received the benefit of planned increases in people, resources and investment.

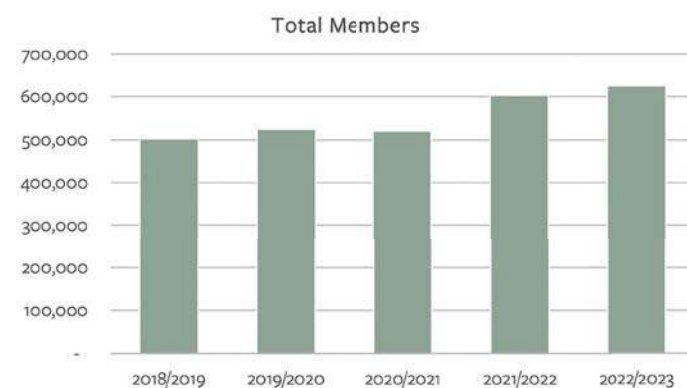
In terms of challenges, it is customary in these reviews to refer to the impact of the British weather, inevitable in light of the fact that our Shows and Gardens are undeniably outdoors. We are growing accustomed to increasing frequency of extreme weather as a result of climate change, from the storms and high winds that led to the closure of all the Gardens in February to the prolonged drought and high temperatures of the summer, which affected visitor numbers to both the Gardens and to RHS Hampton Court Palace Garden Festival, quite apart from the stress on our living collections and the Horticultural teams who look after them. But it is broader economic factors that had the bigger impact on our financial results, particularly as the year progressed. After a relatively buoyant first half of the year, with good membership growth and paying garden visitors significantly up on the prior year, the second half saw increasing evidence of the direct and indirect impacts that inflation and higher interest rates are having on the wider economy. This had already been evident in our retail operations (both physical and online), which experienced sluggish volumes in many categories for most of the year, in common with the broader retail market. But the second half of the year also saw a decrease in membership renewals, as some of our members

began to look at their own personal finances, and a fall in paying visitors to the Gardens. We have also experienced the direct impact of higher inflation and the tight labour market on our own costs. Prices were held and supplier price increases were absorbed for as long as possible before being passed on. While the impact of lower volumes and squeezed margins was again most evident in our retail businesses, none of our commercial operations was immune.

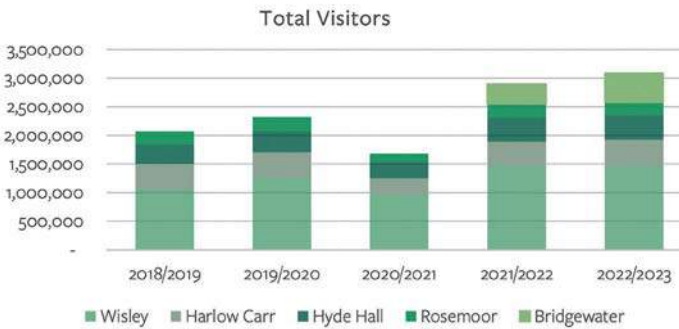
The table below sets out a summary of our income in 2022/23 compared with last year. Our total income increased by 10% to a record £122.1m (2021/22: £110.6m), mainly as a result of higher membership income and donations. Net income before gains on investments and depreciation was £9.4m (2021/22: £14.5m), a decline of 35% resulting from an increase in our charitable expenditure in a number of key areas in addition to the widespread cost pressures referred to above. Net income after depreciation but before gains on investments was £1.7m (2021/22: £7.7m). With the Strategic Investment Programme (SIP) now substantially complete, we are no longer breaking out the impact of the SIP on our financial results in this review.

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Total income | 122,096 | 110,551 |
| Net income before gains on investments and depreciation | 9,375 | 14,506 |
| Net income before gains on investments | 1,673 | 7,658 |

Total membership ended the year at a record 625,765 (2021/22: 603,458), an increase of 3.7% over the prior year. The rate of growth in members was slower than the previous year, with a notable drop off in both renewal rates and new member acquisition in the second half, as a consequence of the worsening economic backdrop.



Garden visitors increased to 3.1m, 0.2m better than last year. RHS Garden Bridgewater exceeded expectations in its first full year and became the second most-visited garden after RHS Garden Wisley at 516k visitors. RHS Garden Harlow Carr also achieved record visitors, increasing by 9%, whereas RHS Garden Wisley and RHS Garden Hyde Hall were flat year on year. RHS Garden Rosemoor saw a small decline in visitor numbers. Overall Glow visitors at 329k were 13% better than last year.



The key contributors to our net income, together with other salient elements of the Society's financial affairs, are explained below, and further details are available in the Consolidated Statement of Financial Activities on p40 and subsequent pages.

Income

Total income generated increased to £122.1m, compared to £110.6m in 2021/22. A breakdown of this year's income by major area is shown below:

Shows contributed £22.9m in 2022/23 (2021/22: £20.8m). Chelsea returned to its normal May timing and was once again a sell-out at 146k visitors. RHS Hampton Court and RHS Tatton fell short of their target attendances, with 112k and 64k visitors respectively, with members impacted by the summer heat and growing caution about the economy.

The RHS Malvern Spring Festival, our joint venture with the Three Counties Agricultural Society, returned for the first time since 2019, attracting 64k visitors.

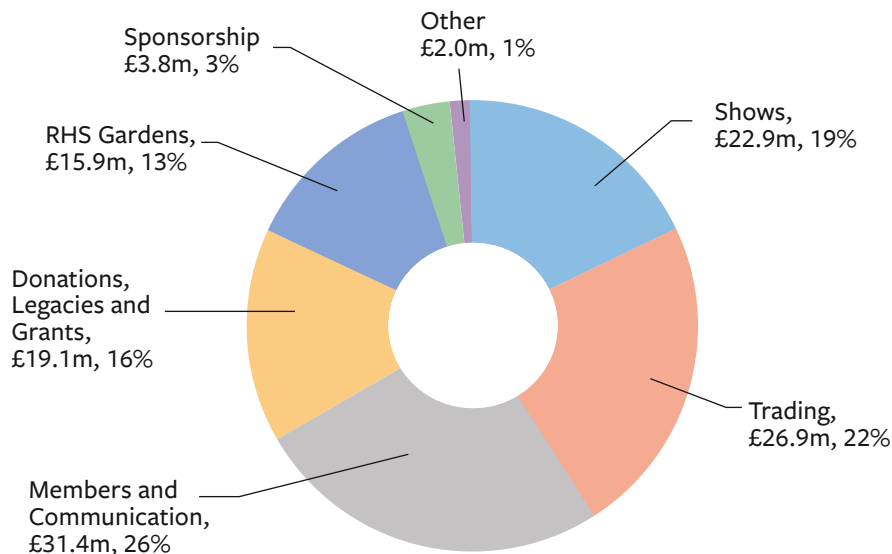
Trading income includes retail operations at the five RHS Gardens and online, as well as income from advertising and venue hire. At £26.9m (2021/22: £29.1m), it represented 23% of the Society's income. The 8% decrease against 2021/22 was primarily driven by reduced revenues from our Retail operations, both physical and online, which fell last year in line with the general experience of high street and online retailers. Online sales, which had grown strongly during the pandemic, fell more sharply, accounting for 23% of total Retail sales, down from 27% in 2021/22. Conversely the income from venue hire and advertising sales rebounded after the Covid years.

Income from the Members and Communication division, at £31.4m representing 26% of the Society's total income (2021/22: £27.6m), was higher than last year by £3.8m (14%), benefiting from the continued support from existing and new members; this continues to be a major, stable and recurring source of funds to reinvest in our charitable projects.

Donations, legacies and grants income increased by £5.7m (43%) to £19.1m (2021/22: £13.4m) including an element of funding related to the Strategic Investment Programme.

RHS Gardens' income, which includes gate receipts and catering but excludes income from retail operations (which are included within trading income above), was £15.9m (2021/22: £15.5m), up £0.4m (3%). This increase partly reflects RHS Garden Bridgewater's first full year of operation. In the later part of the year, the number of paying adults fell, seemingly on account of the pressure on discretionary spending, though demand for the Glow events at all Gardens was high, despite increased competition from other venues offering Christmas light experiences. Catering improved over 2022 with the benefit of the first full year since 2019 without Covid restrictions, as well as the addition of the Stables Café at RHS Bridgewater and improved catering offerings at Glow.

Breakdown of Income by Major Area



Expenditure

Total expenditure in the year was £120.4m (2021/22: £102.9m). A breakdown of this year's expenditure by major area is shown below:

RHS Gardens' expenditure totalled £42.2m (2021/22: £35.0m), up £7.2m (21%). Key contributors to the increase included the full year operational costs for RHS Garden Bridgewater, the first full year depreciation for both RHS Wisley Hilltop – The Home of Gardening Science and RHS Bridgewater, and continued investment in both horticulture and horticultural staff. Catering costs reflect the impact of exceptionally high inflation in underlying food prices.

Shows total expenditure was £19.6m (2021/22: £18.6m), an increase of £1m reflecting underlying inflationary cost pressures across a number of expense categories.

Trading expenses of £21.4m (2021/22: £20.3m) increased by £1.1m (5%), again reflecting the impact of inflation in cost of goods sold.

Members and Communication expenses at £20.7m (2021/22: £15.8m) increased by £4.9m (31%). Key factors contributing to this increase included the higher unit and volume-related costs of printing and distributing *The Garden*, plus our significant planned investment in digital activity to improve service levels and bring benefit to members and increase our charitable reach.

Science and Collections expenditure increased by £0.8m (30%) to £6.8m (2021/22: £6.0m), with the continued investment in headcount and PhD support. The RHS Gardening Advice service continued to experience high volumes of queries as members enjoy the value of this service.

Horticulture, Communities and Education expenditure, at £6.9m (2021/22: £4.9m), increased by £2m (41%). Horticulture, covering Plant Trials, Bursaries, Partner Garden

support and Affiliated Societies, increased as Bursaries resumed in full. Communities expenditure rebounded from the two previous years when our community involvement was limited by the pandemic restrictions and its aftermath. The Communities team also developed a Healing Garden with NHS University Hospital Lewisham. Education expenditure increased as the Qualifications team continued to invest in the development of syllabus content and remote servicing of exam centres.

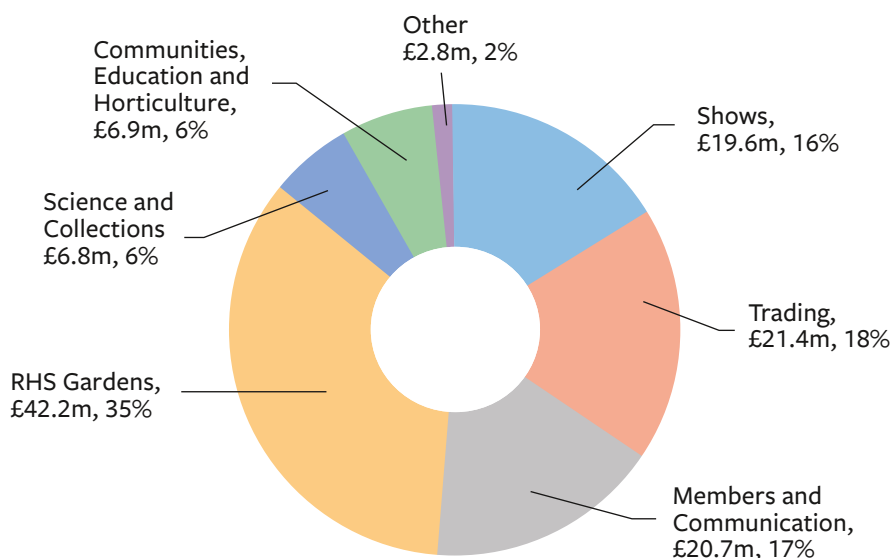
Fixed Asset Investments in Funds

At the year-end, the Society held Fixed Asset Investments in Funds valued at £50.8m (2021/22: £51.2m), the details of which are set out in Note 9. The Investments Committee is responsible for the oversight of the Society's investments.

Endowments gifted to the Society total £6.7m and form part of Fixed Asset Investments. The Society was granted permission by the Charity Commission on 28 November 2012 to use a total return policy in relation to its permanent endowment funds and adopted this policy from the financial year ended 31 January 2014. The Society's endowed investments are managed on a total-return basis with up to a maximum of 3.5% of the endowment fund balance withdrawn each year and made available for bursaries. In accordance with this policy, Council transferred £168k from the endowment to restricted funds for spending in the year. Any unspent bursary funds are carried forward for spending in the following year.

The Society's target return for its endowed funds is RPI plus 3.5% per annum, equating to 9.3% per annum over the three years to 31 January 2023. The actual return over this period was 2.8% per annum, as a combination of very volatile markets and sharply higher inflation created particular challenges for our investment managers. Council will continue to review the level of annual withdrawal to ensure that an appropriate balance between the needs and interests of current and future beneficiaries of the Society's activities is maintained.

Breakdown of Expenditure by Major Area



Restricted and Designated Funds, which have been established for specific uses and where the expenditure is expected to be made within a five-year period are invested in cash and liquid fixed-income securities, allowing annual withdrawal of funds to support expenditure towards our charitable objectives. The target return on the cash and liquid fixed-income securities is 'cash plus' (i.e. to exceed the return on cash). For Restricted Funds that are expected to have an investment period of more than five years, the Society's overall investment objective is to preserve capital and to achieve positive real returns in excess of inflation.

The Society's cash and liquid fixed-income securities are invested in the Royal London Asset Management (RLAM) Cash Plus Fund. The RLAM Fund, which is invested in both cash and liquid fixed-income securities, has returned an annualised 0.7% per year over the three years to 31 January 2023, being in excess of the 'cash plus' target.

The remaining non-endowed investments have generated an annualised return of 1% over the three years to 31 January 2023 based on the unit price performance, which neutralises any effect of withdrawals and additions of funds. This is below the Society's target of achieving a positive real return in excess of annualised RPI, which was 5.8% over this period. These investments were held at year-end in funds managed by two investment managers, Troy Asset Management Limited and Veritas Asset Management.

Reserves

In line with the Charity Commission guidance that a charity should maintain adequate reserves to ensure its ability to deliver its charitable objectives, the Society holds both restricted and unrestricted reserves for a number of purposes, which are set out in Note 22 to the financial statements. These reserves, which are reviewed annually by Council, are summarised as follows:

- Restricted Funds total £5.8m; funds that are to be used in accordance with specific restrictions imposed by the donors.
- Fixed Asset Funds total £149m, representing the amount invested in the net book value of fixed assets.
- Investment Property Funds total £26m, representing the amount invested in properties in Wisley village that are let on the open market and are held as a designated fund while the Society undergoes a wide-ranging strategic review.

It is the policy of Council that the Society should hold an amount, known as the General Reserve Policy held within the General and Trading Fund, that it considers appropriate and prudent as a buffer against the risks and challenges faced by the Society in the context and scale of activity and overall commitments. The General and Trading fund dropped this year from £9.7m to £7.9m due to the downturn in economic conditions versus the target buffer, which had previously been set at £8.4m.

Following the year end, in reviewing the appropriate target for unrestricted reserves, the Trustees determined that the evolving needs of the Society would be better reflected by a

minimum target for unencumbered cash of £15m.

This represents 4 months' payroll and is broadly equivalent to the peak to trough fall in the Society unencumbered cash during the worse phase of the Covid pandemic, a period when our operations and resources were fully tested.

Over the coming years, we will look to build up the balance within the General and Trading fund towards this target level, at a rate consistent with the charitable and investment ambitions of the Society. The £15m target is amply exceeded by the value of the Society's cash and investments and further underpinned by its unencumbered property assets.

Capital expenditure and disposals

In 2022/23, capital expenditure amounted to £7.8m (2021/22: £5.8m).

At RHS Garden Wisley, refurbishment of the Old Laboratory has been completed with part being transformed into an exhibition and gallery space charting the history of the RHS at Wisley and opened in March 2023 (£1.4m). A new water body, Clear Lake, has been constructed on the old trials fields and will be completed with the addition of garden structures in the spring of 2023 (£0.5m).

At RHS Garden Bridgewater, the new Stables Café opened (£0.5m) and at RHS Garden Harlow Carr the renovation of the Harrogate Arms commenced (£0.5m).

The Society is investing in a new Customer Relationship management (CRM) system going live in the summer of 2023 (£0.7m).

Pensions

The consolidated and Society balance sheets include the pension net liability on the 1974 Defined Benefit Pension Scheme of £0.3m as at 31 January 2023 (2021/22: £5.5m) as set out in note 29. The deficit is disclosed for FRS 102 purposes, valuing the Scheme's liabilities based on actuarial assumptions and assets at market rates as at the financial year-end. The latest triennial Actuarial valuation was completed in 2020 and a 9-year deficit reduction plan was agreed with the Trustees of the Pension Scheme. The commitment to funding the deficit and the inherent risks in valuation movements are taken into account in all our financial planning, including the anticipated and targeted levels of reserves.

The defined benefit pension scheme was closed to future service accruals in May 2009. While the closure of the scheme helps to minimise the Society's exposure, this remains subject to future volatility of the pension scheme's liabilities as a result of changing actuarial variables. We will continue to seek and evaluate opportunities to manage this volatility and, if possible, to reduce the pension scheme net liability.

Going Concern

The numbers of visitors to the Gardens and Shops (physical and online) exceed pre-pandemic levels and the organisation

has shown its adaptability to operate in the changed world after the pandemic. Visitor numbers have been buoyant throughout, emphasising the requirement and demand for open spaces, while members have remained loyal and donors generous in their support.

The major capital projects are now completely operational and have been well supported in their first full year of operations. The two remaining projects within the Strategic Investment Programme, the conversion of the Historic Laboratory at Wisley, which opened in March 2023, and the integration into the garden of the Harrogate Arms at RHS Garden Harlow Carr, scheduled for completion by the end of 2023, have lower specific cash needs going forwards. Other major committed future capital projects are aligned with the sustainability strategy and are scheduled for completion by 2030.

The impact of economic pressures and inflation on disposable income cannot be ignored and has been growing throughout the year with lower attendance at the later shows, the slowing of membership growth and lower number of paying adults in the gardens. With this in mind, the budget for 2023/24 was prepared on a cautious basis with the assumption of only modest improvements in operational performance and factoring in the known economic impacts of general inflation on our members and customers over the coming year as well as the impact on our cost base. As part of the budget process, downside and risk scenarios were considered carefully, and in all situations the Society would have sufficient cash and cash investment reserves to continue to fund its operations.

In addition to its cash and investments, the Society does have unencumbered property assets in Vincent Square, London and residential properties in Wisley Village against which loans could be advanced if required. Moreover, the Society has revolving credit arrangements in place with its banks, which provides a further cushion to meet any short-term cash outflows.

The Trustees therefore have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements, and are not aware of any other material uncertainties that may adversely affect the Society. Accordingly, the financial statements continue to be prepared on the going-concern basis.

Outlook

The opening months of the current financial year have seen a continuation of the more difficult environment we experienced in the second half of 2022/23. With inflation remaining stubbornly high and further interest rate increases expected, the prospects of any meaningful improvement in economic conditions for the remainder of the year are probably low. Where at all possible, we are managing our cost base in order to hold our pricing, but we are inevitably having to increase prices for our members and customers in some areas in order to protect margins and maintain our ability to

fulfil our charitable objectives. At the same time, with the employment market remaining tight, we are very conscious of the need to be as fair as possible to our staff through the annual pay review, as they contend with a much-increased cost of living.

Accordingly, we have adopted conservative budget with a cautious outlook on growth in membership and visitors, particularly as visitors to RHS Garden Wisley will suffer some disruption over the coming months as a result of the major upgrade by National Highways to the nearby A3/M25 junction, including the construction of a new flyover bridge for vehicles exiting the garden on to the A3.

Nonetheless, there are good reasons to be optimistic for next year. We have opened the new exhibition space in the Old Laboratory, adding to the already extensive visitor experiences on offer at RHS Garden Wisley and look forward to reopening the Harrogate Arms as an integrated part of the RHS Garden Harlow Carr landscape. We are also nearing completion of the installation of the new CRM that will replace an old system and enable us to service our members better, as well as investing in new and improved digital offerings from upgraded web functionality to the new My Garden application. With the completion of these and the other projects that formed part of the SIP, the Society is redoubling its focus across all aspects of its charitable activities, which will benefit over the long term from the major investments we have made in transforming our Gardens and infrastructure.

We have a fantastic opportunity to build on our established strengths in new and exciting initiatives such as the development of the National Education Nature Park in partnership with the Natural History Museum and Department for Education and many other projects across the Society.

The pandemic demonstrated our ability to be adaptable and flexible and, once again, as we face into the headwinds that affect both us and the wider economy, we will plan for and tackle issues as they arise in the knowledge that the Society is in the fortunate position of enjoying financial resilience and huge support from our staff and members.



Mr Matthew Lindsey-Clark

Treasurer

Date: 27 April 2023



The Paradise Garden at
RHS Garden Bridgewater

Structure, Governance and Management

The Royal Horticultural Society is a registered charity incorporated and governed by a Royal Charter and by Bye-Laws approved by the membership. A copy of the Charter and Bye-Laws can be found in the 'About the RHS' section of our website (rhs.org.uk) or obtained on request from The Secretary at the address shown on p3.

The Society's governance is structured around the principles of the Charity Governance Code, a helpful and important tool to drive forward improvements.

A summary of the Society's structure, governance and management arrangements in 2023 is provided below. This broad structure has been in place since December 2012.

Council and Trustees

The governing body of the RHS is Council. This comprises the President, Treasurer and up to 15 ordinary members, all of whom are elected by the RHS membership, plus up to two co-opted members. The members of Council are the Trustees of the Society. The President is the Chair of Council. The current members of Council are shown on p3.

Election and appointment to Council

The President and Treasurer are elected annually by the members of the Society at the Annual General Meeting (AGM). At each AGM, at least three ordinary members of Council retire from office with the resulting vacancies filled by election. Ordinary Council members can serve for up to two five-year terms.

Co-opted members are appointed by Council to serve for up to one year to the date of the AGM with the opportunity of reappointment for one further year if eligible. Co-option provides an opportunity to recruit or retain additional members to Council who offer particular skills, knowledge and experience.

If a vacancy arises during the year, Council has the power to appoint a new member. An appointed member will serve until the date of the next AGM, after which the post will be filled by election.

All members of Council must be members of the RHS and eligible under charity law to serve as a Trustee. No ordinary member of Council may serve for longer than 10 years unless at least five years have elapsed since the completion of the 10 years previous service, after which they are eligible to stand for election for one further term of up to five years in accordance with the Society's Bye-Laws.

The Nominations, Appointments and Governance Committee, comprising serving members of Council and non-Council members, is responsible for identifying candidates for election to Council after taking account of the role description, the person specification and the skills, knowledge and experience of existing members. The Committee also makes recommendations to Council on the candidates that

should receive Council's support at elections.

The rules for the election of the President, Treasurer and ordinary members of Council can be found in the 'About the RHS' section of our website. Copies of the role description and person specification for each of these positions can also be found within the same section.

Most members of Council have already served on one or more RHS Committees before their election. However, on election, members receive a comprehensive induction covering the Society's plans and activities and meet with our Leadership Team members to discuss the work of the RHS.

Council undertakes regular feedback exercises where individuals can comment on the performance of Council and raise any issues or concerns. Further, the President ensures that feedback is provided to individual Trustees throughout the year, as and when required, and holds formal feedback sessions with all Trustees.

Throughout their term, Trustees attend ad hoc training on a range of important topics (such as Safeguarding) and receive updates on their legal responsibilities.

Council responsibilities

Council is accountable for the running of the Society as a whole, for ensuring that the Society complies with its governing documents and legal obligations, pursues its charitable objectives and uses its assets to pursue those aims, and acts in the interests of the beneficiaries.

Although Council takes all major strategic decisions and those reserved to it by law, it delegates some decision-making powers to Boards, Committees and the Leadership Team via the Director General. The RHS Boards and Committees may comprise members of Council and other members of the RHS and take decisions within the overall strategy and budgets agreed by Council. Council retains responsibility for the decisions taken by these bodies.

The Society's governance and decision-making Boards and Committees and their responsibilities are:

- Audit and Risk Committee – reports to Council and ensures that all aspects of the Society's financial and risk management policies, procedures and controls are effective and appropriate. The Audit and Risk Committee has oversight of individual contracts between Trustees, the Society and its trading companies.
- Commercial Board – reports to Council and is responsible for advising Council in relation to the Society's commercial and financial affairs and resources. It is responsible for representing the Society as the 'employer' in the funding and support of the RHS (1974) Defined Benefit Pension Scheme and the provision of alternative pension arrangements if appropriate.

- Council Technology Group – reports to Council and is responsible for maintaining an oversight of the Society’s key IT and digital projects and their operation within agreed budgets, in particular, approval of draft business cases for the digital and IT operational projects.
- Horticulture Board – reports to Council and is responsible for all activities relating to the encouragement and improvement of the science, art and practice of horticulture in all its branches within the Society. In this respect, it is the guardian of the Society’s role as a Learned Society. The Board is responsible for offering horticultural, educational and scientific advice to Council on any major initiatives or developments being considered by the RHS.
- Investments Committee – reports to Council and is responsible for reviewing and maintaining the Society’s investment portfolio (including bursary funds).
- Nominations, Appointments and Governance Committee – reports to Council and is responsible for identifying and recommending the candidates who should receive Council’s support for election as members of Council. The Committee is responsible for the approval of all appointments to governance and decision-making boards as well as committees, and has oversight of appointments to advisory groups of the Society as well as representatives of the Society on outside bodies. The Committee ensures that increasing diversity across our governance structure is an objective when appointments are considered. It also monitors and makes recommendations to Council about any changes to the governance arrangements of the Society.
- People and Remuneration Committee – reports to Council and is responsible for reviewing the remuneration and benefits for the Director General and all members of the Leadership Team of the RHS. The Committee also reviews and monitors People policies, processes and practices.

Advisory groups and forums

Council and the Leadership Team of the Society also appoint advisory groups and forums to provide specialist advice to the RHS and the wider gardening public.

Some 643 individuals have served on these Boards, Committees, Groups and Forums during the past year in a voluntary capacity, generously giving their time and expert knowledge.

The terms of reference for all Boards, Committees and advisory groups can be obtained from the Secretary at the address shown on p3. Further information about the governance and management arrangements of the Society can also be found on our website.

Council confirms that it has given due consideration to the Charity Commission’s published guidance on the Public benefit requirement under the Charities Act 2011, as highlighted on pp6–21.

RHS Trading Companies

Our active trading companies are:

RHS Enterprises Limited – a garden-related retailer operating at RHS Gardens, RHS Shows and online.
 RHS Special Events Limited – organises gala events for fundraising purposes at the RHS Chelsea Flower Show and RHS Hampton Court Palace Garden Festival.

Both companies donate their available profits under Gift Aid to the Society, thereby assisting the funding of our non-commercial, charitable activities.

Each trading company has its own Board of Directors. The Directors’ Report and Annual Accounts for each of the RHS trading companies are available on request from The Secretary of the RHS and are also publicly available at Companies House.

Related charities and other related parties

The Lindley Library Trust (registration number 222879) is a subsidiary charity of the RHS. Members of the RHS Council are also the Trustees of the Lindley Library Trust.

The RHS jointly administers The Shropshire Horticultural Society (Wisley Trainee) Charitable Trust (registration number 701677) with the Shropshire Horticultural Society, with each charity entitled to appoint three of the six Trustees.

The Northern Horticultural Society (‘NHS’) merged with the RHS in 2001. To protect the name, The Northern Horticultural Society Limited (company number 06799077) was formed. It is not intended that this company will trade. Any donations that continue to fall due to the Northern Horticultural Society will in future be payable direct to the RHS.

The Royal Horticultural Society (1974) Pension Scheme is a related party to the RHS (see Note 29 to the Financial Statements).

Management of the Society

The day-to-day running of the Society is delegated to the Director General and the Leadership Team. Each Leadership Team member has a division under their control and is responsible for the Society’s operational activities and delivery of the Strategic Objectives agreed by Council.

The Leadership Team during 2022/23 were:

Ms Clare Matterson, Director General (from 14 June 2022)
 Ms Sue Biggs, Director General (to 14 June 2022)
 Mrs Carole Goldsmith, Director of People
 Prof Alistair Griffiths, Director of Science and Collections
 Ms Hayley Monckton, Director of Communications

Mrs Jan Nix, Director of Risk & Governance (to March 2022)
Mr Mark Norman, Director of Finance, Estates and Governance
Ms Martine Parnell, Director of Membership, Marketing and Digital
Ms Helena Pettit, Director of Gardens, Shows and Retail
Mr Jon Simpson, Director of IT
Dr Tim Upson, Director of Horticulture, Education and Communities

Salaries of the Society's Leadership Team are set according to market rates, the level of skills and experience required to deliver the roles, and affordability. Salaries for the Leadership Team and Director General are considered annually by the People and Remuneration Committee.

Staff and volunteers

As at 31 January 2023, the Society employed 870 full-time and 341 part-time staff (31 January 2022: 787 and 280 respectively). Additional seasonal staff were employed during peak periods. The Society also received help from 1,848 volunteers during the year. This included 1,264 regular on-site volunteers in the Society's Gardens and Shows, 24 off-site volunteer judges supporting our Britain in Bloom community project and 643 expert supporters of the Society who serve on its boards, committees, forums and advisory groups. We were pleased to issue 137 long-service awards to on-site volunteers, ranging from 5 to 25 years of volunteering.

We are focused on improving the diversity of those who work for and volunteer at the RHS, and the Trustees recognise the importance of working to improve diversity within our governance structure. Our Nominations, Appointments and Governance Committee considers diversity regularly to ensure that it is maintained as a focus of the Society.

Principal risks and uncertainties

The Society has an established risk-management policy in place, which documents our approach to risk. Our reputation is extremely important to us; it is affected by our decisions, performance, and activities across a wide range of areas. We strive to ensure that we meet the expectations of our members, visitors, gardeners, customers and other key stakeholders. Threats to our reputation ('reputational risk') may arise as a consequence of our key risks, all of which are actively managed. The policy outlines the roles and responsibilities of Council and the Executive, the key requirements for reporting, and how the effectiveness of this approach will be measured.

The Society has a dedicated internal audit function that undertakes audits as agreed with the Audit and Risk Committee, and maintains a detailed risk register that addresses the major risks that face the Society and may impact its ability to achieve objectives. The register is subject to monthly review by the Leadership Team in order to take account of emerging risks and changes in the risk profile. The register is discussed biannually at the Audit and Risk Committee and submitted regularly to Council for information and review.

Staffing was previously reported as a significant risk to the Society. While staff recruitment and retention remains a risk, we continue to manage operationally through specific focused activities and strategically through a number of focused projects, including our Diversity and Inclusion Strategy.

Following the Secretary of State for Transport's decision to grant final approval for the M25 Junction 10/A3 Wisley Interchange Development Consent Order in May 2022, work has now begun and is expected to complete in summer 2025. The Society and its supporters have done all we can to minimise negative impacts on RHS Wisley. However, there remains a risk that the ongoing works will significantly impact our visitor numbers to RHS Wisley over this period. The Society is working closely with National Highways to minimise disruption to visitor journeys.

Overleaf is a summary table of operating risks faced by the Society and mitigating controls in place to manage likelihood and impact of these risks:

| Risks <i>What are the key risks facing the Society?</i> | Management and mitigation <i>What is the Society doing to reduce the likelihood or minimise the impact of these risks occurring?</i> |
|--|---|
| <p>Cost of Living Crisis. The inevitable increase in costs across all our activities is set against a change in consumer behaviours and their spending habits. Value for money is a key driver when it comes to leisure activities, and consumers are thinking more about venues with low or no entrance fees and reducing their spend when on a trip.</p> | <p>The Society has robust budgeting and forecasting processes in place, underpinned by a robust governance framework for review, challenge and monitoring.</p> <p>Work is ongoing to expand our Membership offering, alongside improvements to our Membership systems to enhance the customer experience. Recruitment and retention drives extol the benefits of membership, including the wellbeing benefits of visits to RHS Gardens.</p> <p>A fundraising team is in place to develop and nurture relationships with stakeholders, as well as develop and drive targeted fundraising activities.</p> <p>Our flagship RHS Flower Shows' content is reviewed and assessed to ensure alignment with visitor needs and expectations.</p> |
| <p>Changing climate and environment. Extreme weather events are becoming more frequent and are occurring throughout the year. Usually difficult to predict, adverse weather can significantly reduce the number of visitors to RHS Gardens and Shows, impacting our sales performance. Weather extremes (flooding, drought, heat, high winds and snow) due to a changing climate may also cause significant damage to buildings, infrastructure and our plant collections within the Gardens, while negatively impacting visitor numbers.</p> <p>Changes in climate, especially warmer winters, may also enable more pests and diseases to become established in our Gardens.</p> | <p>The Society has measures in place to reduce the impact of adverse weather, including more areas under cover for visitors, increasing Garden events, encouraging pre-booking of tickets and growing online sales.</p> <p>On an operational level, the Society has a tree management regime in place as well as irrigation procedures for each Garden, plus emergency closure plans for extreme conditions. The new lake at RHS Wisley will contribute to our goal of making the RHS water neutral by 2030.</p> <p>Our Environmental Horticulture Science team focuses on researching and developing all aspects of gardening to adapt to and mitigate against changing climate on trees, water and gardening sustainably.</p> <p>Our Sustainability Strategy was launched in 2021 and empowers us to build better, longer-term infrastructure and encourage climate positive adaptation and mitigation projects to improve climate resistance and reduce the volatility of climate change on our products and services.</p> |
| <p>Business critical systems. Technology risks remain a key area of focus with cyber security, information security and data-resilience threats in particular requiring close monitoring in order to identify and manage the risks associated with them.</p> | <p>The Society is focused on improving Membership systems to deal with the needs of its increasing membership base as well as enhancing the customer experience. Investment continues to be made in the data-security environment.</p> <p>The projects are managed through both Executive and Trustee groups where progress, changes, costs and risks are monitored with detailed reporting plus change-control and early-warning procedures.</p> |
| <p>Plant health and biosecurity. The arrival of new plant pests and diseases in the UK, especially those affecting trees, has a major impact on our gardens and landscapes.</p> <p>The risk of new plant pests and diseases being introduced is associated with the long-term trend of increasing volume and speed of movement of traded plants, and other material, imported from an expanding variety of sources.</p> <p>Uncontrolled or unmitigated plant-health issues could result in damage to RHS Gardens, RHS Retail and RHS Shows and ultimately affect both the horticultural content and financial performance of the Society.</p> | <p>As set out in our Sustainability Strategy, the Society continues its focus on implementing its six plant-health principles across RHS Gardens, Shows and Retail operations. We continue to protect our Gardens and National Plant Collections, provide plant-health and biosecurity training, undertake research and development for sustainable management of pests and how to stop them spreading. We are investing in and improving our plant-health infrastructure and operations across all RHS Gardens. In January 2023 RHS Garden Harlow Carr became the first public garden in England to be certified as Plant Healthy, in recognition of its work to stop the spread of plant disease and invasive species and promote good plant health.</p> <p>Our Plant Health Science team, based at RHS Gardens Wisley and RHS Harlow Carr, are collaborating with UK researchers, industry partners and gardeners to deliver applied scientific research that leads to plant-health solutions to protect plant biodiversity.</p> <p>Preventive action continues to be taken to reduce particularly high-risk diseases such as <i>Xylella fastidiosa</i> reaching the RHS Gardens and events. This includes the ban of high-risk plants from RHS Gardens and Shows (from 2018 onwards) together with reinforcement of quarantine procedures across the Society for all other imported plants.</p> |

Health and safety

The Society maintains rigorous procedures for ensuring the health and safety of its visitors, staff and volunteers based on proportionate principles of risk management. The Audit & Risk Committee and Council members keep health and safety under regular review.

Accelerating Diversity at the RHS

Our ambition is to lead from the front on diversity and inclusion, because we know getting this right is critical to our long-term success. We are not yet representative of the communities we work with, and still have work to do in nurturing a culture of openness and inclusion in the workplace.

We will do all we can to ensure diversity, inclusion and wellbeing are central to the way we work by 2030. To help, we've appointed a Head of Diversity, Inclusion & Wellbeing, an appointment we believe will enhance our efforts to meet our diversity and inclusion goals.

In 2022, we focused on developing our internal structures and governance to help align our approach across our organisation. One of our first steps involved developing our D&I Strategy and Plan.

Our Diversity and Inclusion (D&I) Strategy and Plan focuses on four key areas:

- Recruit and maintain a diverse workforce and talent pipeline
- Embed inclusive behaviours into our culture
- Provide inclusive experiences for our communities and visitors
- Build an inclusive employer brand

The actions required to achieve success in these areas are detailed in a robust D&I Action Plan and these will be supported by resources including data monitoring, research and analysis.

During 2022, we ran a diversity data collection campaign to help us better understand the make-up of our people. Through this exercise, we gain valuable further information on the diversity of our workforce across multiple characteristics, and will run a similar campaign on an annual basis.

Employee involvement

The decision-making processes incorporates regular feedback from the RHS Voices Group, as a representative body for all employees across all RHS sites. The RHS Voices Group meets quarterly with the Director General and Director of People plus a mix of Senior Managers and members of the Leadership Team. Through the use of an online survey tool, we have the opportunity for more frequent pulse surveys and deep-dive exploration on specific topics identified as needing further investigation. Employees are actively encouraged to participate in the surveys and their anonymous feedback is thoroughly reviewed and forms part of the decision-making process.

Safeguarding

Our activities can often involve interaction with young people and adults at risk. All of our people have a moral and legal

responsibility to look after the young people and adults at risk with whom they come into contact at the RHS. Whether it is our volunteers, staff, or educational groups such as schools and colleges, communities on outreach projects, or running fundraising events and Shows, we are absolutely committed to ensuring the protection and support of young people and adults at risk so that they can live free from harm, abuse and neglect.

We have a Safeguarding Policy in place that has been cascaded through the whole organisation and is supported by robust training and guidance, with measures to manage concerns effectively and protect those who are most at risk. As part of our code of practice, the RHS Behaviours and Business Practices document is available to all our staff via the intranet and provides clarity and guidance on the expectations of all those working for the RHS. This is reinforced during the induction period for all new employees, with additional guidance provided by line managers. Our Management Development Programme offers managers insight into how to develop staff and how to give feedback. The training we offer around safeguarding covers how staff act towards vulnerable people. The eLearning program is mandatory for all staff; those whose role involves working directly with children and adults at risk receive additional face-to-face training.

While we are vigilant in our safeguarding duties, we are conscious of the need for continuous improvement and seek to evolve and improve our policy and associated processes and procedures to ensure that they remain robust. We are supported in our endeavours by SAFEcic, a not-for-profit organisation dedicated to improving safeguarding for everyone.

Fundraising statement

Our guiding principle is to build long-term relationships with our members, donors and funders, encouraging their interest in our work and engaging them with our programmes and projects.

Our fundraising includes a wide range of activities; we ask for support from our members and visitors in our Gardens, Shows, online and by post. This includes the promotion of gifts in Wills. We also seek support from individuals, companies, trusts, foundations and other funders. We use events to introduce potential supporters to the work we do. We are a registered member of the Fundraising Regulator. Our fundraising is carried out by our in-house fundraising staff and there are no arrangements for others to act on our behalf as professional fundraisers or commercial participants.

We have procedures in place to ensure our staff and volunteers comply with fundraising standards and regulation. We are not aware of any failure by our staff or volunteers to meet these standards and we are committed to acting promptly if we receive any information indicating we have not met these standards. In 2022/23 we received one complaint about our fundraising activity (2021/22: three). If complaints are received, we shall respond quickly and ensure corrective action is taken as required. Those corrective actions

might include retraining fundraisers and updating monitoring processes.

We have a complaints policy, which can be found at rhs.org.uk/fundraising-promise

We take our responsibilities on managing our contact data very seriously and we strive to ensure that our policies and procedures around data and processing meet our legal requirements, our high expectations and those of our supporters. As part of the risk-based audit plan and in line with the Society's risk-management processes, Internal Audit performs regular reviews of the Fundraising team activities and control environment.

We respect our supporters' privacy and rights to decide how and if the Society contacts them. We make it easy for supporters to choose how they want to hear from us, and if they ask us not to contact them we will not, unless it is a legal or administrative requirement.

We recognise the need to protect vulnerable people. We ensure that guidance from the Chartered Institute of Fundraising is provided to all fundraising staff to ensure that empathy and respect are demonstrated towards people in vulnerable circumstances and that no donation is sought or gained from someone who may not have the capacity to make an informed and considered decision.

Streamlined Energy and Carbon Reporting

In September 2021, the RHS launched an ambitious sustainability strategy, which included targets for becoming climate and biodiversity positive by 2030 and committing to measuring and publishing our progress as we work towards the achievement of these goals. Establishing the correct baseline for measuring our energy consumption and the overall carbon intensity of our operations is a vital foundation for this strategy.

This is the third year in which the RHS has reported under the Streamlined Energy and Carbon Reporting (SECR) framework. We continue to refine and improve the basis of our data collection and analysis. Our improved methodologies show that we are using less energy and emitting less carbon than we had previously thought. While this is encouraging on one level, it will not lead to any relaxation in our efforts to develop and deliver our integrated strategy to decarbonise our operations across our Gardens, Shows and other activities.

The methodology used to calculate our emissions is the WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance. For the purposes of this measurement we have taken an operational control approach. We have used the UK Government greenhouse gas conversion factors for company reporting 2022. Scope 2 emissions from purchased electricity have been measured using a location-based approach.

The RHS total energy consumption for 2022/23 is 11,646,644 kWh. This includes all electricity, natural gas and bulk fuels for buildings, plus fuels for owned vehicles, mobile plant and equipment, and transport fuels for business travel in employee-owned cars and hire cars.

For 2022/23, the total carbon emissions associated with our reported energy use were 2,351 tonnes CO₂e (2021: 4,175 tonnes CO₂e) with the following breakdown by scope:

Carbon Emissions 2022/23 (tonnes CO₂e)

- Scope 1 emissions – owned or controlled by the RHS
1,116 (2021: 1,872)
- Scope 2 emissions – purchased electricity
1,033 (2021: 2,213)
- Scope 3 emissions – business travel where the RHS is responsible for fuel 202 (2021: 90)

For 2022/23, our emissions intensity, measured as the total scope 1, 2 and 3 emissions relative to the total number of employees (FTE) was 2 tonnes CO₂e per FTE (2021: 4)

These numbers represent a significant decrease on last year results, mostly due to improved and tighter data quality. This will continue to improve as we make advances in data analysis and capture.

The RHS launched our ambitious sustainability strategy in September 2021, which includes targets for being climate and biodiversity positive by 2030 and delivering benefits to people's physical and mental wellbeing through gardens and gardening.

As part of delivering the sustainability strategy, the organisation has carried out a full carbon baselining assessment, which will help focus attention on key areas as we move forwards in developing and delivering this strategy.

We have installed live electricity monitoring at a circuit-by-circuit level across the Society to help eliminate wasted energy. We have also carried out detailed condition surveys of every building and tied this to low-carbon heating and renewable energy options appraisals to build up a building by building investment programme to ensure the Society remains fit for the future.

We are making significant process towards encouraging and facilitating active travel and use of public transport for Gardens and Shows with shuttle buses running at two of the RHS Gardens. We are also working with other bus providers to promote use of existing bus routes at other sites and the introduction of summer shuttle buses.

Work has started on the delivery of our environmental management system with the aim of achieving accreditation to ISO 14001. Some of the benefits of this will be that the RHS will be able to make cost savings through the reduction of waste and consumption, increase employee satisfaction through enhanced environmental performance and ensure that legal requirements relating to environmental aspects are met.

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Mr Keith Weed

President of the RHS and Chair of Council

Date: 27 April 2023

Independent Auditor's Report

to the Trustees of the Royal Horticultural Society, prepared by Crowe U.K. LLP

Opinion

We have audited the financial statements of the Royal Horticultural Society ('the charity') and its subsidiaries ('the group') for the year ended 31 January 2023, which comprise the consolidated statement of financial activities, the parent and consolidated balance sheets, the consolidated cashflow statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 January 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs [UK]) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on p35, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and

disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor

London

Date: 24 May 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.





RHS Hilltop – The Home of Gardening Science, at RHS Garden Wisley. The UK's first scientific centre of excellence for horticulture represents the charity's largest single investment in science in its history

Consolidated Statement of Financial Activities

For the year ended 31 January 2023

| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2023 Total £'000 | 2022 Total £'000 |
|---|-----------|--------------------------------|------------------------------|-----------------------------|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Donations and Legacies | 2 | 13,977 | 4,349 | - | 18,326 | 12,178 |
| Grants | 3 | 728 | 7 | - | 735 | 1,253 |
| CHARITABLE ACTIVITIES: | | | | | | |
| Members and Communication | | 31,415 | - | - | 31,415 | 27,591 |
| Shows | | 22,893 | - | - | 22,893 | 20,801 |
| RHS Gardens | | 15,832 | - | - | 15,832 | 15,505 |
| Communities and Education | | 1,019 | - | - | 1,019 | 669 |
| Horticulture | | 106 | - | - | 106 | 135 |
| Science and Collections | | 161 | - | - | 161 | 114 |
| OTHER TRADING ACTIVITIES | | | | | | |
| Trading Income | | 26,959 | - | - | 26,959 | 29,053 |
| Sponsorship Income | | 3,888 | - | - | 3,888 | 2,622 |
| INVESTMENTS | 3 | 106 | - | - | 106 | 37 |
| OTHER | 12 | 656 | - | - | 656 | 593 |
| Total | | 117,740 | 4,356 | - | 122,096 | 110,551 |
| EXPENDITURE ON: | | | | | | |
| RAISING FUNDS | | | | | | |
| Donations and Legacies | 2, 4 | 1,687 | - | - | 1,687 | 1,446 |
| Trading Costs | | 21,415 | - | - | 21,415 | 20,306 |
| Sponsorship | | 495 | - | - | 495 | 397 |
| CHARITABLE ACTIVITIES | | | | | | |
| Members and Communication | | 20,675 | 17 | - | 20,692 | 15,761 |
| Shows | | 19,565 | - | - | 19,565 | 18,600 |
| RHS Gardens | | 41,813 | 439 | - | 42,252 | 34,967 |
| Communities and Education | | 5,220 | 167 | - | 5,387 | 3,587 |
| Horticulture | | 1,380 | 197 | - | 1,577 | 1,355 |
| Science and Collections | | 6,751 | 43 | - | 6,794 | 5,958 |
| OTHER | 13 | 559 | - | - | 559 | 516 |
| Total | | 119,560 | 863 | - | 120,423 | 102,893 |
| NET INCOME BEFORE GAINS ON INVESTMENTS | | | | | | |
| | 25 | (1,820) | 3,493 | - | 1,673 | 7,658 |
| Gains on investment assets | 9, 15 | 1,697 | - | (83) | 1,614 | 2,384 |
| NET INCOME | | (123) | 3,493 | (83) | 3,287 | 10,042 |
| Transfers between funds | 22 | 1,888 | (1,720) | (168) | - | - |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains on defined benefit pension scheme | 22, 29 | 3,794 | - | - | 3,794 | 1,368 |
| NET MOVEMENT IN FUNDS | 7, 22, 31 | 5,559 | 1,773 | (251) | 7,081 | 11,410 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | 22, 31 | 177,083 | 4,041 | 6,976 | 188,100 | 176,690 |
| Net movement in funds | | 5,559 | 1,773 | (251) | 7,081 | 11,410 |
| Total funds carried forward | 22, 31 | 182,642 | 5,814 | 6,725 | 195,181 | 188,100 |

There are no other gains and losses other than those disclosed above. All transactions are derived from continuing activities. The accompanying accounting policies and notes form an integral part of the financial statements and are set out on pp43-68.

Balance Sheet

As at 31 January 2023

Registered Charity Number: 222879/SC038262

| | Note | Consolidated | | Society | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 149,117 | 149,442 | 149,117 | 149,442 |
| Investments in funds | 9 | 50,840 | 51,200 | 50,840 | 51,200 |
| Investments in properties | 15 | 25,960 | 23,423 | 25,960 | 23,423 |
| Investments in trading companies | 16 | - | - | 110 | 110 |
| | | 225,917 | 224,065 | 226,027 | 224,175 |
| CURRENT ASSETS | | | | | |
| Stock | 18 | 2,409 | 2,272 | 167 | 131 |
| Debtors | 19 | 10,230 | 9,552 | 8,969 | 15,507 |
| Cash at bank and in hand | | 9,083 | 8,094 | 5,416 | 4,146 |
| | | 21,722 | 19,918 | 14,552 | 19,784 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | | |
| Income in advance | | (34,919) | (33,781) | (27,061) | (26,592) |
| Creditors | | (14,227) | (13,484) | (15,088) | (20,696) |
| | 20 | (49,146) | (47,265) | (42,149) | (47,288) |
| NET CURRENT LIABILITIES | | | | | |
| | | (27,424) | (27,347) | (27,597) | (27,504) |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | | | | | |
| | 21 | (2,992) | (3,147) | (2,975) | (3,147) |
| NET ASSETS BEFORE PENSION LIABILITY | | | | | |
| Defined benefit pension scheme liability | 29 | (320) | (5,471) | (320) | (5,471) |
| NET ASSETS AFTER PENSION LIABILITY | | | | | |
| | | 195,181 | 188,100 | 195,135 | 188,053 |
| CAPITAL FUNDS | | | | | |
| Endowments | 22 | 6,725 | 6,976 | 6,725 | 6,976 |
| INCOME FUNDS | | | | | |
| Restricted funds | 22 | 5,814 | 4,041 | 5,814 | 4,041 |
| Unrestricted funds: | | | | | |
| Designated funds | 22 | 175,077 | 172,865 | 175,077 | 172,865 |
| General & Trading funds | 22 | 7,885 | 9,689 | 7,839 | 9,642 |
| Pension Reserve | 22 | (320) | (5,471) | (320) | (5,471) |
| Total unrestricted funds | | 182,642 | 177,083 | 182,597 | 177,036 |
| TOTAL FUNDS | 22 | 195,181 | 188,100 | 195,135 | 188,053 |

The accompanying accounting policies and notes form an integral part of the financial statements and are set out on pp43-68.

These accounts were approved by Council on 27 April 2023 and signed on their behalf by:



Mr Keith Weed (President)



Mr Matthew Lindsey-Clark (Treasurer)

Consolidated Statement of Cash Flows

For the year ended 31 January 2023

| | | | 2023 | | 2022 |
|--|--------|---------|----------------|----------|----------|
| | Note | £'000 | £'000 | £'000 | £'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Net cash provided by operating activities | 25 | | 8,916 | | 21,727 |
| Cash flows from investing activities | | | | | |
| Interest received from investments | | 3 | | 2 | |
| Dividends received from investments | | 103 | | 35 | |
| Sale of investments | 9 | - | | 10,000 | |
| Purchase of tangible fixed assets | 14 | (7,833) | | (5,840) | |
| Purchase of investment properties | 15 | (98) | | (1,807) | |
| Purchase of investments | 9 | (103) | | (25,035) | |
| Movement in cash within pooled investments | | (175) | | 8,807 | |
| Net cash used in investing activities | | | (8,103) | | (13,838) |
| Change in cash and cash equivalents in the reporting period | 26, 27 | | 813 | | 7,889 |
| Cash and cash equivalents at the beginning of the reporting period | 26, 27 | | 22,072 | | 14,183 |
| Cash and cash equivalents at the end of the reporting period | 26, 27 | | 22,885 | | 22,072 |

The accompanying accounting policies and notes form an integral part of the financial statements and are set out on pp43–68.

Notes to the Financial Statements

1. Charity information

The Royal Horticultural Society was founded in 1804 and awarded a Royal Charter in 1861. It is a registered charity in England and Wales (charity number: 222879) and also in Scotland (charity number: SC038262).

2. Accounting policies

Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, are prepared under the historical cost convention with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (Charities SORP [FRS 102]).

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

After reviewing the Society's forecasts and projections, the Trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe the Society is a going concern and have prepared the financial statements on that basis.

Group financial statements have been prepared in respect of the Society and its wholly owned subsidiaries. The Society's trading subsidiaries are RHS Enterprises Limited and RHS Special Events Limited. These subsidiaries are consolidated on a line-by-line basis and have the same accounting reference date as the Society. In addition, Horticultural Halls Limited, RHS Publications Limited and The Northern Horticultural Society Limited are dormant subsidiaries. The Society also jointly administers The Shropshire Horticultural Society (Wisley Trainee) Charitable Trust, the Society's share of which is shown in Note 22 Funds, and The Lindley Library Trust, a subsidiary charity of the RHS.

RHS is a registered charity and as such is potentially exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. There was no tax charge during the year. The subsidiaries donate, under Gift Aid, all distributable profits to the charity each year.

The Society has taken advantage of the exemption in FRS 102 from the requirement to prepare Statement of Cash Flows and certain disclosures about the Society's financial statements.

Going concern

The numbers of visitors to the Gardens and Shops (physical and online) exceed pre-pandemic levels and the organisation has shown its adaptability to operate in the changed world after the pandemic. Visitor numbers have been buoyant throughout, emphasising the requirement and demand for open spaces, while members have remained loyal and donors generous in their support.

The major capital projects are now completely operational and have been well supported in their first full year of operations. The two remaining projects within the Strategic Investment Programme, the conversion of the Historic Laboratory at Wisley, which opened in March 2023, and the integration into the garden of the Harrogate Arms at RHS Garden Harlow Carr, scheduled for completion by the end of 2023, have lower specific cash needs going forwards. Other major committed future capital projects are aligned with the sustainability strategy and are scheduled for completion by 2030.

The impact of economic pressures and inflation on disposable income cannot be ignored and has been growing throughout the year with lower attendance at the later Shows and the slowing of both membership growth and paying adults in the Gardens. With this in mind, the 2023/24 budget was prepared, as always, on a cautious basis with the assumption of a low steady improvement on the operational success of 2022/23, but factoring in the known economic impacts of general inflation on our members and customers over the coming year as well as the impact on our cost base. As part of the budget process, downside and risk scenarios were considered carefully, and in all situations the Society would have sufficient cash and cash investment reserves to continue to fund its operations.

In addition to its cash and investments, the Society does have unencumbered property assets in Vincent Square, London and residential properties in Wisley Village against which loans could be advanced if required. Moreover, the Society has revolving credit arrangements in place with its banks, which provides a further cushion to meet any short-term cash outflows.

The Trustees therefore have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements, and are not aware of any other material uncertainties that may adversely affect the Society. Accordingly, the financial statements continue to be prepared on the going-concern basis.

Judgements in applying accounting policies and key sources of estimation uncertainties

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the change affects only that period or in the period of the revision and future periods if the change affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities: the charity recognises its liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 29.

Valuation of land, buildings and investment properties: the charity's land, buildings and investment properties are stated at their estimated fair value based on professional valuations as disclosed in note 15.

Fund accounting

Unrestricted funds comprise the Designated funds, the General fund, non-charitable trading funds, and the Pension Reserve. Designated funds are General funds designated for specific purposes by Council. The General fund is the accumulation of surpluses and deficits and is available for use at the discretion of Council in furtherance of the Society's general charitable objectives. The non-charitable trading funds represent the reserves of the trading subsidiaries. The Pension Reserve represents the deficit or surplus on the Royal Horticultural Society (1974) Pension Scheme on an FRS 102 basis (see Note 29).

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. Permanent endowment funds are capital funds where Council has no power to convert the capital into income. The Society's endowment funds are managed on a total return distribution basis. Income generated from the endowment funds are added to the capital endowment fund. Up to a maximum of 3.5% of the endowment fund balance at 30 September is released as restricted income in the following financial year.

The Society was granted permission by the Charity Commission on 28 November 2012 to adopt the use of a total return policy in relation to its permanent endowment funds. The Society adopted the policy from the financial year ended 31 January 2014.

Funds transfers primarily arise when endowment funds are transferred to restricted funds under the total return distribution basis. Funds transfers also arise from the expenditure of restricted funds on capital projects. The funds are transferred into general and unrestricted funds as the capital costs are expended. Fund transfers can also arise due to the reclassification of a restriction.

Income

Income is recognised in the Statement of Financial Activities when the RHS is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met then the income is deferred. The following specific policies apply to categories of income:

Membership subscriptions are credited to incoming resources over the period to which the membership relates. Life subscriptions are credited to income in equal instalments over a 10-year period.

Legacies are accounted for based on settlement of the estate or receipt of payment, whichever is earlier.

Donations include Gift Aid donations on membership subscriptions and garden entry tickets.

Grants received in advance of the associated work being carried out are deferred only when the donor has imposed preconditions on the expenditure of resources. Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received.

Shows income primarily comprises ticket sales, tradestand sales, catering commission and other sundry Show income such as Show Guide and car parking sales. Income in advance for Shows and other activities is recognised at the time of the Show or other activity.

RHS Gardens' income includes Garden entry ticket sales, catering sales and event income.

Communities and education income includes sponsorship of community projects, as well as exam and course fees for horticultural qualifications. Exam fee income is recognised at the time of the exam sitting. Horticultural income is generated from membership subscriptions and insurance renewals from Affiliated Societies. All gardening clubs and horticultural societies with an annual membership subscription are eligible to join the RHS Affiliated Societies scheme.

Science and Collections income is primarily funding received from outside bodies to carry out horticultural scientific studies.

Trading income is generated through Retail areas at each RHS Garden, mail-order and e-commerce sales, the letting out of event space in The Horticultural Halls in London, publications

such as *The Garden* magazine, commercial images and gala income from the RHS Chelsea Flower Show and the RHS Hampton Court Palace Garden Festival.

Sponsorship income is generated through sponsorship of the RHS Shows and events, and the sale of Show television rights.

Investment income is generated from dividends and interest received from RHS investments. The RHS invests its funds in liquid instruments under discretionary mandates with third-party investment managers. Funds anticipated to be spent within five years are invested in short-term fixed-income securities or cash, while funds that are not expected to be utilised within five years are invested on a real return investment mandate. Investment income is recognised on an accruals basis.

Other income is generated primarily from properties in Wisley village rented on the open market.

Expenditure

All expenditure is allocated to the appropriate heading in the accounts. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of the resource.

Expenditure on raising funds includes the costs incurred in generating voluntary income. Donations and legacies expenditure are the costs of those activities. Charitable activity expenditure represents the costs of Shows, Gardens, Scientific, Educational, Editorial activities and Membership services.

All resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any irrecoverable VAT.

Allocation of support costs

Support costs relate to those functions that assist the work of the Group but do not directly undertake charitable activities. Support costs include the Leadership Team, HR, Finance and Estates, Communications, IT and Governance. Where support costs are directly attributable to the charitable purpose, they have been directly allocated. Remaining support costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in Note 5.

Intangible Fixed Assets

Computer software is stated at historic purchase cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of 3 years, on a straight-line basis.

Tangible Fixed Assets

Freehold land is considered to have an indefinite useful life and is not depreciated.

Fixed assets are stated at cost, deemed cost or donated valuation. Where it has been identified that the recoverable amount of a fixed asset is below its net book value, the asset

is written down to its recoverable amount and the impairment loss is recognised in the Statement of Financial Activities. Equipment purchases below £2,000 are treated as revenue items.

Depreciation is calculated to write off the cost of fixed assets by equal instalments over their expected useful economic lives. The depreciation rates are as follows:

Freehold and leasehold buildings 2%, motor vehicles 20%, plant and equipment, fixtures and fittings, software, infrastructure 5% to 33%.

Fixed assets under construction are not depreciated until the asset has reached completion; upon completion the asset is transferred to the appropriate fixed-asset class and depreciated at the appropriate rate.

The useful economic life of the revalued properties in Wisley village was assessed in 2016. This was deemed to be 50 years from the initial revaluation date of 1 February 2014.

Heritage Assets

The RHS holds two categories of Heritage Assets, the Lindley Library Collection and the RHS Herbarium. This is explained further in Note 17. As reliable cost information is not available and conventional valuation approaches lack sufficient meaning, given that certain aspects of these assets are irreplaceable, no value is included on the balance sheet in respect of these assets. All subsequent expenditure incurred on the heritage assets is reviewed to determine whether it meets the criteria set out in FRS 102 for capitalising subsequent expenditure on an asset. Where the criteria is not met, the expenditure is accounted for through the Statement of Financial Activities.

Expenditure that is required to preserve or prevent further deterioration of individual collection items is recognised in the Statement of Financial Activities when it is incurred. The policies for management and preservation of the collections are stated in Note 17.

Investments in Funds

Investments in Funds are stated at fair value determined by market value on the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. The funds are largely invested to generate an above-inflationary return.

Investment properties

Investment properties are stated at their market value at the balance sheet date. No depreciation is provided for in respect of investment properties in accordance with FRS 102. Such properties are held for their investment potential and not for consumption within the business.

Operating leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Pension schemes

The Society contributes to a defined benefit scheme, which was closed to new entitlements in January 2002 and was closed to future service accruals in May 2009. The pension scheme is administered by Trustees and the assets are held separately from those of the Society. Independent actuaries complete valuations at frequent intervals, usually triennially.

The fund movements and liabilities for this scheme have been recognised in the accounts according to the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and as detailed in Note 29.

The Society also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme by the Society in respect of the accounting period.

Stock

Stock is valued at the lower of cost and net realisable value. It substantially relates to products sold in the retail shops and plant centres at RHS Gardens and Shows. It does not include any work in progress.

Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade debtors, other debtors and accrued income.

Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

Financial assets held at fair value include investments, excluding cash held as part of the investment portfolio.

Termination payments

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts redundancy in exchange for these benefits. The charity recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or (ii) providing termination payments as a result of an offer of redundancy, or (iii) the employee's contract is terminated and payment has been made in full.

3. Income

Legacy income

The estimated value of legacies notified but neither received nor included in income is £3,336k (2022: £5,276k).

Grant income

During the year the Society received a grant of over £50k from National Heritage and Heritage Fund for Horticulture and education, which meets the definition of a Government grant. Included in income is an amount of £nil (2022: £286k) received in connection to the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or contingencies relating to this grant or other forms of Government assistance, from which the charity has directly benefitted, recognised in the accounts.

Investment income

Investment income of £106k (2022: £37k) is made up of income from investments of £103k (2022: £35k) and interest from cash holdings of £3k (2022: £2k).

4. Analysis of expenditure – Group

The total resources expended on charitable and fundraising activities in the Group during the year comprise the following:

| | Direct Cost £'000 | Support Cost £'000 | 2023 Total £'000 | 2022 Total £'000 |
|--|----------------------|--------------------------|---------------------|---------------------|
| Charitable expenditure | | | | |
| Members and Communication | 19,450 | 1,242 | 20,692 | 15,761 |
| Shows | 18,998 | 567 | 19,565 | 18,600 |
| RHS Gardens | 35,650 | 6,602 | 42,252 | 34,967 |
| Communities and Education | 4,550 | 837 | 5,387 | 3,587 |
| Horticulture | 1,321 | 256 | 1,577 | 1,355 |
| Science and Collections | 5,174 | 1,620 | 6,794 | 5,958 |
| Total expenditure on charitable activities | 85,143 | 11,124 | 96,267 | 80,228 |
| Raising funds expenditure | | | | |
| Donations and Legacies | 1,431 | 256 | 1,687 | 1,446 |
| Trading | 18,971 | 2,444 | 21,415 | 20,306 |
| Sponsorship | 442 | 53 | 495 | 397 |
| Total expenditure on raising funds activities | 20,844 | 2,753 | 23,597 | 22,149 |
| Other | 559 | - | 559 | 516 |
| Total expenditure | 106,546 | 13,877 | 120,423 | 102,893 |

Total support costs across all activities include costs associated with providing central management, IT, HR, Finance and other central services to the Society's staff, volunteers, gardens and other activities (see Note 5).

5. Analysis of total support costs – Group

| | Donations and Legacies £'000 | Trading £'000 | Sponsorship £'000 | Charitable Activities £'000 | 2023 Total £'000 | 2022 Total £'000 |
|---------------------|------------------------------------|------------------|----------------------|-----------------------------------|------------------------|------------------------|
| Leadership Team | 16 | 157 | 2 | 713 | 888 | 398 |
| Finance and Estates | 60 | 575 | 13 | 2,618 | 3,266 | 2,993 |
| IT | 107 | 1,017 | 22 | 4,629 | 5,775 | 4,490 |
| Risk & Governance | 23 | 217 | 5 | 990 | 1,235 | 1,160 |
| Communications | 22 | 209 | 5 | 953 | 1,189 | 787 |
| HR | 28 | 269 | 6 | 1,221 | 1,524 | 1,173 |
| | 256 | 2,444 | 53 | 11,124 | 13,877 | 11,001 |

Where support costs are specifically attributable to the activity, they have been directly allocated. Remaining support costs have been apportioned on a full-year equivalent headcount basis. IT costs reflect the increased investment in cyber security as well as the team to support the CRM development.

6. Risk and Governance costs

| | 2023 | 2022 |
|-------------------|--------------|--------------|
| | £'000 | £'000 |
| Audit Fees | 64 | 56 |
| Internal Audit | 261 | 397 |
| Health and Safety | 195 | 154 |
| Secretariat | 315 | 254 |
| Legal | 400 | 299 |
| | 1,235 | 1,160 |

Risk and Governance costs relate to the general running of the Society and include costs for internal and external audit, health and safety, safeguarding, legal and Secretariat costs associated with meeting constitutional and statutory requirements such as the cost of Trustee meetings and the preparation of the statutory accounts.

7. Net movement of funds

Net movement of funds is arrived at after charging/(crediting):

| | 2023 | 2022 |
|---|-------|-------|
| | £'000 | £'000 |
| Depreciation (including trading companies) | 7,702 | 6,848 |
| Auditors' remuneration: | | |
| - Statutory Audit Current Year | 64 | 56 |
| - Tax Services | 9 | 12 |
| Operating lease rentals – Land and Buildings | 91 | 94 |
| - Other Assets | 171 | 161 |

8. Employee remuneration

| | Permanent Staff | | Casual Staff | | Total | |
|-----------------------------------|-----------------|---------------|--------------|--------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Employee costs during the period: | | | | | | |
| Salaries and Wages | 35,312 | 29,329 | 1,713 | 1,384 | 37,025 | 30,713 |
| Social Security | 3,482 | 2,793 | 58 | 55 | 3,540 | 2,848 |
| Pensions | 2,365 | 2,115 | 10 | 7 | 2,375 | 2,122 |
| | 41,159 | 34,237 | 1,781 | 1,446 | 42,940 | 35,683 |

All staff are contracted to the Society. 4 staff have joint contracts with the Society and RHS Special Events Ltd.

Redundancy and termination payments in 2023 amounted to £155k (2022: £114k). These payments were as a result of a review of resources required. There are redundancy and termination payment liabilities of £75k for 2023 (2022: £nil).

The average number of full-time and regular part-time employees during the year increased by 136, reflecting the continued investment in the Science, Education and Community strategies as well as Horticulture in the gardens and in IT supporting cyber security and CRM development:

| | 2023 | 2022 |
|---|--------------|--------------|
| | Number | Number |
| Staff employed in funds generation: | | |
| Trading activities | 181 | 163 |
| Fundraising activities | 19 | 19 |
| Staff employed in disbursement of Charitable expenditure: | | |
| Members and Communication | 92 | 83 |
| Shows | 42 | 37 |
| RHS Gardens | 489 | 437 |
| Communities and Education | 62 | 48 |
| Horticulture | 19 | 20 |
| Science and Collections | 120 | 107 |
| Support | 148 | 122 |
| | 1,172 | 1,036 |

Key management personnel for the Group and for the Society are the same and have been determined to be the Leadership Team and the Trustees. See pp30–31 for a list of members of the Leadership Team.

Remuneration in respect of the Leadership Team was as follows:

| | 2023 | 2022 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| Emoluments | 1,920 | 1,678 |
| Pension contributions | 97 | 106 |
| | 2,017 | 1,784 |

During the year, 7 Leadership Team members participated in the defined contribution pension scheme. The total number of employees whose remuneration and benefits in the year exceeded £60,000, excluding pension and National Insurance contributions paid directly by the Society, was:

| | 2023 | 2022 |
|----------------------------|---------------|--------|
| | Number | Number |
| £60,001 - £70,000 | 24 | 18 |
| £70,001 - £80,000 | 10 | 14 |
| £80,001 - £90,000 | 9 | 4 |
| £90,001 - £100,000 | 1 | 1 |
| £110,001 - £120,000 | 1 | 4 |
| £120,001 - £130,000 | 0 | 2 |
| £130,001 - £140,000 | 3 | 1 |
| £140,001 - £150,000 | 1 | 0 |
| £150,001 - £160,000 | 0 | 1 |
| £160,001 - £170,000 | 3 | 0 |
| £180,001 - £190,001 | 0 | 1 |
| £210,001 - £220,000 | 1 | 0 |
| £230,001 - £240,000 | 0 | 1 |
| £240,001 - £250,000 | 1 | 0 |
| | 54 | 47 |

The two highest-paid directors are paid the equivalent of Society pension contributions directly as part of remuneration.

During the year the Society made contributions of £382k (2022: £303k) into defined contribution schemes.

No remuneration has been paid to any member of the RHS Council. Council members receive complimentary Show tickets in accordance with their role for the RHS Chelsea Flower Show, the RHS Hampton Court Palace Garden Festival and the RHS Flower Show Tatton Park.

Council members were reimbursed a total of £10.8k (2022: £4.5k) for travel and subsistence expenses during the period, reflecting the increased time spent by Council visiting the gardens. The number of Council members reimbursed for expenses was 9 (2022: 6).

The Society directly received help from 1,848 volunteers during the year. This included 1,264 regular on-site volunteers in the RHS Gardens and Libraries, 24 off-site volunteer judges supporting our Britain in Bloom community project and 643 expert supporters of the Society who serve on its boards, committees, forums, Show judges and advisory groups.

9. Fixed Asset investments in Funds

| | UK Property £'000 | Unit Trusts £'000 | Total £'000 |
|--|-------------------------|-------------------------|----------------|
| Market Value at 1 February 2022 | 108 | 51,092 | 51,200 |
| Less: Disposal proceeds | - | - | - |
| Add: acquisitions at cost | - | - | - |
| Less: net loss on revaluation at 31 January | - | (463) | (463) |
| Less: net movement in cash | - | - | - |
| Add: accumulation dividends reinvested | - | 103 | 103 |
| Market value at 31 January 2023 | 108 | 50,732 | 50,840 |
| Historical cost at 31 January 2023 | 30 | 48,323 | 48,353 |
| Analysed as follows | | | £'000 |
| UK Fixed Interest | | | 10,970 |
| Overseas Fixed Interest | | | - |
| UK Equities | | | 1,866 |
| Overseas Equities | | | 13,884 |
| Index Linked | | | 7,598 |
| Commodities | | | 2,612 |
| Cash Instruments held within pooled investment vehicles* | | | 13,802 |
| Market value at 31 January 2023 | | | 50,732 |
| UK Property | | | 108 |
| Market value at 31 January 2023 | | | 50,840 |
| Investments in UK at market value | | | 29,250 |
| Investments outside the UK at market value | | | 21,482 |
| Market value of UK and non-UK investments | | | 50,732 |

*Cash instruments held within pooled investment vehicles managed by third-party investment managers

Restricted and unrestricted funds at market value of £44.1m are invested in a diversified portfolio of equity, fixed interest, other diversifying strategies and cash investments with a level of risk appropriate to the Society's charitable status.

Endowment funds amounting to £6.7m are invested in compliance with the Trustees Act 2000.

Investments that represented more than 5% of the total portfolio were as follows:

| | £'000 |
|---|--------------|
| RLAM Cash Plus Fund | 11,195 |
| Troy Trojan Fund | 23,745 |
| Veritas Global Real Return Fund | 15,792 |
| | |
| Total gain on investment assets | £'000 |
| Net loss on revaluation of investments at 31 January 2023 | (463) |
| Gain on revaluation of investment properties* | 2,077 |
| | <u>1,614</u> |

*Investment properties are included in Note 15.

10. Taxation

The two trading subsidiaries donate all their allowable taxable profits under Gift Aid to the Society by way of a Deed of Covenant, which exists between each party. For each, this creates a legally binding obligation on the subsidiary to pay any profit before taxation to the Society, as its parent. Tax relief in full is recognised as income by the Society when the profits are donated under Gift Aid by the subsidiaries.

11. Commitments for future expenditure

Future capital commitments for budgeted spend and on signed contracts are £3.96m (2022: £331k), relating to the Field Research Facility at Wisley (£512k) a new lake at Wisley (£108k) and the conversion of a building at Harlow Carr (£3.34m).

12. Other income

Other income of £656k (2022: £593k) is from rental income from investment properties in Wisley village.

13. Other expenditure

Other expenditure of £559k (2022: £516k) reflects expenditure on the investment properties in Wisley village.

14. Tangible Fixed Assets

Consolidated

| | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Buildings on Wisley trust land £'000 | Assets in construction £'000 | Plant and equipment £'000 | Fixtures and Fittings £'000 | Total £'000 |
|--------------------------|--|---|---|------------------------------------|---------------------------------|-----------------------------------|----------------|
| COST/MARKET VALUE | | | | | | | |
| At 1 February 2022 | 167,495 | 1,095 | 951 | 1,147 | 6,952 | 8,827 | 186,467 |
| Additions | 2,745 | - | - | 3,883 | 883 | 322 | 7,833 |
| Disposals | (1,168) | - | - | - | (1,888) | (524) | (3,580) |
| Reclassifications | (431) | - | - | - | - | - | (431) |
| Transfers | 541 | - | - | (626) | 85 | - | - |
| At 31 January 2023 | 169,182 | 1,095 | 951 | 4,404 | 6,032 | 8,625 | 190,289 |
| DEPRECIATION | | | | | | | |
| At 1 February 2022 | 28,213 | 509 | 418 | - | 5,112 | 2,773 | 37,025 |
| Charge for the year | 5,898 | 22 | 19 | - | 923 | 840 | 7,702 |
| Disposals | (1,154) | - | - | - | (1,812) | (520) | (3,486) |
| Reclassifications | (69) | - | - | - | - | - | (69) |
| At 31 January 2023 | 32,888 | 531 | 437 | - | 4,223 | 3,093 | 41,172 |
| NET BOOK VALUE | | | | | | | |
| At 31 January 2023 | 136,294 | 564 | 514 | 4,404 | 1,809 | 5,532 | 149,117 |
| At 1 February 2022 | 139,282 | 586 | 533 | 1,147 | 1,840 | 6,054 | 149,442 |

No assets are held under finance lease. All tangible assets are used for charitable purpose.

Included in Assets in construction is £650k relating to the Customer Relationship Management (CRM) system that will be capitalised as an intangible fixed asset on completion.

Society

| | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Buildings on Wisley trust land £'000 | Assets in construction £'000 | Plant and equipment £'000 | Fixtures and Fittings £'000 | Total £'000 |
|---------------------------|--|---|---|------------------------------------|---------------------------------|-----------------------------------|----------------|
| COST/MARKET VALUE | | | | | | | |
| At 1 February 2022 | 167,495 | 1,095 | 951 | 1,147 | 6,952 | 8,733 | 186,373 |
| Additions | 2,745 | - | - | 3,883 | 883 | 322 | 7,833 |
| Disposals | (1,168) | - | - | - | (1,888) | (430) | (3,486) |
| Reclassifications | (431) | - | - | - | - | - | (431) |
| Transfers | 541 | - | - | (626) | 85 | - | - |
| At 31 January 2023 | 169,182 | 1,095 | 951 | 4,404 | 6,032 | 8,625 | 190,289 |
| DEPRECIATION | | | | | | | |
| At 1 February 2022 | 28,213 | 509 | 418 | - | 5,112 | 2,679 | 36,931 |
| Charge for the year | 5,898 | 22 | 19 | - | 923 | 840 | 7,702 |
| Disposals | (1,154) | - | - | - | (1,812) | (426) | (3,392) |
| Reclassifications | (69) | - | - | - | - | - | (69) |
| At 31 January 2023 | 32,888 | 531 | 437 | - | 4,223 | 3,093 | 41,172 |
| NET BOOK VALUE | | | | | | | |
| At 31 January 2023 | 136,294 | 564 | 514 | 4,404 | 1,809 | 5,532 | 149,117 |
| At 1 February 2022 | 139,282 | 586 | 533 | 1,147 | 1,840 | 6,054 | 149,442 |

During the year, a freehold property in Wisley village was refurbished and rented on the open market and reclassified as Investment Properties, as shown in Note 15.

15. Investment properties

| | Consolidated | | Society | |
|---|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Market valuation at 1 February 2022 | 23,423 | 19,638 | 23,423 | 19,638 |
| Additions | 98 | 1,807 | 98 | 1,807 |
| Reclassifications from Tangible Fixed Assets | 362 | - | 362 | - |
| Revaluation gain | 2,077 | 1,978 | 2,077 | 1,978 |
| Market valuation at 31 January 2023 | 25,960 | 23,423 | 25,960 | 23,423 |

Market valuations were provided by an independent property agent in January 2023, in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors. These are based on the fair value of the properties at the balance sheet date, which is deemed to be the open market values at January 2023 for RHS-owned residential properties within Wisley village that are either vacant and are being prepared to rent on the open market, or are for properties that are currently on the open rental market. There has not been a significant change in value between the date of the valuation and the balance sheet date.

The state of repair and condition of the properties has been taken into account, but they do not include building surveys or inspection of areas that were covered, unexposed or inaccessible.

16. Investment in trading and other companies

| | Company registration number | 2023 £'000 | 2022 £'000 | |
|-------------------------|-----------------------------------|---------------|---------------|---------|
| RHS Enterprises Ltd | 01211648 | 100 | 100 | Trading |
| RHS Special Events Ltd | 03119017 | - | - | Trading |
| Horticultural Halls Ltd | 02074555 | 10 | 10 | Dormant |
| RHS Publications Ltd | 04438083 | - | - | Dormant |
| | | 110 | 110 | |

The Profit and Loss Account and Balance Sheet for the two trading subsidiaries are shown below.

| | RHS Enterprises Ltd £'000 | RHS Special Events Ltd £'000 |
|---|---------------------------------|------------------------------------|
| Profit & Loss Account | | |
| Turnover | 25,163 | 4,383 |
| Cost of sales | (8,235) | (1,141) |
| Gross profit | 16,928 | 3,242 |
| Administration expenses (net of interest receivable) | (10,939) | (180) |
| Other operating income | 482 | 61 |
| Net profit | 6,471 | 3,123 |
| Taxation | (1,230) | (593) |
| Profit for the year | 5,241 | 2,530 |
| Balance Sheet | | |
| Fixed Assets | | |
| Current Assets | 9,228 | 1,174 |
| Unsecured Loan to the Society | - | 3,000 |
| Current Liabilities | (5,493) | (4,506) |
| Long Term Liabilities | (17) | - |
| Amounts owing to the Society | (3,562) | 321 |
| Net Assets/(Liabilities) | 156 | (11) |
| Share Capital | 100 | - |
| Reserves | 56 | (11) |
| Equity Shareholders' Funds | 156 | (11) |

The unsecured loans to the Society incur interest at 2% above the Bank of England base rate.

The subsidiaries donate, under Gift Aid, all distributable profits to the charity each year.

17. RHS Heritage Assets

The RHS holds two categories of Heritage Assets, the Lindley Library Collection and the RHS Herbarium. These assets are not valued on a regular basis as the Trustees do not believe that the value of ascertaining their market value would be commensurate with the associated cost.

The RHS Lindley Library Collection

The RHS Lindley Library Trust, of which the members of Council of the RHS are Trustees, holds an extensive collection of Heritage Assets that are held and maintained principally for their contribution to the knowledge of horticulture. They relate to the history of the Society and its many activities – such as its scientific work and flower shows. Its collections also encompass the wider history of horticulture in this country, covering 500 years of the history of gardening and garden plants. They document the art, science and practice of horticulture including growing fruit and vegetables, social history of gardening, plant exploration, domestic produce and allied activities including beekeeping and commercial horticulture.

The collections are in four main areas:

- Printed works: the Library contains more than 104,136 books, dating from 1514 to the present day. Its special strengths are rare early gardening works and hand-coloured illustrated works on garden plants, especially from the 19th century. It has extensive holdings of ephemeral material including the largest collection of nursery catalogues in this country, plus garden guides, posters, postcards – all connected to gardens and gardening.
- Archives and manuscripts: the Library holds the archives of the Society, which provide an unrivalled record of the development of the RHS since its foundation in 1804, as well as 500 years of the history of gardening and flower shows. It also contains the archives of important horticultural personalities and commercial firms; the archive collection is a unique resource for historians.
- Artefacts: the collection includes medals and trophies, garden tools, scientific equipment, historically significant objects relating to the RHS, and merchandising examples.
- Art and Images: the collection includes more than 28,000 botanical art works depicting garden plants, a special collection of more than 7,400 orchid paintings, and approximately 200,000 photographs from the late 19th century onwards (including rare autochromes and cartes de visite).

Acquisitions to the collections are made by purchase or donation according to the Collections Policy. Disposals generally occur when an item is a duplicate of another item in the collection (some duplicates are kept for operational purposes) or an item does not accord with the Collections Policy. Any monies acquired from disposal of items such as via book sales, are used to purchase other items for the collections or to fund library projects.

Public access

The Library is part of the charitable delivery of the RHS. Its collections are accessible to researchers and the wider public through its five libraries, its enquiry service, through a detailed online catalogue, exhibitions, publications and an ongoing programme of digitisation. The Library lends items to external organisations that meet its condition of loan requirements. More than 70,000 visitors use the libraries each year.

Herbarium

The RHS Herbarium at Wisley is the largest herbarium dedicated to the study and research of ornamental plants in the UK and has an international role as a major repository of standard specimens of cultivated garden plants.

Composition and remit:

- The current herbarium holds more than 90,000 specimens, mostly collected post-1980 but many earlier specimens. The herbarium was formerly established as a collection around 1960.
- Most specimens are of ornamental plants. Collections come principally from the following sources:
 - i RHS Gardens, especially Wisley
 - ii RHS Plant Trials
 - iii RHS Shows, primarily the plants that are given awards
 - iv Plant Heritage collections
 - v Plants sent for identification to RHS Botanists by members
 - vi Donations from other herbaria
- It incorporates a number of major collections including the British Pteridological Society (BPS) herbarium of fern cultivars, the Alpine Garden Society and the Heather Society herbaria and the Frederick Hanbury Herbarium of European plants collected mainly in the 19th century.
- In 2017 the RHS began a project to document ornamental plants in cultivation in the UK. This has involved collecting specimens from other UK public gardens of plants not already represented in the RHS Herbarium.
- Around 1,220 new specimens are collected and pressed each year.
- Wild-collected plants are not a focus of the herbarium, but are represented by a number of collections:
 - i Hanbury Herbarium
 - ii Botanical expeditions searching for garden-worthy plants, such as George Forrest, Ludlow & Sherriff, and some more recent Society-funded expeditions
 - iii Donated historical collections
 - iv Native and naturalised plants, invasive species and garden weeds
- Crop plants, including fruit and vegetables, are not represented to any extent in the herbarium.

All new acquisitions and disposals are reviewed against the Accession Policy (May 2008).

The RHS Herbarium is continuing to capture digital images of its specimens.

Nomenclatural Standards Collection:

These are specimens or images that are used authoritatively to fix the identity of a cultivated plant and are the equivalent of type specimens in botanical herbaria.

- The RHS Herbarium at Wisley was one of the foremost proponents of the Standard Specimen programme, now an integral part of the International Code of Nomenclature for Cultivated Plants (2016).
- There are 10,050 standard specimens in the herbarium to date (2,750 herbarium specimens, 7,300 images).
- The herbarium continues to add to its collection of standard cultivated garden plants from RHS Plant Trials, RHS Shows and contributions directly from nurseries and breeders.
- The RHS Herbarium is a member of the Global Plants Initiative (GPI), among more than 300 herbaria worldwide. The RHS has contributed images of all its nomenclatural standards and type specimens to the GPI, which can be viewed online on the JSTOR website.

Image Collection:

The current herbarium is complemented by an extensive image collection, consisting of:

- Around 3,300 watercolour paintings of plants receiving an award either in trial or at a show mainly between 1920 and 1955. These paintings have now been digitised.

- Around 50,000 colour transparencies of plants, mainly from the Gardens, Shows and Trials between 1970 and 2010 (image acquisition is predominantly digital nowadays and dealt with separately to the herbarium).

Collector's notes:

The herbarium specimens are complemented by an additional 13,000 pages of plant lists, collecting notes, images and/or letters pertinent to field work undertaken during expeditions part-sponsored by the RHS (c1910–1980s).

Access:

The collections are occasionally sent on loan to other recognised herbaria or other institutions. However, the most frequent users of the collection are amateur gardeners and loans cannot be made to them. A programme has begun to digitise the RHS Herbarium collections and make them available online. All the specimens have been imaged and so requests to consult the collections are now fulfilled by sending the digital images, thus reducing the risk of damage to, or loss of, the specimens. It is expected that the images will be made available on the RHS website during 2023. The collections are regularly used to support exhibitions, displays and training activities, and herbarium staff give presentations at international conferences to highlight the value of the Society's specimen collections.

18. Stock

| | Consolidated | | Society | |
|---------------------------|--------------|--------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Finished goods for resale | 2,242 | 2,141 | - | - |
| Other | 167 | 131 | 167 | 131 |
| | 2,409 | 2,272 | 167 | 131 |

19. Debtors due within one year

| | Consolidated | | Society | |
|-------------------------------|---------------|--------------|--------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 7,340 | 5,116 | 3,079 | 3,792 |
| Amounts due from subsidiaries | - | - | 3,231 | 6,370 |
| Other debtors | 268 | 1,372 | 196 | 1,231 |
| Taxation recoverable | 145 | 1,408 | 145 | 2,597 |
| Prepayments | 2,253 | 1,486 | 2,174 | 1,482 |
| Accrued income | 224 | 170 | 144 | 35 |
| | 10,230 | 9,552 | 8,969 | 15,507 |

20. Creditors amounts falling due within one year

| | Consolidated | | Society | |
|-----------------------------------|--------------|--------|---------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Income in advance: | | | | |
| Deferred members' subscriptions | 17,729 | 16,930 | 17,729 | 16,930 |
| Income in advance: other | 17,190 | 16,851 | 9,332 | 9,662 |
| Income in advance total | 34,919 | 33,781 | 27,061 | 26,592 |
| Trade creditors | 3,320 | 1,087 | 2,678 | 860 |
| Loans from subsidiaries (Note 16) | - | - | 3,000 | 10,000 |
| Taxation and social security | 1,663 | 927 | 1,663 | 927 |
| Other creditors | 54 | 1,125 | 25 | 1,103 |
| Accruals | 9,190 | 10,345 | 7,722 | 7,806 |
| | 49,146 | 47,265 | 42,149 | 47,288 |

All the income in advance at the start of the year was recognised during the year, except life membership and RHS Shows income. The balance at the start of the year for life memberships was £3,435k, £572k was used during 2022/23 and deferred income for new life memberships was £393k, resulting in a balance of £3,256k at 31 January 2023. £523k is due to be recognised in 2023/24, with £2,733k deferred to future years.

21. Creditors amounts falling due after one year

| | Consolidated | | Society | |
|---------------------------------|--------------|-------|---------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Income in advance: | | | | |
| Deferred members' subscriptions | 2,733 | 2,970 | 2,733 | 2,970 |
| Income in advance: other | 17 | - | - | - |
| Income in advance total | 2,750 | 2,970 | 2,733 | 2,970 |
| Other Creditors | 242 | 177 | 242 | 177 |
| | 2,992 | 3,147 | 2,975 | 3,147 |

22. Funds

| | Balance | | | | Gains/ | Balance |
|---------------------------------|-----------------|----------------|--------------------|------------------|-----------------|-----------------|
| | 01.02.22 | Income | Expenditure | Transfers | (losses) | 31.01.23 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| ENDOWMENT FUNDS | | | | | | |
| Coke Trusts | 2,778 | - | - | (28) | (34) | 2,716 |
| Blaxall Valentine Scholarship | 921 | - | - | (88) | (10) | 823 |
| Guerney Wilson Fund | 389 | - | - | - | (5) | 384 |
| Other Bursary Funds | 425 | - | - | (56) | (4) | 365 |
| Wisley Endowment Fund | 321 | - | - | 11 | (4) | 328 |
| Eric Young Scholarship | 335 | - | - | 12 | (4) | 343 |
| Knowles Bequest | 417 | - | - | 13 | (5) | 425 |
| Hand Bequest | 795 | - | - | 13 | (10) | 798 |
| Shropshire Hort Society | 243 | - | - | (11) | (3) | 229 |
| Other Endowed Funds | 352 | - | - | (34) | (4) | 314 |
| Total Endowed Funds | 6,976 | - | - | (168) | (83) | 6,725 |
| RESTRICTED FUNDS | | | | | | |
| Garden Development Funds | 1,168 | 2,071 | (244) | (1,110) | - | 1,885 |
| Education & Training Funds | 2,006 | 1,203 | (333) | (26) | - | 2,850 |
| Bursary Funds | 406 | 55 | (173) | 119 | - | 407 |
| Other Restricted Funds | 461 | 1,027 | (113) | (703) | - | 672 |
| Total Restricted Funds | 4,041 | 4,356 | (863) | (1,720) | - | 5,814 |
| UNRESTRICTED FUNDS | | | | | | |
| Designated Funds | | | | | | |
| Fixed Asset Fund | 149,442 | - | - | (325) | - | 149,117 |
| Investment Property Fund | 23,423 | - | - | 460 | 2,077 | 25,960 |
| Total Designated Funds | 172,865 | - | - | 135 | 2,077 | 175,077 |
| General and Trading Funds | 9,689 | 117,740 | (119,456) | 292 | (380) | 7,885 |
| Pension Reserve | (5,471) | - | (104) | 1,461 | 3,794 | (320) |
| Total Unrestricted Funds | 177,083 | 117,740 | (119,560) | 1,888 | 5,491 | 182,642 |
| TOTAL FUNDS | 188,100 | 122,096 | (120,423) | - | 5,408 | 195,181 |
| Society only, | | | | | | |
| General and Trading Fund | 9,642 | 97,245 | (99,073) | 292 | (380) | 7,839 |

Endowment Funds

- **The Coke Trust** provides bursaries for horticultural students and training.
- **The Blaxall Valentine Scholarship** established a scholarship for the collection of plants.
- **The Guerne Wilson Fund** was established to further the horticultural work of the Society.
- **The Wisley Endowment Fund** was established under the terms of the Hanbury Trust. It is vested in the Society only so long as the Society uses Wisley garden as an experimental garden.
- **The Eric Young Scholarship** provides funds for an orchid student to train at Wisley.
- **Knowles Bequest** for study of horticulture in northern England.
- **Hand Bequest** to support the student training scheme at Wisley.
- **The Shropshire Horticultural Society Scholarship** provides funds for a student to train at Wisley.

Restricted Funds

- **Garden Development Funds** are held for development projects within RHS Gardens.
- **Education and Training Funds** are held for horticultural education and training.
- **Bursary funds** represent the income from the endowed bursary funds less the expenditure.
- **Other Restricted funds** provide funding for awards, medals and other horticultural purposes.

Unrestricted Funds

Designated Funds

- **The Fixed Asset Fund** represents the net book value of the Society's tangible fixed assets.
- **The Investment Property Fund** represents the market value of the Society's residential properties within Wisley village held as a designated fund while the Society undergoes a wide-ranging strategic review.
- **The Designated Pension Fund** represents the actuarially assessed reserve to fund the deficit on the Royal Horticultural Society (1974) Pension Scheme.

General and Trading Funds

- **The General and Trading Funds** are those unrestricted funds that are freely available to the Trustees to spend on any of the Charity's purposes and will be used to support the general requirements of the Society.

Transfers

Transfers between endowment and restricted funds reflect the adjustments required for the total return accounting policy (see Notes 2 and 23). Transfers between unrestricted and designated funds represent capital expenditure where asset purchases/developments are held and depreciated in designated funds.

£1.1m was transferred from the Garden Development Fund to support projects in the gardens including the Clear Lake at Wisley.

£703k was transferred from Other Restricted Funds for horticultural purposes including work on the Old Laboratory at Wisley.

23. Endowment Funds

| | Endowment £'000 | Unapplied Total Return £'000 | 2023 Total £'000 |
|---|--------------------|------------------------------------|------------------------|
| At beginning of reporting period: | | | |
| Trust for investment / permanent endowment | 3,306 | - | 3,306 |
| Unapplied total return Income | - | 3,670 | 3,670 |
| Total | 3,306 | 3,670 | 6,976 |
| Movements in reporting period: | | | |
| Investment return: dividends and interest | - | - | - |
| Investment return: realised and unrealised gains and (losses) | - | (83) | (83) |
| Total | - | (83) | (83) |
| Unapplied total return allocated to income in the reporting period | - | (168) | (168) |
| Net movements in reporting period | - | (168) | (168) |
| At end of the reporting period: | | | |
| Trust for Investment / permanent endowment | 3,306 | - | 3,306 |
| Unapplied total return | - | 3,419 | 3,419 |
| Total | 3,306 | 3,419 | 6,725 |

24. Analysis of net assets between funds

| | Endowment Funds £'000 | Restricted Funds £'000 | Designated Funds £'000 | General & Trading Funds £'000 | Pension Reserve £'000 | 2023 Total Funds £'000 |
|--------------------------|-----------------------------|------------------------------|------------------------------|--|-----------------------------|---------------------------------|
| Tangible Fixed Assets | - | - | 149,117 | - | - | 149,117 |
| Investment Properties | - | - | 25,960 | - | - | 25,960 |
| Investments in Funds | 6,725 | 5,814 | - | 38,301 | - | 50,840 |
| Current Assets | - | - | - | 21,916 | - | 21,916 |
| Current Liabilities | - | - | - | (49,340) | - | (49,340) |
| Long Term Liabilities | - | - | - | (2,992) | - | (2,992) |
| Pension Scheme Liability | - | - | - | - | (320) | (320) |
| Total Net Assets | 6,725 | 5,814 | 175,077 | 7,885 | (320) | 195,181 |

25. Net cash inflow from operating activities

| | 2023 | 2022 |
|---|---------|---------|
| | £'000 | £'000 |
| Increase in group funds | 1,673 | 7,658 |
| Pension fund movement, excluding actuarial gains/losses | (1,357) | (816) |
| Investment income receivable | (106) | (37) |
| Depreciation charge | 7,702 | 6,848 |
| Fixed asset disposals | 91 | 17 |
| (Increase)/Decrease in stocks | (137) | (69) |
| (Increase)/Decrease in debtors | (871) | (2,346) |
| Increase/(Decrease) in creditors | 1,921 | 10,472 |
| Net Cash inflow from operating activities | 8,916 | 21,727 |

26. Reconciliation of net cash flow to movement in net cash funds

| | £'000 |
|-----------------------------------|--------|
| Increase in cash in the year | 989 |
| Cash inflow from cash investments | (176) |
| Movement in net cash funds | 813 |
| Net cash funds at 1 February 2022 | 22,072 |
| Net cash funds at 31 January 2023 | 22,885 |

27. Analysis of changes in net cash funds

| | Balance 01.02.22 | Cash Flows | Balance 31.01.23 |
|--|---------------------|---------------|---------------------|
| | £'000 | £'000 | £'000 |
| Cash at bank and in hand | 8,094 | 989 | 9,083 |
| Cash included within investments (Note 9) | 13,978 | (176) | 13,802 |
| | 22,072 | 813 | 22,885 |

28. Operating leases

As at 31 January 2023 the Society and its subsidiaries future minimum operating lease payments are as follows:

| | Consolidated | | Society | |
|---|--------------|------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Land and Buildings: | | | | |
| Not later than one year | 42 | 91 | 42 | 91 |
| Later than one year and not later than five years | 311 | - | 311 | - |
| Other: | | | | |
| Not later than one year | 183 | 171 | 161 | 149 |
| Later than one year and not later than five years | 104 | 205 | 101 | 182 |
| | 640 | 467 | 615 | 422 |

As at 31 January, the future minimum lease income due under non-cancellable rental operating leases was as follows:

| | Consolidated | | Society | |
|---|--------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Not later than one year | 711 | 487 | 711 | 487 |
| Later than one year and not later than five years | 1,459 | 1,224 | 1,459 | 1,224 |
| | 2,170 | 1,711 | 2,170 | 1,711 |

Total rental income received from operating leases in 2023 was £656k (2022: £593k).

29. Pension scheme

The Royal Horticultural Society (1974) Pension Scheme (the Scheme) was closed to future service accruals on 31 May 2009. A full actuarial valuation of the Scheme was carried out as at 5 April 2020, which has been updated to 31 January 2023 by a qualified independent actuary. To ensure that the Scheme's Statutory Funding Objective is met (i.e. there are sufficient assets to cover the Scheme's technical provisions), an agreement was reached in March 2021 between the Trustees of the Scheme and the Society that additional contributions will be paid to the Scheme of £76,417 per month for a period of two years beginning 5 April 2020, followed by payments of £130,833 per month from 1 April 2022 to 31 March 2029, escalating at 3% pa starting from 1 April 2023. During the year, contributions of £1,461k were paid by the Society.

Employee benefit obligations – amounts recognised in the balance sheet:

| | 2023 | 2022 |
|-------------------------------------|----------|----------|
| | £'000 | £'000 |
| Present value of funded obligations | (26,927) | (38,198) |
| Fair value of plan assets | 26,607 | 32,727 |
| Deficit | (320) | (5,471) |
| Net Liability | (320) | (5,471) |

As required under FRS 102, the Scheme's assets for this accounting period are based on bid price. The prior year Scheme's assets were calculated on the same basis.

The pension plan assets do not include ordinary shares issued by the sponsoring employer nor do they include property occupied by the sponsoring employer.

The amounts recognised in the SoFA are as follows:

| | 2023 | 2022 |
|------------------------------|---------|-------|
| | £'000 | £'000 |
| Past service cost | - | - |
| Net interest | 104 | 101 |
| Total expense | 104 | 101 |
| Actual return on plan assets | (6,196) | 1,620 |

Changes in the present value of the defined benefit obligations are as follows:

| | 2023 | 2022 |
|------------------------------------|----------|---------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 38,198 | 39,153 |
| Interest cost | 825 | 539 |
| Actuarial losses/(gains) | (10,711) | (186) |
| Benefits paid | (1,385) | (1,308) |
| Past service cost | - | - |
| Closing defined benefit obligation | 26,927 | 38,198 |

Active members of the Scheme ceased to accrue benefits in respect of pensionable service from 31 May 2009, although benefits earned prior to this date remain linked to pensionable salary on future withdrawal or retirement.

Changes in the fair value of plan assets are as follows:

| | 2023 | 2022 |
|-----------------------------------|---------|---------|
| | £'000 | £'000 |
| Opening fair value of plan assets | 32,727 | 31,498 |
| Interest income | 721 | 438 |
| Return on assets | (6,917) | 1,182 |
| Contributions by employer | 1,461 | 917 |
| Member contributions | - | - |
| Benefits paid | (1,385) | (1,308) |
| Closing fair value of plan assets | 26,607 | 32,727 |

The assets in the Scheme are as follows:

| | 2023 | 2022 |
|-----------------------------|--------|--------|
| | £'000 | £'000 |
| Equities | 5,807 | 6,003 |
| Bonds | 12,675 | 13,036 |
| Diversified Growth Fund | 2,413 | 5,805 |
| Cash | 3,888 | 5,480 |
| Insurance policies | 1,824 | 2,403 |
| Fair value of Scheme assets | 26,607 | 32,727 |

Movement in deficit during the year:

| | 2023 | 2022 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Deficit in Scheme at beginning of the year | (5,471) | (7,655) |
| Movement in year: | | |
| Contributions paid by the employer | 1,461 | 917 |
| Other financial expenditure | (104) | (101) |
| Actuarial (losses)/gains | 3,794 | 1,368 |
| Deficit in Scheme at end of the year | (320) | (5,471) |

In the period to 31 January 2023 employer contributions of £1,461k (2022: £917k) were paid into the Scheme. The cost of life insurance was paid in addition.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

a) Financial assumptions

| | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| Discount rate | 4.5% pa | 2.2% pa |
| Inflation assumption | 3.3% pa | 3.7% pa |
| Rate of increase in salaries | 3.3% pa | 3.7% pa |
| Pension escalation in payment | 3.1% pa | 3.5% pa |

(Retail prices index – maximum 5%)

b) Demographic assumptions

(i) Assumed life expectancy in years, on retirement at age 65

| | Males | | Females | |
|----------------------|----------------|----------------|----------------|----------------|
| | as at 31.01.23 | as at 01.02.22 | as at 31.01.23 | as at 01.02.22 |
| Retiring today | 22.1 | 22.1 | 24.3 | 24.5 |
| Retiring in 20 years | 23.4 | 23.4 | 25.7 | 25.9 |

(ii) Pre-retirement mortality rates

The following mortality rates represent the probability of a person of an exact age, as shown below, dying within one year.

| Age | Males | Females |
|------------|--------------|----------------|
| 30 | 0.0003 | 0.0002 |
| 40 | 0.0005 | 0.0003 |
| 50 | 0.0011 | 0.0009 |
| 60 | 0.0033 | 0.0024 |

Amounts for the current and previous four periods are as follows:

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------------------------|---------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Defined benefit obligation | 26,927 | 38,198 | 39,153 | 36,864 | 35,175 |
| Plan assets | 26,607 | 32,727 | 31,498 | 30,925 | 29,197 |
| (Deficit) | (320) | (5,471) | (7,655) | (5,939) | (5,978) |

30. Related Party Transactions

The Society maintains a Register of Interests of all Council members and senior staff. Also, the Society's regulations require an individual to declare an interest and withdraw from any commercial discussions should a conflict of interest potentially arise.

Council members are not remunerated for their roles. They received complimentary show tickets for personal use for the RHS Chelsea Flower Show (President, Treasurer and Council 1), the RHS Hampton Court Palace Garden Festival (President and Treasurer 8, Council 4), and the RHS Flower Show Tatton Park (President and Treasurer 8, Council 4).

The Society requires members of Council, non-Council members of the Commercial Board, and key management personnel to declare any material interests that they, or a related party, may have in the activities of the Society and its trading companies. The President and Treasurer approve individual contracts between Trustees, and the Society and its trading companies, and these are reported to the Audit and Risk Committee. The total cost of these transactions to the RHS in the year is £3.6m. The RHS also received income of £39k from related parties.

Details of significant transactions with Trustees in the period are as follows:

Sarah Eberle – Sarah was paid £50k by the RHS for her Show Garden at RHS Hampton Court Palace Garden Festival in acknowledgment of her professional contribution to horticulture during her 40-year career.

Matthew Lindsey-Clark – Evercore Partners International LLP (of which Matthew Lindsey-Clark is a Senior Managing Director and CEO of the European Advisory business) were invoiced £10k by the RHS for the RHS Chelsea Flower Show Gala 2023. As at 31 January 2023, the balance was nil.

Neil Lucas – Knoll Gardens Ltd (of which Neil Lucas is a Director and Shareholder) was paid £1k for the supply of plants to various RHS Gardens. As at 31 January 2023, the balance owed to Knoll Gardens Ltd was nil.

Mark Porter – National Garden Scheme (of which Mark Porter is a Trustee) was paid £500 for a full-page ad in the Devonshire NGS booklet. They were invoiced by the RHS £1k for catering at a NGS event. As at 31 January 2023, the balance owed to National Garden Scheme was nil.

Jon Wheatley – Stone Barn Landscapes (of which Jon Wheatley is the Director and Owner), was paid £12k for the Careers Exhibit at RHS Chelsea Flower Show 2022 and a further £4k towards an interim payment at RHS Hampton Court Palace Garden Festival 2022. As at 31 January 2023, the balance owed to Stone Barn Landscapes was nil.

Nicolas Dunn – Frank P Matthews Ltd (of which Nicholas Dunn is a Director) paid the RHS £25k towards funding of a fellow within the Science & Collections team. The RHS paid £7k for plants and trees for various RHS Gardens. A further

£34k was paid by RHS Enterprises for the supply of plants and trees. As at 31 January 2023, the balance owed to Frank P Matthews Ltd was £900.

Wesley Kerr – was paid £300 directly by the RHS for an article in *The Garden* magazine on HM The Queen for her Jubilee.

Nicola Spence – DEFRA (of which Nicola Spence is Chief Plant Officer) paid RHS £2k for the review of terrestrial slug and snail species.

Tazim Essani – Holmoaks Rowan Ltd (of which Tazim Essani is Sole Shareholder and Director) was paid £1k for coaching two RHS Directors. As at 31 January 2023, the balance was nil.

Tony Kirkham – Arboricultural Association (of which Tony Kirkham is Vice President) was paid £200 for tree surgery guides. A further £75 was paid by the RHS for the May 2022 Tree Book review. As at 31 January 2023, the balance was nil.

Keith Weed – Essence Global Ltd (of which Keith Weed is Non-Executive Director of the holding company WPP plc) invoiced the RHS £3.3m for media partnership and campaigns. A further £266k was invoiced to RHSE for media partnerships and campaigns. As of 31 January 2023, the balance owed to Essence Global was £228k.

Donations from Trustees and individuals who are classed as related parties to Trustees, in their individual capacity as either Donors or Fellows, amount to £16k in the year (2021/22: £415k).

In 2022/23, the Society charged RHS Enterprises Ltd £8,895k (2021/22: £7,498k) for the provision of staff, the purchase of goods, and the rental of retail and event space. RHS Enterprises Ltd paid the Society £9,401k (2021/22: £7,492k) and gift aided £6,471k (2021/22: £7,689k) to the Society during the year. As at 31 January 2023 RHS Enterprises Ltd owes the Society £3,552k (2021/22 the Society owed £4,021k). In 2022/23, the Society paid RHS Enterprises Ltd £52k for inter-company loan interest (2021/22: £20k). As at 31 January 2023 the Society owed RHS Enterprises Ltd £nil for an unsecured loan that is repayable on demand (2021/22: £6,500k).

In 2022/23, the Society charged RHS Special Events Ltd £558k (2021/22: £598k) for the provision of staff and the purchase of goods. RHS Special Events Ltd paid the Society £558k (2021/22: £598k) and gift aided £3,123k (2021/22 £2,998k) to the Society during the year. As of 31 January 2023 the Society owed RHS Special Events Ltd £321k (2021/22 £2,813k). In 2022/23, the Society paid RHS Special Events Ltd £61k for intercompany loan interest (2021/22 £74k). As at 31 January 2023 the Society owed RHS Special Events Ltd £3,000k for an unsecured loan that is repayable on demand (2021/22: £3,500k).

All payments are shown net of VAT.

The Royal Horticultural (1974) Pension Scheme is a related party to the RHS, being the former Defined Benefit Pension Scheme, which is closed to future accrual (see note 29). There are no further related party transactions requiring disclosure.

31. Comparative results by type of fund 2021/22 – Group

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2022 Total £'000 |
|---|--------------------------------|------------------------------|-----------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | |
| Donations and Legacies | 7,591 | 4,587 | - | 12,178 |
| Grants | 1,011 | 242 | - | 1,253 |
| CHARITABLE ACTIVITIES: | | | | |
| Members and Communication | 27,591 | - | - | 27,591 |
| Shows | 20,801 | - | - | 20,801 |
| RHS Gardens | 15,505 | - | - | 15,505 |
| Communities and Education | 669 | - | - | 669 |
| Horticulture | 135 | - | - | 135 |
| Science and Collections | 114 | - | - | 114 |
| OTHER TRADING ACTIVITIES: | | | | |
| Trading Income | 29,053 | - | - | 29,053 |
| Sponsorship Income | 2,622 | - | - | 2,622 |
| INVESTMENTS | 2 | - | 35 | 37 |
| OTHER | 593 | - | - | 593 |
| Total | 105,687 | 4,829 | 35 | 110,551 |
| EXPENDITURE ON: | | | | |
| RAISING FUNDS | | | | |
| Donations and Legacies | 1,446 | - | - | 1,446 |
| Trading Costs | 20,306 | - | - | 20,306 |
| Sponsorship | 397 | - | - | 397 |
| CHARITABLE ACTIVITIES | | | | |
| Members and Communication | 15,761 | - | - | 15,761 |
| Shows | 18,600 | - | - | 18,600 |
| RHS Gardens | 34,240 | 727 | - | 34,967 |
| Communities and Education | 3,503 | 84 | - | 3,587 |
| Horticulture | 1,160 | 195 | - | 1,355 |
| Science and Collections | 5,860 | 98 | - | 5,958 |
| OTHER | 516 | - | - | 516 |
| Total | 101,789 | 1,104 | - | 102,893 |
| NET INCOME BEFORE GAINS ON INVESTMENTS | 3,898 | 3,725 | 35 | 7,658 |
| Gains on investment assets | 2,110 | - | 274 | 2,384 |
| NET INCOME | 6,008 | 3,725 | 309 | 10,042 |
| Transfers between funds | 3,786 | (3,680) | (106) | - |
| Other recognised gains/(losses): | | | | |
| Actuarial gains on defined benefit pension scheme | 1,368 | - | - | 1,368 |
| NET MOVEMENT IN FUNDS | 11,162 | 45 | 203 | 11,410 |
| RECONCILIATION OF FUNDS: | | | | |
| Total funds brought forward | 165,921 | 3,996 | 6,773 | 176,690 |
| Net movement in funds | 11,162 | 45 | 203 | 11,410 |
| Total funds carried forward | 177,083 | 4,041 | 6,976 | 188,100 |

32. Endowment Funds – 2021/22

| | Endowment £'000 | Unapplied Total Return £'000 | 2022 Total £'000 |
|--|--------------------|------------------------------------|------------------------|
| At beginning of reporting period: | | | |
| Trust for investment / permanent endowment | 3,306 | - | 3,306 |
| Fixed Asset Endowments | - | - | - |
| Unapplied total return Income | - | 3,467 | 3,467 |
| Total | 3,306 | 3,467 | 6,773 |
| Movements in reporting period: | | | |
| Investment return: dividends and interest | - | 35 | 35 |
| Investment return: realised and unrealised gains | - | 274 | 274 |
| Total | - | 309 | 309 |
| Unapplied total return allocated to income in the reporting period | - | (106) | (106) |
| Net movements in reporting period | - | (106) | (106) |
| At end of the reporting period: | | | |
| Trust for Investment / permanent endowment | 3,306 | - | 3,306 |
| Unapplied total return | - | 3,670 | 3,670 |
| Total | 3,306 | 3,670 | 6,976 |

33. Analysis of net assets between funds – 2021/22

| | Endowment Funds £'000 | Restricted Funds £'000 | Designated Funds £'000 | General & Trading Funds £'000 | Pension Reserve £'000 | 2022 Total Funds £'000 |
|-------------------------|-----------------------------|------------------------------|------------------------------|--|-----------------------------|---------------------------------|
| Tangible Fixed Assets | - | - | 149,442 | - | - | 149,442 |
| Investment Properties | - | - | 23,423 | - | - | 23,423 |
| Investments in Funds | 6,976 | 4,041 | - | 40,183 | - | 51,200 |
| Current Assets | - | - | - | 19,918 | - | 19,918 |
| Current Liabilities | - | - | - | (47,265) | - | (47,265) |
| Long Term Liabilities | - | - | - | (3,147) | - | (3,147) |
| Pension Scheme | - | - | - | - | - | - |
| Liability | - | - | - | - | (5,471) | (5,471) |
| Total Net Assets | 6,976 | 4,041 | 172,865 | 9,689 | (5,471) | 188,100 |

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Mr Mark Porter (Chair to 14 June 2022)
Mr Keith Weed
Mr Matthew Lindsey-Clark
Ms Tazim Essani
Baroness Kate Lampard CBE
Mr John Ward (to 14 June 2022)
Ms Ruth Willmott
Ms Debbie Young

Commercial Board

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Mr Keith Weed
Ms Nicky Dulieu
Mr Dennis Espley
Ms Tazim Essani (from 14 June 2022)
Mrs Avril Martindale
Ms Lorna Parker
Mr Mark Porter (to 14 June 2022)
Mr Dan Riddleston
Ms Janet Walker
Mr Ed Webb
Ms Ruth Willmott

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Mr Mark Porter (Chair to 14 June 2022)
Mr Keith Weed
Mr Matthew Lindsey-Clark
Mr Andrew Hucklesby
Mr Sandeep Kumar
Mr Aaron Rajan
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Mr Graham Badman (to 14 June 2022)
Ms Teresa Clements
Mr Mick Crawley
Mr Nick Dunn
Ms Sarah Eberle (to 1 October 2022)
Mr Martin Fish
Mr Tony Girard
Mr David Haselgrove
Dr Clare Hermans
Mr Tony Kirkham
Dr David Rae
Ms Cathy Rollinson
Lady Xa Tollemache
Mr Jon Wheatley (to 14 June 2022)

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Mr Keith Weed
Ms Liz Airey
Mr Alastair Muirhead
Ms Lorna Parker
Mr Anthony Townsend
Ms Janet Walker (from 14 June 2022)

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Ms Lorna Parker (Chair to 14 June 2022)
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Mr Matthew Lindsey-Clark
Mr Nick Dunn
Ms Sarah Eberle (to 1 October 2022)
Mr Tim Edwards
Mr Mark Fane
Ms Charlotte Harris
Ms Jo Thompson (to 14 June 2022)

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Mr Tom Stuart-Smith
Dr Kiat Tan
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Professional Advisors

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London EC1M 6HR

Bankers

National Westminster Bank plc
169 Victoria Street
London SW1E 5NA

HSBC UK Bank plc
168 High Street
Guildford GU1 3YU

Investment Fund Managers

Troy Asset Management
Brookfield House
44 Davies Street
London W1K 5JA

Royal London Asset Management
55 Gracechurch Street
London EC3V 0RL

Veritas Asset Management LLP
90 Long Acre
Covent Garden
London WC2E 9R

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Camassia leichtlinii subsp.
suksdorfii Caerulea Group
in the Stream Gully and
Rock Gully at
RHS Garden Rosemoor



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