

**THE NATIONAL GARDENS SCHEME
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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COMPANIES HOUSE

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Trustees' Annual Report 2015

The Trustees submit their Annual Report and Financial Statement for the year to 31st December 2015.

1. Objectives

The object of the charity is to raise money for nursing and health charities by organising the opening of gardens of quality to the public.

In 2015 the existing five-year strategic plan dating from 2011 came to an end. As a result, and in the light of the research (see part 9) carried out in 2015, the Trustees initiated the production by the Chief Executive of a new strategic plan 2016-2020, for completion and approval by Trustees in the summer of 2016.

At the same time as remaining true to the charity's long-established Objectives and operating principles, this new plan will take account of specific findings from the research. It will also respond to the new challenges and demands of the times – especially with regard to communications and marketing. The new strategic plan will incorporate a five-year communications and marketing plan for the same period.

2. Activities

The NGS is organised on a voluntary basis in the counties of England and Wales. County Organisers and their team members are responsible for organising and supporting garden openings within their counties. The owners of gardens that open to visitors donate funds raised, which are collected by members of the NGS county teams.

The funds are forwarded to the head office which co-ordinates the NGS's activities and produces annually Gardens to Visit. This annual guide provides all relevant details of gardens opening. The annual guide promotes the NGS nationally and is the traditional medium for advertising garden openings. The NGS website is becoming increasingly important together with county booklets which are distributed free. The NGS also has an App and an extensive following on social media which also help promotion of garden openings.

In addition to the income that comes from the gardens, there are additional revenues from sponsorship and advertising. These revenues contribute substantially to the operating costs of the charity and so maximise the proportion of funds raised at gardens that is donated to the beneficiaries (*as set out in Achievements and Performance on page 2*).

The Trustees decide on key policy, management and financial matters at the Board or committee meetings which are held regularly throughout the year. Activities at head office include financial organisation, support for county teams, book production, marketing and distribution, national publicity, sponsorship, and insurance. The Chief Executive reports to the the Board and is also responsible for the AGM, national and regional conferences, and NGS's participation in external events.

Volunteers

The NGS is a charity that is predominantly dependent upon the contribution of volunteers. All the people who open their gardens (currently nearly 4,000 annually) do so voluntarily. In addition the necessary work to support the charity throughout the regions of England and Wales is carried out by some 370 people, divided into a series of teams, one in each county. All the volunteers provide invaluable work for the charity and the Trustees are enduringly grateful. In particular they would like to acknowledge the generosity of garden owners for the hard work involved in opening their gardens and for their continued generosity in donating the funds they raise, and the dedication and commitment of the members of county teams. Without all of their contributions none of the NGS's fundraising and charitable donations would be possible.

Each volunteer team is led by a county organiser who is responsible for the NGS's activity in each county. Advice and support are available from the chief executive and head office staff (who total 11), as well as other county teams. The volunteers are represented by six regional chairmen, who are ex officio Trustees and are active members of a county team.

The key activities of the County Teams are:

- Promoting garden openings
- Finding new gardens
- Maintaining contact with existing garden owners
- Assisting with collecting donations and accounting to Head Office
- Recognition and rewards
- Producing and distributing county booklets and securing advertising within these booklets

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. Achievements and Performance

2015 proved to be another record year for the National Gardens Scheme (NGS) with the highest ever total of Net Garden Income at £3.36m. With increases from the previous two years this represents more than 10% growth over the three years from 2013. Total Income was £3.87m and Total Costs were held at £1.1m. This produced net income of £2.78m.

The increase in Net Garden Income from 2014 was particularly notable because the weather through the opening season of 2015 was not so consistently good as it had been in the previous year. Historically good or bad weather has been the decisive factor in the NGS's results; however the improvement in 2015 suggested that other factors such as better marketing and publicity enabled the results to 'out-perform' the influence of the weather.

Net Garden Income – total funds raised and donated to the NGS by garden owners - is the charity's core revenue. The 2015 total is a record for the third consecutive year.

4. Financial Results

Net Garden Income (£3.36m) is the charity's principle source of income. Other Income, made up of county income, sponsorship, advertising, royalties, donations and other gifts, totalled £516k (including £47k legacy income). Non-legacy income of £469k marked an increase of 5% from £445k in 2014.

Total costs of just under £1.1m were up by only £14k on the previous year. This is the third consecutive year of stable costs and makes a substantial contribution to maximising the total available for distribution to beneficiaries (*see below*).

Net Income for 2015 was £2.78m compared with £2.93m in the previous year. Net income without legacies was £2.73m compared to £2.64m - an increase of 3.5%.

The ratio of Net Income to Net Garden Income (which our garden owners donate) exceeded the 80% level that we aim for.

5. Financial Review

Distribution to Beneficiaries

The Trustees have decided to make a total distribution from funds raised in 2015 of £2.7m. This leaves a balance of £31k which has been retained in reserves; at the same time £47k legacy income was transferred into the designated Legacy Fund.

Last year the Trustees recorded that the 2014 distribution marked a significant milestone because it was a record total and consisted purely of net income with no contribution from the charity's reserves. This year, 2015, a record total for distribution has been possible with a small surplus to be added to reserves.

The full list of beneficiaries and individual donations is set out on page 6.

As part of their annual distribution policy, the Trustees continue to encourage the beneficiaries to provide to the NGS reciprocal benefits which will bring mutual rewards in the future; in particular by generating greater public awareness of the NGS through their substantial networks. This should bring increased numbers of visitors to our gardens and thereby generate more funds for us to be able to distribute to them. During 2015 we developed joint marketing activities with all beneficiary charities acting together in support of the NGS and this will continue in the future.

Additional Donations by Garden Owners to other Charities

In addition to the total amounts they donated to the NGS, garden owners raised further sums of £372k on NGS open days which they donated to other charities of their own choice (usually local to them). This donation was either as a share of admission revenue, or the funds raised by the sale of teas (which in some cases was provided by the charity of choice).

These sums are valuable additional charitable donations resulting from NGS activities, especially because in many cases they go to local charities and so have a beneficial impact within a local community. However, these are not recorded in the NGS accounts and are not audited.

Financial Risk Management

The NGS operates within an annual budget agreed by the Board. In any one year, the funds available for distribution to beneficiaries is dictated by the funds donated from garden openings and the resulting annual net income.

The Trustees have identified the major risks to the charity's operations and financial security, in particular:

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

- Prolonged bad weather through a garden opening season
- Accidental loss of IT and communications systems

An agreed management process and the charity's financial reserves policy (see below) are in place to minimise the impact of these unlikely risks.

The charity manages a reserves policy to ensure the maintenance of reserves at a minimum of 25% of the total annual expenses.

All donations received from Garden Owners are swept out of the current accounts several times a month and invested mainly in Treasury Bills by the NGS for maximum security. These are held until the annual charitable distributions are made, normally in April and July of the following year. The payments may be made earlier in exceptional circumstances, at the discretion of the Trustees.

6. Reserves Policy

The National Gardens Scheme is a charity that survives on the annual performance of its fundraising activities. The charity's ethos is founded on the financial principle that funds raised in one year are distributed (net of costs) to the charity's beneficiaries within a twelve-month period. Underpinning the financial performance from one year to the next is the reserves policy that the Trustees monitor. This policy ensures that the cash reserves do not fall below 25% of the current gross costs; Trustees make an annual judgement at the time of distributions to beneficiary charities, to ensure that the reserves do not retain excessive amounts of cash on a long term basis.

As confirmed in Section 14 below, in 2015 the Trustees have decided to distribute £2.7m to beneficiaries and transfer the balance of net income (£31k) into reserves. These additional funds raise the level of reserves from £434k to £465k – which equates to 42% of budgeted gross annual costs. This was decided because the funds available enable the Trustees to achieve their donations target for the year, at the same time funds were transferred into reserves in anticipation of a larger distribution to beneficiaries in 2016 to mark the charity's 90th anniversary.

Since 2015, in theory the Legacy Fund has added to the funds the charity is holding in reserve. However, as explained in Section 10 below, the Legacy Fund has been established for a specific purpose to enhance the charity's performance by making funds available for specific projects, and to increase the charity's financial security independent of funds donated from gardens.

7. Plans for the Future

The charity's plans for the future focus on maximising achievement of long-term objectives. The plans are formalised in a Strategic Plan, the version of which covering 2016-20 is in production and will be approved by the Trustees in summer 2016.

The plans combine maximising the charity's core activity of raising funds to donate to the beneficiaries, so as to increase the amounts that are donated from one year to the next, with developing other activities that raise awareness of the charity and its activities to support nursing and health. Some further details of plans are given in Section 8 (Strategy) and 11 (Gardens and Health) below.

8. Strategy

The NGS's strategy focuses on growing its core activity of maximising the donations from garden opening events. Key to future growth of the charity is the need to reach a wider audience, to make the general public more aware of the varied attractions and rewards of visiting private gardens. Increasing levels of public awareness of the charity and of our gardens is vital in order for us to achieve growing numbers of visitors, year on year.

As part of the campaign to achieve this, in 2013 we launched the NGS Festival Weekend and the 2015 Festival Weekend was the most successful so far with some notable national publicity and a strong proportional increase in the number of visitors over the weekend. The event also proved especially successful in gaining support for the NGS from our beneficiary charities and their audiences of supporters.

Our overall strategy and a growing priority for NGS marketing is to combine the best possible promotion of our gardens to the audience of visitors, with raising awareness of the NGS's role as a major charity and funder of nursing and caring in the UK. Raising awareness so as to boost recruitment of visitors and supporters through all appropriate channels will continue to be a primary objective of NGS marketing.

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

A recent new element of the strategy has been to identify the NGS as a leader in the promotion of the benefits of gardens and gardening for public and individual health and well-being. The Trustees believe that this is an area of growing importance and relevance and one in which the NGS, with its long-established experience in both areas, is uniquely positioned to contribute to.

9. Research

In order to review the strategy by gaining an accurate picture of levels of public awareness of the NGS and perceptions of the charity and its work, a comprehensive programme of research was carried out by professional consultants during the summer of 2015. The research had two sections, Quantitative and Qualitative and the findings provided a crucial basis for reassessment of the NGS's strategy and its core objectives.

The findings confirmed that broad national awareness levels of the NGS are low, also that the NGS could do more to engage with its audience of visitors and to maximise the potential for digital marketing channels for raising levels of awareness and recruiting more visitors. The research led to the development of a new five-year strategic plan, work on which was begun towards the end of 2015 for completion and introduction in 2016.

10. Legacies

In their 2014 Report the Trustees confirmed that the NGS had been the recipient of a substantial legacy (from the estate of Robert Winton). This was an extremely generous contribution to the NGS. In that year the legacy in question brought a donation of £297k and this was followed in 2015 by a final donation of £47k. As set out in the 2014 report, the Trustees decided to create a designated fund and this was done in 2015. The NGS Legacy Fund now contains a portfolio of investments managed for the NGS by Investec Wealth & Investment.

At the same time the Trustees agreed the purpose of the Legacy Fund. When a major legacy is given to the NGS, unless specified otherwise by the legatee, it is accepted that these donations will be invested for capital growth and for the funding of specific projects such as the Trustees deem appropriate for the benefit of the charity and for the achievement of its strategic objectives. In 2015 they agreed that money from the Legacy Fund should be used to cover the costs of the research that was carried out, also to pay for the NGS's establishment of a programme to promote the benefits of gardens and gardening for public and individual health and wellbeing (see Section 11 below).

In establishing the strategy for legacies the Trustees agreed that such income should be treated differently to the NGS's main source of income, from the gardens. Net Garden Income is donated to the NGS by garden owners who have raised the funds at their individual gardens with the express intention that the maximum amount of the funds they have raised will end up being donated annually to the NGS's chosen beneficiaries in nursing and caring. Currently more than 80% of Net Garden Income is donated annually.

The Trustees would like to register their gratitude for the unexpected generosity of the Robert Winton Estate and it led them to approve the initiation of a new fundraising strategy to attract further legacies. This was established in 2015 with advice from legacy specialists, the Legacy Partnership.

11. Gardens and Health

In 2014 the NGS the Board of Trustees approved a new long term strategy for the National Gardens Scheme to develop a leadership role in the promotion of the benefits of gardens and gardening for individual and public health and wellbeing. The initiative will be closely linked to the NGS's core activity of opening gardens and encouraging the public to visit. At the same time it will strengthen and enhance the NGS's charitable profile and activities.

The Trustees decided that the NGS is uniquely positioned to take a lead in this area of growing importance because of the charity's dual involvement in both gardens and – through its close partnerships with its nursing beneficiary charities – healthcare.

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

In 2015 the Trustees formally approved a programme to be led by the Chief Executive and working closely with senior members of the NGS's beneficiary charities. In autumn 2015 the NGS commissioned a Policy Document to be produced by the King's Fund that would draw together current evidence regarding gardens and health and make recommendations for the future. The report will be launched in May 2016 and provide an unrivalled platform on which the NGS will build its future policy on gardens and health.

12. Constitution, Governance, Structure and Management

The National Gardens Scheme is a company limited by guarantee.

Organisation

The aim of the NGS is to raise money for a specified group of national nursing and health charities by receiving donations and other support as a result of opening gardens of quality, character and interest to the public.

The Directors of the Company are also Charity Trustees for the purpose of charity law under the Company's Articles. The governing body of the NGS is the Board of Trustees. They are appointed for a period of three years which is renewable by mutual agreement for a possible two further periods, meaning that a Trustee can serve a maximum of nine years in a term of office. Thereafter they must stand down for at least one year before they can be considered for re-election.

Trustees have the duty to plan and agree policy and to direct the affairs of the NGS. They are responsible for the good management of the NGS, setting policy, agreeing the annual report and accounts, maintaining contact with beneficiary charities and agreeing the basis and amount of donations to beneficiaries.

The Board elects a Chairman for a term of three years who, as well as chairing the Board, represents NGS and maintains contact with counties, beneficiaries and associated organisations. A Deputy Chairman is similarly elected and supports the Chairman, acting as Chairman in his/her absence. Both positions are renewable for a further three years with the agreement of the Board.

An Executive Committee oversees the execution of the Board decisions and deals with matters delegated to it by The Board. This group monitors the NGS's business plan and budget and the running of NGS's operations.

The Audit Committee oversees the financial operation of the Charity on behalf of the Board of Trustees and is responsible for reviewing and updating the risk management framework.

The Chief Executive, assisted by Head Office staff, is employed by the Board to carry out policy, and to devise and execute the charity's operational strategy. With the Head Office staff he provides the central governance, finance and marketing functions which assist and support the work of volunteers in County Teams with information, advice, supplies and other support. Most communication with garden owners is through the County Organisers and other team members.

The rules for the governance of NGS are laid down in the Memorandum and Articles, dated October 2009. Within this framework, day-to-day aspects including responsibilities and duties of individuals and committees, together with procedures for elections to the Board and similar matters, are defined in Standing Orders. Copies of these documents are available on request.

Trustees who have served during the period and since the period-end are set out on page 8. Trustees are provided with guidelines when appointed and most find it helpful to visit the office at Hatchlands Park, Surrey either just before or just after taking up their role. The office assists them by providing support and personal contact. The office also arranges induction and refresher days for new and existing volunteers which Trustees are able to attend.

Risk management

As confirmed in Part 5 under Financial Risk Management, the Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to mitigate those risks. The corporate risk management for the organisation received a detailed review in 2013 with a new register being drafted and approved. It was approved by the Audit Committee which has specific responsibility for monitoring risk and recommending any action necessary to the Board. This register incorporates systems to mitigate the risks identified being finance, resource and technical infrastructure, succession planning and reputational management.

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in their direction of the Charity's activities. The NGS's principle activity, the organisation of garden opening, is expressly designed to be available to all.

This activity is also the NGS's chief source of fundraising and, on an annual basis, from funds raised by opening gardens, the NGS continues to make donations to beneficiary charities whose principle objective is public benefit in the form of nursing, caring or other support for individuals. For a list of beneficiary charities please see page 6.

As the NGS develops its programme of promoting the benefits of gardens and gardening for public and individual health and wellbeing, the Trustees are confident that the potential for long term public benefit is substantial. The programme intends to demonstrate a combination of specific health benefits for the public as well as potential benefits to the costs of supporting public health.

14. Beneficiary Policy and Distributions

Money raised from garden openings is donated each year to beneficiary charities nominated by the Board. Donations are governed by the Beneficiary Policy, set by the Board and reviewed every three years. The policy was reviewed in summer 2015 and approved by the Trustees at their September 2015 the Board meeting. The conclusions of the review will be borne out in the distributions over the next three years. The charity operates a programme of regular contact and review with beneficiary charities to ensure that NGS understands their needs and that money is put to best use.

Beneficiary Charity	£,000
Macmillan Cancer Support	500
Marie Curie	500
Hospice UK	500
Carers Trust	375
Queens Nursing Institute	250
Perennial	130
Parkinson's UK	100
MS Society (Guest Charity)	100
Horatio's Garden (Gardens & Health)	130
National Trust Gardening Careership	30
Royal Horticultural Society Trainees	75
Garden Museum Trainee	10

The Board has also agreed to fund a guest charity from time to time. Criteria for selecting a guest charity include:

- A focus on nursing and caring is preferred but wider terms of reference could be considered for guest charities, subject to them demonstrating that they deliver value to local communities.
- Charities involved in research may be considered as guest charities, provided they meet the NGS's 'community test'.
- Organisations which provide social benefit and which are involved in nursing and caring could be considered even if they are not charities. However, they should be constituted in some legal form as a 'social enterprise' (e.g. Community Interest Company).

As part of the beneficiary policy review carried out in 2013 it was decided to extend the period for a Guest Charity partnership from one to two (and possibly three) years. Towards the end of the 2015 the Trustees confirmed that the new guest charity will be MS (Multiple Sclerosis) Society.

As part of the 2015 review the Trustees also agreed that Parkinson's UK would continue as a beneficiary in 2015. This decision both marks the charity's highly successful partnership with the NGS as a guest charity, and recognition by the Trustees of the importance of support for the nursing of people with Parkinson's Disease.

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Finally, a significant decision was made as part of the Trustees' 2015 review of the beneficiary policy, that to support the charity's promotion of gardens and health, the Trustees would make an annual donation to a charity that clearly worked towards this objective in its nursing activities. The Trustees stipulated that any charity nominated in the garden and health category must also fulfil the broader nursing and caring requirements of the beneficiary policy. The Trustees agreed that the first gardens and health beneficiary would be Horatio's Gardens, the charity that builds and maintains gardens for spinal injury units in major UK hospitals.

15. Funds held by the NGS as Custodian Trustee on behalf of others

The Elsie Wagg Fund is an endowment made to the National Gardens Scheme, as part of the Queens Nursing Institute before it was incorporated as a separate charity. Under the terms of the endowment, although the capital rests within the NGS, the income on capital is paid each year to the Queens Nursing Institute.

In addition, the endowment voted by the Board for the establishment of the NGS Elspeth Thompson Bursary Fund (held as a designated fund) allows for a series of annual bursaries to be paid out after their selection in conjunction with the Royal Horticultural Society. These bursaries are paid to support specific community gardening projects all over England and Wales and since the establishment of the Bursary Fund in 2011 have proved of considerable value to different local communities.

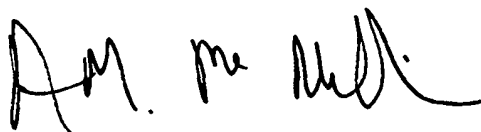
As confirmed in various sections of the Trustees Report, payments received from the estate of the late Robert Winton have also been placed into a designated fund, the NGS Legacy Fund. This will receive further donations from legacies.

16. Statement of Trustees' Responsibilities

Company law requires the Trustees to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the company's activities during the period and of its financial position at the end of the period. In preparing those Financial Statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the policies are in accordance with applicable accounting standards
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that there is no information relevant to the audit of which the auditors are unaware and that the Trustees have taken the necessary steps to ensure they are aware of all relevant audit information and made sure the auditors are aware of it.



A. Martin McMillan OBE
Chairman of the Board of Trustees

16.3.16

**THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Reference and Administrative Information

Patron: His Royal Highness The Prince of Wales

President: Joe Swift (retiring 2016), Mary Berry CBE (2016 -)

Vice-Presidents:

Elizabeth Anton; Angela Azis; Ann Budden; Fred Carr; Daphne Foulsham MBE; Carolyn Hardy OBE, VHM
Nicholas Payne OBE; Penny Snell ; Michael Toynbee DL; Ann Trevor Jones MBE.

Ambassadors:

Emma Bridgewater CBE; Alan Gray

The Board of Trustees

Chairman: A. Martin McMillan OBE

Deputy Chairman: Heather Skinner*

Hon Treasurer: Richard Raworth* (to April 2015), Andrew Ratcliffe* (from April 2015)

Miranda Allhusen*, Peter Clay, Susan Copeland*, Rosamund Davies*,
Bridget Marshall *, Colin Olle*, Sue Phipps *, Patrick Ramsay, Sir Richard Thompson KCVO, Rupert Tyler

*(*member of an NGS county team)*

Chief Executive: George Plumptre

Head Office

Hatchlands Park, East Clandon, Guildford, Surrey GU4 7RT

Auditor

Gilbert Allen & Co, Churchdown Chambers, Borden, Tonbridge, Kent TN9 1NR

Bankers

The Co-operative Bank, 9 Prescot Street, London. E1 8AZ

Charity Number 1112664 Company Number 5631421 limited by guarantee
NGS Enterprises Limited Company Number 3862405 limited by guarantee

**REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF
THE NATIONAL GARDENS SCHEME
(A COMPANY LIMITED BY GUARANTEE)**

We have audited the Financial Statements of The National Gardens Scheme for the year ended 31 December 2015 which comprise the SOFA, the Balance Sheet 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).

Respective Responsibilities of Trustees and Auditors

As described in the Statement of Directors' Responsibilities on page 7 the Company's Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit 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 (APB's) Ethical Standards for Auditors.

Scope of the Audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This included an assessment: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of the result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

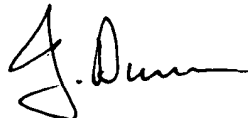
Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns;
- or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



J. Duncan FCA
Senior Statutory Auditor
for and on behalf of
GILBERT ALLEN & CO.
Registered Auditor
Chartered Accountants

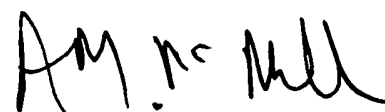
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Bordyke
Tonbridge
Kent TN9 1NR

**THE NATIONAL GARDENS SCHEME
STATEMENT OF FINANCIAL ACTIVITIES (SOFA)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Total Year to 31.12.2014 £		Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Year to 31.12.2015 £
	Income and expenditure				
	Incoming resources from generated funds				
3,281,228	Net Garden Income	3,366,600	-	-	3,366,600
245,862	Gross County Income	257,049	-	-	257,049
40,885	Yellow Book sales	37,506	-	-	37,506
100,000	Core sponsorship	105,000	-	-	105,000
25,000	Yellow Book advertising	20,850	-	-	20,850
6,991	Other sales	13,957	-	-	13,957
4,514	Other Donations	9,897	-	-	9,897
297,000	Legacy	-	47,436	-	47,436
14,562	Royalties	9,949	-	-	9,949
7,613	Interest on deposit	14,417	-	-	14,417
4,023,655	Total incoming resources	3,835,225	47,436	-	3,882,661
	Resources expended				
	Charitable activities				
2,652,052	Direct charitable expenditure (Distributable income to beneficiaries)	2,700,000	27,008	-	2,727,008
65,873	Management and administration of the Charity	74,982	-	-	74,982
	Cost of generating funds				
1,023,456	Fundraising and publicity	1,028,528	-	-	1,028,528
3,741,381	Total resources expended	3,803,510	27,008	-	3,830,518
282,274	Net incoming resources for the year	31,715	20,428	-	52,143
(401)	Profit on revaluation of Investment Assets	-	-	802	802
281,873	Net movement in funds	31,715	20,428	802	52,945
601,997	Funds brought forward at 1 January 2015	435,219	377,706	70,945	883,870
883,870	Funds carried forward at 31 December 2015	466,934	398,134	71,747	936,815

THE NATIONAL GARDENS SCHEME
Company number 5631421
BALANCE SHEET AS AT 31 DECEMBER 2015

31.12.2014			Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31.12.2015 Total £
Total £							
1,763	Fixed assets	- Tangible assets	(1c,2)	560	-	-	560
70,945		- Investments	(3)	-	182,779	71,747	254,526
72,708				560	182,779	71,747	255,086
	Current assets						
30,612	Debtors	- Debtors, prepayments, and stocks		25,199	-	-	25,199
1		- NGS Enterprises Limited		1	-	-	1
4,444	Cash at bank	- Co-Op current account		635	-	-	635
-		- Investec deposits		-	117,221	-	117,221
3,454,307		- Royal London Cash Management		3,248,186	98,134	-	3,346,320
3,489,364				3,274,021	215,355	-	3,489,376
	Less:						
	Creditors: amounts falling due within one year						
	Funds not yet distributed:-						
250,000	The Queen's Nursing Institute			250,000	-	-	250,000
500,000	Macmillan Cancer Support			500,000	-	-	500,000
500,000	Marie Curie			500,000	-	-	500,000
500,000	Hospice UK			500,000	-	-	500,000
400,000	Carers Trust			375,000	-	-	375,000
150,000	Perennial			130,000	-	-	130,000
50,000	Edith Cavell Trust			-	-	-	-
172,000	Parkinson's UK			100,000	-	-	100,000
-	MS Society			100,000	-	-	100,000
-	Horatio's Garden			130,000	-	-	130,000
30,000	The National Trust Gardening Careership Scheme			30,000	-	-	30,000
10,000	Garden History Museum			10,000	-	-	10,000
75,000	Royal Horticultural Society			75,000	-	-	75,000
2,637,000				2,700,000	-	-	2,700,000
41,202	Accrued expenses			107,647	-	-	107,647
2,678,202				2,807,647	-	-	2,807,647
811,162	Net current assets			466,374	215,355	-	681,729
883,870	Net assets			466,934	398,134	71,747	936,815
	Represented by:						
435,219	Unrestricted funds	(4)		466,934	-	-	466,934
377,706	Designated funds	(5)		-	398,134	-	398,134
70,945	Restricted funds	(6)		-	-	71,747	71,747
883,870				466,934	398,134	71,747	936,815



A. Martin McMillan
Chairman of the Board of Trustees

Date: 16.3.16

**THE NATIONAL GARDENS SCHEME
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

31.12.2014		31.12.2015
£		£ £
2,934,326	Net income for the year	2,731,715
	Reconciliation to cash generated from operations:	
1,963	Depreciation	2,042
5,039	Cash inflow due to decrease in debtors, prepayments and stocks	5,413
(27,833)	Cash inflow due to increase in creditors	66,445
(20,831)	Movements in working capital	73,900
2,913,495	Net cash inflow from operating activities	2,805,615
	Application of cash	
	Payments to beneficiaries	
(200,000)	The Queen's Nursing Institute	(250,000)
(500,000)	Macmillan Cancer Support	(500,000)
(500,000)	Marie Curie	(500,000)
(450,000)	Hospice UK	(500,000)
(350,000)	Carers Trust	(400,000)
(147,000)	Perennial	(150,000)
-	Edith Cavell Trust	(50,000)
(150,000)	Parkinson's UK	(172,000)
(2,297,000)		(2,522,000)
(120,000)	The National Trust Gardening Careership Scheme	(30,000)
(8,000)	Garden History Museum	(10,000)
(75,000)	Royal Horticultural Society	(75,000)
(2,500,000)		(2,637,000)
(2,669)	Acquisition of fixed assets (net)	(839)
-	Designated funds investment less outgoings	(135,343)
(15,052)	Designated funds paid	(27,008)
(2,517,721)		(2,800,190)
395,774	Net increase in cash	5,425
3,062,977	Cash at bank at 1 January 2015	3,458,751
3,458,751	Cash at bank at 31 December 2015	3,464,176

**THE NATIONAL GARDENS SCHEME
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Principal accounting policies

(a) Accounting convention

The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) with the exception that investments are valued at market value. In preparing the Financial Statements the Charitable Company follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 2011.

(b) Group financial statements

Consolidated accounts are not prepared, for the subsidiary NGS Enterprises Ltd.

(c) Tangible fixed assets

Depreciation is provided for at the following straight line rates to write off the assets over their estimated useful lives:

Equipment at 33 1/3% p.a.

Leasehold improvements over the period of the lease.

(d) Net Garden Income and Income Recognition

Net proceeds raised by garden owners and donated to NGS. It is recognised as income when received.

(e) Donations to Other Charities

An additional £372,264 (£356,876 - 31.12.2014) was raised for charities nominated by garden owners for a share of proceeds or where other charities were donated the proceeds from teas or plants sales. These amounts do not appear in the NGS accounts.

2. Tangible fixed assets

	Equipment	Leasehold improvements	Total
	£	£	£
Cost at 1 January 2015	107,640	1	107,641
Additions in year	839	-	839
Disposals in year	-	-	-
Cost at 31 December 2015	<u>108,479</u>	<u>1</u>	<u>108,480</u>
Depreciation at 1 January 2015	105,878	-	105,878
Charge in year	2,042	-	2,042
No longer required	-	-	-
Depreciation at 31 December 2015	<u>107,920</u>	<u>-</u>	<u>107,920</u>
Net book value at 31 December 2015	<u>559</u>	<u>1</u>	<u>560</u>
Net book value at 31 December 2014	<u>1,762</u>	<u>1</u>	<u>1,763</u>

3. Investments

	31.12.2014	31.12.2015
	£	£
Market value at 1 January 2015	71,346	70,945
Additions in the year	-	182,779
Increase (Decrease) in value in the year	(401)	802
Market value at 31 December 2015	<u>70,945</u>	<u>254,526</u>
Investments at market value comprised:		
UK equities and bank deposit	61,018	216,591
UK fixed interest securities	9,927	37,935
	<u>70,945</u>	<u>254,526</u>

**THE NATIONAL GARDENS SCHEME
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. Unrestricted funds

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

	£
Balance at 31 December 2014	435,219
Movement in funds for the year	31,715
Balance at 31 December 2015	<u>466,934</u>

5. Designated funds

Designated funds comprise those funds which the trustees have set aside for specific future purposes.

	31 December 2014 £	Incoming Resources £	Outgoing Resources £	31 December 2015 £
The NGS Elspeth Thompson Bursary Fund	80,706	-	(13,695)	67,011
The NGS Legacy Fund	297,000	47,436	(13,313)	331,123
	<u>377,706</u>	<u>47,436</u>	<u>(27,008)</u>	<u>398,134</u>

For details of Designated and Restricted funds see also section 15 of the Trustees Annual report.

6. Restricted funds

Restricted funds are funds which have been given for a particular purpose.

	31 December 2014 £	Incoming Resources £	Outgoing Resources £	31 December 2015 £
Elsie Wagg Gardens Scheme Fund - Under the terms of which all income is paid to The Queen's Nursing Institute.	70,945	802	-	71,747
	<u>70,945</u>	<u>802</u>	<u>-</u>	<u>71,747</u>

7. Staff costs, trustees remuneration and interests

Staff costs:	2014 £	2015 £
Salaries	349,641	364,072
Social security and pension costs	42,616	52,628
	<u>392,257</u>	<u>416,700</u>

The average weekly number of employees during the period was: 11 11

One employee received remuneration amounting to more than £70,000 per annum in the year.

Trustees received no remuneration (2014 - £nil).

Expenses relating to travel and subsistence of £1,564 were reimbursed to 13 trustees in the year (2014 - £1,854).

Indemnity insurance for Trustees, Officers and employees exists at a cost of £1,259 (2014 - £920).

8. Other financial commitments

At 31 December 2015 the Charitable Company had an annual commitment under a non-cancellable operating lease (property rental) as set out below:

	31.12.2014 £	31.12.2015 £
Operating lease which expires:		
Within one year	21,000	21,000
Within two to five years	63,000	42,000
	<u>84,000</u>	<u>63,000</u>

**THE NATIONAL GARDENS SCHEME
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

31.12.2014 £		Notes	31.12.2015 £
3,281,228	Net Garden Income	(1d)	3,366,600
245,862	Gross County Income		257,049
	Central income		
40,885	Yellow Book net income		37,506
100,000	Core sponsorship		105,000
25,000	Yellow Book advertising		20,850
6,991	Other sales		13,957
4,514	Other Donations		9,897
297,000	Legacy	(5)	-
14,562	Royalties		9,949
7,613	Bank interest		14,417
<u>4,023,655</u>	Total Income		<u>3,835,225</u>
	Less: County Expenses		
182,069	Printing, postage and stationery		201,922
65,537	Other County expenses, including travel		52,865
<u>247,606</u>			<u>254,787</u>
	Less: Scheme Expenses		
69,110	Irrecoverable VAT		58,235
10,342	Scheme insurance		10,805
6,933	Scheme sundries		7,242
12,798	Meetings, conferences and scheme travel		16,495
16,096	Postage		15,464
4,482	Telephone		4,816
24,758	Printing, stationery, posters and mailout		18,390
27,513	Bulk order materials and fulfilment		33,159
45,853	Yellow Book costs		43,805
115,438	Marketing, publicity, promotion		95,920
61,977	ICT and website		63,157
13,166	Professional fees and bank charges		18,895
5,200	Audit fee		5,200
<u>413,666</u>			<u>391,583</u>
	Less: Head Office Expenses		
392,257	Salaries and employers National Insurance	(7)	416,700
5,151	Head office sundry expenses		7,684
22,760	Rent and service charge		23,707
1,149	Repairs, maintenance and leasing		2,284
4,777	Travel and motor expenses		4,723
1,963	Depreciation	(1c, 2)	2,042
<u>428,057</u>			<u>457,140</u>
2,934,326	Net Income for the Year		2,731,715
(326)	Transfer (to) unrestricted funds	(4)	(31,715)
(297,000)	Transfer (to) designated fund		-
<u>2,637,000</u>	Distributable Income		<u>2,700,000</u>

**THE NATIONAL GARDENS SCHEME
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

31.12.2014		31.12.2015
£		£
	Distribution of Funds:	
	Nursing Beneficiaries	
250,000	The Queen's Nursing Institute	250,000
500,000	Macmillan Cancer Support	500,000
500,000	Marie Curie	500,000
500,000	Hospice UK	500,000
400,000	Carers Trust	375,000
150,000	Perennial	130,000
50,000	Edith Cavell Trust	-
172,000	Parkinson's UK	100,000
-	MS Society	100,000
-	Horatio's Garden	130,000
	Other Beneficiaries	
30,000	The National Trust Gardening Careership Scheme	30,000
10,000	Garden History Museum	10,000
75,000	Royal Horticultural Society	75,000
<u>2,637,000</u>	Total Funds for Distribution	<u>2,700,000</u>