5631421
England and Wales

THE NATIONAL GARDENS SCHEME
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

Pages 1 to 5	Report of the Members of the Council Trustees' Annual Report
Page 6	Reference and Administrative Information
Page 7	Independent Auditor's Report
Page 8	Statement of Financial Activities (S O F A)
Page 9	Balance Sheet
Page 10	Statement of Cashflows
Pages 11 to 13	Notes to the Financial Statements

The following pages do not form part of the statutory accounts

Pages 14 & 15	Income and Expenditure Account

FRIDAY

A27LJ6I3
A10 03/05/2013 #366
COMPANIES HOUSE

THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

Trustees' Annual Report
The Trustees submit their Annual Report and Financial Statements for the year to 31 December 2012

1 Achievements and Performance

2012 was a very challenging year for all UK organisations with outdoor events and The National Gardens Scheme was no exception This was primarily due to the negative impact of prolonged bad weather throughout the main garden opening season, 2012 was recorded as having the wettest summer, for the period from April to August, for 125 years As a result, Net Garden Income, which is the core revenue donated by garden owners, was reduced by £215k to £2 79m, a reduction of 7 1% We had budgeted a growth of 6 5% so this was disappointing

At the same time, we are also aware that the recessionary economic climate in general and fuel prices in particular were likely to have been further factors adversely affecting visitor numbers to gardens and, as a result, funds raised at garden openings

However, it should be noted that other gardens and similar visitor attractions open to the public, such as the National Trust, recorded much greater reductions in revenue for 2012 Some events recorded reductions of 20-30% so, by comparison, the NGS held up commendably We believe that this was thanks to the loyalty of our visitors and to the strong charitable element of our garden opening activities Equally we have to thank our garden owners for their loyalty and perseverance in continuing to promote their opening events with a smile, whatever the weather

Total Revenue in 2012 at £3 33m was down by £221k on the previous year

Total Expenses of £1 20m were up by £139k on the previous year The main expenses which contributed to the increase in 2012 compared with the previous year were irrecoverable VAT, marketing and some increase in Head Office expenses The cost of irrecoverable VAT was comparatively low during the previous two years and returned to a more normal level in 2012 New marketing initiatives were the development and launch of the NGS App for I-phones and I-pads, the production and distribution of the NGS's first Annual Review, and initiating a new strategy to market NGS gardens to group travel organisations Recruitment and temporary staff costs increased Head Office expenses The relative expense amounts for each heading can be seen on page 14 with more details shown in the notes on page 12

The overall Net Income for 2012 was £2 12m compared with £2 49m in the previous year The largest element of the shortfall has been the reduction in Net Garden Income due to the terrible weather that we all experienced

The ratio of Net Income to Net Garden Income (which our Garden Owners donate) was 76% which was below the 80% level that we aim to achieve

The wider ratio of Net Income to all Revenues (including advertising, sponsorship and royalties) was 64% compared with 70% in the previous year

2. Financial Review

Distribution to beneficiaries

Trustees have decided to make a total distribution of £2 128m which is a reduction on the previous year but still an increase of some 30% over the last four years The full list of beneficiaries is set out on page 15

In determining distribution policy, increasingly the Trustees are continuing to encourage 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 and thereby generate more funds for us to be able to distribute to them The Trustees and Chief Executive will be working hard to promote this further through the coming year, initially with a series of strategic review meetings with each major beneficiary charity

The Trustees would like to thank our wonderful garden owners who have generated such excellent sums despite the weather 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 hard work and dedication Without their efforts none of this would be possible

Reserves

As indicated, the Trustees have decided not to transfer funds from reserves in respect of 2012 (but to make a small transfer to unrestricted funds of £68) Reserves are now approximately 45% of ongoing expenses which compares with our minimum requirement of 25%

Financial Position

Overall, total income raised during the year was £3 33m Related expenses were £1 20m and the net income available for distribution to the NGS beneficiary charities was £2 128m

In addition to these figures, garden owners raised further sums of £303k 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 or invested in Treasury Bills by the NGS until the 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

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

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

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 regularly throughout the 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 The strategic and operational plan to achieve the objectives continues to be the five-year plan approved and initiated by the Council of Trustees in 2011 Relevant appraisal of and additions to the plan, in particular in marketing, are made on an annual basis The plan was built around the following key details

Vision
"To become a nationally recognized 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 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 garden opening 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 15

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 members of the NGS county teams

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, so to assist in maximising the income that can be donated to beneficiaries (as set out in Achievements and Performance on page 2)

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 rewards
- 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 money is 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

The Trustees will carry out a review of the Beneficiary Policy during the first half of 2013 and initiate any changes they feel to be appropriate

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

- Macmillan Cancer Support
- Marie Curie Cancer Care
- The Queen's Nursing Institute
- Carers Trust
- 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 2012 a grant of £8,000 has been agreed for 2013 to fund a Trainee at the Garden Museum, to be supplemented by a donation from the Denise Leffman Bequest This follows the first application of this combined grant in 2012, the year when the Garden Museum mounted an important and successful exhibition on the history of garden visiting, in which the NGS played an integral role

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)

We are delighted that Council selected Parkinson's UK to be the NGS's guest charity for this year Along with the donations to our other beneficiaries, from funds raised in 2012 they will receive a donation of £100,000 in 2013 They are already showing very positive signs of promoting the NGS amongst their membership

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

In addition, the endowment voted by Council for the establishment of the NGS Elspeth Thompson Bursary Fund (held as designated funds) will allow for a series of annual bursaries to 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

Penny Snell
Chairman of the Council of Trustees
Date: 10th March 2013

THE NATIONAL GARDENS SCHEME
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

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,
Carolin 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*, Irene Dougan* John Hinde*,
Martin McMillan, Bridget Marshall, Sue Phipps *, Edwina Robarts*, Patrick Ramsay

Trustees retired during the year Elizabeth Fleming DL, Anthony Frost

*(*County Team)*

Chief Executive: George Plumptre

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

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

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

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 2012 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 2012 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

15/4/13

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

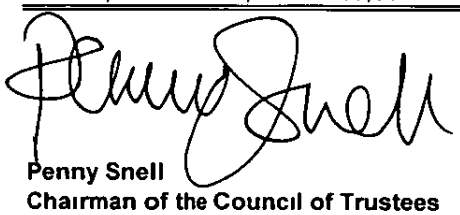
Churchdown Chambers
Bordyke
Tonbridge
Kent TN9 1NR

THE NATIONAL GARDENS SCHEME
STATEMENT OF FINANCIAL ACTIVITIES (SOFA)
FOR THE YEAR ENDED 31 DECEMBER 2012

Total Year to 31.12 2011 £	Income and expenditure	Unrestricted Funds £	Restricted Funds £	Total Year to 31 12.2012 £
	Incoming resources from generated funds			
3,008,495	Net Garden Income	2,792,808	-	2,792,808
238,960	Gross County Income	248,678	-	248,678
95,068	Yellow Book sales	87,214	-	87,214
50,000	Yellow Book sponsorship	50,000	-	50,000
29,723	Yellow Book advertising	20,163	-	20,163
17,500	Other sponsorship	10,000	-	10,000
10,103	Other sales and advertising	9,309	-	9,309
25,000	Internet and sponsorship	25,000	-	25,000
7,656	Donations and sponsorship	22,908	-	22,908
43,576	Royalties	43,155	-	43,155
21,611	Interest on deposit	17,733	-	17,733
3,547,692	**Total incoming resources**	3,326,968	-	3,326,968
	Resources expended			
	Charitable activities			
2,600,000	Direct charitable expenditure (Distributable income to beneficiaries)	2,128,000	-	2,128,000
73,084	Management and administration of the Charity	81,850	-	81,850
21,546	Irrecoverable VAT	49,351	-	49,351
	Cost of generating funds			
939,572	Fundraising and publicity	1,038,663	-	1,038,663
	Governance costs			
25,771	Professional fees, beneficiary review and audit	29,036	-	29,036
3,659,973	**Total resources expended**	3,326,900	-	3,326,900
(112,281)	**Net incoming (outgoing) resources for the year**	68	-	68
(4,660)	**Profit on revaluation of Investment Assets**	-	5,843	5,843
(116,941)	**Net movement in funds**	68	5,843	5,911
681,550	**Funds brought forward at 1 January 2012**	510,920	53,689	564,609
564,609	**Funds carried forward at 31 December 2012**	510,988	59,532	570,520

THE NATIONAL GARDENS SCHEME
Company number 5631421
BALANCE SHEET AS AT 31 DECEMBER 2012

31 12 2011 Total £			Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 12 2012 Total £
5,090	**Fixed assets**	- Tangible assets	(1c,2)	3,223	-	-	3,223
53,689		- Investments	(3)	-	-	59,532	59,532
58,779				3,223		59,532	62,755
	Current assets						
51,372	Debtors	- Debtors, prepayments, and stocks		23,749	-	-	23,749
1,081		- NGS Enterprises Limited		1	-	-	1
66,377	Cash at bank	- RBS current account		33,338	-	-	33,338
174,665		- Co-Op current account		60,142	-	-	60,142
2,997,841		- Royal London cash management		2,571,823	110,589		2,682,412
3,291,336				2,689,053	110,589	-	2,799,642
	Less						
	Creditors: amounts falling due within one year						
	Funds not yet distributed -						
200,000	The Queen's Nursing Institute			200,000		-	200,000
550,000	Macmillan Cancer Support			450,000		-	450,000
550,000	Marie Curie Cancer Care			450,000		-	450,000
450,000	Help the Hospices			400,000		-	400,000
350,000	Carers Trust			300,000		-	300,000
176,000	The National Trust Gardening Careership Scheme			120,000		-	120,000
150,000	Perennial and the Royal Gardeners' Orphan Fund			100,000			100,000
8,000	Garden History Museum			8,000		-	8,000
150,000	Alzheimers society			-		-	-
-	Parkinson's UK			100,000		-	100,000
2,584,000				2,128,000	-	-	2,128,000
84,506	Accrued expenses			53,288		-	53,288
2,668,506				2,181,288	-	-	2,181,288
622,830	**Net current assets**			507,765	110,589	-	618,354
681,609	**Net assets**			510,988	110,589	59,532	681,109
	Represented by						
510,920	**Unrestricted funds**		(4)	510,988	-	-	510,988
117,000	**Designated funds**		(5)	-	110,589	-	110,589
53,689	**Restricted funds**		(6)	-	-	59,532	59,532
681,609				510,988	110,589	59,532	681,109



Penny Snell
Chairman of the Council of Trustees

Date 20th March 2013

THE NATIONAL GARDENS SCHEME
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

31 12 2011 £		31 12 2012 £	31 12 2012 £
2,487,719	**Net income for the year**		2,128,068
	Reconciliation to cash generated from operations		
2,544	Depreciation	2,166	
(49,228)	Cash inflow due to decrease in debtors, prepayments and stocks	27,623	
(65,690)	Cash outflow due to decrease in creditors	(31,218)	
(112,374)	**Movements in working capital**		(1,429)
2,375,345	**Net cash inflow from operating activities**		2,126,639
	Application of cash		
	Payments to beneficiaries		
(150,000)	The Queen's Nursing Institute	(200,000)	
(550,000)	Macmillan Cancer Support	(550,000)	
(550,000)	Marie Curie Cancer Care	(550,000)	
(450,000)	Help the Hospices	(450,000)	
(350,000)	Carers Trust	(350,000)	
(8,000)	Chelsea Physic Garden Trainee	-	
(70,000)	Arthritis Research UK	-	
(45,000)	The Soldiers Charity	-	
-	Alzheimers society	(158,000)	
(2,173,000)		(2,258,000)	
(176,000)	The National Trust Gardening Careership Scheme	(176,000)	
(150,000)	Perennial - Gardeners' Royal Benevolent Society	(150,000)	
(2,499,000)		(2,584,000)	
(4,586)	**Acquisition of fixed assets (net)**	(299)	
(1)	**Investment in NGS Enterprises Limited**	1,080	
-	**Restricted funds received**	-	
-	**Designated funds paid**	(6,411)	
(2,503,587)			(2,589,630)
(128,242)	**Net decrease in cash**		(462,991)
3,367,125	**Cash at bank at 1 January 2012**		3,238,883
3,238,883	**Cash at bank at 31 December 2012**		2,775,892

THE NATIONAL GARDENS SCHEME
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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 £302,608 (£335,132 - 31 12 2011) 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 2012	104,672	1	104,673
Additions in year	299	-	299
Disposals in year	-	-	-
Cost at 31 December 2012	104,971	1	104,972
Depreciation at 1 January 2012	99,583	-	99,583
Charge in year	2,166	-	2,166
No longer required	-	-	-
Depreciation at 31 December 2012	101,749	-	101,749
Net book value at 31 December 2012	3,222	1	3,223
Net book value at 31 December 2011	5,089	1	5,090

3 Investments	**31.12.2011**	**31.12 2012**
	£	£
Market value at 1 January 2012	58,349	53,689
Increase (decrease) in value in the period	(4,660)	-
Market value at 31 December 2012	53,689	53,689
Investments at market value comprised		
UK equities and bank deposit	43,820	43,820
UK fixed interest securities	9,869	9,869
	53,689	53,689

THE NATIONAL GARDENS SCHEME
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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 2011	510,920
Movement in funds for the year	68
Balance at 31 December 2012	510,988

5 Designated fund - The NGS Elspeth Thompson Bursary Fund

Designated funds comprise those funds which the trustess have set aside for specifc future purposes

	£
Balance at 31 December 2011	117,000
Distribution of Funds	(6,411)
Balance at 31 December 2012	110,589

6 Restricted funds

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

	31 December 2011	Incoming Resources	Outgoing Resources	31 December 2012
	£		£	£
Elsie Wagg Gardens Scheme Fund - Under the terms of which all income is paid to The Queen's Nursing Institute	53,689	5,843	-	59,532
	53,689	5,843	-	59,532

7 Staff costs, trustees remuneration and interests

Staff costs	2011	2012
	£	£
Salaries	304,550	341,844
Social security costs	48,192	53,721
Pension costs	-	-
	352,742	395,565
The average weekly number of employees during the period was	11	11

One employee received remuneration amounting to more than £60,000 per annum in the year
Trustees received no remuneration (2011 - £nil)
Expenses relating to travel and subsistence of £4,221 were reimbursed to 13 trustees in the period (2010 - £3,826)
Indemnity insurance for Trustees, Officers and employees exists at a cost of £920 (2011 - £920)

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, £30,000 was paid by Emma Bridgewater Limited to the NGS in 2012 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, £71 was paid to the NGS in 2012 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
NOTES ON THE FINANCIAL STATEMENTS
THE NATIONAL GARDENS SCHEME

8. Other financial commitments

At 31 December 2012 the Charitable Company had an annual commitment under a non-cancellable operating lease (property rental) as set out below

	31.12 2011	31.12 2012
Operating lease which expires	£	£
Within one year	17,500	4,375
Within two to five years	4,375	-
	21,875	4,375

THE NATIONAL GARDENS SCHEME
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

31 12 2011 £		Notes	31 12 2012 £
3,008,495	**Net Garden Income**	(1d)	2,792,808
238,960	**Gross County Income**		248,678
	Central income		
95,068	Yellow Book net income		87,214
50,000	Yellow Book sponsorship		50,000
29,723	Yellow Book advertising		20,163
17,500	Other sponsorship		10,000
10,103	Other sales		9,309
25,000	Internet and other sponsorship		25,000
7,656	Donations		22,908
43,576	Royalties		43,155
21,611	Bank interest		17,733
3,547,692	**Total Income**		3,326,968
	Less. Direct Expenses		
80,603	Yellow Book costs		76,154
80,603			76,154
	Less: County Expenses		
207,594	Printing, postage and stationery		217,514
57,017	Other County expenses, including travel		66,364
264,611			283,878
	Less Scheme Expenses		
21,546	Irrecoverable VAT		49,351
7,148	Scheme insurance		10,020
5,772	Scheme sundries		9,843
22,342	Meetings, conferences and scheme travel		19,038
16,906	Postage		21,808
3,986	Telephone		3,716
30,686	Printing, stationery, posters and mailout		31,134
25,690	Bulk order materials and fulfilment		29,218
74,986	Marketing, publicity, promotion		106,135
89,363	ICT and website		91,056
21,193	Professional fees and bank charges		22,587
-	Beneficiary expensese		1,249
4,578	Audit fee		5,200
324,196			400,355
	Less Head Office Expenses		
352,741	Salaries and employers National Insurance	(6)	395,564
5,287	Head office sundry expenses		7,615
23,085	Rent and service charge		23,388
1,661	Repairs, maintenance and leasing		3,464
5,245	Travel and motor expenses		6,316
2,544	Depreciation	(1c, 2)	2,166
390,563			438,513
2,487,719	**Net Income for the Year**		2,128,068
112,281	**Transfer from (to) Unrestricted funds**	(4)	(68)
2,600,000	**Distributable Income**		2,128,000

THE NATIONAL GARDENS SCHEME
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

31.12 2011 £		31 12 2012 £
	Distribution of Funds:	
200,000	The Queen's Nursing Institute	200,000
550,000	Macmillan Cancer Support	450,000
550,000	Marie Curie Cancer Care	450,000
450,000	Help the Hospices	400,000
350,000	Crossroads	300,000
176,000	The National Trust Gardening Careership Scheme	120,000
150,000	Perennial and the Royal Gardeners' Orphan Fund	100,000
16,000	The NGS Elspeth Thompson Bursary Fund	-
8,000	Garden History Museum	8,000
150,000	Alzheimers society	-
-	Parkinson's UK	100,000
2,600,000	**Total Funds for Distribution**	2,128,000