

REGISTERED CHARITY NUMBER: SC011337

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 December 2015
for
Scotland's Gardens**

**Contents of the Financial Statements
for the Year Ended 31 December 2015**

	Page
Charity Information	1
Report of the Trustees	2 to 5
Report of the Independent Auditors	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 17

Charity Information
for the Year Ended 31 December 2015

PRESIDENT

HRH The Duchess of Rothesay

TRUSTEES

Chairman: Mr Mark Hedderwick *

Deputy Chairman: Mr David Mitchell*

Honorary Treasurer: Mr P Yellowlees *

Mr Max Ward	Mrs Charlotte Hunt
Lady Erskine	Mrs Trish Kennedy
Mrs Sarah Landale*	Mr Richard Burns
Mrs Minette Struthers*	Ms Sally Lorimore*
Mr James Wardrop OBE DL	

NATIONAL

**ORGANISER:
ADMINISTRATORS:**

Mrs Terrill Dobson*
Ms Hazel Reid
Ms Fiona Sloane
Ms Elspeth Lindsay

* indicates that the individual is also a member of the Management Committee

Head Office:	23 Castle Street, Edinburgh, EH2 3DN
Telephone:	0131 226 3714
E-mail: Website:	info@scotlandsgardens.co.ukwww.scotlandsgardens.org

**Report of the Trustees
for the Year Ended 31 December 2015**

The Trustees of the charity, present their report and the accounts of Scotland's Gardens for the year from the 1st January 2015 to 31st December 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

SC011337

Principal address

23 Castle Street
Edinburgh
EH2 3DN

Trustees

As shown at the Charity Information on page 1

Mrs T Dobson, Mrs Sarah Barron and Lady Lister-Kaye retired during the year.

Mrs M Struthers, being eligible was reappointed as a Trustee. Mr D Mitchell was appointed as Deputy Chairman.

Auditors

Douglas Home & Co Ltd
Chartered Accountants & Registered Auditors
47-49 The Square
Kelso
Roxburghshire
TD5 7HW

Solicitors

Turcan Connell
Princes Exchange
Earl Gray Street
Edinburgh
EH3 9EE

Bankers and Investment Managers

Adam & Company Plc
25 St Andrew Square
Edinburgh
EH2 1AF

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Organisation

Scotland's Gardens is governed by its Constitution and Rules under the Constitution, amended in 2014. Members of Scotland's Gardens are the Trustees of the Charity and the Trustees are its Members. The Rules stipulate that there will be between 11 and 15 Trustees. The Trustees have the duty of ensuring the Charity is managed responsibly, for strategic planning and implementation of policy, all financial matters including all statutory accounting and reporting, maintaining good lines of communication with its beneficiaries and agreeing the basis and amount of donations to charity. The Trustees act as representatives of Scotland's Gardens in its local Districts. The Trustees must meet at least three times a year including the Annual General Meeting.

The Trustees are appointed for terms of three years after which they will retire by rotation but may offer themselves for re-election. The Chair is elected for a period of five years after which he must stand down as a Trustee for at least one calendar year. New members are considered in light of the skills existing within the Board at the time, together with those considered desirable for the future.

Risk management

The Trustees continue to keep the Charity's activities under review, particularly with regard to any major strategic business and operational risks that may arise from time to time and to monitor steps which can be taken to best mitigate those risks.

**Report of the Trustees
for the Year Ended 31 December 2015**

OBJECTIVES AND ACTIVITIES

The purpose of the charity is to facilitate the opening of gardens of quality and character in Scotland to the public and to collect and distribute funds donated to it by the owners of those gardens for charitable purposes.

Scotland's Gardens strategy is to maximise the donations from garden openings by making the general public aware of the benefits and pleasure of visiting gardens which open under its umbrella. Increasing levels of public awareness of the charity and its gardens is vital in order to achieve growing numbers of visitors and revenues year by year.

Scotland is divided into 27 different Districts which are overseen by volunteers. The Districts promote the opening of gardens locally by Garden Owners to visitors, develop a relationship with those Garden Owners, and collect the funds raised at those openings for distribution to charity.

Other income, in the form of sponsorship, donations, events, advertising revenues and the sale of the annual Guidebook, helps offset operational costs incurred by Scotland's Gardens and so assists in maximising the proportion of funds raised at gardens to be donated to beneficiaries.

Head Office co-ordinates Scotland's Gardens activities, supports its volunteers in the Districts, strives to manage its resources more efficiently and effectively and is responsible for the preparation of the annual Guidebook, the website and database.

The underlying objectives of the Trustees are to build on Scotland's Gardens reputation for the quality of its opening gardens, to develop and evolve the overall experience of its garden visitors and to improve its financial outturns.

ACHIEVEMENT AND PERFORMANCE

The spring and summer of 2015 was disappointingly wet and cold and this had a detrimental effect on our visitor numbers and our garden gate income. A number of gardens which opened for us on particularly wet weekends saw very few visitors. Not only was this very disappointing for our loyal garden owners who put in huge amounts of work in preparing their gardens for their open day, but also for our revenue streams. In the year our garden gate income fell from its record levels of 2014 to £314,680. The weather did not really improve until late summer and too late for the majority of our garden openings. Our income was further affected by there being only two Trails – one in Orkney and the other in Fife and Angus. The Trails and Festivals of the last several years have been a real bonus for the charity and their absence in the year under review was noticeable. The volatility in our income streams is a matter of concern and a matter which the Trustees will be looking to reduce.

In the year, donations made by Garden Owners to charities of their choice came to £108,400 and donations to Scotland's Gardens Beneficiaries came to £100,000.

During the first half of 2015, the Trustees undertook a review of, and consultation about, the future of Scotland's Gardens, its finances, and its central administrative structure. The background to the review was the Trustees concern about the unsustainability of the inexorable rise in the cost base of the last several years. A new matrix of roles and responsibilities of the Trustees, volunteers and Garden Owners was drawn up and an analysis of Scotland's Gardens strengths, weaknesses, opportunities and threats was undertaken. As a result of the consultation and review, a major reorganisation of head office was undertaken and a substantial reduction in head office costs was achieved. A new part time National Organiser was appointed in the autumn to replace the previous full time Chief Executive. New contracts and job descriptions were put in place for the remaining staff. As a result of these changes our cost base for the year, under review, excluding exceptional expenses, fell by 20% and in 2016, when the full impact of the changes will be felt, our costs will show a further substantial fall. The review also threw up a number of matters which will be addressed which will de-duplicate effort and costs and improve the content and functionality of information systems.

Volunteers

Scotland's Gardens is reliant on a network of over 200 committed volunteers and helpers throughout its 27 districts. Without their unstinting work, the charity would be unable to function and the Trustees would like to record their appreciation of all that they do.

FINANCIAL REVIEW

Net Garden income is the charity's principal source of income. Other income is made up of donations and legacies, profits from other trading activities and investment income. In the year to December 2015 net garden gate income fell to £206,280 (£242,321) and other income was down slightly to £53,158 (£54,294) as there was no legacy income in the year.

Scotland's Gardens

Report of the Trustees for the Year Ended 31 December 2015

Costs fell substantially during the year as a result of the reorganisation of head office. Including one off redundancy Costs, total expenses were £180,052 (£208,928). The full impact of the reorganisation will be felt in 2016. The surplus generated and available for distribution to Garden Owners charities and Scotland's Gardens beneficiaries for the year is £187,786 (£216,240).

Public Benefit

Money raised from garden openings, net of expenses, is donated each year to charities. 40% of the income from garden Openings, net of the owner's expenses, may be donated by the garden openers to charities of their choice. In 2015 Garden Owners donated £108,400 (£128,553) to over 200 charities. The balance of the garden gate income together with other sources of income, less costs, is donated by Scotland's Gardens to its beneficiaries.

The distribution policy of the Trustees is reviewed every three years with the next policy review due in 2018. Currently the Trustees have committed to donate £25,000 each per annum to four national charities operating in Scotland, namely the Queens Nursing Institute Scotland (the QNIS), the Garden Fund of the National Trust for Scotland, Maggie's Centres and Perennial (the successor charity to the merged Gardeners' Royal Benevolent Society and Royal Gardener's Orphan Fund).

In 2015, there was a slight shortfall in the net income available for distribution to Scotland's Gardens chosen beneficiaries after transfer of investment income and one-off amounts from the Gordon Bowes Bequest Fund.

In deciding which charities to support and for how long, the Trustees will take into account the legacy of the historic links with the Queens Nursing Institute Scotland (which was the original and sole beneficiary of Scotland's Gardens when it was established in 1931) and with the National Trust for Scotland Garden Fund, Maggie's and Perennial. Further the Trustees are committed to supporting charities which are themselves committed to caring for others, nursing and gardening.

Total distributions made to Garden Owners' charities and to Scotland's Gardens beneficiaries in 2015 amounted to £208,400 (£226,976).

Reserves Policy

The Trustees consider the financial position of the charity at 31st December, 2015 to be satisfactory and that it will have sufficient assets to meet its forthcoming obligations. A balance is retained on the general fund sufficient to provide working capital for the charity until revenue from the garden openings is generated.

Legacy Funds and Investment Policy

Over the last several years Scotland's Gardens has been the recipient beneficiary of a number of legacy gifts. Most notably the Charity received a significant bequest from the late Mr Gordon Bowes for the benefit of Scotland's Gardens. The original Gordon Bowes legacy and subsequent legacies have been invested into long term investments quoted on the London Stock Exchange with all the arising investment income being treated as distributable revenue by the Charity. The Trustees believe that it is prudent to retain a cushion of long term capital against the possibility of a substantial fall in garden gate income and a requirement for a substantial capital investment in the management of the charity. The Trustees wish to avoid having to meet unexpected running costs from donated garden gate income streams, preferring to pass on to beneficiaries as much gate income as possible. The Trustees policy is to retain a capital cushion of not less than £200,000. Funds in excess of this sum are available to supplement donations to the charities that Scotland's Gardens support. In 2015 there was a call on the legacy funds to make a transfer to cover the exceptional expenses incurred during the year.

The Trustees have appointed Adam and Company Investment Management Ltd to manage the legacy portfolio on a discretionary basis as set out in an agreed Statement of Investment Principles, with the objective of maximising income growth and capital gain within a medium risk profile on a five year time horizon. The Investment Managers report to Scotland's Gardens on a quarterly basis and their appointment as Investment Managers is reviewed annually. The investment portfolio produced a total return over the year to December 2015 of 2.7% which compared favourably to the total return of the neutral benchmark (FTSE Allshare Index) of 0.98%. Over the same time 3 month cash returned 0.57% and the FTSE All Gilts index returned 0.57%. At the 31st December 2015 the capital value of the invested portfolio was £412,520.

**Report of the Trustees
for the Year Ended 31 December 2015**

The Cattenach Bequest is a legacy fund which is administered by Scotland's Gardens which it uses to make annual horticultural training grants to the National Trust for Scotland. In 2015 a grant of £7,500 was made to the National Trust for Scotland (2014 £7,500). The Cattenach bequest fund remains invested in cash on deposit to match the long term liability attaching to the asset.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 18 MARCH 2016..... and signed on its behalf by:


.....
Trustee - Mark Hedderwick

**Report of the Independent Auditors to the Trustees of
Scotland's Gardens**

We have audited the financial statements of Scotland's Gardens for the year ended 31 December 2015 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Charity Information and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

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

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

Douglas Home + Co Ltd

Douglas Home & Co Ltd

Chartered Accountants & Registered Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

47-49 The Square

Kelso

Roxburghshire

TD5 7HW

Date: *31 March 2016*.....

Scotland's Gardens

Statement of Financial Activities
for the Year Ended 31 December 2015

	Notes	Unrestricted fund £	Designated funds £	31.12.15 Total funds £	31.12.14 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	321,374	-	321,374	381,818
Other trading activities	3	52,324	-	52,324	50,753
Investment income	4	<u>87</u>	<u>11,206</u>	<u>11,293</u>	<u>11,846</u>
Total		373,785	11,206	384,991	444,417
EXPENDITURE ON					
Raising funds	5	193,455	3,750	197,205	228,177
Charitable activities	6				
Gardener Training Grants		-	7,500	7,500	7,500
Distributions to Charities		208,400	-	208,400	226,976
Total		<u>401,855</u>	<u>11,250</u>	<u>413,105</u>	<u>462,653</u>
NET INCOME/EXPENDITURE		(28,070)	(44)	(28,114)	(18,236)
Transfers between funds	17	<u>24,326</u>	<u>(24,326)</u>	-	-
		(3,744)	(24,370)	(28,114)	(18,236)
Other recognised gains/(losses):					
Gains/(losses) on Investment assets		<u>-</u>	<u>5,103</u>	<u>5,103</u>	<u>18,353</u>
Net movement in funds		(3,744)	(19,267)	(23,011)	117
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>77,708</u>	<u>550,957</u>	<u>628,665</u>	<u>628,548</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>73,964</u></u>	<u><u>531,690</u></u>	<u><u>605,654</u></u>	<u><u>628,665</u></u>

The notes form part of these financial statements

Scotland's Gardens

Balance Sheet
At 31 December 2015

	Notes	31.12.15 £	31.12.14 £
FIXED ASSETS			
Tangible assets	12	2,508	3,504
Investments	13	<u>412,520</u>	<u>425,167</u>
		415,028	428,671
CURRENT ASSETS			
Debtors	14	19,727	9,276
Cash at bank and in hand		<u>282,939</u>	<u>317,313</u>
		302,666	326,589
CREDITORS			
Amounts falling due within one year	15	(112,040)	(126,595)
NET CURRENT ASSETS			
		<u>190,626</u>	<u>199,994</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>605,654</u>	<u>628,665</u>
NET ASSETS			
		<u>605,654</u>	<u>628,665</u>
FUNDS			
Unrestricted funds	17	73,964	77,708
Designated funds:			
The Gordon Bowes Bequest		409,200	421,846
The Cattanach Legacy		119,170	125,791
The MacNab Fund		<u>3,320</u>	<u>3,320</u>
		<u>531,690</u>	<u>550,957</u>
TOTAL FUNDS			
		<u>605,654</u>	<u>628,665</u>

The financial statements were approved by the Board of Trustees on 18 MARCH 2016 and were signed on its behalf by:


.....
Trustee - Mark Hedderwick

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity have been prepared in accordance with the Charities SORP (FRSSE) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015), Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

Net Income from garden owners comprises gross income from garden owners, less catering expenses and owners' out-of-pocket expenses. This is treated as a donation within the accounts and is recognised when it is received by the area treasurer.

Legacies are accounted for when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Other voluntary income includes donations, bequests, income from membership schemes, and other income, which is accounted for when receivable.

Income from investments is recognised once receivable, i.e. when the dividend has been declared or interest earned.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Any income received in advance for sales or advertising in the following years handbook or income for events held in the next year is deferred to enable the income to be accounted for in the same period as the expenditure.

Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and includes attributable VAT.

Allocation and apportionment of costs

All support and governance costs have been allocated to the raising of voluntary income, as Head Office exists to support the district garden openings.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office Equipment	- 10% on cost
Computer equipment	- 33% on cost

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions (<£500) are not capitalised.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

Taxation

The charity is exempt from tax on its charitable activities.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

1. ACCOUNTING POLICIES - continued**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The charity has no restricted funds at the present time.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pensions

Pension contributions are made on behalf of an employee to an employer's scheme. The scheme is a money purchase scheme with the assets invested in an independent fund. Contributions are recognised in the income and expenditure account as they fall due.

Operating leasing commitments

Operating leases and the payments made under them are charged to the statement of financial activities on a straight-line basis over the lease term.

2. DONATIONS AND LEGACIES

	31.12.15	31.12.14
	£	£
Local Membership	2,676	2,172
Donations	1,398	2,270
Legacies	-	2,202
Net income from garden owners	314,680	370,874
Miscellaneous	<u>2,620</u>	<u>4,300</u>
	<u>321,374</u>	<u>381,818</u>

3. OTHER TRADING ACTIVITIES

	31.12.15	31.12.14
	£	£
Handbooks	22,749	22,133
Sponsorships	26,536	25,492
Coach tours commission	<u>3,039</u>	<u>3,128</u>
	<u>52,324</u>	<u>50,753</u>

Net contributions for the year to 31st December 2015 were Handbooks £5,596 (2014 £2,884), Coach Tours Commission £3,039 (2014 £3,128) and Sponsorship £26,536 (2014 £25,492).

Sponsorship included £16,542 towards the cost of producing the Handbook and £8,994 towards the Conference costs.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

4. INVESTMENT INCOME

	31.12.15	31.12.14
	£	£
Bank Interest and Dividends	<u>11,293</u>	<u>11,846</u>

5. RAISING FUNDS

	31.12.15	31.12.14
	£	£
Raising donations and legacies		
Support costs	176,302	205,172
Other trading activities		
Handbook costs	17,153	19,249
Investment management costs		
Investment management costs	3,750	3,756
	<u>197,205</u>	<u>228,177</u>

6. GRANTS PAYABLE

	31.12.15	31.12.14
	£	£
Gardener Training Grants	7,500	7,500
Distributions to Charities	<u>208,400</u>	<u>226,976</u>
	<u>215,900</u>	<u>234,476</u>

The total grants paid to institutions during the year was as follows:

	31.12.15	31.12.14
	£	£
Queen's Nursing Institute, Scotland	25,000	30,183
Gardens Fund of the National Trust for Scotland	25,000	30,183
Maggie's Centres	25,000	30,183
Perennial - Gardeners' Royal Benevolent Society	25,000	7,874
Other Charities of Owner's Choice	<u>108,400</u>	<u>128,553</u>
	<u>208,400</u>	<u>226,976</u>

Payments to other charities of owners choice of £108,400 to 220 Charities (2014 £128,553 to 226 Charities) have been made during the year under individual arrangements. Payments to core charities totalling £100,000 (2014 £98,423) have been accrued.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

7. SUPPORT COSTS

	Management £ <u>176,302</u>
Costs of generating voluntary income	

Support costs, included in the above, are as follows:

	31.12.15 Costs of generating voluntary income £	31.12.14 Costs of generating voluntary income £
Salaries (incl. redundancy)	80,937	84,687
Social security	2,370	5,494
Pensions	3,042	3,440
Website & Information Management Systems	5,063	5,140
Insurance	2,780	2,858
Office Rent, Heat and Light	13,850	10,286
Postage, Telephone and Fax	4,311	5,790
Printing and Stationery (inc. posters, signs etc)	10,602	10,059
Advertising, Promotions and Publicity	12,776	31,102
Sundries	3,603	3,028
Travelling and Entertaining	1,606	4,875
Governance costs	18,344	21,195
Professional fees	4,656	-
Depreciation of tangible assets	996	1,188
Expenses Incurred by the Districts	<u>11,366</u>	<u>16,030</u>
	<u>176,302</u>	<u>205,172</u>

Governance costs (included above)

	31.12.15 £	31.12.14 £
AGM Expenses	14,904	14,688
Legal fees	450	3,612
Auditors' remuneration	2,990	2,895
	<u>18,344</u>	<u>21,195</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2015 nor for the year ended 31 December 2014.

Trustees' expenses

There were trustees' expenses of £387 paid in the year ended 31 December 2015 (2014 £nil)

Related party disclosures

There were no related party transactions for the year ended 31 December 2015 (2014 – none).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

9. STAFF COSTS

	31.12.15	31.12.14
	£	£
Wages and salaries	80,937	84,687
Social security costs	2,370	5,494
Other pension costs	<u>3,042</u>	<u>3,440</u>
	<u>86,349</u>	<u>93,621</u>

The average monthly number of employees during the year was as follows:

	31.12.15	31.12.14
Administrative	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

10. EXCEPTIONAL ITEMS

During the year the Charity incurred restructuring costs of a one-off nature to re-locate the offices and make the post of Chief Executive redundant totalling £14,792. This restructuring put the cost structure on a more sustainable platform for going forward.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Fund £	Designated Funds £	Total Funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	381,818	-	381,818
Other trading activities	50,753	-	50,753
Investment income	<u>273</u>	<u>11,573</u>	<u>11,846</u>
Total	<u>432,844</u>	<u>11,573</u>	<u>444,417</u>
EXPENDITURE ON			
Raising funds	224,421	3,756	228,177
Charitable activities			
Gardener training grants	-	7,500	7,500
Distributions to charities	<u>226,976</u>	<u>-</u>	<u>226,976</u>
Total	<u>451,397</u>	<u>11,256</u>	<u>462,653</u>
Net gains/(losses) on investments	<u>-</u>	<u>18,353</u>	<u>18,353</u>
NET INCOME	(18,553)	18,670	117
Transfers between funds	<u>18,553</u>	<u>(18,553)</u>	<u>-</u>
Net movement in funds	-	117	117
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>77,708</u>	<u>550,840</u>	<u>628,548</u>
	<u>77,708</u>	<u>550,957</u>	<u>628,665</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

12. TANGIBLE FIXED ASSETS

	Office Equipment £	Computer equipment £	Totals £
COST			
At 1 January 2015 and 31 December 2015	<u>4,547</u>	<u>5,999</u>	<u>10,546</u>
DEPRECIATION			
At 1 January 2015	2,027	5,015	7,042
Charge for year	<u>454</u>	<u>542</u>	<u>996</u>
At 31 December 2015	<u>2,481</u>	<u>5,557</u>	<u>8,038</u>
NET BOOK VALUE			
At 31 December 2015	<u>2,066</u>	<u>442</u>	<u>2,508</u>
At 31 December 2014	<u>2,520</u>	<u>984</u>	<u>3,504</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2015	425,167
Additions	30,560
Disposals	(47,926)
Revaluations	<u>4,719</u>
At 31 December 2015	<u>412,520</u>
NET BOOK VALUE	
At 31 December 2015	<u>412,520</u>
At 31 December 2014	<u>425,167</u>

Adam & Company Investment Management Limited continued as the Charity's investment manager. The market value of the investments at 31 December 2015 was £412,520 (2014 £425,167). 72.15% of the portfolio (by value) is invested in securities listed on the UK Stock Exchange, 26.85% in overseas equities and 0.99% in cash.

The investments are primarily held to provide an investment return for the charity.

Individual investments which exceed 5% of the portfolio market value during the year are as follows:

	Market value 31.12.2015 £	Market value 31.12.2014 £
Aberforth	21,474	< 5% of value
Old Mutual Inv. Funds	35,734	28,651

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15	31.12.14
	£	£
Other debtors	1,729	606
Prepayments and accrued income	<u>17,998</u>	<u>8,670</u>
	<u>19,727</u>	<u>9,276</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15	31.12.14
	£	£
Sundry creditors	-	606
Distributions to charities	100,000	98,423
Accruals and deferred income	<u>12,040</u>	<u>27,566</u>
	<u>112,040</u>	<u>126,595</u>

Deferred income relates to income received in advance for the following years handbook advertising and sales. The movement is as follows:

	£
Deferred Income as at 1st January 2015	15,991
Amounts released in year	(15,991)
Amounts deferred in year	<u>978</u>
Deferred income as at 31st December 2015	<u>978</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Designated funds £	31.12.15 Total funds £	31.12.14 Total funds £
Fixed assets	2,508	-	2,508	3,504
Investments	-	412,520	412,520	425,167
Current assets	175,996	126,670	302,666	326,589
Current liabilities	<u>(104,540)</u>	<u>(7,500)</u>	<u>(112,040)</u>	<u>(126,595)</u>
	<u>73,964</u>	<u>531,690</u>	<u>605,654</u>	<u>628,665</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

17. MOVEMENT IN FUNDS

General Reserve

The General Reserve is maintained to provide working capital for the Charity throughout the forthcoming year, thereby enabling the bank account to remain in credit until revenue from garden owners is received.

This fund is an unrestricted fund.

The Gordon Bowes Bequest

This fund was established in 1998 from the legacy received from the estate of the late Gordon Bowes. It is maintained to generate additional income for distribution and provide a fund for special projects that may arise from time to time. Additional legacies have been included in this fund since it was established.

The fund is invested in Government securities and equities and managed by Adam & Company Investment Management Limited to improve income in future years. This fund is under the control of the Trustees who are able to utilise the fund as they see fit.

This fund is a designated fund.

Net assets applicable to this fund comprise of investments of £409,200 (2014: Investments of £421,846).

The Cattanach Legacy

This fund was established in 2005 from the legacy received from the estate of the late Mr Albert Cattanach.

At present the money is held in a number of bank deposit accounts. It has been decided to use the money to sponsor and train gardeners since Mr Cattanach had a strong interest in gardening. This project will be carried out in conjunction with The National Trust for Scotland. During the year, grants of £7,500 were paid under this scheme.

This fund is a designated fund.

Net assets applicable to this fund comprise cash at bank of £126,170 and creditors £7,500 (2014 £131,878, debtors £1,412 and creditors £7,500).

The Macnab Fund

The fund was established in 2012 from donations received following the death of Diana Macnab.

The Trustees have decided this money would be set aside to make awards to individuals who have made an exceptional contribution to the charity.

This fund is a designated fund.

Net assets applicable to this fund comprise investments of £3,320.

Transfers between funds

Transfer from the Gordon Bowes Fund to the General Fund

Income received into the Gordon Bowes fund from dividends and interest is transferred at the year end to the general fund to be distributed to the Scotland's Gardens designated charities.

Other Transfers for one off expenditure items are made as approved by the Trustees. During the year a transfer of £14,000 was made to cover the exceptional items detailed in note 10.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

18. OTHER FINANCIAL COMMITMENTS

The Scheme has obligations under operating leases as follows:

- a) rental of office premises £13,175 per annum expiring April 2020.
- b) office equipment £2,468 per annum under a lease expiring Sept. 2018.

19. CASH AT BANK

At 31 December 2015, £140,264 (2014 £171,470) was held on bank current and deposit accounts in respect of the general fund. This amount will be reduced immediately on making payment to the Charity's principal beneficiaries, and thereafter as expenditure requires to be met throughout the year.