



**ANNUAL REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
2016/2017**

Patron

HM The Queen

Presidents Emeritus

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Sir Richard Carew Pole Bt OBE VMH DL
Mr Giles Coode-Adams OBE VMH DL
Mr Robin Herbert CBE VMH

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Mr Lawrence Banks CBE VMH DL
Mr Christopher Brickell CBE VMH
Mr Raymond Evison OBE VMH
Mr Jim Gardiner (from 26 October 2016)
Mrs Carolyn Hardy OBE VMH (died 25 September 2016)
The Rt Hon The Lord Heseltine CH PC
Mr Robert Hillier OBE VMH
Professor Brian Huntley
The Count de Kerchove de Denterghem
Mr Roy Lancaster OBE VMH
Mrs Jekka McVicar VMH (from 27 June 2016)
Dr H F Oakeley
Mrs Jane Pepper
Mr John Ravenscroft VMH
Mr John Sales VMH
The Dowager Marchioness of Salisbury VMH (died 14 December 2016)
Mr Martin Slocock VMH
Vicomte de Spoelberch
Dr Kiat Tan
Mr Alan Titchmarsh MBE VMH DL
Professor Harold Tukey
Mr Richard Webb

Council

Sir Nicholas Bacon Bt OBE DL (re-elected as President 27 June 2016)
Mr Alastair Muirhead (re-elected as Treasurer 27 June 2016)
Mr James Alexander-Sinclair (re-elected 27 June 2016)
Mr George Anderson (retired 27 June 2016)
Mr Christopher Blundell DL
Professor Mick Crawley
Mr Dennis Espley (re-elected 27 June 2016)
Mr Mark Fane
Professor Peter Gregory
Mr David Haselgrove (retired 27 June 2016)
Dame Mary Keegan DBE (elected 27 June 2016)
Mr Matthew Lindsey-Clark (elected 27 June 2016)
Mr Neil Lucas
Mr David Morrison (retired 27 June 2016)
Mrs Lorna Parker
Mr Mark Porter
Mrs Sarah Raven (elected 27 June 2016)
Dr David Rae
Lady Xa Tollemache
Mr Jon Wheatley

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

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* These sections form part of the Trustees' Annual Report

Annual General Meeting 2017

All members of The Royal Horticultural Society (the "Society") will have the opportunity to meet Members of Council (who are Trustees of the Royal Horticultural Society), the Director General and Leadership Team, and ask questions on past performance and future plans at the 2017 Annual General Meeting which will be held at RHS Garden Rosemoor, Devon, at 2pm on Wednesday 12 July 2017. For further information about the meeting, go to www.rhs.org.uk/AGM or contact The Secretary at the address shown below.

If you have any questions about anything contained in this Report or the accompanying Financial Statements, please address these in the first instance to The Secretary, Royal Horticultural Society, 80 Vincent Square, London SW1P 2PE, telephone: 020 7821 3034, email: secretary@rhs.org.uk.

We also welcome your suggestions on how the Report can be improved in future years, and invite you to join us at this year's AGM.

President's Review of 2016/17

As I move into my fourth year as RHS President, I am delighted by the progress that has been made by the Society, under the expert guidance of the Director General, Sue Biggs, and Council. We have been able to effect change on many fronts and that illustrates the dedication and talent that we have within the Society. I consider myself incredibly fortunate to be President at this most exciting time.

I am glad to be able to report that during 2016/17, the Society has seen a range of developments successfully move from the planning to the implementation phase. Additionally, during this year we have been able to honour the Queen's 90th birthday at the Chelsea Flower Show with the creation of two magnificent floral arches and a photographic record of Her Majesty's many visits to the Show.

We are ambitious, and much progress has been made with the Ornamental Horticulture Roundtable Group which is chaired by the Director General. This Group of organisations from the sector held the initial Health and Horticulture Conference at the RHS Hampton Court Palace Flower Show which brought together the health and public policy departments, and a cross section from the industry for the first time, including the former CEO of the NHS, Lord Crisp.

We all know instinctively that gardening is good for our health. At last we and others are beginning to translate that instinct into evidence which will allow the NHS to treat patients in a more holistic manner. This is likely to be far cheaper than conventional remedies.

For the first time, in 2013, the Horticulture Sector delivered the Horticulture Matters report which drew attention to a looming green skills crisis that is threatening the long term sustainability of the UK Horticulture Sector. We vowed to do all we could to highlight the many highly skilled and hugely valuable career opportunities that exist within the sector. The Ornamental Horticulture Roundtable Group has done much to change the perception of gardening and position it as a viable career choice for the most able in our society as well as highlighting the career opportunities for people of all skill levels.

We supported this work last year by launching a new initiative with secondary schools across the UK called Green Plan It.

This project saw young people work with professional mentors from the horticultural sector on projects to develop designs for a green space within their community. The programme ran in eight cities across the UK and helped several hundred children to understand the benefits of gardening generally, and horticulture specifically, as a great career. This will be expanded in 2017.

In Salford, the realisation of the Society's newest garden, RHS Garden Bridgewater, took a significant step forward with the submission of a planning application which will breathe new life into this historic site. This has now been granted in principle. We also recruited two new high-profile ambassadors to take the horticultural message to new and diverse audiences. TV gardener Carol Klein was named ambassador for Bridgewater, while Baroness Floella Benjamin will be raising the profile of gardening to communities and young people – we are delighted to have their support.

Community gardening was very much highlighted last year. The Mayor of London, Sadiq Khan, joined the RHS and residents of the Angell Town estate in Brixton to mark the opening of a garden which they had created in partnership with the RHS. This really was a great example of the way in which gardening can unite a community that has suffered violence and isolation. If anyone ever doubted the power of gardening to act as a catalyst for inclusion, they should speak with the residents of the Angell Town Estate.

As you can see from the above, we have been busy with many projects which were additional to our more public areas of operation.

The four RHS gardens reached a significant milestone when they welcomed their two millionth visitor and all gardens have had their best year ever. Quite rightly, the staff across all the gardens should be immensely proud of this achievement.

The RHS Campaign for School Gardening celebrated the recruitment of its 30,000th member. Ten years ago, at the Campaign launch, such a success story could never have been imagined. To put that number into context, it means that 67% of all primary schools and 77% of secondary schools in the UK now have access to RHS advice, guidance and insight into how gardening can bring lessons to life and enhance learning.

Despite the many successes the Society has enjoyed over the past year, we can say with total confidence that the RHS will not rest on its laurels and that we will continue to improve our performance.

And it appears that my confidence in the RHS is shared by Government. Sue Biggs has been awarded a CBE in recognition of her services to the environment and horticulture. What a truly positive end to my review of 2016/17.



Sir Nicholas Bacon
President
Date: 09 May 2017

Director General: Looking to the Future

2017 promises to be an incredibly important, exciting and pivotal year in the history of the RHS, as we work towards our vision of enriching everyone's life through plants, and making the UK a greener and more beautiful place.

As part of the commitment the RHS made to our members and supporters to increase the reach and breadth of our work and change the future of horticulture, we are moving many projects from the planning to the development phase. These projects are being delivered as part of a £160 million investment the RHS is making in UK horticulture over the next decade.

One of the highlights of 2017 for me, and an occasion I'm proud to be part of, is the opening of the very first RHS Chatsworth Flower Show, a spectacular celebration of the power of plants to excite, inspire and delight. Set in the stunning grounds of the Chatsworth Estate in Derbyshire, the show's theme of Design Revolutionaries will celebrate the spirit of horticultural mavericks such as Capability Brown and Joseph Paxton. I think that it's fitting that the first ever Chatsworth show should honour those who have broken new ground, bent more than a few horticultural rules, set new standards and achieved the seemingly unachievable.

The development of RHS Garden Bridgewater, the charity's newest garden, is moving steadily along, underpinned by unseen but crucial work, to ensure we keep moving in the right direction at the right pace. The Garden, which will breathe new life into the historic grounds of Worsley New Hall in Salford, will be a major step towards the RHS making good on our promise to help more people, from more communities, have the opportunity to experience the many life enhancing benefits of plants and gardens.

But while our capital and fundraising activity gathers pace, our science activity is also moving forward. This year the RHS scientists will confront what is perhaps one of the greatest threats facing UK horticulture, climate change, following their much anticipated Gardening in a Changing Climate report which was launched in April. The report looks at the impact climate change is already having on gardening and gardeners and the practical steps we can all take not just to survive, but thrive in a changing world. It will also provide information on the plants we could all be growing in order to meet the challenge of climate change.

Addressing major social and environmental challenges will be a thread that runs throughout our activity this year. At the RHS Chelsea Flower Show Professor Nigel Dunnett, who was part of the team that created the beautiful wildflower meadows at the London Olympic Park, will create the RHS Greening Grey Britain garden. The garden will highlight the many positive services, over and above the aesthetic, that plants and gardens provide. Services that range from the ability to capture airborne pollutants, to the crucial role they play in reducing urban flooding. Professor Dunnett argues that gardens and plants are no longer an optional and decorative 'nice to have', they are essential.

At the RHS Chatsworth Flower Show we'll be unveiling the RHS Garden for a Changing Climate. This feature garden will present two different versions of a small suburban plot. One will be based on the climate we currently enjoy, showcasing the plants we can now grow, while the other will provide a tantalising glimpse into the future. This vision of the future, when our climate will become increasingly warmer and drier in the summer, but also more turbulent with intense, unpredictable heavy showers, will be based on the findings of the RHS Gardening in a Changing Climate Report.

At the RHS Hampton Court Flower Show the Gardens for a Changing World will raise awareness of the UK's declining wildlife numbers and help gardeners adopt the mind-set and practices needed to help more to become the guardians of our valuable wildlife.

In the corridors of power, the Ornamental Horticulture Roundtable Group, which is made up of the country's major horticultural bodies and which I have the great pleasure of chairing, continues to

build bridges with politicians, policy makers and key influencers. This unseen work is vital if UK horticulture is to achieve its ambitions, one of which is the recruitment of a well-educated, motivated and sustainable workforce. This year we aim to speak to more MPs and Ministers than ever before as the horticulture sector, like most other industries in the UK economy, wrestle with the opportunities and threats that our withdrawal from the EU presents.

We have a lot of important work to do this and £40 million fundraising to achieve, but I am incredibly excited about what we can achieve together in 2017. These are exciting times for the RHS and UK horticulture generally.

With your continued support, patience and understanding the RHS will be an even stronger, more innovative and more dynamic charity. You inspire us to be better, brighter and more courageous and for that I am truly grateful.



Sue Biggs
Director General
Date: 09 May 2017

Activities in 2016/17: What the RHS does

The following is a summary of the Society's principal activities and shows how we provide benefit both to our members and the wider public.

Gardens

We have four renowned Gardens; RHS Garden Harlow Carr in North Yorkshire, RHS Garden Hyde Hall in Essex, RHS Garden Rosemoor in Devon and our flagship garden, RHS Garden Wisley in Surrey. Here we provide gardeners across the UK with access to diverse plant collections, innovative and attractive planting design and the highest horticultural standards and practices. Our Gardens hold Plant Trials to judge plant performance, and those considered to perform particularly well earn the RHS Award of Garden Merit (AGM) so gardeners can identify plants that will thrive in most garden situations. Plants that are particularly good for pollinating insects (so vital for a healthy, sustainable environment) are identified by the RHS Perfect for Pollinators logo.

In 2016/17, we welcomed over 2 million visitors to our Gardens – a 6.6% increase on the previous year.

Shows

We are responsible for organising inspirational Flower Shows at Chelsea in central London, Hampton Court Palace in Surrey and Tatton Park in Cheshire, as well as preparing for a new show at Chatsworth in Derbyshire which will take place for the first time in June 2017. Seasonal shows are also held at all four RHS gardens. We have an established programme of shows at our Horticultural Halls in London and shows held in partnership include the RHS Flower Show Cardiff (with Cardiff Council) and the RHS Malvern Spring Festival; we also contribute content to the Malvern Autumn Show (for the Three Counties Agricultural Society). We also collaborate with groups and societies to deliver specialist shows at our Gardens and Horticultural Halls in London. In 2016 we introduced a series of RHS On Tour to visit London Farmers Markets to sell plants and give helpful advice.

Collections

The Herbarium at Wisley holds an internationally important collection of dried and pressed plant specimens of cultivated ornamental plants. It is the largest herbarium dedicated to the conservation of ornamental plants in the UK.

The history and art of horticulture is centred in the RHS Lindley Library which holds a renowned collection of botanical art, a rich archive and an extensive collection of photographs covering all aspects of gardening. The collections – more than 30,000 works of art and 80,000 titles (the oldest dating to 1514) – provide an unmatched reference for the influences and knowledge that underpin our perspective on horticulture and are used by gardeners, scholars, garden writers, journalists, members and the public from the UK and overseas. The Library at Vincent Square in central London, and its branches in each of the RHS Gardens, are open most days of the week, offer lending facilities to members and free access to everyone.

In the adjacent Lindley Hall and at our four Gardens, art exhibitions and talks are held for the benefit of our members and the wider public.

Media

The RHS shares its knowledge online through our website, social media streams and in print. Our website (www.rhs.org.uk), attracted 18.5 million unique users, a 5% increase in traffic year on year.

We also publish a monthly magazine, *The Garden*, as well as *The Plantsman*, *The Orchid Review*, *Hanburyana* and a host of horticultural books to keep our members and the public informed about the latest skills, design and practice of horticulture.

Science

The RHS is the recognised centre of excellence for horticultural science and advice. In October 2015 we introduced the *RHS Science Strategy 2015-2019* so we can equip people with the knowledge they need to garden successfully in the future. Our strategy is based on four key themes:

- A global knowledge bank for gardening and garden plants
- Plant health in gardens
- Gardening in a changing world
- Plant science for all: people, plants, planet

Our scientists are committed to helping gardeners improve and develop their horticultural skills, as well as identifying and promoting solutions to major issues. We carry out scientific research into plants, their physiology, cultivation, identification, the pests and diseases affecting them and the role they play in our environment. We also provide evidence-based horticultural advice to our members and the wider public via our website, through lectures and seminars, and by leading the debate on issues influencing horticulture and gardening.

Education

We aim to share practical knowledge and to inspire those of all ages and abilities with an interest in plants and gardening.

We provide a 'ladder of qualifications', from the RHS Level 1 Certificate (accessible to amateurs and a first step in vocational training for professional horticulturists), through to the prestigious Master of Horticulture (RHS), a degree-level qualification. The RHS is an Awarding body recognised by the Office of Qualifications and Examination Regulations (Ofqual), ensuring accessibility to RHS qualifications through colleges and other partners. Within our own Gardens we offer practical training schemes for students through the RHS School of Horticulture, RHS apprenticeships and National Gardening Scheme apprenticeships.

Our Campaign for School Gardening encourages children at primary and secondary level to become involved in gardening and, for adults, we organise lectures, courses and workshops in our Gardens and around the country.

We also offer a number of bursary funds to support plant research, expeditions, study tours and conference attendances around the world.

Retail

We offer excellent shopping opportunities for members and visitors in our four Gardens and at our Flower Shows. Sales are generated through our plant centres, gift shops and bookshops, with RHS Garden Wisley offering the best selection of horticultural books and plants in the UK. Sales through

our online facility are rapidly increasing. We earn further income for our charitable purposes from licensing the use of images from our library.

Outreach

We are the national organising body for the Britain in Bloom and It's Your Neighbourhood community gardening movement working in partnership with the 17 Regions and Nations. RHS Britain in Bloom promotes environmental and horticultural good practice in local communities and enables the RHS to support gardeners throughout the UK at a local level. We link to schools and other groups such as Affiliated Societies (including gardening clubs) to expand our outreach and increase the national and international network of gardeners, and encourage gardening in prisons through our Windlesham Trophy award.

How we ensure access for all

We aim to ensure that anyone with an interest in horticulture and gardening can benefit from our work and we do sometimes need to make a charge for access to our services and work. We try to ensure that as many people as possible benefit, whatever their means. In particular, we provide free access to an extensive knowledge base through our website and libraries; offer free open days and facilitate educational visits at all our Gardens; award bursaries for horticultural study; make available the benefit of our Plant Trials programme to the public and horticultural industry through our Award of Garden Merit and Perfect for Pollinators schemes; and support community gardening initiatives through the RHS Campaign for School Gardening, RHS Britain in Bloom, RHS Greening Grey Britain and the affiliation of local horticultural societies. We also ensure that there is extensive coverage of our Shows on free-to-air television, radio, various websites and social media.

We are grateful to our generous donors and those who leave us legacies – without their kind donations we could not undertake all the work we do. We receive no government funding and therefore rely on our commercial activity and the welcome support of our members (more than 476,000 at the time of going to press) to deliver our charitable purpose, and we provide them with access to a range of services and activities such as free entry for themselves and a member of their family to our Gardens and nearly 200 Partner Gardens (free entry for RHS members at selected times); reduced admission prices to our Shows; a monthly magazine; additional gardeners' advisory services; and the knowledge that their membership has helped enable us to undertake much of our scientific, educational, art and outreach work. We place no restrictions on membership and endeavour to keep membership subscriptions at an affordable level.

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit.

Objectives, Achievements and Developments

The RHS was founded in 1804, and our core objective is to be the world's leading gardening Charity by inspiring passion and excellence in the science, art and practice of horticulture. In 2014 we were delighted to introduce the *RHS Vision*, our 10-year Strategic Investment Programme of £160 million to enable us to provide even better inspiration and advice for more people, and help secure and improve the future of horticulture. Our Vision is to enrich everyone's life through plants, and make the UK a greener and more beautiful place. In everything we do, we will aim to use our Guiding Principles, which are to: **Inspire. Involve. Inform. Improve.**

Our Strategic Objectives for 2016/17

Our key achievements against our Strategic Objectives are summarised on the following pages.

1. To be known, loved and trusted as the Charity for all gardeners.

We believe the pleasure and benefits of gardening should be available for everyone.

- We welcomed over 2 million visitors to our gardens – a 6.6% increase on 2015/16.
- Our website attracted an average 1.55 million unique visitors every month, up from 1.49 million the previous year. Our friends on Facebook increased to 183,421 and we now have 120,821 followers on Twitter, 146,298 on Pinterest and have more than doubled the number of those using Instagram to 25,598.
- We organised our fifth National Gardening Week from 11–17 April 2016, an event supported at our four Gardens, private and public gardens, and by the garden centre and nursery industry across the UK. It provided the opportunity for us to strengthen and promote our Greening Grey Britain campaign which encourages people to use horticulture to transform unloved spaces.
- We worked with the Evening Standard newspaper, on its "Estate We're In" project to transform a community space in Angell Town, Brixton. Residents helped designer Ann-Marie Powell to plant the RHS Greening Grey Britain garden at RHS Chelsea Flower Show in May and afterwards the plants used were donated to Brixton. RHS staff worked alongside residents to plant up the space.

2. To safeguard and advance the science, art and practice of horticulture for the benefit of future generations and the environment.

Who will protect the nation's individual gardens and plants if we don't?

- Our bursary scheme provided financial support for a range of horticultural projects including overseas expeditions, study tours, conference attendance and work placements at botanic and historic gardens around the world. A combined total of £102,496 for 87 bursaries were awarded to professional and student horticulturists to broaden their skills, knowledge, and experience.
- Our Restore a Book appeal to safeguard some of the horticultural treasures in our RHS Lindley Library raised £35,700 in the year, leading to the restoration of 1,222 books and other publications.
- At the RHS Chelsea Flower Show we organised our first Front Garden Summit and brought together more than 100 policymakers, developers, planners, garden designers and landscapers to discuss creative, inspired solutions to slow down the loss of front gardens.

- This year the Science team produced 60 publications (20 peer-reviewed and 40 edited). This scientific work advances horticulture practice and adds to the global knowledge-bank on gardening and garden plants.
- We shared our scientific expertise to train 11 PhD students. These PhD students contribute to new horticultural knowledge and will become the next generation of horticultural and environmental scientists.
- The RHS is the only organization that monitors plant pests in UK gardens. We work closely with DEFRA to inform them when we discover new Pests and Diseases in the UK. Our scientific work helps to safeguard UK horticulture and helps to reduce the Plant Health risks for our members, gardeners, our horticultural networks and the wider environment. This information is also used to inform the UK governments Pest Risk Register.
- The RHS is the international leader in Horticultural Taxonomy. In 2016 we published the 9th edition of the International Code of Nomenclature for Cultivated Plants (ICNCP) and the supplements for the International Dianthus, Dahlia, Daffodil, Rhododendron and Orchid registers. This work helps our members, gardeners, garden designers, media, horticulturists and the horticultural industry by providing them with the right name or the right plant to use in their garden or in delivering their professions effectively.

3. To transform communities through gardening.

We want to transform lives and communities, and make the UK a better, greener and more beautiful place.

- Our Campaign for School Gardening involves 30,226 schools, which equates to more than 6 million UK children now involved in gardening at school. We also trained 1,019 teachers in 2016 through our extensive and varied teacher-training programme. The campaign's new website (<https://schoolgardening.rhs.org.uk/home>) was launched to encourage horticulture in more schools.
- We ran our first nationwide Green Plan It challenge to introduce secondary school students to horticulture and its potential careers. In school time, and with links to the National Curriculum, around 70 secondary schools designed a green space specifically for their local community.
- The RHS Britain in Bloom campaign for 2016 asked community gardeners to use the Greening Grey Britain campaign to support health and happiness. A new category 'Overcoming Adversity' was launched to recognise how communities had restored their green spaces after suffering environmental catastrophes such as damage caused by flooding.
- 2,189 'Bloom' groups were involved and 1,955 more local groups took on the It's Your Neighbourhood challenge. More than 300,000 volunteers across the country invested some 11.7 million hours.
- Working with the National Gardens Scheme, we continued to administer the annual Elspeth Thompson Bursary. This provides financial assistance to amateur gardeners within community groups in England and Wales, to enable them to create a garden or horticulture based project for the benefit of the community, or to enable them to acquire horticultural knowledge and skills.

4. To create world-leading horticulture that inspires people to garden.

We want to delight our visitors with the wonder of gardening and inspire people to grow.

- Our successful and acclaimed Flower Shows continue to attract hundreds of thousands of gardeners. We welcomed 165,000 people to the RHS Chelsea Flower Show, 135,000 to the RHS Hampton Court Palace Flower Show, 63,000 to the RHS Flower Show Tatton Park, 26,000 visitors to the RHS Flower Show Cardiff, and 67,649 visitors to the RHS Malvern Spring Festival which is

a joint venture with Three Counties Agricultural Society. We also started work on our new event, RHS Chatsworth Flower Show, Derbyshire which will take place in June 2017.

- As part of our Investment Programme, we unveiled a new landscape masterplan by landscape architect Tom Stuart-Smith for our fifth garden site, RHS Garden Bridgewater in Salford, Greater Manchester and employed its first Curator, Marcus Chilton-Jones. This garden will bring the best in horticulture to thousands more people in the North West.
- Landscape plans by Christopher Bradley-Hole for the new developments at RHS Garden Wisley were also made public. We progressed plans for the new-look front of house and with the completion of a wooden framed Barn building we are now able to relocate staff and the Wisley Garden Library from Aberconway House. Work continues across Wisley as we invest £60 million in our flagship garden.
- Our Rocket Science project concluded with 600,000 children from more than 5,000 schools growing seeds that had spent time in space with British astronaut Tim Peake and comparing them to seeds that had remained on earth. Their results were analysed by Biomathematics & Statistics Scotland and reported in our Rocket Science: Our Voyage of Discovery summary document.

5. To nurture and grow our membership throughout the UK.

We want to be open, relevant and indispensable to all gardeners so that increasing numbers want to join us.

- At the end of the financial year, we had 472,157 members, a record high and a net increase of 23,180 members on the previous year.
- The number of Fellows, our top membership tier and another important source of support, reached 144.

6. To provide a voice for all gardeners.

Our aim is to be the trusted voice of authority for the many and the few.

- We meet regularly with our Plant Committees and specialist Plant Societies, and communicate regularly with Affiliated Societies. We aim to improve the service we give to gardeners with specialist interests.
- Our Plant Trials team worked closely with the gardening trade to explore ways for the Award of Garden Merit to appear more frequently at points of sale. We continue to work closely with organisations such as the Horticultural Trades Association to help ensure that the Award of Garden Merit and Perfect for Pollinators logos are used to maximum benefit.
- Through the Ornamental Horticulture Roundtable Group (OHRG), a collaboration with other horticultural industry and trade organisations, we meet every quarter to raise the profile of horticulture with Government and progress the group's Action Plan.
- We met with Andrea Leadsom, Secretary of State for the Environment, and continue to demonstrate to Government the positive social, economic and environmental contribution horticulture makes, such as driving tourism and making our communities better places to live. Together with our colleagues in the industry, we will continue to raise the profile of the industry.
- In July with the OHRG, we held the Health and Horticulture Forum at the RHS Hampton Court Flower Show to draft the Charter for Horticulture and Health.

- We attended a Parliamentary Reception with the All Party Group for Gardening and Horticulture and called upon Government for support to secure growth in the industry amidst the challenge of an exit from the EU.

7. To share and build expert knowledge.

Anything anyone from beginners to experts ever wanted to know about horticulture and gardening.

- Our Gardening Advice Service handled a record 91,715 gardening enquiries, ranging from pest and disease identification to the best ways of growing individual plants. Additionally we recorded 53.5 million separate views of our advice and plant pages online.
- Our fortnightly series of RHS Podcasts receives an average 272,667 downloads per month and there are more than 3 million over the year.
- We published *Kniphofia: The Complete Guide*, our first monograph since 1956.

8. To delight our customers with exceptional service and products.

We will put our customers at the heart of everything we do throughout our organisation, improving their experience at every opportunity.

- Our website is now mobile responsive allowing mobile phone users to access and enjoy RHS online at their convenience. Now 60% of those using the website access it via a mobile device
- We have an ongoing programme of improvements for the different areas of our website. The redesigned RHS Shows pages were completed during the summer and we are now working to update the RHS Gardens hub.
- Through our Gardening Advice Service, online and by phone, we ensure the best advice available. Gardening advice was provided to over 91,000 people in 2016.
- Each month we publish *The Garden*, our membership magazine to keep gardeners up to date with horticultural practices, gardening trends and Society developments. We also publish two quarterly magazines *The Plantsman* and *Orchid Review* as well as a range of practical and reference books.
- We are improving the orientation and interpretation signage across all of our Gardens. This project aims to enhance visitors' enjoyment by improving way-marking and introducing discreet interpretation panels designed to increase understanding of, for example, how and why our Curators have developed the plantings in the gardens.

9. To be a great place to work where everyone makes a difference.

We want the RHS to be an enjoyable place to work where everyone knows they make a difference and play their part in creating an exciting future together.

- We gave 103 long service awards during 2016, with three for 30 years' service and three for 35 years' service. Our longest serving employee has been working with us for more than 46 years.
- In our third Employee Engagement Survey with Best Companies we continued with an improvement in both our response rate and overall level of engagement. We remain a 'One to Watch' organization in the Best Companies rankings.

- We hosted our now Annual Volunteers Day to thank our 1,300 volunteers for their valuable contributions.

10. To have efficient business practices that deliver maximum income for our charitable purpose.

We constantly strive to improve and ensure an effective, stable infrastructure.

- We constantly review our administrative costs to ensure that maximum funds are spent on our charitable works.
- We are continuing with the development of a new Customer Relationship Management system in-house; this will provide a comprehensive understanding of our members' and other customers' interactions with us, thereby enabling us to provide them with a more targeted and satisfying personal service.
- The Internal Audit Team develops an annual risk-based audit plan and its reviews continue to lead to improved procedural efficiencies across the Society. Internal Audit focuses on adding value and strengthening our internal control framework.
- Secretariat and Finance continue to conduct detailed reviews of our high-value contracts, providing us with assurance that the Society is adequately protected when entering into new commercial agreements.

The Year Ahead

Our Strategic Investment Programme, first outlined in 2014, remains a major focus. We believe our projects (part of the £160 million investment) will change perceptions of us and deliver significant improvements for the benefit of our members, the public and horticulture. We receive no government funding and will increase our income by improved performance and also by the much-appreciated donations of our supporters so we can fund our charitable projects to make a world of difference to people and horticulture.

We firmly believe that through our work, including the Investment Programme, we will, in the years ahead, deliver more benefits to an increasingly broad range of people of different ages, backgrounds and skill levels throughout Britain.

Treasurer's Financial Review

Results for Financial Year 01 February 2016 – 31 January 2017

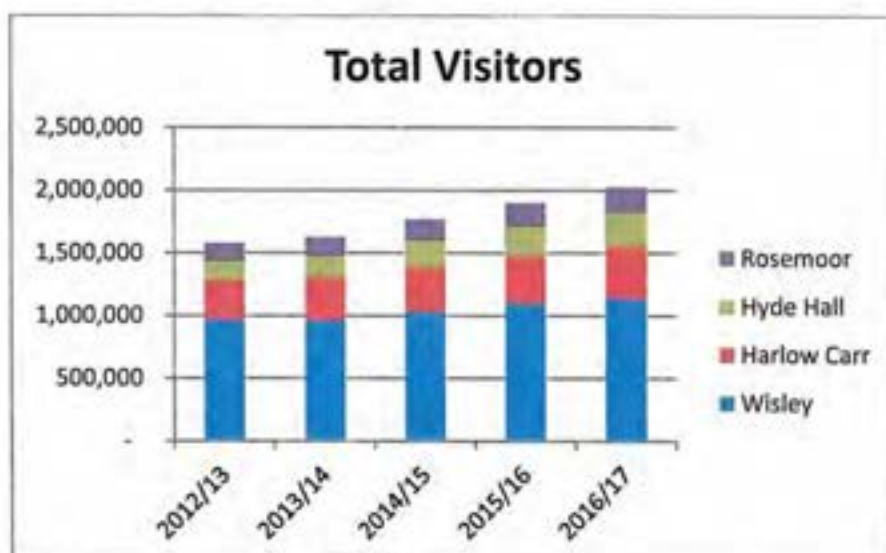
The Society has continued its record of successful financial performance during 2016/17, once again generating a net surplus in excess of our budget. The net surplus before gains on investments was £6.1m and income increased by 7.9% to a record £82.5m whilst, during the year, the rate of investment in our Strategic Investment Programme has gathered pace.

Membership of the Society continued to expand, and grew to a record 472,157 (2015/16: 448,977), an increase of 5.2% over the previous year's record membership. Over the past five years, our membership has steadily increased by over 70,000, an increase of 17.8%.



New events in the Gardens, and the growth of the existing Christmas Glow event in particular, resulted in record-breaking visitor numbers for the year with over 2 million visitors across the four Gardens for the first time. All Gardens had record years, with Harlow Carr exceeding 400,000 visitors and Rosemoor exceeding 200,000 visitors for the first time.

Over the past five years, visitor volumes across our four Gardens have increased by 449,000 (29%).



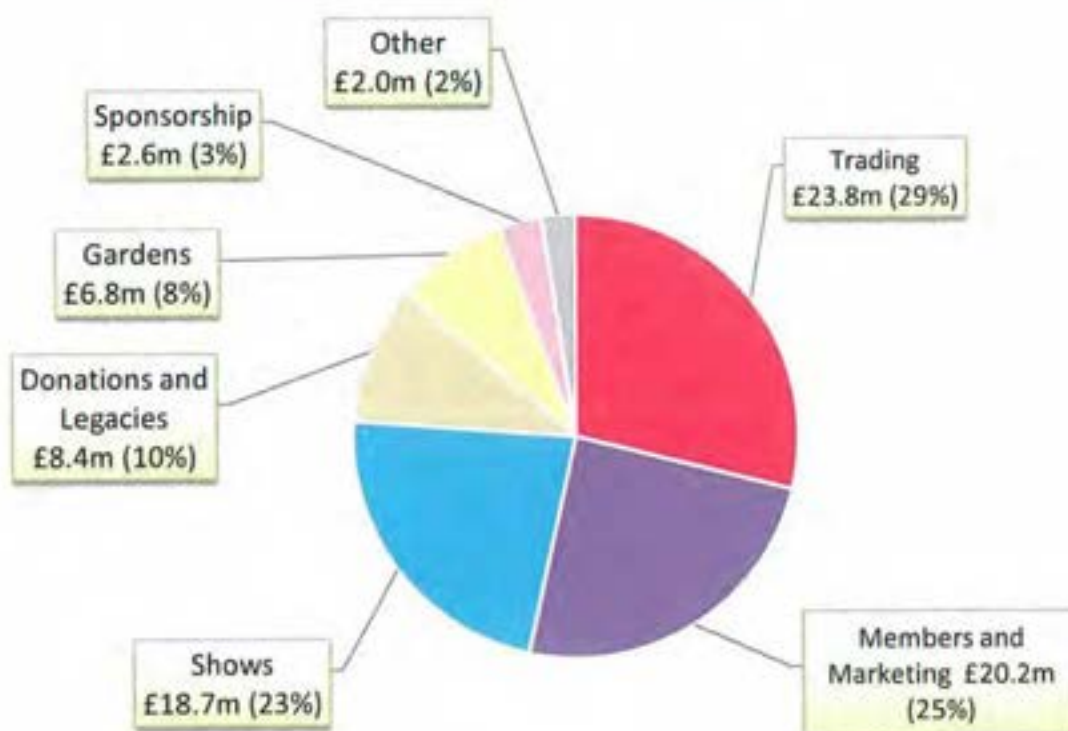
The £160m, 10-year Strategic Investment Programme is now well under way and the Society is committed to investing a substantial part of its reserves and anticipated future net income into this inspirational long term undertaking, the potential from which is huge, underpinning our ability to achieve the ambitious charitable aims that the Society is striving for in the coming years. Of the anticipated £160m investment, the Society is seeking to raise in excess of £40m from fundraising. To date, we have already invested £20m in projects and it will be necessary to designate further elements of the Society's reserves over the coming years to the Strategic Investment Programme Fund (currently £49m), in order to ensure sufficient funds are available to complete this challenging programme.

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 page 32.

Income

The Society generated total income of £82.5m, compared to £76.5m in 2015/16, an increase of 7.9%. A breakdown of this year's income by major area is shown below:

Breakdown of income by major area



Trading income includes retail operations from all four RHS Gardens, events income from gala nights at the Chelsea and Hampton Court Palace Flower Shows, income from advertising in The Garden magazine and income from hiring out of the Lindley Hall. At £23.8m (2015/16: £23.3m), it represents 29% of the total income of the Society and was £0.5m (2.4%) higher than in 2015/16.

Income from the Members and Marketing division, at £20.2m (2015/16: £18.3m), is higher than last year by £1.9m (10.4%), and is 25% of the Society's total income; this continues to represent a major

source of funds to re-invest in our charitable projects. As mentioned above, membership numbers increased to yet another new record of 472,157 by year-end.

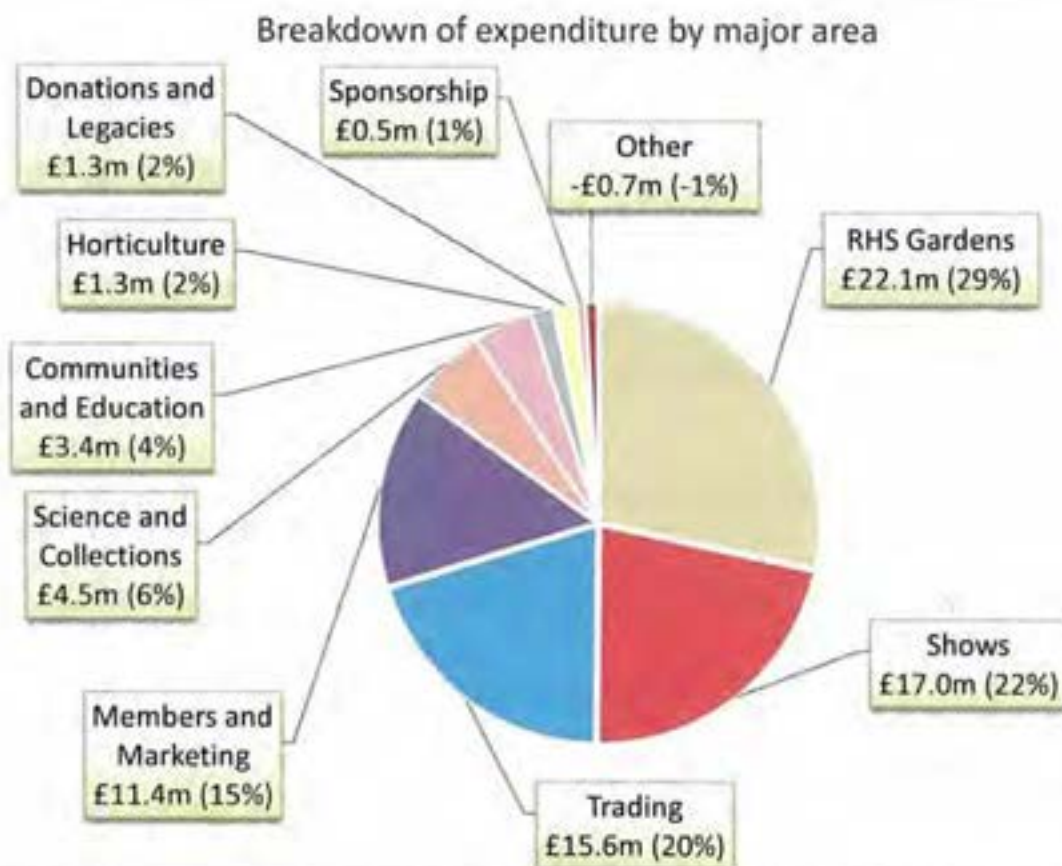
RHS Shows income increased to £18.7m (2015/16: £18.2m), up £0.5m, (3.0%), representing 23% of the Society's income. The Chelsea Flower Show was once again a sell-out, with 165,000 visitors. RHS Hampton Court Palace and Tatton Park Flower Shows were impacted by lower than planned sales in the weeks directly before the shows; however, attendances at these events still amounted to 135,000 and 63,000 respectively. In the coming year, our shows income will see a material increase with the addition of the Chatsworth Show.

Legacies and donations increased to £8.4m (2015/16: £6.9m) as awareness for the Key Investment Projects grows, with increases in gifts to the Society; this will be a critical income stream over the next few years.

RHS Gardens income, which includes gate receipts and catering but excludes income from retail operations, reached £6.8m (2015/16: £6.0m), up £0.8m (12.6%). As previously mentioned, Garden visitor numbers exceeded 2 million and grew by 6.7%, with all Gardens having their best ever year. Catering customers at the Gardens also continued to grow on the back of this.

Expenditure

Total expenditure in the year was £76.4m (2015/16: £71.1m), an increase of £5.3m (7.4%) which included spending of £4.0m on Key Investment Projects within the Strategic Investment Programme. A breakdown of this year's expenditure by major area is shown below:



RHS Gardens had a total expenditure of £22.1m in 2016/17, up £2.9m on 2015/16. Investment in headcount and horticulture across the gardens are the major drivers of the increase on prior years, helping to ensure that our world class gardens are maintained, improved and developed.

Shows had a total expenditure of £17.0m in 2016/17, up £0.9m on 2015/16. The increase came from the investment in a new central shows hub used for all shows, and from increased costs of security, particularly at Chelsea.

Trading expenses of £15.6m are £0.4m lower than in 2015/16, a decrease of 2.6% on prior year. All areas within Trading have achieved decreased expenditure through tighter purchasing and better management of resources.

Members and Marketing continued to focus its efforts and expenditure on supporting the growth in, and providing excellent service to, our membership, whilst also partnering with third parties to reach potential members who wouldn't ordinarily consider joining the RHS.

Science and Collections expenditure is in line with 2015/16, a year in which costs increased by £2.0m, thereby continuing the high level of investment in this area, recognising and rewarding the talent which will ensure the future of great scientists within the RHS.

Communities and Education expenditure has increased by £0.2m on 2015/16 due to additional resources to support the RHS Campaign for School Gardening.

Horticulture expenditure (covering trials, bursaries, partner garden support and Affiliated Societies) is in line with last year.

The Society's Strategic Investment Programme increased its expenditure in 2016/17, with £4.0m invested as revenue expenditure (in addition to the capital expenditure of £8.5m discussed below). Revenue expenditure included £0.7m on garden masterplanning fees across Wisley and Bridgewater Gardens; £0.2m on our Community Outreach projects across the UK; £0.5m towards our "Horticulture Matters" programme where we have committed to make horticulture a career to be proud of; £1.2m towards IT and Digital resources in order to bring our systems in line with 21st century requirements; £0.3m towards increased Horticultural Science resources; and £0.8m covering additional resources required as support to the Society in delivering all the different projects that make up the Strategic Investment Programme.

Fixed Asset Investments

At the year-end, the Society held Fixed Asset Investments valued at £96.7m (2015/16: £90.8m) as set out in Note 8. These investments either provide support for the Society's reserves or are earmarked for allocation against future expenditure on the Strategic Investment Programme. The Investments Committee oversees the Society's investments and is responsible for the review of the Society's investment performance.

Endowments gifted to the Society total £5.0m and form part of the Fixed Asset Investments. The Society's endowed investments are managed on a total return basis with 3.5% of the endowment fund balance withdrawn each year and made available for bursaries. In accordance with this policy, Council transferred £135k from the endowment to restricted funds for spending in the year. In bursary funds where these balances have not been fully expended, the unspent balances are carried forward for spending in the following year.

Over the three years to 31 January 2017, the endowed portfolio produced annualised total returns of 10.8% per year, significantly above the Society's target return of RPI plus 3.5% per annum. Council will continue to review the level of annual withdrawal to ensure that an appropriate balance between the needs and interests of current and of future beneficiaries of the Society's activities is maintained.

Designated Funds, which have been established for specific uses and where the expenditure is expected to be made within a five year period (for example, under the Strategic Investment Programme), 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 Designated Funds which 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 two funds; the CCLA Investment Managers Limited Charities Official Investment Fund (COIF) Charities Deposit Fund and the Royal London Asset Management (RLAM) Cash Plus Fund. Over the year, the Charities Deposit Fund, which is a cash fund only, has essentially met its target return of the average LIBID rate over the period, which was 0.52%. The RLAM Fund, which is invested in both cash and liquid fixed income securities, has returned 1.5% for the year, being 1.0% ahead of the "cash plus" target. The remaining non-endowed investments within designated funds have generated a return of 10.98% per year over the three years to 31 January 2017, which is 9.3% per annum above the Society's target of achieving a positive real return in excess of RPI.

These investments are held in funds across three investment managers to diversify the investment risk. During the year, the Society divested £15m of the RLAM Cash Plus Fund and invested this sum with a new investment manager, Fulcrum, into its TM Fulcrum Diversified Core Absolute Return Fund. The Society's holdings in pooled investment vehicles managed by Troy Asset Management Limited and Veritas Asset Management LLP were maintained unchanged.

In view of the scale of the expenditure expected in the next 5 years under the Strategic Investment Programme, Council has resolved that it is prudent to manage the phasing of this project expenditure such that the balance of Fixed Asset Investments is maintained at a level which exceeds by at least £15m the sum of the Reserve Policy Fund, the endowed and restricted funds and funds sufficient to eliminate the pension deficit. Council will keep this policy under review as the Strategic Investment Programme evolves.

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 unrestricted reserves for a number of purposes which are set out in Note 21a to the financial statements. These reserves, which are reviewed annually by Council, are summarised as follows:

- Fixed Asset Funds totalling £63.5m representing the amount invested in the net book value of unrestricted fixed assets.
- Reserve Policy Fund of £7.5m. Having reviewed the risks to the Society, and the challenges and calls upon its finances, Council considers it appropriate and prudent, in the context of the Society's commitments, to maintain the fund at this level, which is equivalent to approximately 2 months of the Society's charitable expenditure.

- Strategic Investment Programme Funds of £49.0m representing the funding support which has been specifically designated to date for the on-going Key Investment Projects within the Strategic Investment Programme for capital and revenue projects which have been grouped into three projects; Existing Gardens, 5th Garden and Community Outreach. Over time, the execution of the Strategic Investment Programme will lead to further elements of the Society's reserves being similarly designated. It is envisaged that this investment programme will take a minimum of ten years to complete, commencing from 2014. The capitalisation of this major capital programme will lead to annual transfers between this fund and the Fixed Asset Fund.

The balance on unrestricted reserves, after the above designations (which includes the Reserve Policy Fund), is held in General and Trading Funds of £15.7m to provide working capital for the Society and its trading subsidiaries (RHS Enterprises Ltd and RHS Special Events Ltd).

Pensions

The consolidated and Society balance sheets include the pension net liability on the 1974 Defined Benefit Pension Scheme of £8.0m as at 31 January 2017 (2015/16: £5.0m). 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 defined benefit pension scheme was closed to future service accruals in May 2009. Whilst the closure of the scheme helps to minimise its exposure, the Society will remain subject to future volatility in the pension scheme's liabilities as a result of changing actuarial variables. We will continue to seek and evaluate opportunities to reduce the pension scheme net liability.

Capital Expenditure and Disposals

In 2016/17, capital expenditure amounted to £10.9m (2015/16: £2.6m). Of this, £8.5m related to the Strategic Investment Programme which forms part of our landmark £160m investment in the future of horticulture by 2023/24. Expenditure has increased considerably compared to previous years as several of our Key Investment Projects are now underway. Expenditure has been incurred on delivering various projects throughout the year including a new reception and Library Entrance at the Lindley Library in London, enabling works for large projects at our Wisley and Hyde Hall gardens, as well as architects' and consultants' fees across all sites including our new RHS Bridgewater garden in Salford.

Amongst the larger capital additions at our gardens, £4.6m was spent at Wisley on infrastructure works in readiness for the new Welcome building, the Centre for Science and Horticulture, and new office accommodation. At Hyde Hall, capital additions on the expansion of the Welcome building and enabling works for the new Hyde Hall Hilltop development amounted to £1.5m. Expenditure of £0.7m on a new Garden Room at Rosemoor for events was also being constructed during the year which is due for completion in Spring 2017. The balance of capital expenditure represents a combination of architects' and consultants' fees as we continue with design development of the projects at the various sites.

There were no sales of fixed assets in the year. Costs of £1,804k, and accumulated depreciation of £1,437k were written off as disposals in the year.

Outlook

The Society has made significant strides towards delivering our Strategic Investment Programme. The next 4 years will see the delivery of a number of the large capital projects and our absolute focus is now on ensuring the successful execution of these important and complex undertakings, and on managing the attendant risks, whilst continuing to exercise close control over the day to day running of the Society's normal operations and to provide our members with a first class experience.

As I have indicated in previous years' reports, we will need to deploy a significant part of both our investment reserves and our future annual operating surpluses to meet the costs of the Strategic Investment Programme of this scale. In addition, to supplement the Society's own resources, we will need to raise additional funds from donors and external funding bodies and this is a central focus of our efforts in 2017, building on the momentum developed in 2016. Given the size and ambition of our plans, we need to maintain the tight governance structures that are in place around each of the major projects, in order to continue to control carefully both the financial and the project management challenges that they present.

Notwithstanding the diversity and scale of these undertakings, we continue to view the future with confidence.



Alastair Muirhead
Treasurer
Date: 09 May 2017

Structure, Governance and Management

The 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 the website (www.rhs.org.uk) or obtained on request from The Secretary at the address shown at page 4.

A summary of the Society's structure, governance and management arrangements in 2017 is provided below. This broad structure – which emphasises the 'H' for 'Horticulture' in RHS – has been in place since December 2012, though it has been adjusted in the past year with the disbanding of the Pensions and Remuneration Committee and establishment of the Remuneration Committee in its place (with any other responsibilities being absorbed by the Commercial Board).

Council and Trustees

The governing body of the RHS is Council. This comprises the President, Treasurer and up to fifteen ordinary members, all of whom are elected by the RHS membership, and up to two co-opted members. The members of Council are the Trustees of the Society. The President is the Chairman of Council. The current members of Council are shown on page 2.

Election and Appointment to Council

The President and Treasurer are elected annually by the members of the Society at the Annual General Meeting (AGM). The other fifteen elected members of Council usually serve for an initial term of five years with at least three retiring each year and their successors being elected by the membership at the AGM.

Co-opted members are appointed by Council to serve for up to one year to the date of the AGM with the opportunity of re-appointment for one further year. Co-option provides an opportunity to recruit 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 made eligible to stand for election for one further term of up to five years in accordance with the Society's Bye-laws.

A Nominations, Appointments and Governance Committee comprising both serving members of Council and other members of the Society, is responsible for identifying candidates for election to Council after having regard to the role description, the person specification and the skills, knowledge and experience of existing members. The Committee also makes recommendations on the candidates that should receive Council's support at elections.

The rules for the election of 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.

Council Members' Induction and Training

Most members of Council have already served on one or more RHS committees before their election. However, on election, members receive a comprehensive information pack covering the Society's plans and activities.

Council is responsible for:

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 Executive via the Director General. The RHS boards and committees may comprise of 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 Committee also has responsibility for monitoring the approval of contracts involving the payment of a Trustee or a connected party for the supply of goods and services to the RHS or its trading companies.

Commercial Board – reports to Council and is responsible for the proper management of all aspects of the Society's financial affairs and resources, including pensions and people strategy. The Board oversees the activities of the Society's trading companies.

Council Key Investment Programme (KIP) Group – reports to Council and is responsible for maintaining an overview of the Strategic Investment Programme projects and in particular monitoring each project's operation against its approved budget and business case, as well as monitoring related fundraising.

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 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 Society.

Investments Committee – reports to the Commercial Board 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 also responsible for the approval of all appointments to governance and decision-making boards, committees and advisory groups of the Society as well as representatives of the Society on outside bodies. It also monitors and makes recommendations to Council about any changes to the governance arrangements of the Society.

Remuneration Committee – reports to Council and is responsible for approving the remuneration of the Director General and the Leadership Team.

Advisory Groups and Forums

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

Some 350 members of the Society have served on these committees 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 page 4. Further information about the governance and management arrangements of the Society can also be found on our website.

RHS Trading Companies

Our active trading companies are:

RHS Enterprises Limited (RHSE)
RHS Special Events Limited (RHSSE)

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.

Management of the Society

The day-to-day running of the Society is delegated to the Director General and her Leadership Team. A copy of the scheme of delegations to the Leadership Team can be found in the 'About the RHS' section of our website, or on request from The Secretary. 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 2016/17 were:

Ms Sue Biggs	Director General
Mrs Ruth Evans	Director of Education, Funding & Communities
Dr Alistair Griffiths	Director of Science & Collections
Mr Mark Norman	Director of Finance
Ms Hayley Monckton	Director of Communications
Mrs Jan Nix	Director of Risk & Governance
Mrs Sally Charleton	Director of Customer & Commercial (appointed 1 August 2016)
Ms Lucy Semmens	Director of People
Mr Matthew Rooke	Director of Technology & Editorial
Mr Tom Shelston	Director of Members & Marketing
Dr Tim Upson	Director of Horticulture

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 Remunerations Committee.

Staff and Volunteers

As at the 31 January 2017, the Society employed 659 full-time and 224 part-time staff (31 January 2016: 643 and 207 respectively). Additional seasonal staff were employed during peak periods. The Society also received help from more than 1,300 volunteers during the year. This included 601 regular operational volunteers in the Society's Gardens with an additional 382 volunteers helping at its Shows and in the Membership Department and 355 expert supporters of the Society who serve on its boards, committees and advisory groups. 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 has diversity as a standard agenda item to ensure that it is maintained as a focus of the Society.

Reimbursement of expenses

Members of Council do not receive any payment in connection with their position, other than the reimbursement of reasonable travel and subsistence costs.

Subsidiary and related charities and other related parties

The Lindley Library Trust (registration number 222879-1) is a subsidiary Charity of the RHS. The members of the Council of the RHS 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 NHS 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).

The RHS has two trading subsidiaries, RHS Special Events Limited, which organises events for fundraising purposes at the Chelsea and Hampton Court Palace Flower Shows and RHS Enterprises Limited, which is a garden-related retailer operating at RHS Gardens and online. The results of these trading companies have been consolidated in the RHS group accounts.

Risk Management

The Society has in place a risk management policy which documents the Society's underlying approach to risk management, the roles and responsibilities of Council and the Executive, the key requirements for reporting and the measures by which the effectiveness of the approach will be measured. The Society also maintains a risk management register that addresses the major governance, operational, financial, reputational and regulatory risks that might impact on the Society's objectives and its ability to meet them. The register is subject to regular review in order to take account of emerging new risks and changes in the likelihood of a risk occurring or its impact. Progress against risk action plans during the year was monitored by the Audit and Risk Committee and Council and was considered to be satisfactory.

While Council is of the opinion that it has undertaken all reasonable steps to ensure that the major risks to which the Society is exposed are identified and reviewed and that there are systems in place to mitigate them, it is aware that such processes are designed to manage rather than eliminate all major risks and that it can only provide reasonable, but not absolute, assurance.

Major risks to the Society include:

a) Strategic Investment Programme (SIP) delivery

To ensure adequate resourcing of the SIP, recruitment requirements for additional resources have been identified and actioned. There is continued monitoring to ensure the correct level of personnel are in place with the correct skills to facilitate delivery of each project. Given the importance of external fundraising to the financing of the SIP, an RHS Fundraising Group has been established; this meets regularly to monitor fundraising progress and provides regular updates to Council. There is continual monitoring by the Leadership Team of the high quality of our "business as usual" activity to ensure that the SIP programme is not detracting from this.

b) Weather

The weather can significantly impact Garden and Show visitor numbers as well as sales income. While this cannot be eliminated, measures have been taken to reduce the impact, including increasing garden events, encouraging pre-booking of tickets and growing online sales.

Council is committed to ensuring that best practice for the identification and management of risk is applied across the Society.

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. Council members keep health and safety under regular review.

Equal Opportunities

The RHS is committed to providing equal opportunities for all employees and to avoiding unlawful discrimination in employment. The Society regularly reviews practices and policies to ensure that they effectively assist in putting this commitment into practice.

Employee Involvement

The decision-making processes incorporate regular feedback from the Employee Consultation Group, as a representative group for all employees across all RHS Sites. The ECG meets quarterly with the Director General, Director of Human Resources, Senior Managers and members of the Leadership Team. Employees are encouraged to participate in Employee Engagement Surveys to provide feedback which is then reviewed and forms a part of the decision-making process.

Statement of Trustees' Responsibilities

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, and the regulations made thereunder, requires the Trustees to prepare financial statements for each financial year 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, which 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 the resources, including the income and expenditure, of the Charity and group for that period. In preparing these financial statements, the Trustees are required to:

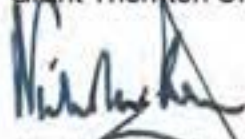
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject 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 Charity and group will continue in business.

The Trustees are responsible for keeping proper 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. The Trustees 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP were reappointed as auditors to the Society at the AGM on 27 June 2016.



Sir Nicholas Bacon
President of the RHS and Chair of Council
Date: 09 May 2017

Independent Auditor's Report to the Trustees of the Royal Horticultural Society

We have audited the financial statements of the Royal Horticultural Society for the year ended 31 January 2017 which comprise the Group and Society balance sheets, the Group and Society statements of financial activities, the Group statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 154 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 29, the Trustees are responsible for the preparation of the financial statements which give a true and fair view. We have been appointed as auditor under sections 151 of the Charities Act 2011 and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent charity's affairs as at 31 January 2017 and of the Group's and parent charity's incoming resources and application of resources, including the Group and the parent 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient and proper accounting records; or
- the parent Charity's 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.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: *9 May 2017*

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE ROYAL HORTICULTURAL SOCIETY
Annual Report and Consolidated Financial Statements 2016/17

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 31 JANUARY 2017**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000	2016 Restated Total £'000
INCOME AND ENDOWMENTS FROM:						
Donations & Legacies	1 iv) 2	6,061	2,303	-	8,364	6,864
Grants		75	65	-	140	-
CHARITABLE ACTIVITIES:						
Members and Marketing		20,214	-	-	20,214	18,313
Shows		18,740	-	-	18,740	18,196
RHS Gardens		6,755	-	-	6,755	5,998
Communities and Education		637	-	-	637	458
Horticulture		280	4	-	284	317
Science and Collections		140	5	-	145	102
OTHER TRADING ACTIVITIES						
Trading Income		23,830	-	-	23,830	23,282
Sponsorship Income		2,565	-	-	2,565	2,027
INVESTMENTS		576	-	21	597	842
OTHER	11	190	-	-	190	51
Total		80,063	2,377	21	82,461	76,450
EXPENDITURE ON:						
RAISING FUNDS						
Donations & Legacies	1 v)	1,326	-	-	1,326	1,306
Trading Costs		15,610	-	-	15,610	16,025
Sponsorship		487	-	-	487	356
CHARITABLE ACTIVITIES						
Members and Marketing	3a	11,368	-	-	11,368	9,442
Shows		17,013	-	-	17,013	16,103
RHS Gardens		20,855	1,198	-	22,053	19,148
Communities and Education		3,137	310	-	3,447	3,224
Horticulture		1,178	108	-	1,286	1,292
Science and Collections		4,334	152	-	4,486	4,213
OTHER	12	(713)	-	-	(713)	(29)
Total		74,595	1,768	-	76,363	71,080
NET INCOME BEFORE GAINS ON INVESTMENTS						
		5,468	609	21	6,098	5,370
Gains on investment assets	8, 21a	5,307	-	916	6,223	820
NET INCOME		10,775	609	937	12,321	6,190
Transfers between funds	21a	1,346	(905)	(441)	-	-
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension scheme	21a, 28	(3,015)	-	-	(3,015)	1,526
NET MOVEMENT IN FUNDS	6, 20a, 21a	9,106	(296)	496	9,306	7,716
Reconciliation of funds:						
TOTAL FUNDS BROUGHT FORWARD	20a, 21a	118,533	5,604	4,542	128,679	120,963
TOTAL FUNDS CARRIED FORWARD	20a, 21a	127,639	5,308	5,038	137,985	128,679

There are no other gains & losses other than those disclosed above. All transactions are derived from continuing activities.

THE ROYAL HORTICULTURAL SOCIETY
Annual Report and Consolidated Financial Statements 2016/17

**SOCIETY STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 31 JANUARY 2017**

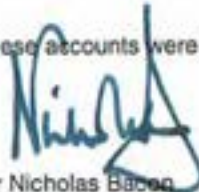
	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000	2016 Restated Total £'000
INCOME AND ENDOWMENTS FROM:						
Donations & Legacies	1 iv) 2	22,124	2,303	-	24,427	16,394
Grants		75	65	-	140	-
CHARITABLE ACTIVITIES:						
Members and Marketing		19,826	-	-	19,826	18,071
Shows		18,765	-	-	18,765	18,240
RHS Gardens		7,738	-	-	7,738	7,077
Communities and Education		637	-	-	637	458
Horticulture		280	4	-	284	315
Science and Collections		140	5	-	145	102
INVESTMENTS	2	576	-	21	597	842
OTHER		354	-	-	354	453
Total		70,515	2,377	21	72,913	61,952
EXPENDITURE ON:						
RAISING FUNDS						
Donations & Legacies	1 v)	1,405	-	-	1,405	1,369
CHARITABLE ACTIVITIES						
Members and Marketing	3b	11,503	-	-	11,503	9,399
Shows		17,320	-	-	17,320	16,632
RHS Gardens		21,567	1,198	-	22,765	19,992
Communities and Education		3,226	310	-	3,536	3,329
Horticulture		1,206	108	-	1,314	1,330
Science and Collections		4,500	152	-	4,652	4,408
OTHER		74	-	-	74	-
Total		60,801	1,768	-	62,569	56,459
NET INCOME BEFORE GAINS ON INVESTMENTS						
		9,714	609	21	10,344	5,493
Gains on investment assets	8, 21a	5,307	-	916	6,223	820
NET INCOME		15,021	609	937	16,567	6,313
Transfers between funds	21a	1,346	(905)	(441)	-	-
Other recognised (losses)/gains						
Actuarial (losses)/gains on defined benefit pension scheme	21a, 28	(3,015)	-	-	(3,015)	1,526
NET MOVEMENT IN FUNDS	20b	13,352	(296)	496	13,552	7,839
Reconciliation of funds:						
TOTAL FUNDS BROUGHT FORWARD	20b	114,404	5,604	4,542	124,550	116,711
TOTAL FUNDS CARRIED FORWARD	20b	127,756	5,308	5,038	138,102	124,550


There are no other gains & losses other than those disclosed above. All transactions are derived from continuing activities.

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2017

	Note	2017 £'000	2016 Restated £'000
FIXED ASSETS			
Tangible assets	13a	63,502	54,855
Investments	8	96,728	90,773
		<u>160,230</u>	<u>145,628</u>
CURRENT ASSETS			
Stock	16	1,736	1,793
Debtors	17	6,476	6,741
Cash at bank and in hand	25	10,727	11,558
		<u>18,939</u>	<u>20,092</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Income in advance		(24,002)	(21,650)
Creditors		(7,721)	(9,074)
	18	<u>(31,723)</u>	<u>(30,724)</u>
NET CURRENT LIABILITIES		(12,784)	(10,632)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	19	(1,431)	(1,268)
NET ASSETS BEFORE PENSION LIABILITY		146,015	133,728
Defined benefit pension scheme liability	28	(8,030)	(5,049)
NET ASSETS AFTER PENSION LIABILITY		137,985	128,679
CAPITAL FUNDS			
Endowments	21a	5,038	4,542
INCOME FUNDS			
Restricted funds	21a	5,308	5,604
Unrestricted funds:			
Designated funds	21a	120,002	108,949
General & Trading Funds	21a	15,667	14,633
Pension Reserve	21a	(8,030)	(5,049)
Total unrestricted funds		<u>127,639</u>	<u>118,533</u>
TOTAL FUNDS	21a	137,985	128,679

These accounts were approved by Council on 09 May 2017 and signed on their behalf by:


Sir Nicholas Bacon
President



Alastair Muirhead
Treasurer

**SOCIETY BALANCE SHEET
AS AT 31ST JANUARY 2017**

	Note	2017 £'000	£'000	2016 Restated £'000	£'000
FIXED ASSETS					
Tangible assets	13b		63,569		54,891
Investments	8		96,728		90,773
Investments in trading companies	14		110		110
			<u>160,407</u>		<u>145,774</u>
CURRENT ASSETS					
Stock		75		65	
Debtors	17	9,719		10,334	
Cash at bank and in hand		3,994		4,208	
		<u>13,788</u>		<u>14,607</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Income in advance		(19,890)		(17,586)	
Creditors		(6,742)		(11,928)	
	18	<u>(26,632)</u>		<u>(29,514)</u>	
NET CURRENT LIABILITIES			(12,844)	(14,907)	
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	19		(1,431)	(1,268)	
NET ASSETS BEFORE PENSION LIABILITY			<u>146,132</u>	<u>129,599</u>	
Defined benefit pension scheme liability	28		(8,030)	(5,049)	
NET ASSETS AFTER PENSION LIABILITY			<u>138,102</u>	<u>124,550</u>	
CAPITAL FUNDS					
Endowments	21a		5,038	4,542	
INCOME FUNDS					
Restricted funds	21a		5,308	5,604	
Unrestricted funds:					
Designated funds	21a	120,002		108,949	
General & Trading Funds	21a	15,784		10,504	
Pension Reserve	21a	(8,030)		(5,049)	
Total unrestricted funds			127,756	114,404	
TOTAL FUNDS			<u>138,102</u>	<u>124,550</u>	

These accounts were approved by Council on 09 May 2017 and signed on their behalf by:


Sir Nicholas Bacon
President


Alastair Muirhead
Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2017

	Note	2017		2016 Restated	
		£'000	£'000	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash provided by operating activities	23		10,147		7,473
Cash flows from investing activities					
Interest received from investments		98		133	
Dividends received from investments		506		746	
Sale of investments	8	14,994		10,951	
Purchase of tangible fixed assets	13a	(10,912)		(2,611)	
Purchase of investments	8	(15,579)		(24,618)	
Movement in Cash within pooled investments		312		(160)	
Net cash used in investing activities			(10,581)		(15,559)
Change in cash and cash equivalents in the reporting period	24		(434)		(8,086)
Cash and cash equivalents at the beginning of the reporting period	25		32,099		40,185
Cash and cash equivalents at the end of the reporting period	24		<u>31,665</u>		<u>32,099</u>

Notes to the Financial Statements

1. Accounting Policies

i) 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)).

Across the RHS work is well under way to meet our commitment to invest £160 million into the future of horticulture over the 10 years to 2023.

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 and its financial results are included in the group financial statements as is The Lindley Library Trust, a subsidiary Charity of the RHS.

The accounting policy in respect of payments received under Gift Aid has changed in 2016/17 as set out below.

ii) Payments received under Gift Aid

The Group has adopted a policy of paying all the subsidiaries' taxable profits to the Society under Gift Aid. These Gift Aid payments are recognised as distributions through equity rather than as an expense through the profit and loss, and therefore an operating profit exists for each subsidiary at the balance sheet date, on which a tax liability arises. This represents a change in accounting policy and has been accounted for as a prior period adjustment as shown in Note 27.

A Deed of Covenant was signed between each subsidiary and the Society on 31 January 2017. For each, this creates a legally binding obligation on the subsidiary to pay any profit before taxation to the Society as its parent.

iii) 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 28).

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. 3.5% of the endowment fund balance at 30th 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 this policy from the financial year ended 31 January 2014 (see Note 21b).

iv) Incoming resources

Incoming resources represent the total income receivable during the year comprising membership subscriptions, income from shows, gardens, horticulture, scientific, communities and educational activities, income from trading subsidiaries, investment income, legacies, donations and sundry other income.

Donations and legacy income are recognised in the accounts when there is entitlement, probability of receipt and the amount is quantifiable. Donations income includes gift aid donations on membership subscriptions and garden entry tickets. Gift Aid is recognised on an accruals basis.

Members and marketing income is mainly made up of membership subscriptions which are credited to incoming resources over the period to which the membership relates. Life subscriptions are credited to income in equal instalments over a ten year period.

Shows income primarily includes ticket sales, trade stand 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, rental income from the retail areas located at the gardens, 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 sales, the letting out of event space 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 Flower Show.

Sponsorship income is generated through sponsorship of the RHS flower shows and the sale of show television rights.

Investment income is generated from dividends and interest received from RHS investments. The RHS invests its funds under discretionary mandates with third party investment managers. Funds anticipated to be spent within 5 years are invested in fixed income securities or cash, whilst funds which are not expected to be utilised within 5 years are invested on a real return investment mandate. Investment income is recognised on an accruals basis.

Other income is generated primarily from the rental income from properties let out on the open market in Wisley village.

No income has been reported net of expenditure.

v) Resources expended

All expenditure is accounted for on an accruals basis and has been 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.

vi) Allocation of support costs

Support costs relate to those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include the Leadership Team, HR, Finance, Estates, Communications, IT and governance which support the RHS activities. 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.

vii) Deferred income

Deferred income arises from members' subscriptions paid in advance, income for future shows and events, as well as income for the future hire of our exhibition halls and conference facilities.

viii) Depreciation and impairment

Fixed assets are stated at cost, deemed cost or donated valuation. 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 & equipment, fixtures & fittings, infrastructure 5-33%

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 on the Statement of Financial Activities. Equipment purchases below £2,000 are treated as revenue items. 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. No depreciation is charged on investment properties.

ix) Investments

Investments are stated at fair 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.

x) Operating leases

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

xi) Funds transfers

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 funds as the capital costs are expended. Fund transfers can also arise due to the reclassification of a restriction.

xii) Pension schemes

The Society contributed during the year to a defined benefit scheme, which was closed to new entitlements in January 2002. The pension scheme was closed to future service accruals on 31 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 28.

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.

xiii) 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 our gardens and shows. It does not include any work in progress.

xiv) Taxation

The Society is exempt from corporation tax on its charitable activities.

xv) Basis of consolidation

The consolidated financial statements include the financial statements of the Society and its subsidiary undertakings made up to 31 January 2017.

xvi) 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.

xvii) Financial Instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

xviii) Heritage Assets

Heritage assets acquired are not recognised in the balance sheet. The Council are of the opinion that, because valuation information cannot be obtained at a cost commensurate with the benefits to users of the financial statements, a valuation approach is not practicable and so the Society has adopted a non-recognition approach. The Council are also of the opinion that, because the acquisition of new items for the collection is infrequent, the amounts involved are not material, either year-by-year in respect of income, or collectively, in relation to the balance sheet. Expenditure which 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 15.

xix) Judgements in applying accounting policies and key sources of estimation uncertainties

There are a number of actuarial assumptions used in the quantification of the group's pension commitments which are described in Note 28. There are a number of assumptions in the fair value of the investment properties. These are described in Note 13c. With the exception of the pension commitments and investment property fair value assumptions, there are no material judgements or estimates applied in the preparation of these accounts.

xx) Changes to accounting estimates

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 1st February 2014. The Shop and Plant Centre at Wisley were revalued at 1st February 2014, however the useful economic life of these properties is now deemed to be complete by 31st January 2019 when their demolition is due to take place. Accelerated depreciation has been charged on these properties so that they will be fully depreciated by that date.

2. Income

Legacy Income

At the date of signing these accounts the Society had not been notified of any material legacies which are not included within these accounts.

Investment Income

Investment income of £597k is made up of income from listed investments of £502k and interest from cash holdings of £95k.

3a. Analysis of Expenditure on Charitable Activities - Group

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

	Direct Cost £'000	Support Cost £'000	2017 Total £'000	2016 Restated Total £'000
Charitable expenditure				
Members and Marketing	10,844	524	11,368	9,442
Shows	16,535	478	17,013	16,103
RHS Gardens	18,581	3,472	22,053	19,148
Communities and Education	3,016	431	3,447	3,224
Horticulture	1,146	140	1,286	1,292
Science and Collections	3,671	815	4,486	4,213
Total Resources Expended	53,793	5,860	59,653	53,422

Total support costs across all activities were £7.5m (2016: £7.1m). These include costs associated with providing central management, IT, HR, finance and other central services to the Charity's staff, volunteers, gardens and other activities. Costs have been allocated on the basis of headcount (see Note 5a).

Expenditure increases are mainly due to additional spending on Key Investment Projects as part of the Strategic Investment Programme.

3b. Analysis of Expenditure on Charitable Activities - Society

The total resources expended on charitable activities in the Society during the year comprise the following:

	Direct Cost £'000	Support Cost £'000	2017 Total £'000	2016 Restated Total £'000
Charitable expenditure				
Members and Marketing	10,873	630	11,503	9,399
Shows	16,746	574	17,320	16,632
RHS Gardens	18,594	4,171	22,765	19,992
Communities and Education	3,019	517	3,536	3,329
Horticulture	1,146	168	1,314	1,330
Science and Collections	3,673	979	4,652	4,408
Total Resources Expended	54,051	7,039	61,090	55,090

4. Governance Costs

	2017 £'000	2016 Restated £'000
Audit Fees	50	43
Internal Audit	289	332
Secretariat	388	309
	727	684

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

5a. Analysis of Governance and Total Support costs - Group

	Governance £'000	Donations & Legacies £'000	Trading £'000	Sponsorship £'000	Charitable Activities £'000	2017 Total £'000	2016 Restated Total £'000
Leadership Team	-	9	83	-	336	428	784
Finance & Estates	50	57	506	-	2,037	2,650	2,564
IT	-	60	533	-	2,145	2,738	2,286
Risk & Governance	677	-	-	-	-	677	640
Communications	-	2	15	-	62	79	64
HR	-	20	177	-	713	910	727
	727	148	1,314	-	5,293	7,482	7,065
Add back recharges for governance costs	(727)	16	139	-	572	-	-
	-	164	1,453	-	5,865	7,482	7,065

5b. Analysis of Governance and Total Support costs - Society

	Governance £'000	Donations & Legacies £'000	Trading £'000	Sponsorship £'000	Charitable Activities £'000	2017 Total £'000	2016 Restated Total £'000
Leadership Team	-	13	-	-	455	468	784
Finance & Estates	50	70	-	-	2,527	2,647	2,622
IT	-	67	-	-	2,391	2,458	2,286
Risk & Governance	677	-	-	-	-	677	640
Communications	-	2	-	-	76	78	64
HR	-	25	-	-	885	910	727
	727	177	-	-	6,334	7,238	7,123
Add back recharges for governance costs	(727)	20	-	-	707	-	-
	-	197	-	-	7,041	7,238	7,123

Support costs have been reviewed in order to reflect more fairly the nature of the underlying activities of the Society. Where those costs are specifically attributable to the charitable purpose they have been directly allocated.

Remaining governance and support costs have been apportioned on a headcount basis.

6. Net Movement of Funds

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

	2017 £'000	2016 Restated £'000
Depreciation (including trading companies)	2,835	2,700
Auditors' remuneration:		
- Audit current year	50	43
- Audit under/(over) provision prior year	5	(15)
- Other professional services	29	41
Internal Audit	289	332
Operating lease rentals - Land & Buildings	69	83
- Other Assets	120	100

7. Employee Remuneration

	Permanent Staff		Casual Staff		Total	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Employee costs during the period:						
Salaries and wages	20,976	19,294	2,421	1,851	23,397	21,145
Social Security	2,051	1,836	159	113	2,210	1,949
Pensions	2,202	2,226	59	43	2,261	2,269
	<u>25,229</u>	<u>23,356</u>	<u>2,639</u>	<u>2,007</u>	<u>27,868</u>	<u>25,363</u>

Redundancy and termination payments in 2017 amounted to £2k (2016: £88k). These payments were as a result of a review of resources required. There are no outstanding redundancy and termination payment liabilities for 2017 (2016: £nil).

The average number of regular full-time and regular part-time employees calculated on a full-time basis during the year was:

	2017 Number	2016 Number
Staff employed in funds generation:		
Trading activities	126	128
Fundraising activities	14	13
Staff employed in disbursement of Charitable expenditure:		
Members and Marketing	63	57
Shows	42	41
RHS Gardens	298	276
Communities and Education	37	36
Horticulture	13	13
Science and Collections	71	67
Support	119	111
	<u>783</u>	<u>742</u>

THE ROYAL HORTICULTURAL SOCIETY
Annual Report and Consolidated Financial Statements 2016/17

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 page 26 for a list of members of the Leadership Team and page 2 for a list of Trustees. The members of Council are the Trustees of the Society.

Remuneration in respect of the Leadership Team was as follows:

	2017	2016
	£'000	£'000
Emoluments	1,216	1,040
Pension contributions	123	102
	<u>1,339</u>	<u>1,142</u>

During the year, 11 Leadership Team members participated in the pension scheme.

The total number of employees whose remuneration and benefits in the year, excluding pension contributions paid directly by the Society, exceeded £60,000 was:

	2017	2016
	Number	Revised Number
£60,001 - £70,000	8	5
£70,001 - £80,000	6	5
£80,001 - £90,000	4	5
£90,001 - £100,000	3	3
£100,001 - £110,000	-	1
£110,001 - £120,000	-	3
£120,001 - £130,000	2	-
£140,001 - £150,000	1	-
£150,001 - £160,000	1	-
£170,001 - £180,000	-	1
£190,001 - £200,000	1	-
	<u>26</u>	<u>23</u>

The number of these employees for whom the Society made pension contributions was:

Defined contribution	26	22
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The Society contributed £259k (2016: £209k) to defined contribution pension schemes on behalf of employees whose annual remuneration exceeded £60,000.

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

Council members were reimbursed a total of £16k (2016: £23k) for travel and subsistence expenses during the period. The number of Council members reimbursed for expenses was 12 (2016: 16).

The Leadership Team were reimbursed a total of £28k (2016: £49k) for expenses during the period.

	2017 £000	2016 £000
Travel & Subsistence	27	43
Entertaining	-	1
Accommodation	1	5
	<u>28</u>	<u>49</u>

8. Fixed Asset Investments

	UK Cash Instruments £'000	UK Property £'000	Unit Trusts £'000	Total £'000
Market Value at 1 February 2016	15,873	80	74,820	90,773
Less: Disposal proceeds	-	-	(14,994)	(14,994)
Add: acquisitions at cost	-	-	15,579	15,579
Add: net gain on revaluation at 31 January	-	5	5,281	5,286
Add: net movement in cash	84	-	-	84
Market value at 31 January 2017	<u>15,957</u>	<u>85</u>	<u>80,686</u>	<u>96,728</u>
Historical cost at 31 January 2017	<u>15,956</u>	<u>30</u>	<u>71,578</u>	<u>87,564</u>

Analysed as follows

	£000
UK Fixed Interest	24,011
Overseas Fixed Interest	8,352
UK Equities	4,121
Overseas Equities	23,716
Index Linked	3,618
Commodities	1,778
Bonds	8,974
Cash Instruments held within pooled investment vehicles*	<u>4,982</u>
	79,552
Cash Instruments held separately**	15,956
Diversifying Strategies	<u>1,135</u>
Market value at 31 January 2017	96,643
UK Property	85
Market value at 31 January 2017	<u>96,728</u>
Investments in UK at market value	63,472
Investments outside the UK at market value	<u>33,171</u>
Market Value of UK and Non-UK Investments	<u>96,643</u>

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

**Cash instruments managed by RHS

Restricted and unrestricted funds at market value of £91.7m 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 £5.0m are invested in compliance with the Trustees Act 2000.

Historical cost of Fixed Asset Investments includes, for each pooled investment vehicle, income received which has been reinvested during the financial period of that investment vehicle. This totalled £486k.

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

	£'000
Cash Instruments	15,956
RLAM Cash Plus Fund	32,623
Troy Trojan Fund	15,732
Veritas Global Real Return Fund	17,197
TM Fulcrum Diversified Core Absolute Return Fund	15,135

Total gain on investment assets

	£'000
Net gain on revaluation of investments at 31 January 2017	5,286
Gain on revaluation of investment properties*	937
	<u>6,223</u>

*Investment properties are included in Note 13.

9. Taxation

The two trading subsidiaries donate all their allowable taxable profits under Gift Aid to the Society. These Gift Aid payments are recognised as distributions through equity rather than as an expense through the profit and loss, and therefore an operating profit exists for each subsidiary at the balance sheet date, on which a tax liability arises. Tax relief in full is recognised as income by the Society when the profits are donated under Gift Aid by the subsidiaries.

A Deed of Covenant was signed between each subsidiary and the Society on 31 January 2017. For each, this creates a legally binding obligation on the subsidiary to pay any profit before taxation to the Society, as its parent.

10. Commitments for future expenditure

Future capital commitments on signed contracts are £3,577k (2016: £741k), relating to the Key Investment Projects within the Strategic Investment Programme. Included in this number are commitments for Wisley Hilltop (£937k), Wisley Front of House (£624k), Rosemoor Events building (£508k), Wisley Barn (£489k), Hyde Hall Front of House (£182k), Hyde Hall Glasshouse (£124k) and RHS Garden Bridgewater (£121k).

11. Other incoming resources

Other incoming resources of £190k (2016: £51k) are primarily from rental income from investment properties in Wisley village.

12. Other expenditure

Other expenditure includes the tax calculated on subsidiary profits donated under Gift Aid to the Society less tax relief received; expenditure on the investment properties in Wisley village; and investment management fees.

13. Tangible Fixed Assets

a) Consolidated

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Investment properties £'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 2016	53,059	1,095	8,905	1,545	1,184	2,054	2,192	70,034
Additions	322	-	-	-	9,556	798	236	10,912
Disposals	(992)	-	-	-	-	(379)	(433)	(1,804)
Revaluations	-	-	937	-	-	-	-	937
Transfers	(585)	-	585	-	-	-	-	-
At 31 January 2017	51,804	1,095	10,427	1,545	10,740	2,473	1,995	80,079
DEPRECIATION								
At 1 February 2016	12,205	377	-	494	-	909	1,194	15,179
Charge for the year	2,090	22	-	31	-	460	232	2,835
Disposals	(625)	-	-	-	-	(379)	(433)	(1,437)
Transfers	-	-	-	-	-	-	-	-
At 31 January 2017	13,670	399	-	525	-	990	993	16,577
NET BOOK VALUE								
At 31 January 2017	38,134	696	10,427	1,020	10,740	1,483	1,002	63,502
At 1 February 2016	40,854	718	8,905	1,051	1,184	1,145	998	54,855

No assets are held under finance lease. All tangible assets are used for charitable purpose. Investment properties are held at market value.

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b) Society

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Investment properties £'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 2016	53,059	1,095	8,905	1,545	1,184	1,940	1,916	69,644
Additions	322	-	-	-	9,556	798	236	10,912
Disposals	(992)	-	-	-	-	(379)	(340)	(1,711)
Revaluations	-	-	937	-	-	-	-	937
Transfers	(585)	-	585	-	-	-	-	-
At 31 January 2017	51,804	1,095	10,427	1,545	10,740	2,359	1,812	79,782
DEPRECIATION								
At 1 February 2016	12,205	377	-	494	-	739	938	14,753
Charge for the year	2,090	22	-	31	-	460	201	2,804
Disposals	(625)	-	-	-	-	(379)	(340)	(1,344)
Transfers	-	-	-	-	-	-	-	-
At 31 January 2017	13,670	399	-	525	-	820	799	16,213
NET BOOK VALUE								
At 31 January 2017	38,134	696	10,427	1,020	10,740	1,539	1,013	63,569
At 1 February 2016	40,854	718	8,905	1,051	1,184	1,201	978	54,891

No assets are held under finance leases. All tangible assets were held for charitable purposes. Investment properties are held at market value.

The Trustees are aware that there is a material difference between the carrying value of some freehold land and buildings in these accounts and the market value of the freehold land and buildings belonging to the Society, but do not believe that there is value, commensurate with the associated cost, in ascertaining that market value at this time.

c) Gains on investment properties

	2017
	£'000
Market valuation at 1 February 2016	8,905
Transfers	585
Revaluation gain	937
Market valuation at 31 January 2017	<u><u>10,427</u></u>

Market valuations are based on the fair value of the properties at the balance sheet date, which is deemed to be the open market values at November 2016 for RHS-owned residential properties within Wisley village. There has not been a significant change in value between the date of the valuation and the balance sheet date.

Market valuations were provided by an independent property and construction consultancy in November 2015. This company is regulated by the Royal Institute of Chartered Surveyors. The Annual UK House Price Index, from the Land Registry website, has been applied to revalue investment properties to November 2016.

There have been no directly comparable property sales within Wisley village. In order to provide market valuations, consideration has been given to the most relevant property transactions within the local area. The revaluation gain reflects the average house price rise in Surrey between the original valuation in November 2015 and November 2016.

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 which were covered, unexposed or inaccessible. The valuations assume areas not seen are in good repair and condition unless otherwise indicated.

Transfers relate to freehold buildings reclassified as investment properties in the period. The transfers are for RHS owned properties in Wisley village that are either vacant and are being prepared to rent out on the open market, or are for properties that are currently on the open rental market.

14. Investment in Trading and Other Companies

The Society's total investment in 2017 and 2016 of £110,101 consists of £100,000 in RHS Enterprises Limited (01211648); £100 in RHS Special Events Limited (03119017); £10,000 in Horticultural Halls Limited (02074555) and £1 in RHS Publications Limited (04438083). The Society has 100% ownership in all four companies.

Horticultural Halls Limited and RHS Publications Limited are both dormant companies. The Profit and Loss Account and Balance Sheet for the two trading subsidiaries, RHS Enterprises Limited and RHS Special Events Limited are shown below.

	RHS Enterprises £'000	RHS Special Events £'000	Total £'000
Profit & Loss Account			
Turnover	22,018	4,734	26,752
Cost of Sales	(8,426)	(1,025)	(9,451)
Gross profit	13,592	3,709	17,301
Administration expenses (net of interest receivable)	(6,992)	(225)	(7,217)
Other operating income	670	-	670
Net profit	7,270	3,484	10,754
Taxation	(1,454)	(697)	(2,151)
Profit/(loss) for the year	5,816	2,787	8,603

The figures above include the transfer of trading items between the Society and its subsidiaries which have been eliminated in the Consolidated Statement of Financial Activities (SoFA) to show income of £27.3m and net profit of £12.1m. These results form part of the Trading and Sponsorship activities in the SoFA.

	RHS Enterprises £'000	RHS Special Events £'000	Total £'000
Balance Sheet			
Fixed Assets	54	-	54
Current Assets	5,420	4,116	9,536
Current Liabilities	(1,526)	(3,643)	(5,169)
Long Term Liabilities	(10)	-	(10)
Amounts owing to the Society	(3,781)	(484)	(4,265)
Net (Liabilities)/Assets	157	(11)	146
Share Capital	100	-	100
Reserves	57	(11)	46
Equity Shareholders' funds	157	(11)	146

15. 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 such as beekeeping and commercial horticulture.

The collections are in three main areas:

- **Printed works:** The Library contains over 80,000 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, manuscripts and artefacts:** 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 five hundred 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.
- **Art and Images.** The collection includes over 23,000 botanical art works depicting garden plants, a special collection of 7,000 orchid paintings, 200,000 photographs from the late 19th Century onwards (including rare auto chromes 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 e.g. 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 5 libraries, its enquiry service, through a detailed online catalogue, exhibitions, publications and an on-going programme of digitisation. Over 50,000 visitors use the libraries each year.

Herbarium

The Royal Horticultural 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 is estimated to exceed 83,000 specimens, mostly collected post-1980 but many earlier specimens. Gathering of specimens began around 1960.
- The majority of specimens are of ornamental plants. Collections come principally from the following sources:
 - i RHS gardens, especially Wisley
 - ii RHS Trials
 - iii RHS Shows, primarily the plants that are given awards
 - iv Plant Heritage collections
 - v Plants sent for identification to the Botanists by members
- 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.
- Around 1000 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 compared against the Accession Policy (May 2008).

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

Nomenclatural Standards Collection:

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

- The 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 (2009).
- 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 Trials, RHS Shows and contributions directly from nurseries and breeders.

- The RHS Herbarium is a member of the Global Plants Initiative (GPI), among over 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:
 - i Around 3,300 watercolour paintings of plants that received an award either in trial or at a show mainly between 1920 and 1955.
 - ii 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).

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 Herbarium collections and make them available online. Loans are also more likely to be conducted by scanning the specimens in the future.

16. Stocks

	2017	2016
	£'000	£'000
Finished goods for resale	1,662	1,730
Other	74	63
	<hr/>	<hr/>
	<u>1,736</u>	<u>1,793</u>

Stock recognised in expenditure during the year was £7.0m (2016: £6.8m)

17. Debtors due within one year

	Consolidated		Society	
	2017	2016 Restated	2017	2016 Restated
	£'000	£'000	£'000	£'000
Trade debtors	2,254	2,684	1,450	1,741
Amounts due from subsidiaries undertakings	-	-	4,103	5,130
Other debtors	1,787	1,149	1,929	762
Taxation recoverable	188	506	188	506
Prepayments	2,247	2,402	2,049	2,195
	<u>6,476</u>	<u>6,741</u>	<u>9,719</u>	<u>10,334</u>

18. Creditors amounts falling due within one year

	Consolidated		Society	
	2017	2016 Restated	2017	2016 Restated
	£'000	£'000	£'000	£'000
Income in advance: members deferred subscriptions	13,020	12,227	13,020	12,228
Income in advance: other	10,982	9,423	6,870	5,358
Income in advance total	<u>24,002</u>	<u>21,650</u>	<u>19,890</u>	<u>17,586</u>
Trade creditors	1,240	1,372	1,054	1,054
Taxation and social security	430	1,404	81	972
Other creditors	1,267	2,104	1,080	6,049
Accruals	4,784	4,194	4,527	3,853
	<u>31,723</u>	<u>30,724</u>	<u>26,632</u>	<u>29,514</u>

All the income in advance at the start of the year was utilised during the year, except life membership. The balance at the start of the year for these life memberships was £1,470k, £216k was utilised during 2016/17 and deferred income for new life memberships was £381k, resulting in a balance of £1,635k at 31 January 2017.

19. Creditors amounts falling due after one year

	Consolidated		Society	
	2017	2016 Restated	2017	2016 Restated
	£'000	£'000	£'000	£'000
Income in advance: members' deferred subscriptions	1,420	1,254	1,420	1,254
Income in advance: other	11	14	11	14
	<u>1,431</u>	<u>1,268</u>	<u>1,431</u>	<u>1,268</u>

20a. Comparative results by type of fund 2015/16 - Group

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Restated Total £'000
INCOME AND ENDOWMENTS FROM:				
Donations & Legacies	5,444	1,420	-	6,864
Grants	-	-	-	-
CHARITABLE ACTIVITIES:				
Members and Marketing	18,313	-	-	18,313
Shows	18,196	-	-	18,196
RHS Gardens	5,996	2	-	5,998
Communities and Education	456	2	-	458
Horticulture	317	-	-	317
Science and Collections	102	-	-	102
OTHER TRADING ACTIVITIES				
Trading Income	23,282	-	-	23,282
Sponsorship Income	2,027	-	-	2,027
INVESTMENTS	818	-	24	842
OTHER	51	-	-	51
Total	75,002	1,424	24	76,450
Expenditure on:				
RAISING FUNDS				
Donations & Legacies	1,306	-	-	1,306
Trading Costs	16,025	-	-	16,025
Sponsorship	356	-	-	356
CHARITABLE ACTIVITIES				
Members and Marketing	9,442	-	-	9,442
Shows	16,103	-	-	16,103
RHS Gardens	18,586	562	-	19,148
Communities and Education	3,036	188	-	3,224
Horticulture	1,183	109	-	1,292
Science and Collections	4,153	60	-	4,213
OTHER	(29)	-	-	(29)
Total	70,161	919	-	71,080
NET INCOME BEFORE GAINS ON INVESTMENTS				
	4,841	505	24	5,370
Gains on investment assets	784	-	36	820
NET INCOME	5,625	505	60	6,190
Transfers between funds	(16)	89	(73)	-
Other recognised gains/(losses):				
Actuarial gains on defined benefit pension scheme	1,526	-	-	1,526
NET MOVEMENT IN FUNDS	7,135	594	(13)	7,716
Reconciliation of funds:				
TOTAL FUNDS BROUGHT FORWARD	111,398	5,010	4,555	120,963
TOTAL FUNDS CARRIED FORWARD	118,533	5,604	4,542	128,679

20b. Comparative results by type of fund 2015/16 - Society

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Restated Total £'000
INCOME AND ENDOWMENTS FROM:				
Donations & Legacies	14,974	1,420	-	16,394
Grants	-	-	-	-
CHARITABLE ACTIVITIES:				
Members and Marketing	18,071	-	-	18,071
Shows	18,240	-	-	18,240
RHS Gardens	7,075	2	-	7,077
Communities and Education	456	2	-	458
Horticulture	315	-	-	315
Science and Collections	102	-	-	102
INVESTMENTS	818	-	24	842
OTHER	453	-	-	453
Total	60,504	1,424	24	61,952
Expenditure on:				
RAISING FUNDS				
Donations & Legacies	1,369	-	-	1,369
CHARITABLE ACTIVITIES				
Members and Marketing	9,399	-	-	9,399
Shows	16,632	-	-	16,632
RHS Gardens	19,430	562	-	19,992
Communities and Education	3,141	188	-	3,329
Horticulture	1,221	109	-	1,330
Science and Collections	4,348	60	-	4,408
OTHER	-	-	-	-
Total	55,540	919	-	56,459
NET INCOME BEFORE GAINS ON INVESTMENTS	4,964	505	24	5,493
Gains on investment assets	784	-	36	820
NET INCOME	5,748	505	60	6,313
Transfers between funds	(16)	89	(73)	-
Other recognised gains/(losses):				
Actuarial gains on defined benefit pension scheme	1,526	-	-	1,526
NET MOVEMENT IN FUNDS	7,258	594	(13)	7,839
Reconciliation of funds:				
TOTAL FUNDS BROUGHT FORWARD	107,146	5,010	4,555	116,711
TOTAL FUNDS CARRIED FORWARD	114,404	5,604	4,542	124,550

21a. Funds

	Restated Balance 01.02.16 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 31.01.17 £'000
ENDOWMENT FUNDS						
Coke Trusts	2,085	11	-	(68)	456	2,484
Blaxall Valentine Scholarship	558	3	-	(15)	122	668
Guerney Wilson Fund	290	1	-	(10)	64	345
Other Bursary Funds	241	1	-	(3)	53	292
Hyde Hall Endowment Fund	350	-	-	(350)	-	-
Wisley Endowment Fund	207	1	-	-	45	253
Eric Young Scholarship	215	1	-	-	47	263
Knowles Bequest	266	1	-	-	58	325
Shropshire Hort Society	168	1	-	5	37	211
Other Endowed Funds	162	1	-	-	34	197
Total Endowed Funds	4,542	21	-	(441)	916	5,038
RESTRICTED FUNDS						
Northern Horticultural Society	996	-	-	(996)	-	-
Garden Development Funds	1,883	1,146	(948)	12	-	2,093
Education & Training Funds	2,213	764	(609)	(685)	-	1,683
Bursary Funds	9	1	(83)	84	-	11
SIP Restricted Funds	109	411	-	685	-	1,205
Other Restricted Funds	394	55	(128)	(5)	-	316
Total Restricted Funds	5,604	2,377	(1,768)	(905)	-	5,308
UNRESTRICTED FUNDS						
Designated Funds						
Fixed Asset Fund	53,509	-	-	9,056	937	63,502
Reserve Policy Fund	7,500	-	-	-	-	7,500
Wisley Development Fund	240	-	(273)	33	-	-
Strategic Investment Programme Fund						
KIP: Existing Gardens	37,700	-	-	1,300	-	39,000
KIP: 5 th Garden, Bridgewater	9,000	-	-	-	-	9,000
KIP: Community Outreach	1,000	-	-	-	-	1,000
Total Designated Funds	108,949	-	(273)	10,389	937	120,002
General and Trading Funds	14,633	79,846	(74,139)	(9,043)	4,370	15,667
Pension Reserve	(5,049)	217	(183)	-	(3,015)	(8,030)
Total Unrestricted Funds	118,533	80,063	(74,595)	1,346	2,292	127,639
TOTAL FUNDS	128,679	82,461	(76,363)	-	3,208	137,985
Society only, General and Trading Fund	10,504	70,299	(60,347)	(9,043)	4,371	15,784

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 Hyde Hall Endowment Fund was established on the transfer of the garden into the Society's care. This relates to fixed assets and not a fund and, as such, was reclassified to designated funds in 2016/17 to correct the classification on initial recognition.

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 N England.

The Shropshire Horticultural Society Scholarship provides funds for a student to train at Wisley.

RESTRICTED FUNDS

The Northern Horticultural Society Funds represent the assets acquired by the Society on the merger with the Northern Horticultural Society. This relates to fixed assets and not a fund and, as such, was reclassified to designated funds in 2016/17 to correct the classification on initial recognition.

Garden Development Funds are held for development projects within RHS Gardens.

Education & Training Funds are held for horticultural education and training.

Field Research Facility is for the development of the centre.

Bursary funds represent the income from the endowed bursary funds less the expenditure.

SIP Restricted funds provide funding for the Strategic Investment Programme.

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 Reserve Policy Fund represents the risk-assessed reserve required in the event of a significant disruption to the Society's activities.

The Wisley Development Fund has been established to improve the infrastructure and enable refurbishment of Society owned properties in Wisley Village.

Strategic Investment Programme (SIP) Funds represents the funding support which has been specifically designated to date for the on-going SIP which have been divided into 'Key Investment Projects' (KIP). It is envisaged that this investment programme, which began in 2014, will take a minimum of ten years to complete.

KIP: Existing Gardens Fund represents the funding support which has been specifically designated to capital projects at the existing RHS Gardens. Projects include:

- (i) The building of a new Centre for Horticulture, Science & Learning at Wisley. This will provide the facilities to deliver and engage gardeners with four key strategic science themes, namely a global knowledge bank on gardening and garden plants; plant health in gardens; gardening in a changing world; and plant science for all people, plants and the planet.

- (ii) A new visitor hub and welcome space at Wisley. The improved visitor entrance will include an exhibition space. Plant sales will be at the fore to engage better with visitors and encourage more people to purchase and grow plants. A dedicated space for specialist UK nurseries will promote plants and offer expertise through a series of events. The Wisley shop will stock our unrivalled range of garden sundries, horticultural books and gifts, alongside a new café and restaurant facilities, and a prominent plant centre.
- (iii) A new Learning Centre and new horticultural spectacle at Hyde Hall. The Learning Centre will include a living teaching garden and will benefit the 144 schools and 10,000 students across Essex by providing them with a resource to learn about gardening and horticulture. The UK's largest perennial meadow will be created to help inspire and encourage smaller perennial meadows around the country in people's own gardens and community spaces.
- (iv) At Harlow Carr, the Harrogate Arms will be restored and reunited with the historical bath house around which the garden was founded. The streamside garden will be extended and exhibition space created within the Harrogate Arms alongside the addition of a dedicated events building.

KIP: 5th Garden, Bridgewater Fund represents the investment set aside to develop an additional Society Garden near Salford. This will provide tens of thousands more people with the benefits of having an RHS Garden within their vicinity. The garden centre will have a range of horticultural features and significant biodiversity of plants. It will have a calendar of events, including shows, with a focus on learning both for adults and children, benefitting local schools and communities, and boosting the local economy by attracting visitors.

KIP: Community Outreach Fund represents the funding support for grassroots community gardening. The RHS runs Europe's biggest community gardening campaign, RHS Britain in Bloom. Around 300,000 people from a variety of ages, cultures and backgrounds are involved in transforming public spaces that benefit an estimated 2 million people. This fund is to help support grassroots community gardening in an even more direct and meaningful way. Our teams give hands-on support, build local partnerships and create volunteering opportunities to support community gardening. The funds will help extend these schemes into more regions around the UK.

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 will be used to support the general working capital requirements of the Society. The proposed expansion of the scope of the Strategic Investment Programme will require further funds to be designated in their support in due course. Transfers between General Trading Funds and Designated Funds will be made accordingly.

Transfers

Transfers between endowment and restricted funds reflect the adjustments required for the total return accounting policy (see Note 21b). Transfers between unrestricted and designated funds represent capital expenditure where asset purchases/developments are held and depreciated in designated funds. Within restricted funds, funds previously categorised as Education and Training funds have been re-categorised as SIP restricted funds. These are funds originally raised from the Chelsea Appeal which included fundraising for the Hyde Hall Learning Centre.

21b. Endowment Funds

	Endowment £'000	Unapplied Total Return £'000	Total £'000
At beginning of reporting period:			
Trust for Investment / permanent endowment	2,636	-	2,636
Fixed Asset Endowments	350	-	350
Unapplied total return (Income)	-	1,556	1,556
Total	2,986	1,556	4,542
Movements in reporting period:			
Reclassification of endowment funds	-	(350)	(350)
Investment return: dividends and interest	-	21	21
Investment return: realised and unrealised gains and (losses)	-	916	916
Total	-	587	587
Unapplied total return allocated to income in the reporting period	-	(91)	(91)
Net movements in reporting period	-	496	496
At end of the reporting period:			
Trust for Investment / permanent endowment	2,986	-	2,986
Unapplied total return	-	2,052	2,052
Total	2,986	2,052	5,038

22. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General & Trading Funds £'000	Pension Reserve £'000	Total Funds £'000
Tangible Fixed Assets	-	-	63,502	-	-	63,502
Investments	5,038	5,308	56,500	29,882	-	96,728
Current Assets	-	-	-	18,939	-	18,939
Current Liabilities	-	-	-	(31,723)	-	(31,723)
Long Term Liabilities	-	-	-	(1,431)	-	(1,431)
Pension Scheme Liability	-	-	-	-	(8,030)	(8,030)
Total Net Assets	5,038	5,308	120,002	15,667	(8,030)	137,985

23. Net cash inflow from operating activities

	2017 £'000	2016 Restated £'000
Increase in Society funds	6,098	5,370
Pension Fund movement, excluding actuarial gains/losses	(34)	(16)
Investment income receivable	(604)	(880)
Depreciation charge	2,835	2,695
Fixed asset disposals	368	-
Decrease/(Increase) in stocks	57	(446)
Decrease/(Increase) in debtors	265	(1,629)
Increase in creditors	1,162	2,379
Net Cash inflow from operating activities	<u>10,147</u>	<u>7,473</u>

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

	£'000	£'000
Decrease in cash in the year	(831)	
Cash inflow to cash investments	<u>397</u>	
Movement in net cash funds		(434)
Net cash funds at 1 February 2016		32,099
Net cash funds at 31 January 2017		<u>31,665</u>

25. Analysis of changes in net cash funds

	Balance 01.02.16 £'000	Cash Flows £'000	Balance 31.01.17 £'000
Cash at bank and in hand	11,558	(831)	10,727
Cash included within investments (Note 8)	20,541	397	20,938
	<u>32,099</u>	<u>(434)</u>	<u>31,665</u>

26. Operating leases

As at 31 January 2017 the Society and its subsidiaries future minimum operating lease payments are as follows:

	Consolidated		Society	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<u>Land and Buildings:</u>				
Not later than one year	84	59	84	59
Later than one year and not later than five years	311	-	311	-
<u>Other:</u>				
Not later than one year	115	96	93	71
Later than one year and not later than five years	260	295	210	223
	<u>770</u>	<u>450</u>	<u>698</u>	<u>353</u>

27. Prior period adjustments

Due to a change in guidance on the treatment of Gift Aid payments by the ICAEW and Charity Commission, the timing of Gift Aid payments from the subsidiaries can only be recognised as a liability once they are formally approved and authorised. A deed of covenant was signed on 31st January 2017 which created a binding agreement at this date for the subsidiaries to distribute their taxable profits to the Society.

As there was no formal obligation in place prior to this date, a prior year adjustment has been made in the subsidiary and consolidated accounts.

The prior year adjustment accounts for the tax provision on the taxable profits of the subsidiaries. Tax relief has been recognised by the Group on the Gift Aid payments made in the prior year. This adjustment has been shown as a movement in reserves.

The impact of the prior year adjustment is that the consolidated net movement in funds for the year ended 31 January 2016 has been increased by £29k, from £7,687k to £7,716k, with opening reserves for the group as at 1 February 2016 being adjusted from £128,650k to £128,679k.

28. 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 2014, which has been updated to 31 January 2017 by a qualified independent actuary. To ensure that the Scheme's Statutory Funding Objective is met (ie there are sufficient assets to cover the Scheme's technical provisions), an agreement was reached in October 2014 between the Trustees of the Scheme and the Society that additional contributions will be paid to the Scheme of £18,083 per month for a period of 10 years beginning 5 April 2014. During the year, contributions of £216,996 were paid by the Society. A triennial valuation will be conducted in 2017/18, the outcome of which will determine whether the Society will need to amend its future contributions to the Scheme in respect of any deficit.

1) Employee benefit obligations – amounts recognised in the balance sheet:

	2017 £'000	2016 £'000
Present value of funded obligations	(32,742)	(26,294)
Fair value of plan assets	24,712	21,245
	<u>(8,030)</u>	<u>(5,049)</u>
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Deficit	<u>(8,030)</u>	<u>(5,049)</u>
Net Liability	<u>(8,030)</u>	<u>(5,049)</u>

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.

2) The amounts recognised in the SoFA are as follows:

	2017 £'000	2016 £'000
Net interest	183	201
Total expense	<u>183</u>	<u>201</u>
Actual return on plan assets	3,862	(261)

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

	2017 £'000	2016 £'000
Opening defined benefit obligation	26,294	28,537
Interest cost	962	875
Actuarial loss/(gain)	6,098	(2,461)
Benefits paid	(612)	(657)
Closing defined benefit obligation	<u>32,742</u>	<u>26,294</u>

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.

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

	2017 £'000	2016 £'000
Opening fair value of plan assets	21,245	21,946
Interest income	779	674
Return on assets	3,083	(935)
Contributions by employer	217	217
Member contributions	-	-
Benefits paid	(612)	(657)
	<u>24,712</u>	<u>21,245</u>
Closing fair value of plan assets	<u>24,712</u>	<u>21,245</u>

5) The assets in the Scheme are as follows:

	2017 £'000	2016 £'000
Equity	12,446	11,712
Bonds	11,430	7,457
Cash	836	2,076
	<u>24,712</u>	<u>21,245</u>
Fair value of Scheme assets	<u>24,712</u>	<u>21,245</u>

6) Movement in deficit during the year:

	2017 £'000	2016 £'000
Deficit in Scheme at beginning of the year	(5,049)	(6,591)
Movement in year:		
Contributions paid by the employer	217	217
Other financial expenditure	(183)	(201)
Actuarial (loss)/gain	(3,015)	1,526
	<u>(8,030)</u>	<u>(5,049)</u>
Deficit in Scheme at end of the year	<u>(8,030)</u>	<u>(5,049)</u>

In the period to 31 January 2017 employer contributions of £217k (2016: £217k) were paid into the Scheme. The cost of life insurance was paid in addition.

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

a) Financial assumptions

	2017	2016
Discount rate	2.8% pa	3.7% pa
Future salary increases	3.8% pa	3.3% pa
Pension escalation in payment (Retail prices index – maximum 5%)	3.8% pa	3.1% pa
Inflation assumption	3.5% pa	3.3% pa

b) Demographic assumptions

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

	As at 31.01.17	As at 31.01.16
Retiring today		
Males	22.5	22.4
Females	24.6	24.5
Retiring in 20 years		
Males	24.7	24.6
Females	26.9	26.8

(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	0.0010	0.0009
60	0.0033	0.0024

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

	2017	2016	2015	2014	2013
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	32,742	26,294	28,537	25,590	26,048
Plan assets	24,712	21,245	21,946	19,634	19,142
(Deficit)	(8,030)	(5,049)	(6,591)	(5,956)	(6,906)

29. Related Party Transactions

The Society maintains a Register of Interests of all Council members and senior staff. Also, the Society's financial 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 fulfilment of their roles. They received complimentary show tickets for personal use for the RHS Chelsea Flower Show, the RHS Hampton Court Palace Flower Show, and the RHS Flower Show Tatton Park (President and Treasurer received 8 show tickets and Council members received 4 show tickets).

Commercial relationships with companies or other organisations that might be regarded as related parties have been reviewed. The Society requires members of Council, non-Council members of the Commercial Board, and key management personnel to declare any material interests that they may have in the activities of the Society and its trading companies. Council and the Audit and Risk Committee consider and approve contracts between Trustees and the Society and its trading companies. The total cost of these transactions to the RHS in the year is £6,936. The RHS also received commission totalling £296,554, and £67,799 catalogue insertion fees from a related party. Details are as follows:

Mark Fane - Crocus.co.uk Ltd (of which Mark Fane is a Director) has a contract with RHS Enterprises Limited under which Crocus.co.uk Ltd supply mail order plants under the RHS brands. Crocus.co.uk Ltd. has paid £296,554 in commission to RHS Enterprises Limited on sales of £1.5 million in the year ended 31 January 2017. Crocus.co.uk also paid £67,799 for catalogues to be inserted into The Garden magazine. In addition, Crocus.co.uk Ltd was paid £929 for plants and £710 for images of plants for marketing. As at the 31st January 2017 the balance owed to Crocus.co.uk was nil.

George Anderson – was paid £760 for a Gardener's Question Time panellist fee. As at 31st January 2017 the balance owed to George Anderson was nil.

James Alexander-Sinclair – was paid £2,250 for mentoring at the RHS Hampton Court Palace Flower Show 2016 and £190 for work on the BBC Radio Front Gardens project at the same show. As at 31st January 2017 the balance owed to James Alexander-Sinclair was nil.

Neil Lucas – Knoll Gardens Ltd (of which Neil Lucas is a Director) was paid £169 for the supply of plants to RHS Harlow Carr, £340 for the supply of plants to RHS Wisley and £1,214 for the supply of plants to RHS Hyde Hall. As at 31st January 2017 the balance owed to Knoll Gardens Ltd was nil.

Jon Wheatley – was paid £375 for writing an article for The Garden magazine. As at 31st January 2017 the balance owed to Jon Wheatley was nil.

Donations from Trustees and individuals who are classed as related parties to Trustees, in their individual capacity as either Donors or Fellows, amount to £26,400 in the year.

A total of 12 Council members were paid expenses totalling £15,534 (2016: £22,752) for travel and subsistence for Council and Committee meetings, and judging at the RHS Flower Shows.

Key management personnel were paid expenses totalling £28,495 (2016: £49,170) for travel and subsistence and accommodation expenses.

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 28).

There are no further related party transactions requiring disclosure.

Donors and Supporters

The RHS relies on the generous gifts, donations and bequests given by members and supporters.

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We would like to thank all donors that have supported the RHS, including those that wish to remain anonymous.

If you would like to support the work of the RHS, please contact Ruth Evans (ruthevens@rhs.org.uk), the Director of Education, Funding & Communities, at 80 Vincent Square, London SW1P 2PE or telephone 020 7821 3081

Governance Boards and Committees

Audit and Risk Committee (reporting to Council)

Dame Mary Keegan (Chairman from 13 July 2016)
Sir Nicholas Bacon
Mr Alastair Muirhead
Mr Matthew Lindsey-Clark (elected 11 October 2016)
Mr Neil Lucas
Mr Mark Porter
Mr Philip Rego
Mr John Ward

Commercial Board (reporting to Council)

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Sir Nicholas Bacon
Mr Christopher Blundell
Mr David Domoney
Mr Dennis Espley
Mr Mark Fane
Mr Matthew Lindsey-Clark
Mrs Avril Martindale
Mr Mark Porter
Mrs Katherine Thomas (elected 13 July 2016)
Ms Johanna Waterous
Mrs Ruth Wilmott
Mrs Margaret Young

Council Key Investment Projects Working Group

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Mr Mark Fane
Dame Mary Keegan
Mr Alastair Muirhead
Mrs Lorna Parker

Horticulture Board (reporting to Council)

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Mr Alastair Muirhead
Mr James Alexander-Sinclair
Ms Rosie Atkins (re-elected 14 July 2016)
Mr Graham Badman (elected 27 June 2016)
Mr Nick Dunn
Mr Dennis Espley
Prof. Peter Gregory
Dr Christopher Grey-Wilson
Mr David Haselgrove
Dr Clare Hermans
Mr Jan Pennings
Dr David Rae
Mr Greg Redwood
Lady Xa Tollemache (re-elected 14 July 2016)
Mr Jon Wheatley

Investments Committee (reporting to Commercial Board)

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Sir Nicholas Bacon
Mr Alastair Muirhead
Ms Liz Airey
Mr Rupert Caldecot
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Mr Michael Balston
Mr Dennis Espley
Ms Kate Lampard
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Mrs Juliet Roberts (elected 1 March 2016)

Remuneration Committee (reporting to Council)

Mr Alastair Muirhead (Chairman)
Sir Nicholas Bacon
Mr Dennis Espley
Mrs Lorna Parker
Mrs Katherine Thomas

Professional Advisors

Auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

Solicitors

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

Bankers

National Westminster Bank plc
169 Victoria Street
London SW1E 5NB

Investment Fund Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

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

Royal London Asset Management
55 Gracechurch Street
London EC3V 0UF

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

Fulcrum Asset Management LLP
Marble Arch House
66 Seymour Street
London
W1H 5BT