

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

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**The following pages do not form part of the statutory accounts**

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**THE NATIONAL GARDENS SCHEME  
TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**Trustees' Annual Report**

The Trustees submit their Annual Report and Financial Statements for the year to 31 December 2011

**1 Achievements and Performance**

2011 was a challenging year for the National Gardens Scheme (NGS) Net Garden Income (NGI), which is the core revenue donated by garden owners, increased by just 1.6% to £3.01m. We had budgeted growth of 5.0% so this was disappointing. We believe that a large part of the shortfall against budget was weather related, with three key Sundays in particular being washed out in many parts of England and Wales. Informal estimates are that, on just one of these Sundays alone (12 June), the loss of visitors accounted for a revenue shortfall equivalent to some 3% of annual NGI.

In 2012 we are taking steps to try to offset these weather problems, including maximizing the short-term promotional potential of the internet and other new electronic and social media channels. This will enable garden owners who have had rain-affected open days to arrange a replacement date at short notice and for the NGS to help them publicise such dates.

Total Revenue in 2011 at £3.55m was up by £75k or 2.2% on the previous year.

Total Expenses at £1.06m were up by £53k or 5.3% on the previous year which was in line with budget. These expenses have been kept under control over the last three years and are still no higher than in 2008/9.

The main expenses which contributed to the increase of £53k compared with the previous year were county printing costs, due mainly to publishing more booklets, irrecoverable VAT, which returned to its normal levels, meetings and conferences, due to the biennial conference being held in 2011 and ICT and website, due to a necessary major improvement in our capability. The relative expense amounts in each year can be seen on page 13.

The overall Net Income for 2011 was £2.49m compared with £2.47m in the previous year. Given the reduced NGI against budget and the pressure on certain expenses outlined above this was a satisfactory result.

The important ratio of Net Income to Net Garden Income was 83% which was above the minimum of 80% which we aim to achieve. This ratio is very important to garden owners since it measures the proportion of their donations to the NGS that becomes available for distribution to charities.

The wider ratio of Net Income to all Revenues (including advertising, sponsorship and royalties) was 70% compared with 71% in the previous year.

**2 Financial Review**

**Distribution to beneficiaries**

Trustees have decided to make a total distribution of £2.6m for the year which involves a transfer from reserves of £112k. The distribution is the same as in the previous year and the list of beneficiaries is set out on page 14.

In determining distribution policy, increasingly the Trustees are encouraging the beneficiaries to provide reciprocal benefits which will bring mutual rewards in the future. In particular, generating greater public awareness of the NGS through their substantial networks should bring increased numbers of visitors to the gardens, thereby producing more funds for us to be able to distribute to them. The Trustees and Chief Executive will be working hard to promote this further in the coming year.

The Trustees would like to thank our wonderful garden owners who have generated these sums by their hard work and dedication and have donated them to the NGS.

In addition, the 50 County teams, comprising some 350 volunteers deserve great praise for their contribution and dedication. Without their efforts none of this would be possible.

**THE NATIONAL GARDENS SCHEME  
TRUSTEES' ANNUAL REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

### Reserves

As indicated above, a transfer of £112k has been made out of reserves. This is in line with our current policy gradually to reduce unrestricted reserves subject to a minimum of 25% of expenses. Unrestricted reserves are now approximately 50% of ongoing expenses and there is therefore still a margin available for gradual transfers out over the next few years.

### Financial Position

Overall, total income raised during the year was £3.55m. Related expenses were £1.06m and the net income available for distribution to the NGS beneficiary charities was £2.49m.

In addition to these figures, garden owners raised further sums of £335k on NGS open days which they donated to other charities. This was either as a share of takings donated to those charities or by enabling charities who sold teas and plants on open days to retain the proceeds. These sums are valuable additional donations, often to local charities, resulting from NGS activities. However, these are not recorded in the NGS accounts and are not audited.

The NGS operates within an annual budget agreed by Council.

All donations received are placed on bank deposit by the NGS until the charitable distributions are made, normally in May and July of the following year. The payments may be made earlier in exceptional circumstances, at the discretion of the Trustees.

## **3 Structure, Governance, Management Constitution and Objects**

The National Gardens Scheme is a company limited by guarantee.

### Organisation

The aim of the NGS is to raise money for national nursing, caring and gardening 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 Council of Trustees. They have the duty to plan, agree policy and 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.

Council elects a Chairman for a term of three years who, as well as chairing Council, 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.

An Executive Committee oversees the execution of Council decisions and deals with matters delegated to it by Council. 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 Council and is responsible for reviewing and updating the risk management framework and making recommendations to Council.

The Chief Executive, assisted by Head Office staff, is employed by Council to carry out policy, support the finance and governance functions and assist the work of 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 Council and similar matters, are defined in Standing Orders. Copies of these documents are available on request.

**THE NATIONAL GARDENS SCHEME  
TRUSTEES' ANNUAL REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

Trustees who have served during the period and since the period-end are set out on page 6  
Trustees are provided with guidelines when appointed and most find it helpful to visit Head Office either just before or just after taking up their role. Head Office assists them by providing support and personal contact. Head Office arranges training courses for new and existing volunteers which Trustees are able to attend.

#### 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. These are reviewed formally twice a year. The Audit Committee has specific responsibility for monitoring risk and recommending any action necessary to Council.

#### **4. Objectives**

The object of the charity is to raise money to donate to selected beneficiaries by organising the opening gardens of quality to the public. To review the process, during 2011 the Chief Executive was requested by the Council of Trustees to draw up a strategic five-year plan. This plan, entitled *Nurturing New Growth 2012-16*, was presented by the Chief Executive and approved by the Council in September 2011. The plan was built around the following key details:

##### Vision

"To become a nationally recognised fund-raising and grant-making charity achieving increasing annual donations, by offering the best gardens and visiting experience to the widest possible audience."

##### Mission

"To build on the foundation of the National Gardens Scheme's unique heritage and proposition by reaching out to new audiences and achieving growth in our charitable donations, so as to build up a widely-acknowledged charitable profile in the nursing and caring sector."

##### Core Objectives

- To create a dynamic profile as a leader of charitable giving to nursing and caring
- To build on our reputation for the quality of our gardens
- To invest in the overall visitor experience focusing on new audience development
- To deliver defined financial targets over a five year period
- To develop and manage our resources so as to operate more effectively and cohesively

#### **5 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 principal 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 garden openings the NGS continues to make donations to beneficiary charities whose principal objective is public benefit in the form of nursing, caring or other support for individuals. For a list of beneficiary charities please see page 14.

#### **6. 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 open donate funds raised which are collected by County Treasurers.

The funds are forwarded to the Head Office which co-ordinates the NGS' activities and produces *The Yellow Book* which is the annual publication that lists all the garden openings together with County Booklets. *The Yellow Book* promotes the NGS nationally and is the main medium for advertising garden openings, although the NGS website is becoming increasingly important together with County Booklets. Sponsor and advertising sponsorships are in place to offset the operational costs of the NGS, in order to assist in maximising the income that can be donated to beneficiaries (as set out in *Achievements and Performance* on page 1).

**THE NATIONAL GARDENS SCHEME  
TRUSTEES' ANNUAL REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

The Trustees of the NGS decide on key policy, management and financial matters at Council or committee meetings which are held regularly throughout the year. Activities at Head Office include support for County Teams, Yellow Book production, marketing and distribution, national publicity, sponsorship, and insurance. The Chief Executive reports to Council and is also responsible for the AGM, National and Regional Conferences, and NGS's participation in external events.

#### Volunteers

Volunteer County Teams find and support the garden owners who open for the NGS. The County Organiser is responsible for the NGS's activity in each county. Advice and support are available from the Chief Executive and Head Office staff, as well as other county teams and including the Regional Chairman.

The key activities of the County Teams are

- Promoting garden openings
- Finding new gardens
- Maintaining contact with existing garden owners
- Assisting with fundraising, collecting donations and accounting to Head Office
- Recognition and awards
- Producing County Booklets and securing advertising within these booklets

#### **7 Beneficiary Policy**

Money raised from garden openings is donated each year to beneficiary charities nominated by Council. Donations are governed by the Beneficiary Policy, set by Council and reviewed every three years. The Charity operates a programme of regular contact and review with beneficiary charities to ensure that NGS understands their needs and that donations are put to best use.

The current policy was agreed in 2009. This sets out the following principles for core beneficiary charities:

- The NGS will continue to support national nursing, caring and gardening charities.
- Part of the NGS's vision for the future is to bring in additional income. As and when it does, the NGS will consider new beneficiaries within the overall criteria of supporting national nursing, caring and gardening charities.
- There is already considerable support to cancer charities, and no further cancer charities should be added to the list of beneficiaries.
- Currently, the NGS does not include as core beneficiaries charities whose aim is primarily research.

At present, money is donated each year to the following charities:

- Macmillan Cancer Support
- Marie Curie Cancer Care
- The Queen's Nursing Institute
- Crossroads Care
- Help the Hospices
- Perennial (incorporating The Royal Fund for Gardeners' Children)

In addition the NGS makes an annual grant to the National Trust's Careership Scheme (in recognition of which a number of National Trust properties open their gardens in aid of the NGS).

In 2011 a grant of £8,000 has been agreed for 2012 to fund a Trainee at the Garden Museum, to be supplemented by a donation from the Denise Leffman Bequest. The grant was felt to be particularly appropriate because in 2012 the Garden Museum will mount an important exhibition on the history of garden visiting, in which the NGS will play an integral role. There was also a further donation of £16,000 to the NGS Elspeth Thompson Bursary Fund.

**THE NATIONAL GARDENS SCHEME  
TRUSTEES' ANNUAL REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

Council 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 'community test' in para 1 above
- Organisations who provide social benefit and who 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)

With a donation from funds raised in 2011, Council selected Alzheimer's Society to be the NGS's guest charity in 2012

#### **8 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, together with additional donations made by the NGS.

In addition, from 2011, the endowments voted by Council for the establishment of the NGS Elspeth Thompson Bursary Fund will be held as designated funds from which annual bursaries will be paid out after their selection in conjunction with the Royal Horticultural Society.

#### **9 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 1985. 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 themselves are aware of all relevant audit information and made sure the auditors are aware of it.

  
Penny Snell  
Chairman of the Council of Trustees

Date:

11-5-12

**THE NATIONAL GARDENS SCHEME  
TRUSTEES' ANNUAL REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**Reference and Administrative Information**

**Patron.** His Royal Highness, The Prince of Wales

**President.** Joe Swift

**Vice-Presidents**

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

**The Council of Trustees**

**Chairman** Penny Snell\*

**Deputy Chairman** Heather Skinner\*

**Hon Treasurer** Richard Raworth\*

Miranda Allhusen\*, Emma Bridgewater, Peter Clay, Rosamund Davies\*, Elizabeth Fleming DL,  
Anthony Frost, Irene Dougan\*, John Hinde\*, Martin McMillan, Bridget Marshall, Sue Phipps \*,  
Edwina Roberts\*

**Trustees retired during the year.** Elizabeth Carrick\*

*(\*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

**Solicitor**

Farrer & Co 66 Lincolns Inn Fields, London WC2A 3LH

**Bankers**

The Co-operative Bank, 9 Prescott 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 2011 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 2, 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 2011 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**

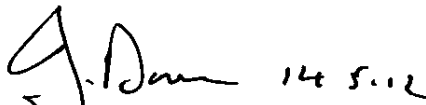
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

**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

Churchdown Chambers  
Bordyke  
Tonbridge  
Kent TN9 1NR

 14.5.12  
**J. Duncan FCA**  
**Senior Statutory Auditor**  
for and on behalf of  
**GILBERT ALLEN & CO.**  
**Registered Auditor**  
**Chartered Accountants**

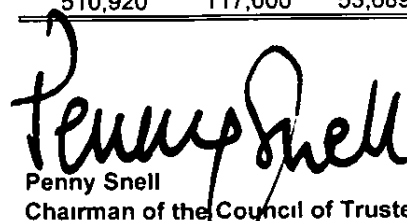


**THE NATIONAL GARDENS SCHEME  
STATEMENT OF FINANCIAL ACTIVITIES (SOFA)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>Total Year to 31 12 2010 £</b>		<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Year to 31 12 2011 £</b>
	<b>Income and expenditure</b>			
	<b>Incoming resources from generated funds</b>			
2,961,267	Net Garden Income	3,008,495	-	3,008,495
229,533	Gross County Income	238,960	-	238,960
101,292	Yellow Book sales	95,068	-	95,068
60,000	Yellow Book sponsorship	50,000	-	50,000
21,958	Yellow Book advertising	29,723	-	29,723
4,250	Other sponsorship	17,500	-	17,500
5,900	Other sales and advertising	10,103	-	10,103
25,000	Internet and sponsorship	25,000	-	25,000
5,344	Donations and sponsorship	7,656	-	7,656
37,949	Royalties	43,576	-	43,576
20,494	Interest on deposit	21,611	-	21,611
<u>3,472,987</u>	<b>Total incoming resources</b>	<u>3,547,692</u>	<u>-</u>	<u>3,547,692</u>
	<b>Resources expended</b>			
	<b>Charitable activities</b>			
2,600,000	Direct charitable expenditure (Distributable income to beneficiaries)	2,600,000	-	2,600,000
59,357	Management and administration of the Charity	73,084	-	73,084
-	Irrecoverable VAT	21,546	-	21,546
	<b>Cost of generating funds</b>			
917,061	Fundraising and publicity	939,572	-	939,572
	<b>Governance costs</b>			
30,165	Professional fees, bank charges and audit	25,771	-	25,771
<u>3,606,583</u>	<b>Total resources expended</b>	<u>3,659,973</u>	<u>-</u>	<u>3,659,973</u>
<u>(133,596)</u>	<b>Net (outgoing) resources for the year</b>	<u>(112,281)</u>	<u>-</u>	<u>(112,281)</u>
5,454	<b>Profit on revaluation of Investment Assets</b>	-	(4,660)	(4,660)
<u>(128,142)</u>	<b>Net movement in funds</b>	<u>(112,281)</u>	<u>(4,660)</u>	<u>(116,941)</u>
809,692	<b>Funds brought forward at 1 January 2011</b>	623,201	58,349	681,550
<u><u>681,550</u></u>	<b>Funds carried forward at 31 December 2011</b>	<u><u>510,920</u></u>	<u><u>53,689</u></u>	<u><u>564,609</u></u>

**THE NATIONAL GARDENS SCHEME**  
**Company number 5631421**  
**BALANCE SHEET AS AT 31 DECEMBER 2011**

31 12 2010			Notes	Unrestricted Funds	Designated Funds	Restricted Funds	31 12 2011
Total				£	£	£	Total
£							£
3,048	<b>Fixed assets</b>	- Tangible assets	(1c,2)	5,090	-	-	5,090
58,349		- Investments	(3)	-	-	53,689	53,689
61,397				5,090		53,689	58,779
	<b>Current assets</b>						
2,144	Debtors	- Debtors, prepayments, and stocks		51,372	-	-	51,372
1,080		- NGS Enterprises Limited		1,081	-	-	1,081
266,400	Cash at bank	- RBS current account		66,377	-	-	66,377
-		- Co-Op current account		174,665	-	-	174,665
3,100,725		- Royal London cash management		2,880,841	117,000	-	2,997,841
3,370,349				3,174,336	117,000	-	3,291,336
	Less						
	<b>Creditors amounts falling due within one year</b>						
	Funds not yet distributed -						
150,000	The Queen's Nursing Institute			200,000	-	-	200,000
550,000	Macmillan Cancer Support			550,000	-	-	550,000
550,000	Marie Curie Cancer Care			550,000	-	-	550,000
450,000	Help the Hospices			450,000	-	-	450,000
350,000	Crossroads			350,000	-	-	350,000
176,000	The National Trust Gardening Careership Scheme			176,000	-	-	176,000
150,000	Perennial and the Royal Gardeners' Orphan Fund			150,000	-	-	150,000
8,000	Chelsea Physic Garden Trainee			-	-	-	-
70,000	Arthritis Research UK			-	-	-	-
45,000	The Soldiers' Charity			-	-	-	-
-	Garden History Museum			8,000	-	-	8,000
-	Alzheimers society			150,000	-	-	150,000
2,499,000				2,584,000	-	-	2,584,000
150,196	Accrued expenses			84,506	-	-	84,506
2,649,196				2,668,506	-	-	2,668,506
721,153	<b>Net current assets</b>			505,830	117,000	-	622,830
782,550	<b>Net assets</b>			510,920	117,000	53,689	681,609
	Represented by						
623,201	Unrestricted funds		(4)	510,920	-	-	510,920
101,000	Designated funds		(5)	-	117,000	-	117,000
58,349	Restricted funds		(6)	-	-	53,689	53,689
782,550				510,920	117,000	53,689	681,609

  
**Penny Snell**  
 Chairman of the Council of Trustees  
 Date 11-5-12

**THE NATIONAL GARDENS SCHEME  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

31 12 2010		31 12 2011	
£		£	£
2,466,404	<b>Net income for the year</b>		2,487,719
	<b>Reconciliation to cash generated from operations</b>		
6,923	Depreciation	2,544	
(2,144)	Cash outflow due to increase in debtors, prepayments and stocks	(49,228)	
(7,094)	Cash outflow due to decrease in creditors	(65,690)	
(2,315)	<b>Movements in working capital</b>		(112,374)
2,464,089	<b>Net cash inflow from operating activities</b>		2,375,345
	<b>Application of cash</b>		
	<b>Payments to beneficiaries</b>		
(100,000)	The Queen's Nursing Institute	(150,000)	
(550,000)	Macmillan Cancer Support	(550,000)	
(550,000)	Marie Curie Cancer Care	(550,000)	
(450,000)	Help the Hospices	(450,000)	
(350,000)	Crossroads	(350,000)	
(8,000)	Chelsea Physic Garden Trainee	(8,000)	
(145,000)	Arthritis Research UK	(70,000)	
(100,000)	The Soldiers Charity	(45,000)	
(2,253,000)		(2,173,000)	
(176,000)	The National Trust Gardening Careership Scheme	(176,000)	
(48,000)	Perennial - Gardeners' Royal Benevolent Society	(150,000)	
(50,000)	The Royal Gardeners' Fund for Children	-	
(2,527,000)		(2,499,000)	
(3,320)	<b>Acquisition of fixed assets (net)</b>	(4,586)	
(20)	<b>Investment in NGS Enterprises Limited</b>	(1)	
-	<b>Restricted funds received</b>	-	
-	<b>Restricted funds paid</b>	-	
(2,530,340)			(2,503,587)
(66,251)	<b>Net decrease in cash</b>		(128,242)
3,433,376	<b>Cash at bank at 1 January 2011</b>		3,367,125
3,367,125	<b>Cash at bank at 31 December 2011</b>		3,238,883

**THE NATIONAL GARDENS SCHEME  
NOTES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**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 2005) 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**

Net proceeds raised by garden owners and paid to NGS

**(e) Share to and Teas and Plants**

An additional £335,132 (£334,456 - 31.12.2010) 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 2011	100,086	1	100,087
Additions in year	4,586	-	4,586
Disposals in year	-	-	-
Cost at 31 December 2011	<u>104,672</u>	<u>1</u>	<u>104,673</u>
Depreciation at 1 January 2011	97,039	-	97,039
Charge in year	2,544	-	2,544
No longer required	-	-	-
Depreciation at 31 December 2011	<u>99,583</u>	<u>-</u>	<u>99,583</u>
Net book value at 31 December 2011	<u>5,089</u>	<u>1</u>	<u>5,090</u>
Net book value at 31 December 2010	<u>3,047</u>	<u>1</u>	<u>3,048</u>

**3. Investments**

	31.12.2010 £	31.12.2011 £
Market value at 1 January 2011	52,895	58,349
Increase (decrease) in value in the period	5,454	(4,660)
Market value at 31 December 2011	<u>58,349</u>	<u>53,689</u>
Investments at market value comprised		
UK equities and bank deposit	48,312	43,820
UK fixed interest securities	10,037	9,869
	<u>58,349</u>	<u>53,689</u>

**THE NATIONAL GARDENS SCHEME  
NOTES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**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 2010	623,201
Movement in funds for the year	<u>(112,281)</u>
Balance at 31 December 2011	<u>510,920</u>

**5 Designated fund - The NGS Elspeth Thompson Bursary Fund**

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

	£
Balance at 31 December 2010	101,000
Distribution of Funds	<u>16,000</u>
Balance at 31 December 2011	<u>117,000</u>

**6 Restricted funds**

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

	31 December 2010 £	Incoming Resources	Outgoing Resources £	31 December 2011 £
Elsie Wagg Gardens Scheme Fund - Under the terms of which all income is paid to The Queen's Nursing Institute	58,349	-	(4,660)	53,689
	<u>58,349</u>	<u>-</u>	<u>(4,660)</u>	<u>53,689</u>

**7 Staff costs, trustees remuneration and interests**

	2010 £	2011 £
Staff costs		
Salaries	304,333	304,550
Social security costs	31,423	48,192
Pension costs	<u>13,632</u>	<u>-</u>
	<u>349,388</u>	<u>352,742</u>
The average weekly number of employees during the period was	<u>11</u>	<u>11</u>

One employee received remuneration amounting to more than £60,000 per annum in the year

Trustees received no remuneration (2010 - £Nil)

Expenses relating to travel and subsistence of £3,826 were reimbursed to 13 trustees in the period (2010 - £3,526)

Indemnity insurance for Trustees, Officers and employees exists at a cost of £920 (2010 - £1,102)

Emma Bridgewater is a director and shareholder of Emma Bridgewater Ltd. The National Gardens Scheme ('NGS') has a commercial participation agreement with Emma Bridgewater Ltd in relation to sales of its 'Flowers' tableware range, which features the NGS logo. Under the terms of this agreement, £35,000 was paid by Emma Bridgewater Limited to the NGS in 2011. This payment is included under royalties in the NGS accounts. As a Trustee of the NGS, Emma Bridgewater abstains from any debate or vote in relation to this arrangement.

Peter Clay is a director and shareholder of Crocus.co.uk Ltd ('Crocus'). The National Gardens Scheme ('NGS') has a commercial participation agreement with Crocus for plants that are bought by visitors to the NGS website who use an internet link to the Crocus website. Under the terms of this agreement, £363 was paid to the NGS in 2011. This payment is included under royalties in the NGS accounts. As a Trustee of the NGS, Peter Clay abstains from any debate or vote in relation to this arrangement.

**THE NATIONAL GARDENS SCHEME  
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**8. Other financial commitments**

At 31 December 2011 the Charitable Company had an annual commitment under a non-cancellable operating lease (property rental ) as set out below

	<b>31 12 2010</b>	<b>31.12.2011</b>
	<b>£</b>	<b>£</b>
Operating lease which expires		
Within one year	17,500	17,500
Within two to five years	56,875	39,375
	<u>74,375</u>	<u>56,875</u>

**THE NATIONAL GARDENS SCHEME  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

31.12.2010 £		Notes	31.12 2011 £
2,961,267	<b>Net Garden Income</b>	(1d)	3,008,495
229,533	<b>Gross County Income</b>		238,960
	<b>Central income</b>		
101,292	Yellow Book net income		95,068
60,000	Yellow Book sponsorship		50,000
21,958	Yellow Book advertising		29,723
4,250	Other sponsorship		17,500
5,900	Other sales		10,103
25,000	Internet and other sponsorship		25,000
5,344	Donations		7,656
37,949	Royalties		43,576
20,494	Bank interest		21,611
<u>3,472,987</u>	<b>Total Income</b>		<u>3,547,692</u>
	<b>Less. Direct Expenses</b>		
84,189	Yellow Book costs		80,603
<u>84,189</u>			<u>80,603</u>
	<b>Less County Expenses</b>		
190,028	Printing, postage and stationery		207,594
51,781	Other County expenses, including travel		57,017
<u>241,809</u>			<u>264,611</u>
	<b>Less. Scheme Expenses</b>		
-	Irrecoverable VAT		21,546
7,145	Scheme insurance		7,148
6,179	Scheme sundries		5,772
6,447	Meetings, conferences and scheme travel		22,342
14,178	Postage		16,906
4,239	Telephone		3,986
25,791	Printing, stationery, posters and mailout		30,686
35,785	Bulk order materials and fulfilment		25,690
85,883	Marketing, publicity, promotion		74,986
75,800	ICT and website		89,363
25,765	Professional fees and bank charges		21,193
4,400	Audit fee		4,578
<u>291,612</u>			<u>324,196</u>
	<b>Less Head Office Expenses</b>		
349,387	Salaries and employers National Insurance	(6)	352,741
4,887	Head office sundry expenses		5,287
22,387	Rent and service charge		23,085
1,976	Repairs, maintenance and leasing		1,661
3,413	Travel and motor expenses		5,245
6,923	Depreciation	(1c, 2)	2,544
<u>388,973</u>			<u>390,563</u>
2,466,404	<b>Net Income for the Year</b>		2,487,719
133,596	<b>Transfer from (to) Unrestricted funds</b>	(4)	112,281
<u>2,600,000</u>	<b>Distributable Income</b>		<u>2,600,000</u>