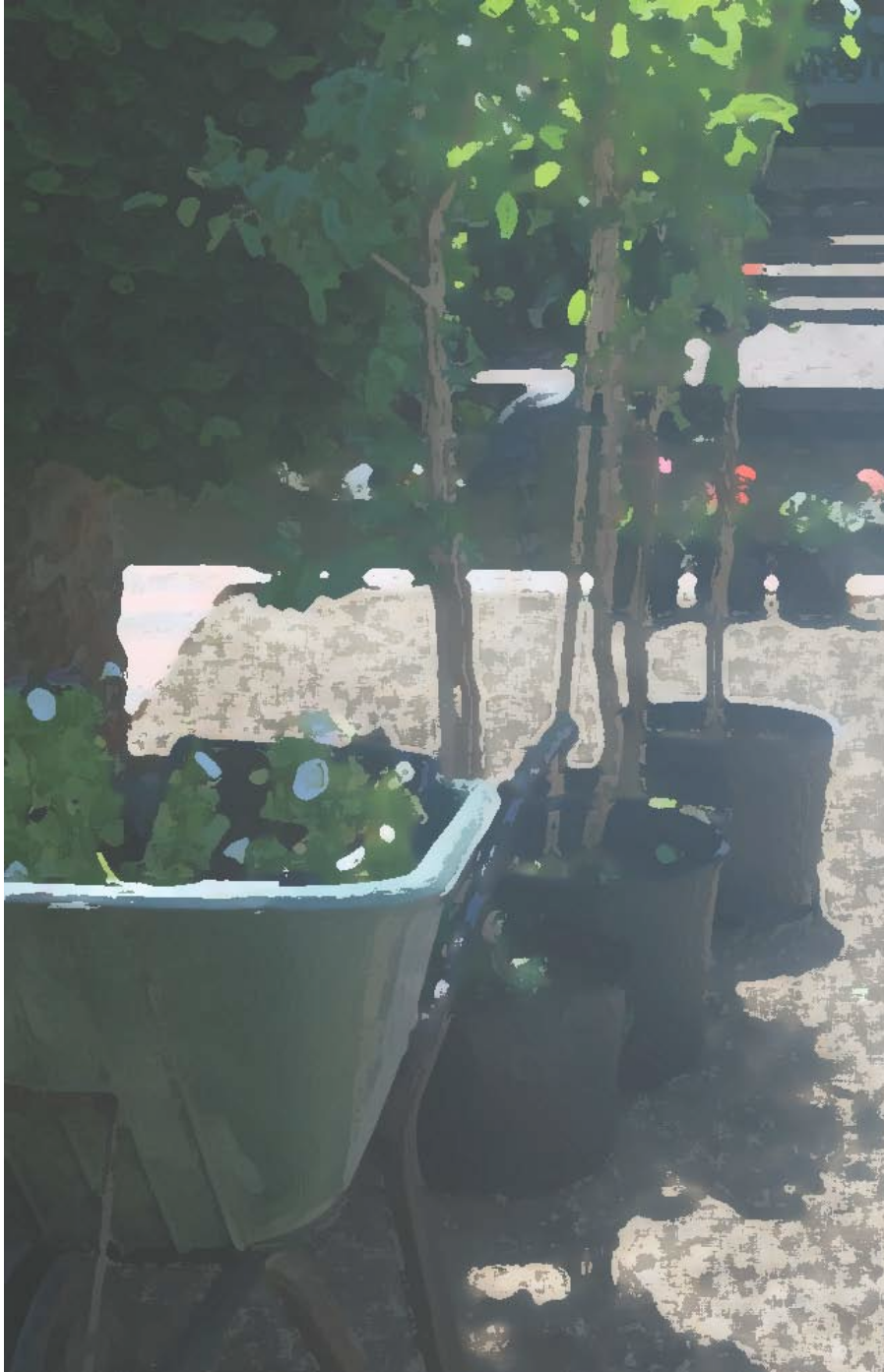


2010



Annual Report & Financial Statements



**Perennial - Gardeners' Royal Benevolent Society**

**115-117 Kingston Road, Leatherhead, Surrey KT22 7SU**

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**0845 230 1839**

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**[www.perennial.org.uk](http://www.perennial.org.uk)**

An Exempt Charity in England and Wales.

Registered as a Benevolent Society under the Industrial & Provident Societies Act 1968 No 15408R

A Charity Registered in Scotland No SC040180

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# Chairman's Introduction



In the long history of our charity, the year 2010 will be particularly remembered for the merger of Perennial with our sister charity, the Royal Fund for Gardeners' Children. But in introducing this Annual Report, it would be remiss of me not first to highlight another year of sustained and sensitive service, helping horticulturists in need throughout the United Kingdom. Our services are provided confidentially and with flexibility, professionally respected by those with whom we deal, and most of all valued by those who turn to us for help. Our client satisfaction surveys bear fulsome testimony to that.

It is in the merger with the Royal Fund for Gardeners' Children that I take particular pleasure. We have co-existed and collaborated in helping those in the profession of horticulture for over 120 years – since the foundation of the Royal Fund for Gardeners' Children in 1886. In the current economic climate it has become increasingly obvious that the work of Perennial focusing on those who have worked in horticulture and their partners, has overlapped with the focus of the Royal Fund on helping the children of the self same people. The closer collaboration we have enjoyed in recent years has deepened, and the opportunity was ripe for us, in the interests of the people we serve, to unify the two charities under one governance and operational structure. The name of the Royal Fund for Gardeners' Children will remain as a restricted fund in our accounts, providing financial assistance to children in need for the years to come, complementing our own grants and the work of our caseworkers.

I am looking forward to working with the two trustees of the Royal Fund for Gardeners' Children who now serve on our Board, the Lord Cavendish of Furness and Jim Buttress VMH. I also thank Terry Read, the Chairman of the Royal Fund for Gardeners' Children and his co-trustees for the exemplary way they have worked with us to jointly realise the happy outcome of the merger.

My thanks, too, go to all the staff of Perennial. It has not been an easy year for many, and their commitment and loyalty is appreciated all the more. At the end of the year our Director of Marketing and Fundraising, Debbie Lyne, left us and I express our thanks and appreciation to her.

My thanks go, too, to all those who volunteer for our charity – in particular at York Gate, and in our fundraising events. Without them our work would be immeasurably the poorer. Our Trustees, too, are all volunteers, and their commitment and concern for the charity is enormously valuable, not just in their role as committee members, but as ambassadors for our cause.

And my thanks go to all those who support our cause. In a different sense everyone who does so is an ambassador, as well as being indispensable to the work we do. Whether as a donor, a legator, a purchaser of our cards, a spreader of the good word, or a helper in any other way, I conclude by expressing my thanks to you all.

A handwritten signature in black ink that reads "Roger Singleton". The signature is written in a cursive, slightly slanted style.

Sir Roger Singleton CBE

Chairman

# Objects of the Charity

## OBJECTS OF THE CHARITY

The objects of the Charity, last updated in 1998 and restated with amendments in 2002, and minor amendments in 2007 are set out in the Rules as follows:

- a 'the relief and assistance by such means as the trustees shall determine to be appropriate in each case of gardeners or persons who are or have been in like employment or occupation or those closely involved in gardening or related activities or those training to be gardeners or persons of like occupation and their spouses or widows/widowers or unmarried partners and/or immediate dependants ("the Beneficiaries") in necessitous circumstances or in circumstances of poverty, illness, disability (whether mental or physical) or old age; and/or
- b the advancement for the public benefit of education and training in or relating to horticulture or gardening; and/or
- c the provision and maintenance or assistance in the provision and maintenance of gardens for training, rehabilitation and for public benefit to be enjoyed by and made available to the public at large save that special facilities may be provided for persons who by reason of their youth, infirmity, disability or age may have need of special facilities; and/or
- d such other charitable purposes beneficial to the community as the trustees shall in their absolute discretion decide.'

Now, as it has been since the Charity's inception in 1839, activities in furtherance of the first objective form the major part of the Charity's work.

## PUBLIC BENEFIT

The Charity provides advice, support and financial assistance to people of all ages from all horticultural trades in the UK, including (but not limited to) employed and self employed gardeners, those running small businesses, nursery and garden centre staff, those engaged in some areas of production horticulture, groundsmen, landscapers and people working in parks, gardens and large estates. It is estimated that there are some 500,000 people working in, or retired from, this industry. The needs of clients relate to old age,

disability, sickness, indebtedness, poverty and financial hardship. Financial support is provided by an assessment of needs with greater financial assistance being provided to those with the least available income.

The preservation of York Gate Garden in Leeds is for the public enjoyment, education and better understanding of the historic and aesthetic importance of this unique late 20th century garden. Any member of the public may visit the garden. The entrance fees charged are modest and the running costs of the garden are subsidised by the Charity.

The Trustees' policies seek to prevent any private benefit or harm arising from the Charity's activities.

Full details of the public benefit provided by the Charity over the past year is set out in the following sections.



# Activities during the year

## 1. PROVISION OF ADVICE, INFORMATION AND ADVOCACY THROUGH OUR CASEWORKERS

Perennial has a team of nine caseworkers throughout the country. Our caseworkers visit all clients in their own homes to provide them with assistance in resolving the problems that they face. Commonly, such problems are associated with disability, poverty, old age, mental or physical ill health. Casework is provided on an in-depth, holistic basis, and will seek to find solutions to any problems the client presents. Frequently presented areas of work are welfare benefits advice and advocacy, assistance with other financial issues including debt, accommodation and housing advice, seeking and arranging of appropriate help from other sources and agencies, and social work (in the sense of enabling clients to identify and cope with their problems).

Our Debt Advice service expanded in 2010 to provide two specialist workers who, in conjunction with our local caseworkers, deal with the most difficult and intractable problems of debt.

## 2. DIRECT FINANCIAL ASSISTANCE

The Charity provided three main types of direct financial assistance:

- One-off grants, ranging in size normally from £20 to £2,000, towards a huge range of requests;
- Regular benefit, a quarterly payment payable on a long term basis, in some cases for life;
- Support for care fees, either as top up fees for Registered Care homes, or to provide Care in the Community. These range from £10 to £50 per week.

## 3. PROVIDING ACCOMMODATION AND OTHER BUILDING BASED SERVICES

The main service under this heading is the provision of rented accommodation, mostly in self-contained bungalows, for retired gardeners to live in.

The Charity owns, maintains and manages its own garden at York Gate, Leeds, a leading example of late 20th Century garden design open to the public and used for a range of educational and other purposes.

## 4. MARKETING THE CHARITY

As an occupational charity, Perennial needs to market itself throughout horticulture, ensuring that it enjoys the support of, and works with, other organisations in our industry, and seeking to reach all potential clients so that they access our help appropriately and at an early stage.

This marketing function is achieved both through specialist Head Office staff and a proportion of the time of the Regional Marketing & Fundraising team.

## 5. RUNNING THE CHARITY EFFECTIVELY

Perennial relies for its income on donations and legacies, together with investment income from assets donated over the years for the purposes of providing a long term benefit. The Charity receives a small amount of income (from private individuals, tenants and visitors) who pay for services. It has no government funding whatsoever.

The fundraising function is undertaken by Head Office staff and a team of Marketing & Fundraising Managers. The Charity also owns a subsidiary company GRBS (Enterprises) Ltd which sells giftware and Christmas cards to generate funds.

The Charity has a small team of staff at Head Office providing support functions e.g. governance, management, finance, IT, etc.

# Achievements & Performance

*The Charity measures its achievements and performance against its Strategy 2007-11. This Strategy was developed, after extensive work, in 2006, and was reviewed in 2009 so that the Action Plan for 2010 and specific objectives during the year could reflect the progress we had already made towards our aspirations and changes in the external circumstances. Our achievements in the year as measured against this strategy are set out in the paragraphs that follow:*

## HELPING PEOPLE GET THE HELP THEY NEED

In 2010 we helped 920 clients (937 in 2009). Of these 39% were new clients (2009:39%). Although the number of clients did not change substantially, the complexity of cases has shown a marked increase. The Trustees conclude that this picture does not invalidate their strategy of reaching more people, who we know could benefit from our help, through devoting time and resources to telling referral agencies and potential clients themselves about what we do.

The proportion of clients under retirement age rose again to 48% (2009: 45%). In 2010 67% of all new clients and 76% of new clients for the debt advice service were below retirement age. These statistics compare to 2008 when only 33% of all clients were under retirement age demonstrating a considerable shift in the nature of the Charity's help over recent years.

Younger people tend to have more complex problems; other members of the family are disadvantaged and may need support and advice, the changes to State benefits, for example the current emphasis on reducing reliance on invalidity benefit, may impact heavily.

A key indicator of the effectiveness of our specialist casework service is the level of welfare benefits which we secure for clients which stood at £403,000 (2009: £461,000). The fall in amounts secured is primarily due to the tightening of benefit budgets. Our performance indicators on the speed of response to new referrals were very good at 95% (2009: 95.5 %) being visited within 10 working days of referral; the percentage of annual reviews completed increased to 97% (2009: 95.5%).

Responding to the increased problem of personal debt, the workload of our Debt Advice Team increased significantly. The number of cases dealt with during the year was 146 (2009; 101). As in previous years, the typical profile of our debt clients are those with substantial and intractable debt, often coupled with difficult or distressing personal circumstances such as ill health or bereavement. All too often clients are facing threats of eviction or other court cases, and initial attempts to reach settlement with creditors have failed. Assistance to go bankrupt was increasingly important, and our Senior Debt Adviser is formally recognised as a "Debt Relief Order Intermediary".



# Achievements & Performance

## HELPING PEOPLE WITH FINANCIAL ASSISTANCE

The amount of regular benefit paid was £245,000 (2009: £284,000). The drop in regular benefits reflects the changing nature of our client base from the older generation to the younger. The amount paid in grants to clients remained stable at £177,000 (2009; £175,000). Less help for individual clients came into Perennial to part fund items from other sources, so the like for like picture is an increase in the Charity's own spending on grants. The trustees anticipate that the increase seen this year in the demand on Perennial's own resources for grants will continue to grow in the current economic downturn.

Although the charity did not make a standard winter payment in 2010 as it had in 2009, resources were targeted at those in greatest fuel poverty when in identifiable need. Many of these payments were made in December 2010, the coldest December for a century, and the Trustees anticipate that further targeted help to combat fuel poverty will be needed in 2011.

In 2010 we started to use our newly designated Long Term Care fund to help elderly people to pay for the care they need, either by way of 'top-ups' to the fees charged in residential and nursing care homes or by helping to pay for care at home when the statutory services will not pay. The criteria are such that our help will concentrate on those with the greatest need such as those needing to live close to family, in a home with a spouse, or where they are unable to remain in a home where the fees are rising beyond their ability to pay. The number of clients helped rose from 11 in 2009 to 16 in 2010.

The area of payments for Home Care was one in which we deliberately held back, due to the incoming coalition governments agenda of public sector cutbacks under which many Local Authorities appear to be preparing to take charitable payments into consideration when financially assessing clients in receipt of home care. Making payments which do not help the client but simply reduce the amount the state pays are not an appropriate use of our funds.

Up to 2008 this fund had been used exclusively to subsidise the fees of gardeners who lived in our former nursing home, Red Oaks, at the time of sale to Barchester Healthcare plc. With the passing of the years there are now fewer of them, but in 2010 the fees paid remained a substantial commitment.

## HELPING PEOPLE BY COMPLEMENTARY DIRECT ACTIVITIES

With the exception of one property all the Charity's small portfolio of retirement accommodation, at Barton in Cambridgeshire and Kings Stanley in Gloucestershire together with three independent bungalows, was fully occupied during the year.

After the programme of building improvements at Barton reported in previous years, 2010 saw a major programme of upgrade works to windows heating and insulation at Kings Stanley. We spent £134,000 on this work this year. The work was slowed by the bankruptcy of the original building contractor, technical problems in the demolition of the large conservatory, and the bad winter weather and it is anticipated that a further £54,000 will be used in 2011 to complete the outstanding work.



# Achievements & Performance

York Gate is Perennial's garden at Adel, Leeds, bequeathed by the late Sybil Spencer in 1994. It has been maintained during 2010 to a high standard, receiving positive feedback through the visits of internal and external experts, as well as appreciative feedback from the visiting public. The number of visitors increased marginally over 2009. This was an exceptionally pleasing result, as 2009 had seen a one-off boost to numbers following the exposure the garden enjoyed on the BBC Gardeners World programme. Volunteers in increasing numbers helped to make the garden a success assisting in plant sales and other horticultural activities, help on the gate and in the preparation of teas for visitors.

The garden was used for the second year for the Professional Gardeners Guild Trainee scheme. Although York Gate has long been used for volunteer opportunities and short placements for students from local colleges, this was an entirely new development. The nationally recognised PGG traineeship places students for 3 years at a rotation of prestigious gardens, including Chatsworth, Waddesdon, Hatfield House and other internationally famous heritage gardens, where they learn the skills of heritage and conservation gardening under the expert tutelage of some of Britain's top gardeners. In their York Gate year the trainee divides his time equally between our Garden and that of Harewood House, a huge garden originally of 18th century Capability Brown design, providing a contrast and a different learning experience to the small scale of York Gate. The first trainee left us in September 2010, having completed his year successfully, and was succeeded by another trainee from autumn 2010.

In April 2008 the Charity took the 'in principle' decision that it wished, subject to certain conditions being met, to preserve York Gate after the expiry of the specific restrictions of the Sybil Spencer bequest in 2014. This will require an investment in the buildings themselves so as to provide adequate, if modest, facilities for visitors in terms of toilets, refreshments, and interpretative facilities and, an increase in the opening hours from the present, very restrictive hours. Any investment will also depend upon receiving planning permission, increasing the available parking and ongoing local support. Negotiations regarding planning, particularly with reference to

parking, continued throughout the year and have proved both complex and time consuming. We are continually grateful to the residents of Adel and the wider community who have lent their support to ensuring the future of York Gate is secured.

## REACHING MORE PEOPLE EARLIER

All charities need to have a route through which people reach them to access their services; occupational charities, such as Perennial, face particular challenges that they are neither automatically provided with clients by mainstream government agencies, such as health or social services or the courts, nor are they big enough to be household names. Our work in ensuring that people who need us know about us is undertaken through two strands:

- a) The first involves our caseworkers who maintain links and provide information to places from which referrals might come, either directly or through those agencies providing information about us to inquirers. Examples include presentations to local disability forums of professionals, and provision of information to the Citizens Advice Bureaux.
- b) The second is through the targeting of the horticultural world. Presentations by trustees and staff have been made to a number of trade conferences and meetings, generating considerable interest in the charity and its work. We have used the media particularly the trade press to spread the message about the help we offer. A particularly welcome development is the help of the Institute of Groundsmanship who nominated Perennial as their permanent charity partner, enabling us to use their channels of communication with their members and having a presence at the major trade show, Saltex.

# Achievements & Performance

## MERGER WITH THE ROYAL FUND FOR GARDENERS' CHILDREN

A particular achievement that was neither planned nor in our Strategy, but which became a major priority this year was the merger with the Royal Fund for Gardeners' Children (RFGC).

In 2009 the RFGC was an independent charity which provided grant assistance, firstly in support of the children of horticulturists who have lost one or both parents and secondly, as and when funds permitted, to any child of a horticulturist in financial need.

There has always been a long and mutually beneficial relationship between our two charities and at the end of 2009 Perennial was approached with a view to providing assistance in helping the RFGC through the retirement and replacement of their long serving secretary of 25 years. As a result of these discussions, in 2010 Perennial provided a finance service to the RFGC and also, under a separate protocol of collaboration, we assisted in recruiting and training their new Grants Officer and Secretary. During the course of the year it became more apparent that the best interests of all our beneficiaries would be better served if the two charities merged and we are pleased to announce that this was achieved, effective from 1st January 2011.

This is an exciting development for Perennial. The welfare and interests of children was at the heart of this decision and the merger will ensure a seamless service for the greater benefit of both the children and adults within any family that we help. Quite often the needs of children are identified first, and are just one symptom of a wider need for support for the whole family.

The assets of the RFGC have been transferred as a restricted income fund to Perennial and will continue to be used to support the needs of children according to the RFGC objectives.

## FUTURE ACTIVITIES

The operational climate within which we work is changing fast. Following the government spending review it is clear that support for our client group from local and national government sources will be severely cut back leading

to increased demand on our resources, both in terms of the numbers likely to seek help and the amount of help that clients require. The Trustees stand ready to fulfil that need, being prepared to spend reserves in the medium term to ensure our clients needs are met.

We do not anticipate any radical changes in our operations in the next 12 months, except in so far as we will work hard to embed the activities of the Royal Fund for Gardeners' Children into our routine activities. We would also like to see the future of York Gate finally determined with the successful completion of the planning application so we can begin work on the development phase.

During 2010 we began work on our new strategy for 2011 – 2016 and this will be launched at our AGM in July 2011.

## SECURING THE FUTURE – SUSTAINING THE CHARITY'S VIABILITY

In relation to fundraising, our donations income was flat. Whilst there were general factors of the unfavourable economic climate, this picture causes us anxiety. A fundamental review of our fundraising was commenced earlier than originally anticipated. This review will be reporting in Spring 2011.

Income from legacies proved robust, boosted by a number of larger and unexpected receipts in the later part of the year. As ever we record our gratitude to those who remember in their wills 'those who have given so much pleasure to so many', the professional gardeners who we help in times of adversity.

Perennial enjoys the support of nearly 800 volunteers who assist the Charity's marketing and fundraising activities all over the UK. The type of activities they undertake including 'staffing' our stands at flower shows, helping out at our events, in the shops which sell our Christmas cards, and giving talks about Perennial. A number of key volunteers also organise their own activities in order to raise funds for Perennial. We would like to express our gratitude to all our volunteers for their invaluable support of our work.

# Financial Review

With uncertainty surrounding both the political and economic climates, we embarked upon the year prepared to incur an operational deficit, standing ready to use our reserves to support both increased numbers of clients and also anticipated higher demand for financial support. In practice demand for services has remained very similar to 2009 resulting in a very similar operational surplus of £366,000 (2009 £ 350,000 before a single one-off provision of £148,000). With hindsight, it is now clear that the impact of the government spending review is more likely to affect our clients from April 2011, and again the Trustees have confirmed their intention to spend reserves in the forthcoming year should demand increase significantly.

After costs, investment income forms 41% (2009: 44%) of our net incoming resources available for charitable activities. Preserving our capital to ensure the continuity of this income stream remains a priority. Our investments have again performed well achieving a total return of 15.3% compared to the FTSE all share index return of 14.5%. Furthermore with investment gains of some £3.5m for the year the losses incurred in the crash of 2008 have now been completely reversed. We continue to watch the allocation of our investments closely and have moved more funds out of cash and into fixed rate bond funds to achieve better income returns. As we move into the new financial year we are reducing bond exposure in favour of equity markets to offset the threats of inflation.

The other key area of income is legacies which formed 55% (2009: 51%) of our net incoming resources available for charitable activities. Legacies were boosted by £150,000 from the Lironi legacy of which £96,000 is in the form of a property which cannot be sold for the foreseeable future.

It has been a very difficult year for fundraising. After costs this area of work does not contribute to net income if legacy income is excluded. The early successes of the new fundraising strategy reported in 2009 have not continued and while some of this activity will contribute towards maintaining our legacy income the year ended with the start of a root and branch review of this area of activity. We anticipate implementing the outcome of this review in the second half of 2011.

Of our net incoming resources available for charitable activities, 67% (2009: 74%) was spent in supporting clients. The reduction over 2009 relates entirely to the one-off additional provision for regular benefits included in the 2009 figures of £148,000. 4% (2009: 4%) was spent operating the York Gate Garden and 12% (2009 13%) was spent on marketing and governance. The operating surplus which represented 17% of net incoming resources (2009: 9%) was added to reserves.

We continued our programme of refurbishments for our tenanted property, replacing the heating and windows at our retirement complex at Kings Stanley at a cost of £134,000. These “catch up” repairs at Barton and Kings Stanley have cost a total of some £345,000 and have been financed via transfers from the general fund over the period 2007 – 2010. A final transfer of £146,579 was made to the housing fund at the end of the year to mop up the remaining costs.

With more demand for help with long term care, the activity on this new fund increased in the year and we anticipate that this will be a more significant area of growth in the coming year as local authority budgets for care are cut back.

Progress in promoting the Lironi fund was slow due to priorities in other areas; however our first PGG trainee successfully completed his year at York Gate and was replaced with a second trainee in September.

# Legal & Administrative Details

## NAME AND REGISTERED OFFICE

The Gardeners' Royal Benevolent Society uses the short name Perennial alongside its formal legal name.

The Gardeners' Royal Benevolent Society has its registered office at 115-117 Kingston Road, Leatherhead, Surrey KT22 7SU.

## REGISTRATION

The Gardeners' Royal Benevolent Society is a charity founded in 1839. It is registered as a Benevolent Society under the Industrial and Provident Societies Act 1965, registered number 15408R. The Charity enjoys exempt status under the Charities Act 1993, Schedule 2(y), and under that Act is not required or allowed to register with the Charity Commission. It is however the policy of the Trustees to adhere to relevant advice and guidance issued by the Charity Commission.

The Trustees note the enactment of the Charities Act 2006. When implemented, exempt charities without a primary regulator – such as this Charity – will be required to register with the Charity Commission. The Trustees welcome this change, providing much needed clarity and transparency, restoring the pre-1993 Act position when our Charity was on the Register of Charities held by the Charity Commission. The Trustees regret the fact that the implementation of this particular provision has been yet again delayed, and at the time of writing no information has been received to indicate when it will be brought into force.

The Trustees are in fact worried that this will never be implemented, leaving this charity in a regulatory limbo and in a strange position, without a charity number, even more incomprehensible to the general public with whom we deal than it has been in the past.

The Charity is registered in Scotland with the Office of the Scottish Charity Regulator number SC040180.

## RULES

The Charity operates under its rules, which were last amended in 2002 with minor amendments in 2007 and which were approved by the Registrar of Industrial and Provident Societies (now superseded as the registering body by the Financial Services Authority).

## TRUSTEES

The names of the Trustees, who held office during the year, and those acting at the balance sheet date, are set out on page 30.

The members of the Board of Trustees receive no remuneration.



# Organisation

## RULES AND BOARD

The Rules of the Charity, augmented by the standing orders, control the way the Charity is organised.

Members of the Board, who serve for a four year term, extendable to a consecutive second term but thereafter ineligible to stand again until the year following, are elected by the members of the Charity at the Annual General Meeting. The Charity seeks to have a balance of expertise among the members of the Board and procedures exist under standing orders to facilitate the recruitment of a wide and broad range of Trustees. The recruitment of new members is the responsibility of a Nominations Committee consisting of three senior Trustees. The Board met on four occasions in 2010.



## COMMITTEES OF THE BOARD

The Board may, from time to time, appoint such Committees as it may deem necessary and may delegate any of its powers to any such Committees. The names of the members of permanent Committees established by the Board are given on page 30.

The objective of the Committee structure is to delegate from the Board detailed functions, and harness better the expertise of Trustees in supporting the organisation in a time effective way in their areas of special knowledge and interest. The Committees operated under powers and functions set out in Terms of Reference approved by the Board in July 2004. These terms of reference were updated in November 2010. The Committees are Finance & General Purposes, being general purposes of an administrative nature including personnel, health and safety and risk management; Gardeners' Welfare dealing with the services of the Charity to horticulturists in need, including the approval of larger sums of financial assistance, and Marketing & Fundraising. Committees had four (Marketing and Fundraising - one) formal meetings in 2010.

The Charity, since 2004, has a standing working group consisting of prominent horticulturists, under the chairmanship of Jim Buttress VMH, called the Gardeners' Panel. This deals in an advisory capacity with any horticultural matters that may relate to the Charity, e.g. York Gate garden.

The Chief Executive, who is Secretary to the Board of Trustees, is responsible through defined line management structures for the staff of the organisation.

## MEMBERS AND BOARD CHANGES

There were no changes to the composition of the Board of Trustees in 2010. It should be noted that as a result of the merger with the Royal Fund for Gardeners' Children, Lord Hugh Cavendish, formerly President of the Royal Fund, became a Perennial Trustee on 1st January 2011.

During the year we continued to recruit a number of new Members of the Charity, replacing those who have retired, and moving toward the desired number of 100 Members. We are very grateful to those who have agreed to become Members, many prominent in horticulture, and are heartened by their support and the goodwill they have expressed.

# Policies

## POLICY ON RECRUITMENT & TRAINING OF TRUSTEES

Recruitment to the Board is undertaken under Standing Orders (approved 1999) with authority to act delegated to a Nominations Committee consisting of the Chairman, Vice Chairman, the Honorary Treasurer, and two other Trustees, together with the Chief Executive.

Without instituting any formal rules or quota systems, the following criteria are important in the search for new Trustees:

- To reflect the diversity of the industry and professional occupation of horticulture
- To have a balance of expertise on board, thereby requiring a number of Trustees with professional backgrounds outside horticulture, who bring not only expertise but a valuable broadening perspective
- A balance of people from different parts of the United Kingdom, including, expressly, Scotland.

The Charity has had an obligatory induction programme which has become a requirement for all new Trustees since 2005. The Trustees who have undertaken this induction since 2005 report favourably on its success. The Charity has a Trustee handbook, issued to all Trustees; The Charity encourages Trustees to undertake further learning and training to better equip them for their duties.

## TRUSTEES' INVESTMENT POWERS AND POLICY

The Trustees are empowered to invest in any property for the time being available in accordance with its rules and as permitted by Section 31 of the Industrial and Provident Societies Act 1965. The Trustees must have regard to the need for diversification and suitability of its investments.

The investment policy sets the risk appetite for investments, the broad asset allocation and credit risk criteria for bank deposits. It also establishes the monitoring procedures for managers and the Trustees approach to ethical and socially responsible investment. In this respect the charity seeks to:

- invest in companies that have clearly defined, positive environmental and social responsibility policies, even though their activities may not presently meet with their aspirations and;
- Endeavour to avoid investment in any company whose activities can be

clearly seen to be in direct conflict with the objectives of the charity.

Under this policy, the investments are monitored closely at each Finance and General Purposes meeting and the overall strategy kept under review. The Investment strategy is formally reviewed annually and was last updated in October 2010 to reflect the current investment climate.

## RESERVES POLICY

The reserves policy was last updated in 2008 and the state of reserves is monitored regularly by the Finance and General Purposes Committee. The background to the current policy is set out in note 19 to the accounts.

The Trustees aim to retain sufficient capital (in the form of long term investments, fixed assets and bank deposits) in designated funds to ensure that it can continue to meet the needs of both current and future beneficiaries. The purposes of the individual funds of the charity and the assets of which they comprise are set out in more detail in notes 19-25 on pages 26-29 of the accounts.

The Trustees aim to retain free reserves equivalent to approximately 12 months revenue expenditure to provide against unexpected shortfalls of income or increases in expenditure. This amounts to approximately £2.8m of the £3.9m in the general fund at the end of the year. The remaining £1.1m is held to provide funding for new initiatives, for example the future development of York Gate Garden.

The policy is reviewed as follows:

- Annually when budgets are set and the income requirements of each fund are considered in the light of expected future expenditure (last review Nov 2010).
- Secondly when the annual accounts are prepared. (Last review Feb 2011/ April 2011)
- Thirdly, when considering the need for additional funding for new or existing projects.

The results of these reviews are used to inform the long term strategy of the Charity and its ability to undertake new initiatives. In addition the income requirements are used to inform the investment and fundraising policies.

# Policies

## RISK MANAGEMENT

The Finance and General Purposes Committee has Trustee responsibility for the monitoring of risk management under the overall administrative responsibility of the Chief Executive. This Committee meets quarterly to review day to day risks. The matrix for financial, operational and regulatory risks, as well as any risk to the Charity's reputation, is reviewed in depth every 6 months by the Senior Management Team, Finance & General Purposes Committee and Board. Each risk is graded as being high, medium or low and action plans are prepared to deal with them. These plans are dealt with by the appropriate senior management team member. Any new risks of a significant nature are reviewed at Board meetings or more frequently if a matter of urgency should arise.

Advice is regularly taken to ensure that the insurances in respect of the Charity's operational risks, including insurances for public, employer, building and contents are properly maintained. The most recent review was completed in December 2010.

The Chief Executive and Senior Management Team regularly review ordinary operational risks associated with the running or the development of the Charity's activities, including formal procedures for the assessment of Health and Safety risks for users and staff, and seek to minimise such risks.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Acts 1965 to 1978 require the Trustees to prepare financial statements for each financial year. Under that law the Trustees are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the Charity and the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject

to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and the group and enable them to ensure that the financial statements comply with the Industrial & Provident Societies Act 1965 to 1978. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## AWARENESS OF RELEVANT AUDIT INFORMATION


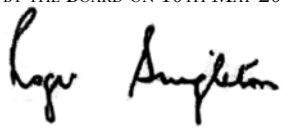
The members of the Board at the date of approving these financial statements have taken all reasonable steps necessary to ensure that the auditors receive all the information required for the purpose of their audit and to establish that the auditors are made aware of that information. The Board is not aware of any relevant information which has not been brought to the attention of the auditors.

## FORMAT OF THE FINANCIAL STATEMENTS

The financial statements have been prepared so as to comply with the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", issued in October 2005. The financial statements also comply with current statutory requirements and with the requirements of the Charity's own rules.

THIS REPORT WAS APPROVED BY THE BOARD ON 10TH MAY 2011 AND SIGNED ON ITS BEHALF BY:

Sir Roger Singleton  
Chairman



# Independent Auditors' Report to the Members of Perennial - Gardeners' Royal Benevolent Society

We have audited the group and parent entity financial statements ('the financial statements') of Perennial – Gardeners' Royal Benevolent Society for the year ended 31 December 2010 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheets, the consolidated cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the society's members, as a body, in accordance with the Industrial and Provident Societies Acts 1965 to 1978. Our audit work has been undertaken so that we might state to the society's members 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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the Trustees for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of Trustees' responsibilities.

We have been appointed as auditors in accordance with the Industrial and Provident Societies Acts 1965 to 1978 and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and in accordance with regulations made under those acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 1978, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

## BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent entity's affairs as at 31 December 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 1978, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and
- the information given in the Trustees' report is consistent with the financial statements.

London  
Date

haysmacintyre  
Registered Auditors

# Consolidated Statement of Financial Activities for the year ended 31st December 2010

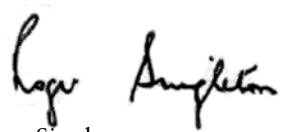
	Note	UNRESTRICTED FUNDS		Expendable Endowment fund £	Restricted Income funds £	Total 2010 £	Total 2009 £
		General fund £	Designated funds £				
<b>INCOMING RESOURCES</b>							
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>							
Voluntary Income:							
Donations		77,957	173,825	-	25,853	277,635	313,615
Legacies		371,211	827,704	-	-	1,198,915	1,141,500
Income from trading subsidiary	2	259,264	-	-	-	259,264	278,456
Activities for generating funds		14,326	31,943	-	-	46,269	48,597
Investment income	3	98,230	959,171	-	-	1,057,401	1,114,494
Income from charitable activities		-	143,535	-	-	143,535	135,723
Other Incoming resources	4	1,000	5,591	-	-	6,591	12,340
<b>TOTAL INCOMING RESOURCES</b>		<b>821,988</b>	<b>2,141,769</b>	<b>-</b>	<b>25,853</b>	<b>2,989,610</b>	<b>3,044,725</b>
<b>RESOURCES EXPENDED</b>							
<b>COST OF GENERATING FUNDS</b>							
Costs of generating voluntary income	7	181,838	217,739	-	-	399,577	399,593
Expenditure of trading subsidiary	2/7	253,476	-	-	-	253,476	267,365
Investment management costs	7	19,827	162,806	-	-	182,633	141,461
		<b>455,141</b>	<b>380,545</b>	<b>-</b>	<b>-</b>	<b>835,686</b>	<b>808,419</b>
<i>Net income available for Charitable activities</i>		<i>366,847</i>	<i>1,761,224</i>	<i>-</i>	<i>25,853</i>	<i>2,153,924</i>	<i>2,236,306</i>
<b>CHARITABLE ACTIVITIES</b>							
Client assistance by way of:							
Grants & Benefit payments	7	-	427,878	-	33,797	461,675	782,314
Accommodation	7	-	356,659	-	200	356,859	299,011
Advice and casework	7	-	615,431	-	2,075	617,506	580,584
York Gate	7	-	78,189	6,250	-	84,439	84,065
Marketing	7	-	176,543	-	-	176,543	194,174
Governance costs	7	-	94,234	-	-	94,234	94,345
<b>TOTAL RESOURCES EXPENDED</b>		<b>455,141</b>	<b>2,129,479</b>	<b>6,250</b>	<b>36,072</b>	<b>2,626,942</b>	<b>2,842,912</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>							
		366,847	12,290	(6,250)	(10,219)	362,668	201,813
Gross transfers between funds	21	(180,521)	180,521	-	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		186,326	192,811	(6,250)	(10,219)	362,668	201,813
Other recognised gains & losses							
Gains on Investments		286,087	3,178,521	-	-	3,464,608	3,193,432
<b>NET MOVEMENT IN FUNDS</b>	19-25	<b>472,413</b>	<b>3,371,332</b>	<b>(6,250)</b>	<b>(10,219)</b>	<b>3,827,276</b>	<b>3,395,245</b>
Total funds brought forward		3,212,054	29,058,412	162,846	14,309	32,447,621	29,052,376
<b>TOTAL FUNDS CARRIED FORWARD</b>	19-24	<b>3,684,467</b>	<b>32,429,744</b>	<b>156,596</b>	<b>4,090</b>	<b>36,274,897</b>	<b>32,447,621</b>

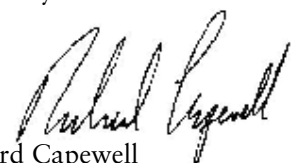
The notes on pages 18-30 form part of these financial statements  
All amounts relate to continuing operations.

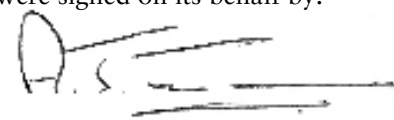
	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	8	2,485,683		2,614,484	
Investments	10A	<u>32,849,029</u>		<u>28,052,085</u>	
			35,334,712		30,666,569
<b>CURRENT ASSETS</b>					
Stocks	11	35,233		46,239	
Debtors	13	224,506		254,256	
Short term cash investments	14	803,190		1,600,366	
Cash at bank & in hand		<u>190,042</u>		<u>220,451</u>	
		1,252,971		2,121,312	
<b>CREDITORS:</b>					
Amounts falling due within one year	15	<u>(312,784)</u>		<u>(340,258)</u>	
			940,187		1,781,054
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>36,274,899</b>		<b>32,447,623</b>
<b>SHARE CAPITAL</b>					
	17		2		2
<b>RESTRICTED FUNDS</b>					
Endowment funds	23	156,596		162,846	
Restricted income funds	23/24	<u>4,090</u>		<u>14,309</u>	
			160,686		177,155
<b>UNRESTRICTED FUNDS</b>					
Designated funds	22/25	32,429,744		29,058,412	
General fund	20/21	<u>3,684,467</u>		<u>3,212,054</u>	
			36,114,211		32,270,466
<b>TOTAL CAPITAL AND FUNDS</b>			<b>36,274,899</b>		<b>32,447,623</b>

The notes on pages 18-30 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Trustees on 10th May 2011 and were signed on its behalf by:

  
 Sir Roger Singleton  
 Chairman

  
 Richard Capewell  
 Secretary

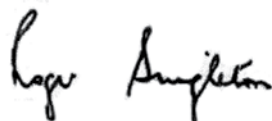
  
 Adrian Thompson  
 Honorary Treasurer

Charity Balance Sheet as at 31st December 2010

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	8	2,482,439		2,608,111	
Investments	10B	<u>32,877,038</u>		<u>28,080,094</u>	
			35,359,477		30,688,205
<b>CURRENT ASSETS</b>					
Stock	11	-		3,700	
Debtors	13	239,899		260,899	
Short term cash investments	14	803,190		1,600,366	
Cash at bank & in hand		<u>164,669</u>		<u>174,857</u>	
		1,207,758		2,039,822	
<b>CREDITORS:</b>					
Amounts falling due within one year <sup>15</sup>		<u>(276,374)</u>		<u>(277,247)</u>	
<b>NET CURRENT ASSETS</b>			931,384		1,762,575
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>36,290,861</b>		<b>32,450,780</b>
<b>SHARE CAPITAL</b>					
	17		2		2
<b>RESTRICTED FUNDS</b>					
Endowment funds	23	156,596		162,846	
Restricted income funds	23/24	<u>4,090</u>		<u>14,309</u>	
			160,686		177,155
<b>UNRESTRICTED FUNDS</b>					
Designated funds	22/25	32,429,744		29,058,412	
General fund	20/21	<u>3,700,429</u>		<u>3,215,211</u>	
			36,130,173		32,273,623
<b>TOTAL CAPITAL AND FUNDS</b>			<b>36,290,861</b>		<b>32,450,780</b>

The notes on pages 18-30 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Trustees on 10th May 2011 and were signed on its behalf by:



Sir Roger Singleton  
Chairman



Richard Capewell  
Secretary



Adrian Thompson  
Honorary Treasurer

	2010 £	2009 £	
<b>RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>			
Net incoming resources	362,668	201,813	
Donated assets within income - investments	(95,832)	-	
Investment income	(1,057,401)	(1,114,494)	
Depreciation charges	167,668	174,787	
Decrease/(Increase) in stocks	11,006	11,454	
Decrease/(Increase) in debtors	29,750	44,294	
Increase/(Decrease) in creditors	(27,472)	151,304	
Loss/(Profit) on disposal of fixed assets	233	7	
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>(609,380)</b>	<b>(530,835)</b>	
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Income from UK listed investments	1,036,725	1,038,786	
Interest received	20,676	75,708	
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>1,057,401</b>	<b>1,114,494</b>	
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible assets	(45,237)	(58,926)	
Purchase of investments	(8,914,894)	(16,459,469)	
Proceeds from sale of investments	7,678,390	14,066,067	
Proceeds from sale of fixed assets (net of selling costs)	6,135	-	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(1,275,606)</b>	<b>(2,452,328)</b>	
<b>DECREASE IN CASH IN THE YEAR</b>	<b>(827,585)</b>	<b>(1,868,669)</b>	
<b>RECONCILIATION OF NET CASH OUTFLOW TO MOVEMENT IN NET FUNDS</b>			
Decrease in cash in the year	(827,585)	(1,868,669)	
Net funds at 1 January 2010	1,820,817	3,689,486	
<b>NET FUNDS AT 31 DECEMBER 2010</b>	<b>993,232</b>	<b>1,820,817</b>	
<b>ANALYSIS OF NET FUNDS</b>			
	<b>1 January 2010 £</b>	<b>Cashflows £</b>	<b>31 December 2010 £</b>
Short term cash investments	1,600,366	(797,176)	803,190
Cash at bank & in hand	220,451	(30,409)	190,042
	<b>1,820,817</b>	<b>(827,585)</b>	<b>993,232</b>

The notes on pages 18-30 form part of these financial statements

## 1 ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and certain freehold properties used for primary purpose activities. They are also prepared in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” issued in October 2005.

The following accounting policies have been applied consistently throughout both the current and previous years:

### BASIS OF CONSOLIDATION

The consolidated accounts incorporate the financial statements of GRBS (Enterprises) Limited, the Charity’s trading subsidiary.

### STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT

The consolidated statement of financial activities is set out on page 14 of these financial statements. A separate Statement of Financial Activities for the Charity’s own activities has not been prepared since the gross income and expenditure of the subsidiary undertaking are separately disclosed within the consolidated Statement of Financial Activities and note 2 and form part of the unrestricted general funds. All other funds - designated, restricted income and expendable endowment funds relate entirely to the Charity.

### TANGIBLE FIXED ASSETS

Tangible fixed assets are included at cost or, in the case of certain freehold properties used for primary purposes activities, at valuation. Revalued book amounts have not been updated as the Charity has previously adopted the transitional arrangements permitted by FRS15 “Tangible Fixed Assets”. Dates of property valuations are set out in note 8.

### DEPRECIATION

Fixed assets are depreciated as follows:

**Housing Properties** - Over 40 years straight line basis

**Freehold Office** - Buildings only - 40 years straight line basis

**Computer Equipment** - Over 3 years straight line basis

**Furniture and equipment** - Over 5 years straight line basis

**Motor Vehicles** - 25% reducing balance basis

### FIXED ASSET INVESTMENTS

Fixed asset investments are stated at market valuation, where market valuation equals the mid-market value on the last day of trading before the year end. Bank deposits included within fixed asset investments are not considered by the Trustees to comply with the definition of cash set out in FRS1 “Cash flow Statements” and so are excluded from the net funds shown on page 17.

Investments in subsidiary Companies are shown at cost less any provision for impairment

### STOCKS

Stocks are stated at the lower of cost and net realisable value.

### INCOME

Income is credited to the financial statements when due and capable of financial measurement.

Income from charitable activities principally relates to rental income from our client occupied properties, together with entrance fees at the York Gate Garden.

Income from events is accounted for gross without deduction of expenses

Legacies are considered incapable of financial measurement until received and the financial statements therefore include legacies notified in the year if they have been received by 31st January of the following year.

In order to clarify the use of voluntary income the Trustees have set the following parameters to determine the ability to accumulate income:

Individual legacies and donations which are received with no restriction attached are considered to be income funds if their value is less than £100,000.

Without specific confirmation to the contrary, the Trustees take the view that unrestricted donations and legacies greater than £100,000 are intended to be invested to provide an on-going income to the charity. The charity will make every effort to determine the expectations of the donors upon notification of a such a receipt.

## 1 ACCOUNTING POLICIES (CONTINUED)

### RESOURCES EXPENDED

All expenditure is accounted for gross of irrecoverable VAT. Expenditure on charitable activities comprises the direct costs of those activities together with support costs as shown in note 7. Direct costs include depreciation on assets used for charitable purposes.

The costs of generating voluntary income comprise those costs directly attributable to fundraising and are allocated in proportion to the those funds reliant on this source of income.

Grants are paid in furtherance of the charity's objects and are charged to the Statement of Financial Activities in the year in which the unconditional obligation to make payment falls.

**Governance costs** are those amounts expended which relate to the statutory and legal obligations of running the Charity. They include the cost of trustee meetings, strategic planning, audit and legal costs. They also include a proportion of the head office costs associated with supporting governance activities. See note 7 for further details. These costs are charged to the Head Office Facilities Fund.

**Support costs** have been allocated on the basis of :

Secretariat	Time spent on activity
Finance	Spend per department
Premises	Number of staff based at head office
IT facilities	Number of PCs in department
Depreciation	Spend per department (assets not used directly for charitable purposes)
Other admin	Number of staff in department

### GAINS AND LOSSES ON FIXED ASSET INVESTMENTS

Realised and unrealised gains and losses in the Statement of Financial Activities represent the aggregate of gains or losses achieved by the Charity on fixed asset investments sold during the year and the net increase or decrease in market value of the Charity's fixed asset investments since the last balance sheet date or the date of acquisition if later. Gains/Losses are allocated to funds in proportion to the opening value of investments held in each fund.

### FUNDS

**Designated funds** are amounts set aside at the discretion of the Trustees for a specific, but not legally binding purpose.

**Restricted funds** are amounts received for specific purposes.

**Endowment funds** relate to funds where there is a restriction upon the disposal of the assets contained therein.

*Full details of the movements on funds and their purpose is set out in notes 19-25.*

### PENSIONS

The Charity makes defined contributions into the personal pension plans of employees. The pension charge in the Statement of Financial Activities represents the total amount payable by the Charity in the year.

### OPERATING LEASES

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

## 2 TRADING SUBSIDIARY

GRBS Enterprises Limited is wholly owned by the Charity.

GRBS Enterprises Limited's activities during the year consisted of trading in Christmas cards and other merchandise for the benefit of Perennial - Gardeners' Royal Benevolent Society.

	2010	2009
	£	£
<b>RESULTS OF TRADING SUBSIDIARY</b>		
Turnover	259,264	278,456
Interest receivable	77	36
Other income	1,000	-
Tax rebate	-	220
	<u>260,341</u>	<u>278,712</u>
Cost of sales	(125,922)	(127,342)
Distribution costs	(54,568)	(67,325)
Administration expenses	(72,986)	(72,698)
	(253,476)	(267,365)
Trading profit from subsidiary before payments to Charity	<b>6,865</b>	<b>11,347</b>
<b>PAYMENTS TO CHARITY</b>		
Loan interest payable to Charity	(2,420)	(2,511)
Management charges	(17,250)	-
Gift Aid donation to Perennial	-	(6,000)
	(19,670)	(8,511)
Profit/(Loss) of subsidiary for the year after taxation	<b>(12,805)</b>	<b>2,836</b>
Donations to Charity arising from Subsidiary activities	<b>19,997</b>	<b>20,744</b>

### 3 INVESTMENT INCOME

	2010	2009
	£	£
Income from UK listed investments	799,460	801,966
Income from UK listed property funds	149,297	188,399
Income from UK listed bond funds	87,968	48,421
Interest from short term cash investments	20,676	75,708
	<b>1,057,401</b>	<b>1,114,494</b>

### 4 OTHER INCOMING RESOURCES COMPRISE:

	£	£
(Loss)/Profit on sale of sundry assets	(233)	(7)
Repair costs recovered & insurance claims	5,824	12,127
Government employment incentive	1,000	-
Corporation tax rebate - trading subsidiary	-	220
	<b>6,591</b>	<b>12,340</b>

### 5 TAXATION

As the Charity only undertakes activities relating to its charitable status it has no liability to taxation, with the exception of irrecoverable Value Added Tax.

No taxation is payable by GRBS Enterprises Limited. It is estimated that the subsidiary has tax losses and unrelieved charges amounting to £16,000 which are available to be carried forward and offset against future taxable profits.

No deferred tax asset has been recognised in respect of these losses as the timing of their recovery is uncertain.

### 6A INCLUDED WITHIN RESOURCES EXPENDED ARE THE FOLLOWING ITEMS:

	£	£
Audit fees	12,214	13,375
Operating lease rentals	2,312	5,585
Depreciation	174,668	174,787

### 6B STAFF COSTS

	2010	2009
	£	£
Wages & salaries	942,560	916,778
Social security costs	98,797	96,064
Pension contributions	72,094	66,763
	<b>1,113,451</b>	<b>1,079,605</b>

The average number of full time employees during the year was:

Advice & Casework	12.1	11.7
York Gate	1.5	1.5
Marketing	2.8	3.1
Fundraising	6.4	5.8
Trading subsidiary	2.5	2.5
Governance	1.0	1.0
Other support services	4.0	3.6
	<b>30.3</b>	<b>29.2</b>

The Charity provides a defined contribution stakeholder pension scheme for employees. Contributions are made either into this scheme or an employee's personal scheme at rates of 5%-7% of gross pay.

No Trustee received remuneration during the year (2009: £ Nil). 6 trustees were reimbursed for expenses totalling £3,018 (2009: 6 trustees, £2,580). Trustee indemnity insurance costing £1,260 (2009: £1,260) was purchased during the year.

The number of employees whose emoluments, excluding pension contributions, for the year fell into the following bands were:

	Number	Number
£60,001 - £70,000	<b>1</b>	<b>1</b>

Pension contributions of £ 9,827 (2009: £9,729) were paid in respect this employee.

## 7 FUNCTIONAL ANALYSIS OF RESOURCES EXPENDED

	Generating voluntary income	Trading subsidiary	Investment management	Grants & benefits	Accommodation	Advice & casework	York Gate	Marketing	Governance	Support	2010 Total	2009 Total
	£	£	£	£	£	£	£	£	£	£	£	£
Grants paid	-	-	-	156,391	-	-	-	-	-	-	156,391	188,693
Benefits paid	-	-	-	236,485	-	-	-	-	-	-	236,485	493,138
Support for Care costs	-	-	-	-	91,405	-	-	-	-	-	91,405	88,291
Property maintenance	-	-	-	-	169,342	-	19,032	-	-	30,166	218,540	176,711
Depreciation & similar	9,486	3,128	-	-	59,655	24,747	7,907	4,346	-	58,399	167,668	174,794
Cost of sales	-	125,922	-	-	-	-	6,299	-	-	-	132,221	131,448
Publicity & advertising	23,220	50,150	-	-	-	515	4,399	18,456	-	2,058	98,798	121,883
Show & Event costs	22,293	4,419	-	-	-	-	-	2,873	-	-	29,585	36,169
Legacy & donor development	11,486	-	-	-	-	-	-	-	-	-	11,486	10,971
Investment management	-	-	154,310	-	-	-	-	-	-	-	154,310	118,740
Staff costs	248,485	62,441	-	-	-	430,013	33,296	106,494	-	232,722	1,113,451	1,079,605
Travel & subsistence	12,800	1,493	-	-	-	39,207	497	5,486	-	4,278	63,761	69,475
Other staff costs	1,427	-	-	-	-	5,758	502	494	-	12,554	20,735	20,479
Communications & IT	5,035	121	-	-	-	21,863	2,236	3,918	647	42,254	76,074	75,388
Legal & professional	20	4,320	-	-	-	3,949	200	-	16,245	7,780	32,514	47,992
Finance & sundry expenses	3,314	1,482	-	-	2,121	5,883	166	931	171	3,908	17,976	6,004
Trustee and committee	46	-	-	-	-	-	-	20	5,417	59	5,542	3,131
	<b>337,612</b>	<b>253,476</b>	<b>154,310</b>	<b>392,876</b>	<b>322,523</b>	<b>531,935</b>	<b>74,534</b>	<b>143,018</b>	<b>22,480</b>	<b>394,178</b>	<b>2,626,942</b>	<b>2,842,912</b>
Support costs reallocated	61,965	-	28,323	68,799	34,336	85,571	9,905	33,525	71,754	(394,178)	-	-
<b>TOTAL RESOURCES EXPENDED</b>	<b>399,577</b>	<b>253,476</b>	<b>182,633</b>	<b>461,675</b>	<b>356,859</b>	<b>617,506</b>	<b>84,439</b>	<b>176,543</b>	<b>94,234</b>	<b>-</b>	<b>2,626,942</b>	<b>2,842,912</b>
2009	<b>399,593</b>	<b>267,365</b>	<b>141,461</b>	<b>782,314</b>	<b>299,011</b>	<b>580,584</b>	<b>84,065</b>	<b>194,174</b>	<b>94,345</b>	<b>400,641</b>		

The allocation of resources expended to the individual funds can be found in the statement of financial activities for the general and restricted fund and in note 22 for the designated fund.

## 8 TANGIBLE ASSETS - CONSOLIDATED

	Freehold Office £	Freehold Housing properties £	Furniture & equipment £	Computer equipment £	Motor vehicles £	2010 Total £
<i>Cost or valuation</i>						
<i>At 1 January 2010</i>	1,144,827	1,818,435	282,054	88,945	185,687	3,519,948
<i>Additions</i>	-	-	721	16,796	27,720	45,237
<i>Disposal</i>	-	-	(8,117)	(11,423)	(16,998)	(36,538)
<b><i>At 31 December 2010</i></b>	<b>1,144,827</b>	<b>1,818,435</b>	<b>274,658</b>	<b>94,318</b>	<b>196,409</b>	<b>3,528,647</b>
<i>Depreciation</i>						
<i>At 1 January 2010</i>	42,728	563,580	163,085	69,802	66,269	905,464
<i>Charge for the year</i>	21,364	45,461	50,095	16,732	34,016	167,668
<i>Disposals</i>	-	-	(7,897)	(10,455)	(11,816)	(30,168)
<b><i>At 31 December 2010</i></b>	<b>64,092</b>	<b>609,041</b>	<b>205,283</b>	<b>76,079</b>	<b>88,469</b>	<b>1,042,964</b>
<i>Net book value</i>						
<i>Used for charitable purposes</i>	-	1,209,394	22,709	8,819	69,405	1,310,327
<i>Used for support activities</i>	1,080,735	-	46,666	9,420	38,535	1,175,356
<b><i>At 31 December 2010</i></b>	<b>1,080,735</b>	<b>1,209,394</b>	<b>69,375</b>	<b>18,239</b>	<b>107,940</b>	<b>2,485,683</b>
<b><i>At 31 December 2009</i></b>	<b>1,102,099</b>	<b>1,254,855</b>	<b>118,969</b>	<b>19,143</b>	<b>119,418</b>	<b>2,614,484</b>

## 8 TANGIBLE ASSETS CONTINUED - THE CHARITY

<i>Cost or valuation</i>						
<i>At 1 January 2010</i>	1,144,827	1,818,435	270,754	81,752	185,687	3,501,455
<i>Additions</i>	-	-	721	16,796	27,720	45,237
<i>Disposals</i>	-	-	(8,117)	(11,423)	(16,998)	(36,538)
<b><i>At 31 December 2010</i></b>	<b>1,144,827</b>	<b>1,818,435</b>	<b>263,358</b>	<b>87,125</b>	<b>196,409</b>	<b>3,510,154</b>
<i>Depreciation</i>						
<i>At 1 January 2010</i>	42,728	563,580	156,747	640,210	66,269	893,344
<i>Charge for the year</i>	21,364	45,461	48,362	15,336	34,016	164,539
<i>Disposals</i>	-	-	(7,897)	(10,455)	(11,816)	(30,168)
<b><i>At 31 December 2010</i></b>	<b>64,092</b>	<b>609,041</b>	<b>197,212</b>	<b>68,901</b>	<b>88,469</b>	<b>1,027,715</b>
<i>Net book value</i>						
<i>Used for charitable purposes</i>	-	1,209,394	22,709	8,819	69,405	1,310,327
<i>Used for support activities</i>	1,080,735	-	43,437	9,405	38,535	1,172,112
<b><i>At 31 December 2010</i></b>	<b>1,080,735</b>	<b>1,209,394</b>	<b>66,146</b>	<b>18,224</b>	<b>107,940</b>	<b>2,482,439</b>
<b><i>At 31 December 2009</i></b>	<b>1,102,099</b>	<b>1,254,855</b>	<b>114,007</b>	<b>17,732</b>	<b>119,418</b>	<b>2,608,111</b>

## 8 TANGIBLE FIXED ASSETS CONTINUED - DETAILS OF FREEHOLD PROPERTIES

	Year of acquisition	Historical cost £	Further additions at cost £	Valuations £	2010 value £	2009 value £
<b>FREEHOLD OFFICE</b>						
Kingston Road Leatherhead	2007	1,144,827	-	-	1,144,827	1,144,827
<b>HOUSING PROPERTIES</b>						
Kings Stanley 10 bungalows	1992	778,516	-	(323,516)	455,000	455,000
Barton 6 bungalows	1968	48,730	203,597	291,270	543,597	543,597
New Milton bungalow *	2002	225,000	-	-	225,000	225,000
Manor Way bungalow	2005	189,720	-	-	189,720	189,720
Broomhill Road bungalow	1994	144,197	10,921	-	155,118	155,118
York Gate House & Garden *	1994	200,000	50,000	-	250,000	250,000
		<b>1,586,163</b>	<b>264,518</b>	<b>(32,246)</b>	<b>1,818,435</b>	<b>1,818,435</b>

\* Historical cost equates to probate value or valuation of donated asset at acquisition date.

Where later professional valuations have not indicated any permanent diminution in previously disclosed freehold values, those original values have been retained in the financial statements.

The last external valuations of Kings Stanley and Barton were carried out in August 1994 by Messrs Knight Frank, Chartered Surveyors. Revaluations of certain freehold properties at open market value on an existing use basis have been disclosed in the financial statements in place of original cost. If none of the freehold properties had been revalued they would have been included at the following historical costs:

	2010 £	2009 £
Historical cost	2,995,508	2,995,508
Accumulated depreciation	(697,159)	(630,746)
Net book value	<b>2,298,349</b>	<b>2,364,762</b>

## 9 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2010 ( 2009 £nil)

## 10A INVESTMENTS - CONSOLIDATED

	UK Listed Investments £	UK Listed Property Funds £	UK Listed Bond Funds £	Cash for Investment £	2010 Total £
Market value at 1st January 2010	24,620,717	2,096,597	1,026,029	308,742	28,052,085
Additions at cost - purchases	7,250,774	-	1,250,000	-	8,500,774
donations to the Charity	-	95,832	-	-	95,832
Net movement on cash in portfolios	-	-	-	405,539	405,539
Disposals at carrying value	(7,351,996)	-	-	-	(7,351,996)
Revaluations	3,058,233	92,825	(4,263)	-	3,146,795
<b>Market value at 31 December 2010</b>	<b>27,577,728</b>	<b>2,285,254</b>	<b>2,271,766</b>	<b>714,281</b>	<b>32,849,029</b>
Market value at 31 December 2009	24,620,717	2,096,597	1,026,029	308,742	28,052,085
<b>Historical Cost 31 December 2010</b>	<b>20,881,902</b>	<b>2,844,837</b>	<b>2,250,000</b>	<b>714,281</b>	<b>26,691,020</b>
Historical Cost 31 December 2009	20,293,113	2,749,005	1,000,000	308,742	24,350,860

## 10B INVESTMENTS - CHARITY

	Listed Investments £	UK Listed Property Funds £	UK Listed Bond Funds £	Cash for Investment £	Investment subsidiary* £	2010 Total £
<b>Market value at 31 December 2010</b>	<b>27,577,728</b>	<b>2,285,254</b>	<b>2,271,766</b>	<b>714,281</b>	<b>28,009</b>	<b>32,877,038</b>
Market value at 31 December 2009	24,620,717	2,096,597	1,026,029	308,742	28,009	28,080,094
<b>Historical Cost 31 December 2010</b>	<b>20,881,902</b>	<b>2,844,837</b>	<b>2,250,000</b>	<b>714,281</b>	<b>28,009</b>	<b>26,719,029</b>
Historical Cost 31 December 2009	20,293,113	2,749,005	1,000,000	308,742	28,009	24,378,869

\*The Charity owns 100% of the ordinary shares of GRBS Enterprises Limited.

No single investment represented more than 5% of the total market value at 31 December with the exception of our investments in:

Charity Property Fund 5.3% [2009:5.9 %]

M&G Charibond 5.4% [2009: 3.7%]

Of the UK property all assets are held in UK listed common investment funds with the exception of one property held as investment to house a life tenant of the Lironi Estate. This property is held jointly with our co-beneficiary of that estate and is valued at cost - £95,832.

Listed investments are further analysed as follows:

	United Kingdom £	Other European £	North America £	Far East £	Emerging Markets £	Other international £	2010 Total £	2009 Total £
<b>Market value</b>								
Equities	11,977,882	2,259,019	3,185,941	2,819,061	2,405,745	1,453,546	24,101,194	20,758,900
Fixed interest	3,396,291	-	-	-	-	80,243	3,476,534	3,685,191
Alternatives	-	-	-	-	-	-	-	176,626
	<b>15,374,173</b>	<b>2,259,019</b>	<b>3,185,941</b>	<b>2,819,061</b>	<b>2,405,745</b>	<b>1,533,789</b>	<b>27,577,728</b>	<b>24,620,717</b>

## 11 STOCKS

	Consolidated		Charity	
	2010	2009	2010	2009
	£	£	£	£
Goods for resale	35,233	46,239	-	3,700

## 12 CONTINGENT ASSET - LEGACY

The Charity is a co-beneficiary of a substantial legacy which since 2005 has provided the Charity with some £7.9m income. This year costs of managing the estate amounted to £10,626 (2009:£2070). Work has continued during the year to find a solution to the disposal of the remaining properties in the estate, which have life and regulated tenants. The trustees are unable to establish with any accuracy when the remaining assets can be distributed but estimate that at 31 December 2010 further sums receivable are anticipated to be in the region of £680,000.

## 13 DEBTORS

	Consolidated		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	22,278	5,947	2,970	3,561
Other debtors	11,812	8,181	9,583	8,181
Prepayments	29,954	31,164	29,712	31,164
Accrued Income	160,462	208,964	59,256	91,465
Due from subsidiary company	-	-	138,378	126,528
	<b>224,506</b>	<b>254,256</b>	<b>239,899</b>	<b>260,899</b>

## 14 SHORT TERM CASH INVESTMENTS

	Consolidated		Charity	
	2010	2009	2010	2009
	£	£	£	£
Fixed term money market	-	750,000	-	750,000
Deposit & notice accounts	803,190	850,366	803,190	850,366
	<b>803,190</b>	<b>1,600,366</b>	<b>803,190</b>	<b>1,600,366</b>

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade Creditors	29,844	58,101	26,329	34,961
Taxation and social security	27,535	30,029	27,535	26,869
Accruals	111,411	101,421	78,516	64,710
Provision for benefits payable	139,659	148,402	139,659	148,402
Other creditors	4,335	2,305	4,335	2,305
	<b>312,784</b>	<b>340,258</b>	<b>276,374</b>	<b>277,247</b>

## 16 OPERATING LEASE COMMITMENTS

	Consolidated		Charity	
	2010	2009	2010	2009
	£	£	£	£
Leases expiring within 2-5 years	2,361	2,312	2,312	2,312
	<b>2,361</b>	<b>2,312</b>	<b>2,312</b>	<b>2,312</b>

## 17 SHARE CAPITAL

	Consolidated		Charity	
	2010	2009	2010	2009
	£	£	£	£
93 ( 2009: 70) members' shares of 5p each	2	2	2	2

No member of the Charity holds more than one share.

## 18 RELATED PARTY TRANSACTIONS

There were no related party transactions in the year. ( 2009: None)

## 19 RESERVES

In 2008 the Trustees undertook an in-depth review of the reserves and revised its designated fund balances in line with the current purposes of the Charity. An understanding of these designations can be gained by consideration of the history of the charity.

In the early days donations and legacies were made to provide for the long term needs of beneficiaries in retirement. These needs were met primarily through the provision of retirement housing and pensions, and, as was commonplace in benevolent funds and standard practice in this charity since its inception over 170 years ago, donors gave income to be invested in long term investments to provide an income for application to charitable purposes, whilst preserving the capital base against inflation.

In recent times the charity has changed the way it operates to provide benefits more appropriate to the 21st century. These encompass a significantly reduced stock of retirement bungalows, regular benefit payments, and top-up fees for long term care, either in the community or in registered care homes – thus continuing with the original purposes but in a modern way. In addition the charity now provides an advice service together with more grants for immediate needs, maintains the York Gate Garden and is expanding into providing training initiatives in 2010.

In essence the investments accumulated from the early days of the Charity have been designated to provide an income to fund those activities which follow on from the original purposes – namely the regular benefit payments and the remaining retirement housing.

Income generated from the disposal of retirement homes was designated to provide an income to fund fees for long term care, in keeping with the intention of the original bequests.

Services introduced more recently are funded from current donations and legacies. These include the direct costs of the advice and casework team, and the wider provision of grants.

York Gate Garden is funded from visitor income and the investment left by Sybil Spencer together with continuing support from the general fund until its long term future is determined.

New training initiatives will be funded from the income generated by £2m of the Lironi Legacy and a new fund was established for this purpose in 2009.

## 20 GENERAL FUND

The movements in the general fund are shown on the face of the Statement of Financial Activities. This fund includes the income and expenditure of the trading subsidiary as shown in note 2.

The balance on this fund represents the Society's "free reserves" - those available for any purpose.

The total fund balance as shown on the Statement of Activities is analysed as:

	2010	2009
	£	£
Charity General Fund	3,700,429	3,215,211
Net assets (liabilities) of Trading company	(15,962)	(3,157)
<b>Consolidated General Fund</b>	<b>3,684,467</b>	<b>3,212,054</b>

	2009	2008
	£	£
<b>Net assets in this fund are analysed as follows:</b>		
Tangible fixed assets	3,243	6,373
Investments	3,595,305	2,290,681
Short term cash investments	19,197	886,151
Net current assets	66,722	28,849
	<b>3,684,467</b>	<b>3,212,054</b>

## 21 ANALYSIS OF FUND TRANSFERS

Transfers were made at 31st December 2010 as follows:

	General Fund	Retirement Housing	Spencer York Gate Bequest
	£	£	£
Sinking Fund for repairs at tenanted Property	(146,579)	146,579	-
Operating loss at York Gate	(33,942)	-	33,942
<b>Total transfers</b>	<b>(180,521)</b>		<b>146,579</b>
<b>33,942</b>			

## 22 DESIGNATED FUNDS

Full details of the purposes of each fund are set out in note 25. Details of the fund transfers are set out in note 21.

Movements on designated funds are set out below

	1839 Regular Beneficiary £	Long Term Care £	Lironi Training £	Good Samaritan Welfare £	Advice & Casework £	Retirement Housing £	Head Office Facilities £	Spencer York Gate Bequest £	2010 Total Funds £	2009 Total Funds £
<i>Incoming resources</i>										
Voluntary Income:										
Donations	-	-	-	27,521	146,300	-	-	4	173,825	181,657
Legacies	-	-	-	131,048	696,656	-	-	-	827,704	794,350
Activities for generating funds	-	-	-	5,057	26,886	-	-	-	31,943	33,818
Investment income	453,725	197,109	84,127	14,004	103,050	7,694	93,014	6,448	959,171	1,039,070
Income from charitable activities	-	-	-	-	-	106,388	-	37,147	143,535	135,723
Other incoming resources	-	-	-	-	-	-	5,591	-	5,591	12,120
<b>TOTAL INCOMING RESOURCES</b>	<b>453,725</b>	<b>197,109</b>	<b>84,127</b>	<b>177,630</b>	<b>972,892</b>	<b>114,082</b>	<b>98,605</b>	<b>43,599</b>	<b>2,141,769</b>	<b>2,196,738</b>
<i>Resources expended</i>										
Costs of generating voluntary income	-	-	-	34,474	183,265	-	-	-	217,739	212,680
Investment management costs	75,247	32,689	13,952	2,132	17,090	706	19,920	1,070	162,806	131,759
Charitable activities										
Client assistance by way of:										
Grants & Benefit payments	264,208	-	12,110	141,024	-	-	10,536	-	427,878	742,303
Accommodation	-	96,576	-	-	-	252,649	7,434	-	356,659	299,011
Advice and casework	-	-	-	-	600,871	-	14,560	-	615,431	580,244
York Gate	-	-	-	-	-	-	1,718	76,471	78,189	77,815
Marketing	-	-	307	-	171,666	-	4,570	-	176,543	194,174
Governance costs	-	-	-	-	-	-	94,234	-	94,234	94,345
<b>TOTAL RESOURCES EXPENDED</b>	<b>339,455</b>	<b>129,265</b>	<b>26,369</b>	<b>177,630</b>	<b>972,892</b>	<b>253,355</b>	<b>152,972</b>	<b>77,541</b>	<b>2,129,479</b>	<b>2,332,331</b>
Net incoming/(outgoing) resources before transfers	114,270	67,844	57,758	-	-	(139,273)	(54,367)	(33,942)	12,290	(135,593)
Other recognised gains & losses	1,519,843	660,256	281,800	38,269	345,187	-	311,569	21,597	3,178,521	3,078,395
<b>NET MOVEMENT IN FUNDS</b>	<b>1,634,113</b>	<b>728,100</b>	<b>339,558</b>	<b>38,269</b>	<b>345,187</b>	<b>(139,273)</b>	<b>257,202</b>	<b>(12,345)</b>	<b>3,190,811</b>	<b>2,942,802</b>
Fund transfers 31 December 2010	-	-	-	-	-	146,579	-	33,942	180,521	101,886
Balance at 1 January 2010	12,202,796	5,390,715	2,347,629	489,488	2,847,586	1,732,672	3,868,456	179,070	29,058,412	26,013,724
<b>Balance at 31 December 2010</b>	<b>13,836,909</b>	<b>6,118,815</b>	<b>2,687,187</b>	<b>527,757</b>	<b>3,192,773</b>	<b>1,739,978</b>	<b>4,125,658</b>	<b>200,667</b>	<b>32,429,744</b>	<b>29,058,412</b>
Net assets are analysed as follows:										
Tangible fixed assets	-	-	-	-	74,414	1,073,252	1,172,112	6,066	2,325,844	2,445,265
Investments	13,976,568	6,061,523	2,565,746	427,757	3,092,875	-	2,932,615	196,640	29,253,724	25,761,404
Short term cash investments	-	-	-	100,000	-	683,993	-	-	783,993	714,215
Net current assets/(liabilities)	(139,659)	57,292	121,441	-	25,484	(17,267)	20,931	(2,039)	66,183	137,528
<b>Total assets/liabilities</b>	<b>13,836,909</b>	<b>6,118,815</b>	<b>2,687,187</b>	<b>527,757</b>	<b>3,192,773</b>	<b>1,739,978</b>	<b>4,125,658</b>	<b>200,667</b>	<b>32,429,744</b>	<b>29,058,412</b>



### 23 RESTRICTED FUNDS

The movements on all restricted funds are set out on the face of the Statement of Financial Activities. Details of the purposes of these funds are set out in note 25.

	2010		2009	
	Client Grants Fund	York Gate Endowment	Client Grants Fund	York Gate Endowment
Net assets are analysed as follows:	£	£	£	£
York Gate property	-	156,596	-	162,846
Net current assets	4,090	-	14,309	-
	<b>4,090</b>	<b>156,596</b>	<b>14,309</b>	<b>162,846</b>

### 24. POST BALANCE SHEET EVENT

On 1st January 2011 the whole of the activities, assets and liabilities of the Royal Fund for Gardeners' Children and its designated fund the Constance Spry Fund were transferred into the ownership of Perennial, under a merger agreement dated 18th December 2010. The net value of these assets and liabilities was £841,884. Under this agreement, both these Funds were established as a single restricted income fund within Perennial and will be managed by Perennial in accordance with the existing objectives of the Royal Fund for Gardeners' Children, namely to provide for the ongoing support of the orphans of horticulturists and, as and when funds permit, to provide grants for other children of horticulturists in need.

## 25 DESCRIPTION OF FUNDS

### GENERAL FUND (UNRESTRICTED)

This fund retains only the free reserves of the Charity, available to be put towards any purpose the Trustees see fit. The Charity's policy is to keep at least one year's operating expenditure in this fund which for 2011 is estimated to be £2.8m

### DESIGNATED FUNDS (UNRESTRICTED)

#### *1839 Regular Beneficiary Fund*

This fund was originally designated to ensure the long term funding of the Charity's regular benefit payments to existing beneficiaries only. In 2008 the Trustees expanded the purpose of this fund, to provide for the payment of all regular benefits to all beneficiaries both current and future together with the support costs of this activity and transferred additional investments into this fund for this purpose.

#### *Long Term Care Fund*

This fund is an amalgamation of the Red Oaks and Rayner Court Funds that were established to pay for the care costs of the residents at those care homes following the sale of these properties to Barchester Healthcare. In 2008 the purpose of the fund was widened to provide for the long term care costs of any beneficiary, either in residential care or under the care in the community regime and the fund capital was increased to provide for this. Care in the community funding began in 2009.

#### *Lironi Training Fund*

This Fund was established with £2m in 2008 in memory of Ms J. M. Lironi, who left a significant legacy to the Charity to provide an income to pay for training initiatives. The work for this fund began in 2009 with a bursary to support a trainee gardener at York Gate, together with support for training conferences and grants for children of horticulturists entering training.

#### *Good Samaritan Welfare Fund*

This fund was established in 1899 to meet cases of special need within the objects of the Charity. This fund was used to provide emergency payments until 2007.

In 2008 the Trustees have expanded the use of this fund to cover all grant payments to beneficiaries funded by the Charity, and in addition transferred cash funds to provide a £100,000 emergency fund from which grants can be made in the event of sudden and unexpected events that give rise to increased demand on the fund. The fund relies entirely on voluntary income to pay for day to day activities.

#### *Advice & Casework Fund*

This fund, established in 2008 pays for the work of the national casework team. The fund relies on voluntary income to pay for its day to day activities.

#### *Retirement Housing Fund*

A fund established to hold the retirement accommodation held by the Charity and through which to channel the income and expenditure relating to the provision of this accommodation. In 2007 the Trustees added to the fund to provide a cash balance for future major repairs. In 2008 The Dorothy Little Bequest was merged with this fund to provide funding for a retirement bungalow should a case present itself.

#### *Head Office Facilities Fund*

This fund established in 2008, provides funding for the central activities without which the charity could not function – primarily long term maintenance of the head office building, and governance expenditure. The fund holds the head office building, IT equipment and other assets used by staff and investments which provide an income to cover governance and head office maintenance expenditure.

#### *Spencer York Gate Bequest*

Originally the bequest of the late Sybil Spencer, this fund is for the purpose of maintaining the buildings and gardens at York Gate. Although the wording of the bequest did not create a legally binding restricted donation, the Trustees designated this fund for the purpose for which it was intended. The operating income and costs for York Gate, which represent the activities of maintaining the property have been charged to this fund, although at the year end any deficit on operations is made good through a transfer from the general fund. In 2008 the fund was made good to reflect the original capital sum provided for this purpose, and it is intended to maintain this fund at this level until the long term future of York Gate is determined.

### RESTRICTED FUNDS

#### *Client Grants Fund*

This fund consists of grants and donations received specifically for individual clients or for use in a specific area of the country, to enhance the financial support that the Charity is able to give.

#### *York Gate Endowment Fund*

This fund consists of the property at York Gate, Leeds which was bequeathed to the Charity in 1994. The property cannot be sold or disposed of for a period of twenty years from that date. The property is included at the probate value established in 1995 and reduces in value each year by the annual charge to depreciation.

# Officers of the Charity

## HONORARY OFFICE HOLDERS

### Board of Trustees

Patron HRH Princess Alexandra  
President Alan Titchmarsh, MBE, VMH, DL

### Vice Presidents:

The Lady Aberconway  
Ian Flanagan OBE  
Sir David Howard Bt  
Caroline Owen (Horticultural Trades Association)

### Council

The Council has no legal responsibilities nor holds meetings. Membership of Council in an honorary capacity is awarded to senior advisers and supporters. Membership in the nominated category provides a link with key organisations.

### Members

There are currently 93 Members of the Charity, each allocated a 5p share. Under the Rules they are entitled to vote, attend AGM's, elect Trustees, etc. The membership consists of current and previous Vice Presidents, Trustees, Council members and supporters who have given the Charity exceptional service, drawn predominately from the world of horticulture.

### The following persons served as trustees during 2010

Sir Roger Singleton CBE	Chairman
Charles Notcutt OBE, VMH	Vice Chairman
Adrian Thompson	Honorary Treasurer
Lisa Buckland	
Jim Buttress VMH	
Lord Hugh Cavendish ( from 1 January 2011)	
Christine Cohen OBE	
Ken Crowther	
Geoff Dixon	
Colin Ellis VMH	
Mike Fitt OBE	
Alan Kendall JP, MBE	
Dougal Philip	
Louise Robinson	
Marie Seaton	
Ian Maxwell Scott	
Sue Tasker	

*Richard Capewell, Chief Executive, acts as secretary to the Board of Trustees.*

## COMMITTEES OF THE BOARD OF TRUSTEES AT 31.12.10

### Marketing & Fundraising Review Group

Charles Notcutt	Chairman	Colin Ellis	Trustee member
Lisa Buckland	Trustee member	Jim Buttress	Trustee member
Debbie Lyne	Director of Marketing & Fundraising (to December 2010)		

### Finance & General Purposes Committee

Adrian Thompson	Chairman	Ken Crowther	Trustee member
Geoff Dixon	Trustee member	Dougal Philip	Trustee member
Colin Ellis	Trustee member	Ian Maxwell Scott	Trustee member
Sally Hanson	Director of Finance & Administration		

### Gardeners' Welfare Committee

Marie Seaton	Chairman	Alison MacKenzie	Co-opted member
Mike Fitt	Trustee member	Nick Boyes (to 13/7/10)	Co-opted member
Bobby Golden (to 13/7/10)	Co-opted member	Alan Kendall	Trustee member
Alison MacKenzie	Co-opted member	Stephen Read (to 01/02/11)	Co-opted member
Jo Ripley (from 12/10/10)	Co-opted member	Louise Robinson	Trustee member
Sue Tasker	Trustee member	Sheila Thomson	Director of Services

*The Chairman and Chief Executive may attend all Committees*

## SENIOR MANAGEMENT TEAM

Day to day activities are the delegated responsibility of the Chief Executive who works with the Senior Management Team to deliver Perennial's services:

Richard Capewell	Chief Executive
Sally Hanson	Director of Finance & Administration
Debbie Lyne (to 31 December 2010)	Director of Marketing & Fundraising
Sheila Thomson	Director of Services

## PROFESSIONAL ADVISORS

### SOLICITORS

Russell-Cooke, LLP 2 Putney Hill, Putney, London SW15 6AB

### BANKERS

Royal Bank of Scotland PLC , 62-63 Threadneedle Street, London EC2R 8LA

### INVESTMENT MANAGERS

Balanced Portfolio: Newton Investment Management Ltd,  
The Bank of New York Mellon, 160 Queen Victoria St London EC4V 4LA  
Growth Portfolio: Williams De Broe, 4th Floor, 100 Wood Street, London EC2V 7AN

### AUDITORS

haysmacintyre, Fairfax House, 15 Fulwood Place, London WC1V 6AY