THE NATIONAL MEMORIAL ARBORETUM COMPANY LIMITED

England & Wales · Charity number 1043992

Details

Status	Registered
Legal form	Charitable company
Company number	02927443
Registered	1995-02-09
Register	View on the Charity Commission register

Contact

Address	Croxall Road Alrewas Staffordshire DE13 7AR
Phone	01283 245100
Email	info@thenma.org.uk
Website	www.thenma.org.uk

Activities

Objects: THE CHARITYãS OBJECTS ARE: A) TO PROMOTE GOOD CITIZENSHIP AMONGST THE PUBLIC AND TO PROMOTE THE EFFICIENCY OF THE ARMED FORCES OF THE CROWN BY PROVIDING AND MAINTAINING AN ARBORETUM AS A PUBLIC MEMORIAL TO COMMEMORATE AND REMEMBER THOSE WHO HAVE LOST THEIR LIVES OR SUFFERED INJURY, OR PUT THEMSELVES AT RISK OF LOSS OF LIFE OR INJURY, IN SERVICE OF THE PUBLIC. B) TO RELIEVE THE DISTRESS AND SUFFERING OF THOSE WHO ARE BEREAVED. C) TO EDUCATE THE PUBLIC AND PERSONNEL OF THE ARMED FORCES OF THE CROWN IN CITIZENSHIP, MILITARY HISTORY, THE EFFECTS OF ARMED CONFLICT, CONFLICT RESOLUTION AND RECONCILIATION.

Activities: The NMA is home to 150 acres of trees and over 300 memorials including the Armed Forces Memorial. It provides a focal point for the commemoration of those who have given their lives, reunion of those who served and the education of all in citizenship, military history, the effects of armed conflict, conflict resolution and reconciliation. It is a suitable venue for celebrations and group visits.

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Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Staffordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£4,670,279	£5,139,335	£23,609,163	56
2023-09-30	£5,071,272	£4,921,482	£24,079,436	57
2022-09-30	£5,150,559	£4,190,522	£23,929,645	52
2021-09-30	£4,001,890	£3,660,694	£22,969,607	50
2020-09-30	£3,848,932	£3,782,063	£22,628,410	49

Trustees

Name	Role	Appointed
Helen Owen	Chair	2025-05-18
Gary John Ryan		2020-06-19
Kate Logan		2018-11-23
Mark Atkinson		2025-05-18

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THE NATIONAL MEMORIAL ARBORETUM COMPANY LIMITED

England & Wales - Charity number 1043992

Accounts

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Company Registration No. 02927443
Registered Charity No. 1043992

The National Memorial Arboretum Company Limited

Annual Report and Financial Statements

For the year ended 30 September 2024

Docusign Envelope ID: CBF5F64E-6F9A-4ED6-95EF-71319584BB0B

The National Memorial Arboretum Company Limited

Annual Report and Financial Statements 2024

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The National Memorial Arboretum Company Limited

Annual Report and Financial Statements 2024

Officers and professional advisers

Trustees

The Trustees of the charity, who are the Directors for the purposes of company law, who served throughout the year and up to the date of signing this report were:

Anny R Reid (chair)
Patsy Wilkinson
Gary Ryan
Kate Logan

Secretary

Luke Joannou (resigned 29th May 2024)

Principal Officers - Key Management Personnel

Philippa Rawlinson - Managing Director, RBL Director of Remembrance
Lorna Price - Head of Finance (until 27 October 2023)
Flora Smyth - Head of Finance (from 2 October 2023 until resignation on 13th December 2024)
Mark Ellis - National Memorial Arboretum Lead
Maria Howes - Head of Marketing & Business Development
Neill Martin Hoare - Head of Events
Mark Alexander - Head of Visitor Experience
Adrian Thickett - Head of Business Support Services (until 22 December 2023)
Andy Ansell - Head of Estates
Rachel Smith - Head of Participation and Learning

Registered Office

Croxall Road
Alrewas
DE13 7AR

Bankers

Lloyds Commercial
Public & Community Sector
3rd Floor
25 Gresham Street
London
EC2V 8EH

HSBC Bank plc
49 Market Street
Lichfield
Staffordshire
WS13 6LB

Statutory Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Charity Registration Number	1043992
Company Registration Number	02927443

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The National Memorial Arboretum Company Limited

Trustees' Annual Report (including the Strategic Report)

The Trustees, who are also Directors of the charitable company, present their annual report, which incorporates a strategic report, and audited financial statements for the year ended 30 September 2024.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The reference and administrative details on page 1 form part of this report.

Strategic report

Objectives and activities

The National Memorial Arboretum Company Limited (Arboretum) is a member of the Royal British Legion (RBL) family of charities, which is the UK's national custodian of Remembrance; supporting and delivering nationwide events through its network of branches, members and volunteers and locally in communities across the country. The Arboretum is the United Kingdom's year-round centre for Remembrance in the heart of our country; a spiritually uplifting place which honours those who have fallen in the service of their country, recognising their service, suffering and sacrifice. The Arboretum's vision remains:

'To be the nation's year-round place to Remember, an inspirational world-class setting freely open to all.'

This is central to the charity's charitable objective of championing Remembrance and promoting its observance and participation, with the Arboretum forming a core part of RBL's Remembrance Strategy. As a year-round space to celebrate lives lived and commemorate lives lost, we will ensure the baton of remembrance is passed on to future generations. This furthers our legal purpose which is set out in our objectives, and details how we will deliver on our aims.

The Arboretum's specific charitable objectives as set out in the Memorandum and Articles of Association, and our strategies to achieve these, are to:

- promote good citizenship amongst the public and to promote the efficiency of the armed forces of The Crown by providing and maintaining an arboretum as a public memorial to commemorate and remember those who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service of the public;

- relieve the distress and suffering of those who are bereaved; and

- educate the public and personnel of the armed forces of the Crown in citizenship, military history, the effects of armed conflict, conflict resolution and reconciliation.

The Arboretum welcomes around 300,000 visitors to site each year, including over 20,000 young people for learning visits. Visitors can enjoy discovering over 400 memorials nestled amongst some 25,000 trees, experience riverside walks and participate in a wide variety of daily activities: guided walks, land train tours, memorial talks, exhibitions and buggy tours. Each year around 250 events take place on site, from small intimate services of Remembrance to set piece events like Armistice Day, Remembrance Sunday, and Armed Forces Day.

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The National Memorial Arboretum Company Limited

Trustees' annual report (incorporating the strategic report) (Continued)

The Arboretum's management team have, over the past 12 months, reviewed the strategic priorities of the organisation and confirmed that they remain as follows:

- Developing an inspirational living landscape that embraces our environment to create new Remembrance spaces and reasons to visit throughout the seasons;
- Developing an inspirational programme which responds to visitor needs and drives visitation of target audiences and maximises the value and potential of the site;
- Living our shared values to attract and develop great people;
- Collaborating with key internal and external partners to achieve win-win outcomes; and
- Nurturing a culture that uses all of our resources efficiently and effectively whilst minimising our impact on the environment.

Achievements and performance

The year ended 30 September 2024 saw a number of challenging operating conditions, with repeated flooding leading to site closures on three occasions, and the cancellation of four nights of Illuminated Arboretum. This coupled with ongoing economic uncertainty with the impact of inflation and the cost of living crisis having placed pressure on both income and expenditure for both the charitable company and its trading subsidiary, NMA (Enterprises) Limited. Despite these challenging circumstances we have seen positive signs of recovery in the latter part of the year, with strong visitor numbers and increasing amounts of visitor spending.

Visitors:

Visitor numbers for the year totalled 303,138, a 9% increase compared to 2023 (277,792).

This increase in visitor numbers is attributable to a number of factors:

- Ticket sales for December's Illuminated Arboretum proved to be the most successful to date with 17,000 tickets sold, despite the cancellation of four nights due to flooding (2023: 13,500).
- Programming across the Spring and Summer months linked to the 80th anniversary of D-Day and "The year was 1944" exhibition attracting in excess of 11,000 visitors across four days in May and June.
- The refurbishment of the "Shot-At Dawn" memorial, funded by public and corporate donations, attracting significant media attention, both regionally and nationally.
- The "Look up" summer programme, a remembrance journey with a unique focus on cloud gazing, designed to encourage visitors to pause, reflect, and engage deeply with nature and remembrance attracted in excess of 5,000 visitors across July and August.

Landscape:

One of the key objectives of the Arboretum is to provide a public memorial to commemorate and remember those who have lost their lives or suffered injury in service to the public. We continue to see an appetite for new memorials with notable additions dedicated in year including the Pity of War, Royal Gloucestershire Regiment, General Post Office and Falkland Islanders Resistance Memorials.

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To Commemorate the Platinum Jubilee, the Arboretum took part in the Queen's Green Canopy initiative, and in 2022 was gifted the freehold to an additional 7 acres of land adjacent to the entrance to the site by the Leavesley family. Initial stages of this project were completed in 2023 with the land housing a tree lined avenue creating an approach route to the Arboretum which is more befitting to a national heritage site. Planning permission for the final stage of this project was granted in May 2024, with initial works planned over the next 12 months (from Sept-24). Similarly, planning permission has also been granted for the development of 25 acres of woodland, acquired by the Arboretum in 2022. These developments, once funding is available, will allow for the continued placement of new memorials in the years to come.

The Arboretum continues to explore ways in which to open up areas of the site which are currently either under-utilised or inaccessible and with its landowner Tarmac has developed plans for a new permanent car park to replace the overflow car park, at limited cost to the Arboretum. This coupled with Tarmac's aspirations for future development of land adjacent to the site will in time improve both the visitor journey and facilitate engagement with the site and Remembrance by the local community.

During the year the Arboretum has been awarded its first 'National Plant Collection' status recognising the collection of Hamamelis planted over the past four years. A provisional award has also been granted for our growing collection of Amelanchier which is hoped will be granted the full award once younger plants have become more established.

Programmes:

This year programming has continued to build on RBL's Remembrance Strategy with the ambition of ensuring that the service and sacrifice of our armed forces family is always remembered. Being freely accessible 364 days a year the Arboretum is well placed to deliver against this vision with its under pinning belief in "Remembrance for All".

The year began with the opening of two exhibitions, in October 2023 entitled 'The Journey Continues' and 'The Chapters of Our Lives' with both providing a continuation of the exploration of the story of the Windrush generation that had been the focus of the 'Carnival Windrush' event earlier in 2023. The exhibitions explored the contribution the Windrush generation made to the UK post WW2 and invited visitors to explore their own life stories and experiences. This theme was continued through Illuminated Arboretum with the images of 22 Windrush Elders forming part of the light installations.

Moving into 2024 programming has been heavily focussed on the year 1944 and the 80th Anniversary of D-Day. "The year was 1944" exhibition opened in May 2024 with a reconstruction of a 1940s house built in the gallery spaces, accompanied by trails across the site inviting both children and adults to explore memorials dedicated to key moments in the war campaign in 1944. On the 6th June 2024 the Arboretum hosted, on behalf of RBL, a commemorative service to mark the 80th anniversary of the D-Day landings. The event was attended by the Duke and Duchess of Edinburgh and 26 veterans of the D-Day and Normandy campaigns. To further commemorate the anniversary the gallery spaces were home to the "Legacies of D-Day" a replica of an RBL exhibition hosted in Normandy, which showcased the stories and photographs of veterans of the campaign.

The refurbishment of the Shot at Dawn memorial, necessitated through the repeated flooding of the area in which it resides attracted significant media attention, and allowed us to retell the stories of 309 British and Commonwealth soldiers shot for desertion, cowardice, striking a senior officer, disobeying a lawful order, casting away arms, mutiny and sleeping at post during the First World War. The refurbishment was funded entirely through public and corporate donations totalling over £50k, with corporate supporters also donating £16k of materials required for the project and providing over 200 corporate volunteers to support the Arboretum team in the refurbishment.

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We have also commemorated more recent conflicts, hosting events on behalf of RBL to mark the 25th anniversary of the end of the war in Kosovo and the deployment of NATO forces to support peace. A similar event was held just following the financial year end, marking the 10th Anniversary of the end of combat operations by British Armed Forces in Afghanistan.

Our summer programme "Look Up" proved to be popular with visitors of all ages, offering an opportunity to pause, reflect and engage with remembrance themes whilst surrounded by nature. Over 5,000 visitors engaged with the activities on offer, including family opera performances.

Sustainability:
The Arboretum is custodian to 150 acres of green space and is committed to acting sustainably, having a positive impact on our environment and its ecology, and being an advocate for sustainable practices. We have already undertaken work to limit our negative impact on the environment via recycling and using locally sourced products and materials where possible and solar panels were installed in 2023. Our efforts in ensuring sustainability of our operations resulted in an Award for Excellence in Sustainability from the Greater Birmingham Chambers of Commerce in February 2024. Over the next five years we will continue to embed ethical and sustainable practices into our daily operations.

The Arboretum remains committed to growing its self-generated income sources to deliver against its strategic aims.

Financial Review

Income for the year was £4.7m (2023: £5.1m). The Arboretum is a free to enter site; its main sources of income are voluntary donations, grant funding and profits from its trading subsidiary NMA Enterprises Limited.

Grant funding totalling £2.6m was received from RBL, £2.3m being the annual Remembrance grant, funding day to day operations of the Arboretum (2023: £2.3m), and £0.3m relating to the D-Day 80 commemorations. No capital grants were received from RBL in the year (2023: £0.2m).

In addition, to the above, Grant in Aid funding from the Ministry of Defence was received for the ongoing maintenance of the Armed Forces Memorial, funds received in 2024 totalled £92,000 (2023: £138,000). The end of the National Lottery Heritage Fund project "Lockdown Landscapes" during the year resulted in an overall drop in grant income received. Funding received in year for the project totalled £27k (2023: £222k).

The main annual fundraising event of the year in October, "Ride to the Wall", proved to be very successful, generating £150k (2023: £140k) thanks to the high volumes of pre-registrations for the event and bespoke merchandise sales. Whilst we saw a drop off in on-site donations from visitors, a trend seen across other visitor attractions due to the cost of living crisis, this reduction has been countered somewhat by the public fundraising campaign for the Shot at Dawn Memorial attracting in excess of £50k of public donations, and £16k of donated materials.

Expenditure in the year was £5.1m (2023: £4.9m), a year-on-year increase of £0.2m, attributable to grant funded activity increasing in line with grants receivable.

The above resulted in a net decrease in funds of £0.5m (2023: increase of £0.2m).

Capital expenditure for the year was £0.1m (2023: £0.5m), and relates to the costs of securing planning permission for the final stage of the Queen's Green Canopy and woodland acquired by the Arboretum in 2022.

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The trading subsidiary, NMA (Enterprises) Limited, saw an increased surplus of £325k (2023: £64k) in the year resulting from increased visitor numbers and prices increases implemented to counter inflationary cost pressures. £220k of this surplus was received from NMA (Enterprise) during the financial year, with the balance of £123k paid in April 2025.

Reserves policy and going concern

As the Arboretum is part of the Royal British Legion group, its policy is to not seek to hold reserves as this leads to a duplication of reserves at a group level. A rolling 12 month 'letter of comfort' under which The Royal British Legion will continue to provide any financial support (either through the waiver of intercompany debt, the provision of further intercompany funds or equity) that may be required in order for the organisation to pay its liabilities as they fall due, has been in place for a number of years.

Total charity funds decreased by £0.5m to £23.6m at the end of the year (2023: £24.1m). Total charity funds comprise unrestricted funds of £20.8m (2023: £21.4m) and restricted funds of £2.8m (2023: £2.7m) including expendable endowment funds of £2m (2023: £1.9m).

Total unrestricted funds comprise designated funds of £19.7m (2023: £20.0m) and general funds of £1.1m (2023: £1.3m).

Designated funds represent the net book value of completed fixed assets relating to grounds and buildings and legacy income. As legacy income is difficult to predict and cannot be counted on to help fund day to day activities, any significant receipts are set aside to fund future development and engagement activity. The designated funds balance is reduced in year with depreciation outstripping fixed asset additions and legacy income.

Total restricted funds at the end of the year were £2.8m (2023: £2.7m). £2.0m (2023: £1.9m) relates to maintenance endowments for the maintenance and insurance for a number of specific memorials, including the Queen's Green Canopy. These funds are held in interest bearing deposit accounts, attracting interest of £95k during the year, with £91k on new endowments being received in the year in respect of both new, and existing memorials (2023: £0.2m). The remaining £0.8m of restricted funds includes £0.5m for the ongoing maintenance of the Armed Forces Memorial, future development of the site, including the final stage of the Queen's Green Canopy and maintenance and upkeep of the newly refurbished Shot at Dawn Memorial.

The continuing operation of the Arboretum is dependent on donations and grants from supporters, together with funding from The Royal British Legion to support day to day activity. Given the close operational relationship with The Royal British Legion, the letter of comfort in place and grant funding agreement in place, and the key role the Arboretum plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident that funding will be available to support the Arboretum's activities into the future. Reflecting on this, the Trustees have therefore prepared the accounts on a going concern basis.

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The National Memorial Arboretum Company Limited

Trustees' Annual Report (including the Strategic Report) (Continued)

Risk Management

The Trustees are responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage major risks to which the charity is exposed. The process in place regarding risk management and internal control includes the following:

- The risk analysis is reviewed by the management team and scrutinised quarterly by the Board of Trustees. The Trustees are satisfied that for risks identified a planned schedule of activity is being undertaken so the impact on the charitable company will be minimised should any of the risks materialise.
- Internal audit, which is provided to the group by a third party, undertake a programme of examinations, ensuring the effectiveness of risk management and controls.

The key risks and how they are managed are:

Principal risk	Mitigation
Fundraising and grant income does not meet targets.	- Progress against budget is assessed. - Financial support available from parent charity to meet funding gap.
Investment in new attractions does not increase visitor numbers.	- Prepare sound business cases prior to embarking on projects. - Increase advertising and marketing spend to create awareness.
Visitors are deterred from visiting due to site flooding and other extreme weather events.	- The website is kept up to date detailing any accessibility issues. The temporary exhibition programme should help preserve visitor numbers during periods of inclement weather and minor localised flooding. - Phase 1 of a programme of drainage improvements has been implemented to reduce the impact of flooding
Maintenance endowments given to cover repairs of memorials are not sufficient to cover costs.	- Funds are pooled to obtain best rates. - The Arboretum has a fundraising strategy with the primary objective of achieving growth in unrestricted income over the medium to long term.

The charitable company is not unduly exposed to price, credit, liquidity or foreign exchange risk.

The charitable company is included in The Royal British Legion's group insurance policy which provides a comprehensive package of insurance against foreseeable risks including public and product liability.

The charitable company is covered by insurance from loss arising from neglect or default of its Trustees, and to indemnify the Trustees against the consequences of neglect or default on their part.

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The National Memorial Arboretum Company Limited

Trustees' Annual Report (including the Strategic Report) (Continued)

Future developments

Next year, the Arboretum will:

- Further develop its plans to deliver the Remembrance for All Strategy as part of the RBL's Remembrance directorate.
- Host a programme of events and commemorative activity relating to the 80th anniversary of VE and VJ day.
- Undertake initial works in respect of the final stage of the Queen's Green Canopy and woodland extension , in order to make a material start to the projects within the timeframe of the planning permission granted. This will allow for full development of these sites once funding is secured.

Public benefit statement

In considering the operation, achievements, performance and finances of the charitable company the Trustees have given due regard to the public benefit guidance published by the Charity Commission.

Structure, governance and management

The Arboretum was incorporated in 1994 as a Private charitable company limited by guarantee not having a share capital and registered in 1995 as a charity with the main governing principles being contained in Memorandum and Articles of Association. The Arboretum has been part of The Royal British Legion (the RBL) family of charities since 2003. The RBL is the sole member of the company and controls the appointment of all Trustees.

The Board of Trustees consists of four Trustees appointed by the RBL with one Trustee appointed as chairman. Two of the Trustees are also on the Trustee board of the RBL, one Trustee is a member of the executive management team of the RBL with line management responsibility for the Arboretum, and the remaining one member is an independent Trustee with visitor attraction experience. Meetings of the Board of Trustees take place quarterly. In accordance with its Articles of Association a term of any Trustee's appointment cannot exceed three years, but a Trustee is eligible for reappointment for a further two terms and can be removed from office by the RBL at any time. Trustees are recruited through a variety of means, including open advertising. Training for all Trustees is provided through the RBL.

Responsibility for the day-to-day operations of the Arboretum has been delegated by the Managing Director to the National Memorial Arboretum Lead, who is supported by a management team, administrative support staff and a team of volunteers. The Managing Director has established an executive management structure for the Arboretum to undertake operational activities with a clearly defined management and reporting structure. The management team meets weekly to discuss operational issues and new initiatives and take any action as required.

The Arboretum has a subsidiary company, NMA (Enterprises) Limited, which carries out the trading activities of the charity, principally the operation of restaurant and café facilities, concessions and business functions.

The Managing Director is supported by the following boards and committees:

- Landscape and Memorials Committee – this committee reviews and agrees proposals for new memorials; and
- NMA Enterprises Board – the board of Arboretum's subsidiary company, NMA (Enterprises) Limited.

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Key management personnel remuneration policy

The key management personnel remuneration policy has been harmonised with that of the parent charity. Roles are initially evaluated at the group job evaluation committee, which uses the Hay System, and salaries are benchmarked with similar roles in the local area in order to attract the appropriate calibre of candidate. The charitable company then operates an annual appraisal scheme at which performance is assessed against set objectives. The annual pay award is set by the parent charity.

Equal opportunities

The company is an equal opportunities employer and is committed to a policy of employment based on aptitude and ability without discrimination of any kind.

Volunteers

The Trustees recognise the hard work contributed by staff, volunteers and the NMA friends who in many ways keep the site going. Active volunteers gave around 49,000 hours (2023: 45,000 hours) of invaluable help during the year. Volunteer activities include the provision of educational support for facilitated learning visits, guiding visitors around the site, and grounds maintenance which equates approximately to an additional 30 full time staff. The contribution is recognised by all who visit the site and many visitors write to express thanks for the way volunteers help with their visit and comment on the pride the volunteers take in all they do.

Fundraising

As a location-based charity the Arboretum does not have a national network of fundraisers or agents acting on its behalf. The majority of fundraising is derived directly from on-site activities and donation boxes. In addition, up to 2 direct mail campaigns may be undertaken per annum to registered supporters and applications are made to grant funders for specific initiatives to further charitable objectives. To date we have not received any complaints regarding fundraising activity. We endeavour to ensure our fundraising activity is not overly obtrusive or put anyone under undue pressure to donate.

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The National Memorial Arboretum Company Limited

Trustees' responsibilities statement

The Trustees (who are also Directors of The National Memorial Arboretum Company Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report, incorporating the Director's report and including the Strategic Report, was approved by the Board of Trustees at their meeting on 21 March 2025 and signed on its behalf by:

Signed by:
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Anny R Reid
Chair of Trustees
30-Apr-25

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The National Memorial Arboretum Company Limited

Independent auditor's report to the members of The National Memorial Arboretum Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The National Memorial Arboretum Company Limited (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the charitable company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included Charity Commission for England and Wales (Charity Commission) regulations and Fundraising regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- revenue recognition, which is related to the completeness of grant income due to the added complications present in determining fulfilment of recognition criteria: we performed detailed substantive tests on grant income including from a reciprocal population and agreeing it to supporting documentation to confirm the income was complete.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Wright

…….....

Nicola Wright, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom

Date: 30 April 2025

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The National Memorial Arboretum Company Limited

Statement of financial activities (incorporating the income and expenditure account)

Year ended 30 September 2024

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023 [1]
		£'000	£'000	£'000	£'000	£'000
Income and Endowments from:						
Donations and Legacies	3	2,882	508	91	3,481	3,997
Charitable Activities	4	769	-	-	769	705
Other Trading Activities		50	-	-	50	41
Investments:						
Net income from Trading Subsidiary	5	220	-	-	220	250
Bank interest	6	35	20	95	150	78
Total income		**3,956**	**528**	**186**	**4,670**	**5,071**
Expenditure on:						
Raising Funds	7	862	-	-	862	787
Charitable activities	8	3,720	460	97	4,277	4,134
Total expenditure		**4,582**	**460**	**97**	**5,139**	**4,921**
Net (expenditure)/ income for the year		**(626)**	**68**	**89**	**(469)**	**150**
Transfer between funds	20	81	(81)	-	-	-
Net Movement in Funds		**(545)**	**(13)**	**89**	**(469)**	**150**
Reconciliation of funds:						
Total funds brought forward		21,360	793	1,925	24,078	23,928
Net movement in funds for the year		(545)	(13)	89	(469)	150
Total funds carried forward		**20,815**	**780**	**2,014**	**23,609**	**24,078**

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

[1] See note 19 for 2023 detailed Statement of Financial Activities

The notes on pages 18-33 form part of these accounts.

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The National Memorial Arboretum Company Limited

Balance Sheet

As at 30 September 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	14	19,547	20,025
Heritage assets	15	403	403
Fixed asset investments	16	-	-
Total fixed assets		19,950	20,428
Current assets			
Debtors	17	609	794
Cash at bank and in hand		3,573	3,306
Total current assets		4,182	4,100
Liabilities:			
Creditors: amounts falling due within one year	18	(523)	(450)
Net current assets		**3,659**	**3,650**
Total net assets, being total assets less current liabilities		23,609	24,078
Funds			
General Funds	20	1,090	1,345
Designated Funds	20	19,725	20,015
Restricted Funds	20	780	793
Expendable Endowment Funds	20	2,014	1,925
Total funds		**23,609**	**24,078**

The financial statements of The National Memorial Arboretum Company Limited, were approved and authorised for issue by the Board of Trustees at their meeting on 21 March 2025, and signed on behalf of the Board of Trustees by

Signed by:
3DF4721A98EA4C7...

Anny R Reid (chair)
Trustee
Date: 30 April 2025

Company Registration No. 02927443
The notes on pages 18-33 form part of these accounts.

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The National Memorial Arboretum Company Limited

Cash flow statement

For the year ended 30 September 2024

	Note	2024 £'000	2023 [2] £'000
Net cash provided by operating activities	26	106	103
Cash flows from investing activities			
Interest receivable		150	78
Purchase / gifts of property, plant and equipment		(64)	(534)
Purchase of heritage assets		-	(55)
Net cash provided by / (used in) investing activities		**86**	**(511)**
Cash flows from financing activities			
Interest element of finance lease payments		(1)	(1)
Repayment of finance leases		(15)	(21)
Donations of endowment		91	317
Net cash provided by /(used in) financing activities		**75**	**295**
Net increase /(decrease) in cash and cash equivalents		267	(113)
Cash and cash equivalents at the beginning of the year		3,306	3,419
Cash and cash equivalents at the end of the year		**3,573**	**3,306**

There are no cash equivalents, therefore cash and cash equivalents comprise cash at bank and in hand.

[2] The prior year comparative figures have been restated to reflect donations of endownment under finance activities. See note 26 which has also been restated.

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The National Memorial Arboretum Company Limited

Notes to the financial statements

Year ended 30 September 2024

1 Accounting policies

Company and Charitable Status

The National Memorial Arboretum Company Limited, a public benefit entity, is incorporated in England and Wales as a private company limited by guarantee not having any share capital. There are currently five Trustees who are also members of the charitable company. Each member has undertaken to contribute to the assets in the event of a winding up a sum not exceeding £10. The charitable company is registered with the Charity Commission for England and Wales. The registered office is given on page 1.

Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (SORP 2019); and the Companies Act 2006.

The principal accounting policies are set out below:

Basis of Preparation

Under section 401 of the Companies Act the charitable company is exempt from preparing consolidated accounts. The results presented therefore represent the accounts of the charitable company; The National Memorial Arboretum Company Ltd. The results of the National Memorial Arboretum group including NMA Enterprises Limited are included in the accounts of the ultimate parent charity – The Royal British Legion which are publicly available.

Going concern

The accounts have been prepared on a going concern basis as set out on page 6 of the Trustees' Report. Performance during 2024 has continued to be impacted by the cost of living concerns, although to a lesser extent than previous years, with a recovery in both visitor numbers and surplus from trading activities. The Trustees have considered the Charity's financial position, capital and forecast and support available from the parent charity. Given the close operational relationship with The Royal British Legion, the letter of comfort in place, the funding supplied for the Remembrance Centre and the Aspects building , and the key role the Arboretum now plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident in the ongoing support of the Legion in funding the Arboretum.

Income

Income is recognised when the charitable company has entitlement to funds, performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations including amounts received for fixed assets are recognised immediately on receipt. The only exception to this is where there are predetermined conditions to be met, in these instances income is recognised once the required conditions have been met in full.

Grant income is recognised on written confirmation of the grant once any inherent performance related conditions of the grant have been met in full.

Legacy receipts are recognised when it is probable it will be received. This is deemed when:

- there has been a grant of probate;
- the executors have determined there are sufficient assets in the estate; and
- conditions attached to the legacy or within the control of the charity have been met.

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1 Accounting policies (continued)

Interest receivable relates to interest on bank deposits and current accounts, under the terms of FRS102 this does not require adjustment using the effective interest rate method laid down by the standard, as the rate receivable is deemed to reflect the effective interest rate applicable.

Donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have paid to obtain services or facilities for equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised on an accruals basis.

In accordance with the Charities SORP (FRS 102) due to the extremely wide variety of skills provided to the Arboretum by its volunteers, it is not possible to quantify the value, consequently no income is recognised in respect of general volunteer time received - information on volunteer contributions is disclosed in the Trustees' Report on page 9.

Expenditure

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

Raising funds – includes costs incurred in generating fundraising income, advertising, and direct mail.

Charitable activities – includes direct costs of operating the charity (including staff costs) and maintaining the grounds and memorials along with the costs of commemorative events held in furtherance of the charitable objectives.

Support costs – are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, premises costs and governance costs. These costs are allocated between the cost of raising funds and expenditure on charitable activities. The bases of cost allocation are set out in note 9.

Fund Accounting

The charitable company holds the following funds:

Restricted funds represent grants, donations, legacies and appeal monies received which are allocated in accordance with the donors instructions for specific purposes and are expendable only in accordance with the donor's wishes.

Designated funds represent funds set aside for the net book value of completed fixed assets relating to grounds, buildings and supporting infrastructure.

General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company.

Maintenance endowments are expended in line with the terms of their respective donation agreements.

Taxation

The charitable company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax; however all profits are paid to the charitable company by way of gift aid.

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1 Accounting policies (continued)

Tangible fixed assets and depreciation

i) Tangible assets

Tangible Assets are included at acquisition cost less depreciation. The capitalisation threshold is £20,000. Land held on long-term lease and landscaping costs to bring the grounds into use are not depreciated. Generally, depreciation is provided on other tangible fixed assets at rates calculated on a straight-line basis over their expected useful lives, the only exception to this is grounds equipment purchased during the 2020 financial year which is depreciated over the term of the Hire purchase/finance lease of 4 years.

Long leasehold and ground improvements	Long leasehold land and initial landscaping - not depreciated Ground improvements and drainage - 6.67% Roadways and paths - 8.33%
Heritage assets	Not depreciated
Visitor facilities and fixtures	Building and fixtures 2% Solar Panels 5% Grounds Equipment under Finance lease 25% Catering Equipment 20%
Office equipment	Office equipment 20%

Depreciation is not provided until an asset is brought into use. Depreciation is then charged over the asset's economic life based on the percentages above as appropriate. Depreciation is not charged in the year of disposal but is included in the profit/loss on disposal calculation.

Capital projects with a life of more than 1 year are managed via a capital work in progress account. Projects are transferred to fixed assets and depreciated over their economic life once they come into use.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any costs of sale and its value in use.

Where appropriate gifted land or other property is valued by a RICS qualified surveyor at the market rate prevailing at the point the asset is transferred to the Arboretum.

ii) Heritage assets

The charitable company has capitalised trees held on site for Remembrance value within the financial statements. The trees are managed as part of the Arboretum ensuring that they are accessible to the public in line with the objectives of the charitable company.

Trees are included at cost as the Trustees deem a valuation policy to be inappropriate. The trees are deemed to have indeterminable lives as they are preserved through ongoing maintenance of the Arboretum and the Trustees do not therefore consider it appropriate to charge depreciation. However, a review for impairment is carried out on an ongoing basis and in the case of any damage, for example as a result of a severe storm or disease, the value of the trees will be adjusted and the impairment recognised in the Statement of Financial Activities.

The Armed Forces Memorial (AFM) is included as a Heritage Asset. Given the significant repairs required to the AFM on acquisition from the Armed Forces Memorial Trust in 2015, and the cost of ascertaining a definitive value through a surveyor's valuation significantly outweighing any benefit gained due to the unique nature of the asset, the AFM is included in the accounts at the nominal value of £1.

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1 Accounting policies (continued)

iii) Memorials

Under the current policy issued in 2010 new memorials are built by the commissioning organisation/association who retain ownership. Memorial holders are requested to either pay an annual maintenance charge for the upkeep of the grounds surrounding their memorial or make an upfront maintenance endowment to facilitate the 'lifetime' maintenance of their memorial in the event their organisation should cease to exist in the future. These are regarded as expendable endowments and the capital can be used to fund ongoing maintenance costs. All funds received for annual maintenance are included in the tree plaques, benches and paviors income category under income from charitable activities. Lump sum maintenance endowments are recognised under voluntary income and any subsequent expenditure is shown in the cost of charitable activities (endowment).

Prior to the introduction of the policy in 2011, any donations received for memorial construction were credited to income from charitable activities and any unspent balance transferred to endowment funds. These remaining balances will be used to cover maintenance on the specific memorials in the future.

Employee Benefits

The charitable company operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension contributions and other retirement benefits is the contributions payable in the year. The difference between this and contributions actually paid is shown as either accruals or prepayments in the balance sheet. All costs relate to unrestricted activities.

Financial Instruments

The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially valued at transaction value and subsequently measured at their settlement value as follows:

Trade and other debtors are recognised at the settlement amount after any discounts offered. Cash and cash equivalents include cash and other short-term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount to settle the obligation can be measured reliably. Creditors and provisions are recognised at their settlement value after allowing for trade discounts due.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider that there are any critical judgements or sources of estimation uncertainty requiring disclosure that are not already disclosed above.

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3 Analysis of Income from donations and legacies

	Unrestricted £'000	Restricted £'000	Endowments £'000	2024 £'000	2023 £'000
Donations	384	51	91	**526**	937
Gifts in kind	-	16	-	**16**	-
Legacies	188	-	-	**188**	154
General grants	2,310	441	-	**2,751**	2,906
Total	**2,882**	**508**	**91**	**3,481**	**3,997**

3a General grants comprise the following:

	2024 £'000	2023 £'000
Grant in Aid - Armed Forces Memorial	92	138
The Royal British Legion - Remembrance	2,300	2,300
The Royal British Legion - Queens Green Canopy	-	200
The Royal British Legion - DDay 80	304	-
National Lottery Heritage Fund	27	222
Memorial Grant Scheme	6	6
Lichfield District Council - Changing Places	-	32
Other grants	22	8
Total	**2,751**	**2,906**

Income from general grants includes non-performance-related grants, of which £92,000 are government grants (2023: £138,000). This relates to Grant in Aid funding from the Ministry of Defence. There were no unfulfilled conditions or other contingencies relating to government grant income recognised in the year.

4 Analysis of income from charitable activities

This note provides an analysis of activities specifically undertaken to generate income for the charity. It includes performance related grants for Armed Forces Day and other commemorative activity, primary purpose trading in the form of tree plaque, inscribed paviors, annual maintenance of plots and memorials and the recharge of overhead expenses to the Arboretum's trading subsidiary NMA (Enterprises) Limited.

	2024 £'000	2023 £'000
Performance related grants	10	10
Car park	317	289
Learning Services	48	40
NMA (Enterprises) overhead recharge	306	278
Tree plaques / benches/ annual maintenance	86	85
Other	2	3
Total	**769**	**705**

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5 Net income from Trading Subsidiary

The charitable company has a trading subsidiary NMA (Enterprises) Limited, which is a private company registered in England and Wales, of which the registered office is given on page 1. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies. NMA (Enterprises) Limited primarily carries out the operation of a retail shop, restaurant and functions.

	2024	2023
	£'000	£'000
Turnover	3,133	2,926
Cost of sales	(2,405)	(2,374)
Gross profit	**728**	**552**
Administrative expenses	(458)	(489)
Operating profit before taxation	**270**	**63**
Other income	55	1
Profit before taxation	**325**	**64**
Taxation		
Profit and total comprehensive income for the year	**325**	**64**
Retained earnings brought forward	18	204
Payment to parent charity under the gift aid scheme	(220)	(250)
Retained surplus for the year	123	18
Retained surplus carried forward	123	18
Assets	803	688
Liabilities	(680)	(670)
Net assets	**123**	**18**

6 Analysis of income from investments

	2024	2023
	£'000	£'000
Gifted from NMA (Enterprises)	220	250
Bank interest	150	78
Total	**370**	**328**

7 Analysis of expenditure on raising funds

	Direct Costs 2024	Support Costs 2024	Total 2024	Direct Costs 2023	Support Costs 2023	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Raising donations, grants & legacies	55	23	**78**	17	31	**48**
Advertising, marketing & direct mail	644	140	**784**	604	135	**739**
Total	**699**	**163**	**862**	**621**	**166**	**787**

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8 Analysis of expenditure on charitable activities

	Direct costs 2024	Support Costs 2024	Total 2024	Direct Costs 2023	Support Costs 2023	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Commemorative events	719	140	**859**	439	117	**556**
Grounds & memorial upkeep	511	210	**721**	512	249	**761**
Visitor operations	873	1,518	**2,391**	1,112	1,427	**2,539**
NMA (Enterprises) recharge	-	306	**306**	-	278	**278**
Total	**2,103**	**2,174**	**4,277**	**2,063**	**2,071**	**4,134**

9 Analysis of support costs

	Raising funds 2024	Commemora-tive events 2024	Grounds & memorials 2024	Visitor operations 2024	Recharged to NMA enterprises 2024	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Governance	13	12	17	85	-	**127**
Central Management	33	28	43	220	126	**450**
Administration	29	25	37	180	-	**271**
Premises	88	75	113	552	117	**945**
Depreciation	-	-	-	479	63	**542**
Legal & Professional	-	-	-	2	-	**2**
Total	**163**	**140**	**210**	**1,518**	**306**	**2,337**

2023 Comparative Analysis of support costs

	Raising funds 2023	Commemora-tive events 2023	Grounds & memorials 2023	Visitor operations 2023	Recharged to NMA enterprises 2023	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Governance	12	9	19	71	-	**111**
Central Management	34	24	51	190	123	**422**
Administration	30	21	45	172	2	**270**
Premises	87	61	131	497	107	**883**
Depreciation	-	-	-	483	46	**529**
Legal & Professional	3	2	3	14	-	**22**
Total	**166**	**117**	**249**	**1,427**	**278**	**2,237**

Costs are allocated according to employee headcount for each activity, with the exception of depreciation which is apportioned according to usage of assets.

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10 Net income for the year

	2024	2023
Income is after charging:	**£'000**	**£'000**
Depreciation of owned assets	542	529
Auditor remuneration : Fees payable to the charitable company's auditor for audit of the financial statements	30	28

11 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

The average number of employees was:

	2024	2023
	No.	**No.**
Raising funds	7	5
Charitable operations	39	42
Support	10	10
Total	**56**	**57**

Their aggregate remuneration comprised:

	2024	2023
	£'000	**£'000**
Wages and salaries	1,422	1,380
Social Security costs	123	119
Pension costs	142	139
Total	**1,687**	**1,638**

During the year no severance payments were made (2023:nil).

The number of employees whose emoluments excluding pension contributions but including benefits in kind were in excess of £60,000 was:

	2024	2023
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
Total	1	1

The total remuneration (including pension contributions but excluding employer's National Insurance Contributions) of the key management personnel of the charity for the year totalled £440,000 (2023: £450,000). Total employer's NIC paid in respect of key management personnel totalled £45,000 (2023: £47,000).

Trustees' remuneration

No Trustees received remuneration during the current or prior year and no expenses were paid to any Trustees during 2024 for expenses (2023: nil).

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12 Taxation

The activities of the charitable company are exempt from corporation tax. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax; however all profits are paid to the charitable company by way of gift aid therefore no tax liability will arise.

13 Irrecoverable VAT

The charitable company was unable to recover £182,000 of VAT for the 2024 financial year (2023: £205,000). This has been allocated back to the individual expenditure categories to which it relates.

14 Tangible fixed assets

	Long Leasehold and Ground Improvements	Visitor Facilities and Fixtures	Office Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 October 2023	2,520	22,175	25	429	**25,149**
Additions	-	-	-	64	**64**
Transfers	1	-	-	(1)	**-**
At 30 September 2024	**2,521**	**22,175**	**25**	**492**	**25,213**
Accumulated Depreciation:					
At 1 October 2023	1,412	3,687	25	-	**5,124**
Charge for the year	34	508	-	-	**542**
At 30 September 2024	**1,446**	**4,195**	**25**	**-**	**5,666**
Net Book Value:					
At 30 September 2024	**1,075**	**17,980**	**-**	**492**	**19,547**
At 30 September 2023	**1,108**	**18,488**	**-**	**429**	**20,025**

In 1994 the Arboretum site of 152 acres was gifted by Tarmac Plc on a 999-year lease at a peppercorn rent. Included in the cost of the long leasehold land is land with an ascribed value of £120,000 and landscaping costs to bring the grounds into use at £827,000 which is not depreciated. Further land was gifted to the Arboretum in 2022 with an ascribed value of £178,000. Costs associated with the development of this land will be recognised at cost value as and when works are undertaken.

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15 Heritage assets

Basis of capitalisation	Trees At cost £'000	Total £'000
Carrying amount at 1 October 2023	403	403
Carrying amount at 30 September 2024	**403**	**403**

	2024	2023	2022	2021	2020
Purchases:					
Trees	**-**	**55**	**-**	**-**	**-**
Total Additions	**-**	**55**	**-**	**-**	**-**

Trees are an inherent part of the Arboretum and have been designated Heritage Assets and are not depreciated as described in note 1. These trees are included at cost as the majority have been selected for their symbolic meaning rather than from an arboreal collection perspective. The trees were originally planted as saplings and are now quite mature specimens. In the Trustees' opinion no provision for impairment is required at this time.

The Armed Forces Memorial is included in the accounts at a deemed cost of £1. This reflects the dilapidated state in which the memorial was transferred to the Arboretum in 2015. The cost of ascertaining a value for the memorial through a surveyor's valuation significantly outweighs any benefit that will be derived by the organisation. Ongoing repairs and maintenance costs to the memorial were expensed in the year.

16 Fixed asset investments

The Trustees of the charitable company own the entire issued share capital of two ordinary shares of £1 each at a cost of £2 of NMA (Enterprises) Limited. During the year NMA (Enterprises) Limited gift aided £220,000 profit to the Arboretum (2023: £250,000) and at the end of the year had aggregate reserves of £123,000 (2023: £18,000).

17 Debtors

	2024 £'000	2023 £'000
Trade debtors	49	73
Amounts owed by subsidiary undertaking	233	377
Amount owed by parent	154	-
Prepayments and accrued income	120	344
VAT reclaimable	53	-
Total	**609**	**794**

Amounts owed by the subsidiary undertaking are non-interest bearing and payable on demand.

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18 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	226	138
Amount owed to parent	61	2
HMRC - PAYE and NI	45	47
VAT creditor	-	59
Hire purchase/ finance lease	-	15
Accruals and deferred income	191	189
Total	**523**	**450**

The amounts owed to and from parent undertaking are non-interest bearing and repayable on demand.

19 Comparative statement of financial activities

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2023 £'000
Income and Endowments from:					
Donations and Legacies	3	2,869	811	317	3,997
Charitable Activities	4	695	10	-	705
Other Trading Activities		41	-	-	41
Investments:					
Net income from Trading	5	250	-	-	250
Bank interest	6	6	6	66	78
Total income		**3,861**	**827**	**383**	**5,071**
Expenditure on:					
Raising Funds	7	787	-	-	787
Charitable activities	8	3,614	441	79	4,134
Total expenditure		**4,401**	**441**	**79**	**4,921**
Net (expenditure) / income for the year		**(540)**	**386**	**304**	**150**
Transfer between funds	20	305	(305)	-	-
Net Movement in Funds		**(235)**	**81**	**304**	**150**
Reconciliation of funds:					
Total funds brought forward		21,595	712	1,621	23,928
Net movement in funds for the year		(235)	81	304	150
Retained earnings carried forward		**21,360**	**793**	**1,925**	**24,078**

Docusign Envelope ID: CBF5F64E-6F9A-4ED6-95EF-71319584BB0B

20 Movements on funds

	At 1 October 2023	Income	Expenditure	Transfers	At 30 September 2024
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds:					
General Fund	**1,345**	**3,768**	**(4,040)**	**17**	**1,090**
Designated Funds:					
Fixed assets	19,596	-	(542)	64	**19,118**
Development and Engagement	419	188	**-**	**-**	**607**
Designated Funds Total	**20,015**	**188**	**(542)**	**64**	**19,725**
Total Unrestricted Funds	**21,360**	**3,956**	**(4,582)**	**81**	**20,815**
Expendable endowments:					
NMA Memorials & Buildings	732	126	(39)	-	**819**
Basra Wall	28	1	(1)	-	**28**
Army Apprentices	38	2	(1)	-	**39**
Durham Light Infantry	15	1	(1)	-	**15**
British Korean Veterans	27	1	(2)	-	**26**
Polish Ex-Combatants	45	2	(3)	-	**44**
Royal Ulster Constabulary	27	2	(2)	-	**27**
Bastion Memorial	47	2	(1)	-	**48**
Royal Engineers	84	4	(1)	-	**87**
Police Service Northern Ireland	27	1	(2)	-	**26**
Victims of overseas terrorism	41	2	(1)	-	**42**
Heroes' Square garden maintenance	93	5	(8)	-	**90**
Royal Electrical & Mechanical Engineers	29	2	(2)	-	**29**
Devon & Dorset Regiment	17	1	(1)	-	**17**
Queens Lancashire Regiment	25	2	(1)	-	**26**
Guards Parachute Association	24	1	(1)	-	**24**
The Blues and Royals	24	1	(1)	-	**24**
Wrens	36	2	(2)	-	**36**
Royal Military Police	19	1	(1)	-	**19**
Scouts	27	1	(1)	-	**27**
National Mining Memorial	26	1	(1)	-	**26**
RBL Remembrance Glade	23	1	(1)	-	**23**
Royal Army Medical Corp	53	3	(3)	-	**53**
Post Office	56	3	(3)	-	**56**
Army Air Corp	38	2	(2)	-	**38**
Desert Rats	20	1	(1)	-	**20**
Royal Artillery	31	2	(2)	-	**31**
Submariners	84	4	(4)	-	**84**
41 Club	28	1	(1)	-	**28**
Household Division	21	1	-	-	**22**
RLC	37	2	(2)	-	**37**
Queen's Green Canopy	103	5	(5)	-	**103**
Total Expendable endowments	**1,925**	**186**	**(97)**	**-**	**2,014**

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20 Movement of funds (continued)

Restricted Funds

	At 1 October 2023	Income	Expenditure	Transfers	At 30 September 2024
	£'000	£'000	£'000	£'000	£'000
AFM	**484**	119	(93)	-	**510**
Remembrance Centre	**130**	-	-	-	**130**
Functions Pavilion	**34**	-	-	-	**34**
Memorial Woodland/ Queens Green Canopy	**145**	1	-	(64)	**82**
NLHF	**-**	27	(20)	(7)	**-**
Shot at Dawn fundraiser	**-**	66	(42)	**-**	**24**
D-Day 80	**-**	304	(304)	**-**	**-**
Other funds received & fully utilised in year	**-**	11	(1)	(10)	**-**
Total Restricted Funds	**793**	**528**	**(460)**	**(81)**	**780**
Total Charity funds	**24,078**	**4,670**	**(5,139)**	**-**	**23,609**

Separate funds are held for the following purposes:

• Expendable endowments - a number of memorial holders gift monies to the Arboretum for the ongoing maintenance and upkeep of their memorial which is critical to the longevity of the Arboretum as the number of memorials increases. Due to the significant increase in take up of the scheme only endowments of over £20,000 are separately disclosed all others are included under the NMA memorials and building category.

• AFM - funds for the general upkeep of the memorial.

• Remembrance Centre Appeal - monies received and costs incurred relating to the visitor centre.

• Functions Pavilion - funding received from the parent charity to progress the development of functions pavilion to host the 250 Remembrance functions which take place on site per annum.

• Memorial woodland/Queens Green Canopy - funding received and expended relating to the expansion of the NMA into the new land gifted to the Arboretum by Tarmac and the Leavesley family in 2022.

• NHLF- Funding from the National Lottery Heritage fund for the Lockdown landscapes project. A partnership project with the National Forest Company and Westminster Abbey.

• D-Day 80 - funding was received and allocated for two main purposes: £285,000 for the D-Day 80 Remembrance Event at the National Memorial Arboretum, and £25,000 for the Legacies of D-Day Exhibition, also held at the NMA. There was a £6,000 underspend of the Grant, which is to be paid back to The Royal British Legion, hence only £304,000 total income recognised.

Note: Expenditure of restricted funds for items which are subsequently capitalised will result in a transfer from restricted to unrestricted funds as the items capitalised are subsequently used for general purposes.

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21 Comparative movement on funds

	At 1 October 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 30 September 2023 £'000
Unrestricted Funds:					
General Fund	**1,632**	**3,721**	**(3,872)**	**(136)**	**1,345**
Designated Funds					
Fixed assets	19,684	-	(529)	441	**19,596**
Development and Engagement	279	140	**-**	**-**	**419**
Designated Funds Total	**19,963**	**140**	**(529)**	**441**	**20,015**
Total Unrestricted Funds	**21,595**	**3,861**	**(4,401)**	**305**	**21,360**
Expendable endowments:					
NMA Memorials & Buildings	577	183	(28)	-	**732**
Basra Wall	28	1	(1)	-	**28**
Army Apprentices	37	1	-	-	**38**
Durham Light Infantry	15	1	(1)	-	**15**
British Korean Veterans	28	1	(2)	-	**27**
Polish Ex-Combatants	46	2	(3)	-	**45**
Royal Ulster Constabulary	28	1	(2)	-	**27**
Bastion Memorial	46	2	(1)	-	**47**
Royal Engineers	82	3	(1)	-	**84**
Police Service Northern Ireland	28	1	(2)	-	**27**
Victims of overseas terrorism	41	1	(1)	-	**41**
Heroes' Square garden maintenance	97	3	(7)	-	**93**
Royal Electrical & Mechanical Engineers	30	1	(2)	-	**29**
Devon & Dorset Regiment	18	1	(2)	-	**17**
Queens Lancashire Regiment	25	1	(1)	-	**25**
Guards Parachute Association	24	1	(1)	-	**24**
The Blues and Royals	24	1	(1)	-	**24**
Wrens	36	2	(2)	-	**36**
Royal Military Police	20	1	(2)	-	**19**
Scouts	27	1	(1)	-	**27**
National Mining Memorial	26	1	(1)	-	**26**
RBL Remembrance Glade	23	1	(1)	-	**23**
Royal Army Medical Corp	54	2	(3)	-	**53**
Post Office	57	2	(3)	-	**56**
Army Air Corp	39	1	(2)	-	**38**
Desert Rats	20	1	(1)	-	**20**
Royal Artillery	31	1	(1)	-	**31**
Submariners	85	3	(4)	-	**84**
41 Club	29	1	(2)	-	**28**
Household Division	-	21	-	-	**21**
RLC	-	37	-	-	**37**
Queen's Green Canopy	-	103	-	-	**103**
Total Expendable endowments	**1,621**	**383**	**(79)**	**-**	**1,925**

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21 Comparative movement on funds (continued)

Restricted Funds					
AFM	**488**	152	(156)	-	**484**
Remembrance Centre	**130**	-	-	-	**130**
Functions Pavilion	**34**	-	-	-	**34**
Memorial Woodland/ Queens Green Canopy	**60**	400	-	(315)	**145**
NLHF	**-**	222	(232)	10	
Other funds received & fully utilised in year	**-**	53	(53)	**-**	**-**
Total Restricted Funds	**712**	**827**	**(441)**	**(305)**	**793**
Total Charity funds	**23,928**	**5,071**	**(4,921)**	**-**	**24,078**

22 Analysis of assets and liabilities between funds

	Unrestricted Funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2024 £'000
Fixed assets	832	19,118	-	-	**19,950**
Current assets	781	607	780	2,014	**4,182**
Current liabilities	(523)	-	-	-	**(523)**
Total	**1,090**	**19,725**	**780**	**2,014**	**23,609**

23 Comparative analysis of assets and liabilities between funds

	Unrestricted Funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000
Fixed assets	832	19,596	-	-	**20,428**
Current assets	963	419	793	1,925	**4,100**
Current liabilities	(457)	-	-	-	**(457)**
Total	**1,338**	**20,015**	**793**	**1,925**	**24,071**

24 Employee retirement benefits

The charitable company operates a defined contribution scheme for all qualifying employees. The charitable company's contribution to the scheme in the year was £142,000 (2023: £139,000). Outstanding amounts to be paid into the scheme at the year-end were nil (2023: £nil).

25 Related party transactions

The charitable company received payment of £306,000 (2023: £278,000) from NMA (Enterprises) to cover the cost of operational overheads incurred on its behalf.

Payments totalling £220,000 were received from NMA Enterprises under gift aid during the year, £18,000 relating to 2023 surplus and a payment on account of £202,000 relating to the to 2024 surplus (2023: £250,000).

The company received a general remembrance grant of £2,300,000 (2023: £2,300,000) from its parent charity the Royal British Legion and a further £310,000 towards Dday-80 commemorations. (2023: £200,000 was received for strategic developments).

No Trustee received payment for professional services or other services provided to the charity during the year (2023: £nil).

There were no donations received from Trustees during the year (2023: £nil).

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26 Cash flow statement

a) Reconciliation of net income to cash generated by operations

	2024	2023
	£'000	£'000
Net (expenditure) / income for the year	(469)	150
Adjustments for:		
Interest receivable	(150)	(78)
Interest payable	1	1
Depreciation charges	542	529
Donations of endowment	(91)	(317)
Operating cash flow before movement in working capital	**(167)**	**285**
Decrease in debtors	**185**	**37**
Increase / (decrease) in creditors	**88**	**(219)**
Cash generated by operating activities	**106**	**103**

b) Analysis of Cash and cash equivalents

	2024	2023
	£'000	£'000
Instant access working capital	339	196
Notice deposits	275	266
Other cash balances	2,959	2,844
	3,573	**3,306**

c) Analysis of change in net debt

	At 1 October 2023	Cash-flows	At 30 September 2024
	£'000	£'000	£'000
Cash	3,306	267	**3,573**
Finance leases	(15)	15	**-**
Total	**3,291**	**282**	**3,573**

27 Ultimate parent undertaking

The Royal British Legion (Registered Charity number 219279) is the charitable company's immediate and ultimate parent undertaking and ultimate controlling party. The parent undertaking of the smallest and largest group which includes the company for which the group accounts are prepared is The Royal British Legion. The consolidated financial statements of The Royal British Legion can be obtained from the charity's registered office at 199 Borough High Street London, SE1 1AA. The accounts of the Arboretum's trading subsidiary NMA Enterprises Limited (Company number 04259701) can be obtained from Companies House.

28 Post balance sheet event

On 3rd April 2025 £123,000 was received from NMA Enterprises under gift aid, being the remaining surplus relating to the 2024 financial year. (2023: the remaining surplus of £18,000 from the 2023 financial year was paid 20th December 2023)

THE NATIONAL MEMORIAL ARBORETUM COMPANY LIMITED

England & Wales - Charity number 1043992

Accounts

Company Registration No. 02927443
Registered Charity No. 1043992



The National Memorial Arboretum Company Limited
Annual Report and Financial Statements

Year ended 30 September 2023



A member of The Royal British Legion family of charities

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The National Memorial Arboretum Company Limited
Registered Company number 02927443

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Anny R Reid - Chair
Rod Bedford (until 24 March 2023)
Andrew Farquhar (until 29 September 2023)
Kate Logan
Gary Ryan
Patsy Wilkinson

COMPANY SECRETARY

Luke Joannou

PRINCIPAL OFFICERS – Key Management Personnel

Philippa Rawlinson	Managing Director, RBL Director of Remembrance
Lorna Price	Head of Finance (until 27 October 2023)
Flora Smyth	Head of Finance (from 2 October 2023)
Mark Ellis	National Memorial Arboretum Lead
Maria Howes	Head of Marketing & Business Development
Neill Martin-Hoare	Head of Events
Mark Alexander	Head of Visitor Experience
Adrian Thickett	Head of Business Support Services (until 22 December 2023)
Andy Ansell	Head of Estates
Rachel Smith	Head of Participation and Learning

BANKERS

Lloyds Commercial
Public and Community Sector
3rd Floor, Gresham Street
London
EC2V 8EH

HSBC Bank plc
49 Market Street
Lichfield
Staffordshire
WS13 6LB

AUDITOR

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

REGISTERED AND PRINCIPAL OFFICE

Croxall Road
Alrewas
Staffordshire
DE13 7AR

Charity Registration Number: 1043992

Company Registration Number: 02927443

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

The Trustees, who are also Directors of the charitable company, present their annual report, which incorporates a strategic report, and audited financial statements for the year ended 30 September 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The reference and administrative details on page 1 form part of this report.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The National Memorial Arboretum Company Limited (Arboretum) is a member of the Royal British Legion family of charities, which is the UK's national custodian of Remembrance; supporting and delivering nationwide events through its network of branches, members and volunteers and locally in communities across the country. The Arboretum is the United Kingdom's year-round centre for Remembrance in the heart of our country; a spiritually uplifting place which honours those who have fallen in the service of their country, recognising their service, suffering and sacrifice. The Arboretum's award-winning Remembrance Centre has now been open for 7 years and through its accompanying programme of activity, partially funded by the Heritage Lottery Fund, has been successful in widening the Arboretum's reach to new audiences and engaging them with Remembrance. In the last twelve months the Arboretum's strategic approach has further built on the many achievements to date and the refreshed vision developed in 2020:

'To be the nation's year-round place to Remember, an inspirational world-class setting freely open to all.'

This is central to the charity's core charitable objective of championing Remembrance and promoting its observance and participation. Also, as a year-round space to celebrate lives lived and commemorate lives lost, we will ensure the baton of remembrance is passed on to future generations.

The Arboretum's specific charitable objectives as set out in the Memorandum and Articles of Association are to:

- promote an appreciation by the public of the role of the armed forces of the Crown by providing and maintaining the Arboretum as a public memorial to commemorate and remember those who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service of the public;
- relieve the distress and suffering of those who are bereaved; and
- educate the public and personnel of the armed forces of the Crown in citizenship, military history, the effects of armed conflict, conflict resolution and reconciliation.

The Arboretum welcomes around 300,000 visitors to site each year, including over 20,000 young people for formal and informal learning visits. Visitors can enjoy discovering over 400 memorials nestled amongst some 25,000 trees, experience riverside walks and participate in a wide variety of daily activities: guided walks, land train tours, memorial talks, exhibitions and buggy tours. Each year around 250 events take place on site, from small intimate services of Remembrance to set piece events like Armistice Day, Remembrance Sunday, and Armed Forces Day.

2023 saw numerous challenges as result of adverse weather conditions and significant disruption caused by major roadworks in the local vicinity, and the ongoing national cost of living crisis. Whilst visitor numbers reduced in the latter part of the year there was a clear correlation between visitor numbers and the timing of bad weather and roadworks. Despite the operational challenges this has brought, the underlying key strategic priorities remain the same:

- Developing an inspirational living landscape that embraces our environment to create new Remembrance spaces and reasons to visit throughout the seasons;
- Developing an inspirational programme which responds to visitor needs and drives visitation of target audiences and maximises the value and potential of the site;
- Living our shared values to attract and develop great people;
- Collaborating with key internal and external partners to achieve win-win outcomes; and
- Nurturing a culture that uses all of our resources efficiently and effectively whilst minimising our impact on the environment.

ACHIEVEMENTS AND PERFORMANCE

The year ended 30 September 2023 saw a strong start to the year with visitor numbers holding up in the first six months of the year. This success was not seen throughout the year with significant roadworks in the immediate vicinity of the Arboretum and poor weather conditions throughout the summer months impacting visitor numbers in the second half of the year. This drop in visitor numbers was exacerbated by a drop in consumer confidence due to wider economic concerns and the cost-of-living crisis, resulting in a drop in discretionary spending. We have, however, seen strong results in our corporate functions and group bookings with these increasing during the latter part of the year.

Visitors:

Visitor numbers for the year totalled 277,792, a 10% decrease compared to 2022 (310,555). Despite these challenging market conditions there have been some notable successes:

- We have continued to see an increase in first-time and young family visitors first attracted during the pandemic, alongside this our more traditional older audience have continued to visit.
- Ticket sales for December's Illuminated Arboretum proved to be the most successful to date with sales up 18% on the previous year with 13,500 visitors attending. This success has continued into the 2024 financial year with ticket sales of over 17,000 despite a number of nights being cancelled due to flooding.
- Whilst average transaction spends for retail and food services were less than budget, they remained broadly in line with the prior year.
- In August the Arboretum held 'Carnival Windrush', an immersive and vibrant celebration and commemoration of the Windrush Generation, and the significant role they played in rebuilding the country after the Second World War. This brought new audiences to the Arboretum alongside a school's programme where Arboretum volunteers engaged with 500+ pupils in local schools.

- We have continued to undertake post-visit audience research to improve customer service and activity going forward, supplemented with participation in a number of mystery shopper exercises, and winning a 'Gold' award for Visit England Business Events Venue of the year alongside numerous awards from Enjoy Staffordshire.
- Installation of solar panels, delivering on our sustainability ambitions and reducing our carbon foot print.

The Arboretum site:

Landscape:
One of the key objectives of the Arboretum is to provide a public memorial to commemorate and remember those who have lost their lives or suffered injury in service to the public. We continue to see an appetite for new memorials with notable additions in year including memorials dedicated to the Falklands Resistance and Mesothelioma (Armed Forces).

To Commemorate the Platinum Jubilee, the Arboretum took part in the Queen's Green Canopy initiative, and in 2022 was gifted the freehold to an additional 7 acres of land adjacent to the entrance to the site by the Leavesley family. This land has been developed throughout 2022/23, funded in part by our Parent Charity, but also through a single donation in memory of Her Late Majesty Queen Elizabeth II. The land now houses a tree lined avenue creating an approach route to the Arboretum which is more befitting to a national heritage site.

The Arboretum continues to explore ways in which to open up areas of the site which are currently either under-utilised or inaccessible and with its landowner Tarmac has developed plans for a new permanent car park to replace the overflow car park, at limited cost to the Arboretum. This coupled with Tarmac's aspirations for future development of land adjacent to the site will in time improve both the visitor journey and facilitate engagement with the site and Remembrance by the local community.

Programmes:
This year programming has been developed to respond to the RBL's refreshed Remembrance Strategy with the ambition of ensuring that the service and sacrifice of our armed forces family is always remembered. Being freely accessible 364 days a year the Arboretum is well placed to deliver against this vision with its under pinning belief in Remembrance for All.

The 'Landscapes of Life' permanent interpretation exhibition remains an important component in the fulfilment of the Arboretum's charitable objectives of learning, by helping visitors to engage with Remembrance and since May 2019 has been free to enter. During the year this has been supplemented by a number of indoor temporary exhibitions and an engaging outdoor programme, including exhibitions delivered in partnership with our parent charity to mark the 60th anniversary of the end of National Service. The Arboretum's gallery spaces have also housed 'Lockdown Landscapes' a partnership between The National Forest Company, Westminster Abbey and Sampad, funded through the National Lottery Heritage Fund. This project brought together community groups to explore the impact that the covid-19 pandemic had on different groups within society.

In August 2023 the Arboretum hosted 'Carnival Windrush' commemorating the contribution the Windrush generation has made to the UK post WW2. Following on from this successful event we have continued to explore these themes through our exhibition spaces with 'The Journey Continues' and 'The Chapters of our Lives' exhibitions in October / November 2023. These exhibitions invite visitors to follow the story of the Windrush generation and also to explore their own life stories and experiences.

During the period we have continued to mark significant Remembrance events, with both our usual activity on site, and shared the services via a variety of digital and broadcast media; this has again opened up the arboretum to new audiences both nationally and internationally.

Sustainability:
The Arboretum is custodian to 150 acres of green space and is committed to acting sustainably, having a positive impact on our environment and its ecology, and being an advocate for sustainable practices. We have already undertaken work to limit our negative impact on the environment via recycling and using locally sourced products and materials where possible, but there is more we can do. 2023 saw the installation of solar panels reducing not just our carbon footprint but also the cost of electricity. Over the next five years we will continue to embed ethical and sustainable practices into our daily operations.

The Arboretum remains committed to growing its self-generated income sources to deliver against its strategic aims.

FINANCIAL REVIEW
Income for the year was £5.1m (2022 £5.1m); The Arboretum is a free to enter site; its main sources of income are voluntary donations, grant funding and profits from its trading subsidiary, NMA (Enterprises) Limited. An increase in grant funding from our parent charity to fund both the Arboretum's charitable activities and the development of the Queen's Green Canopy together with National Lottery Heritage funding of £0.2m offsets the gifts in kind recognised in the prior year. Increases in grant funding are offset by a reduction to trading profits in the Charity's trading subsidiary a result of reduced visitor volumes and reduced consumer confidence during the cost-of-living crisis.

In addition, to the above, Grant in Aid funding from the Ministry of Defence was received for the ongoing maintenance of the Armed Forces Memorial, funds received in 2023 totalled £138,000 (2022:£95,000)

During the year, the Arboretum received a donation of £0.3m to contribute to the development of the Queen's Green Canopy, of which £0.1m has been placed as an endowment to fund future maintenance and care of this area of the site.

The main annual fundraising event of the year in October, "Ride to the Wall", proved to be very successful, generating £140k (2022: £135k) thanks to the high volumes of pre-registrations for the event and bespoke merchandise sales.

Expenditure in the year was £4.9m (2022: £4.2m), a year-on-year increase of £0.7m. This increase is primarily seen in the cost of delivering Charitable activities, £0.2m of this increase relates to the Heritage Lottery funded 'Lockdown Landscapes project' with a further £0.3m in increased staff costs, the result of an increase in headcount, annual pay awards and a cost-of-living payment made to staff in December 2022.

This resulted in a net increase in funds of £0.2m (2022 £1m).

Capital expenditure for the year was £0.5m, (2022: £0.7m), and relates to the Queen's Green Canopy, Trees of Life Glade and the installation of solar panels.

The trading subsidiary, NMA (Enterprises) Limited was impacted by reduced visitor numbers in year and reduced consumer confidence due to the cost-of-living crisis resulting in a surplus of £66k (2022: £419k). £46k of this surplus was paid to from NMA (Enterprises) during the financial year with the balance of £18k paid in December 2023.

RESERVES POLICY AND GOING CONCERN

As the Arboretum is part of the Royal British Legion group, its policy is to not seek to hold reserves as this leads to a duplication of reserves at a group level. A rolling 12 month 'letter of comfort' under which The Royal British Legion will continue to provide any financial support (either through the waiver of intercompany debt, the provision of further intercompany funds or equity) that may be required in order for the organisation to pay its liabilities as they fall due, has been in place for a number of years.

Total charity funds increased by £0.2m to £24.1m at the end of the year (2022: £23.9m). Total charity funds comprise unrestricted funds of £21.4m (2022: £21.6m) and restricted funds of £2.7m (2022: £2.3m) including expendable endowment funds.

Total unrestricted funds comprise designated funds of £20.0m (2022: £20.0m) and general funds of £1.3m (2022: £1.6m).

Designated funds represent the net book value of completed fixed assets relating to grounds and buildings and legacy income. As legacy income is difficult to predict and cannot be counted on to help fund day to day activities, any significant receipts are set aside to fund future development and engagement activity. The designated funds balance is broadly similar to 2022 due to legacy receipts and fixed asset additions being offset by depreciation.

Total restricted funds at the end of the year were £2.7m (2022: £2.3m). £1.9m (2022: £1.6m) relates to maintenance endowments for the maintenance and insurance for a number of specific memorials, including the Queen's Green Canopy. During the year the Arboretum was successful in securing a further £0.2m (2022: £0.5m), of this balance £0.2m was received in 2023 for both new and existing memorials. The remaining balance of £0.8m includes £0.5m for the ongoing maintenance of the Armed Forces Memorial, future development of the site, and minor works relating to the Remembrance Centre and Functions Pavilion.

The continuing operation of the Arboretum is dependent on donations and grants from supporters, together with funding from The Royal British Legion to support day to day activity. Given the close operational relationship with The Royal British Legion, the letter of comfort in place, the funding supplied for the Remembrance Centre and the new Functions Pavilion, and the key role the Arboretum now plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident that funding will be available to support the Arboretum's activities into the future. Reflecting on this, the Trustees have therefore prepared the accounts on a going concern basis.

RISK MANAGEMENT

The Trustees are responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage major risks to which the charity is exposed. The process in place regarding risk management and internal control includes the following:

- The risk analysis is reviewed by the management team and scrutinised quarterly by the Board of Trustees. The Trustees are satisfied that for risks identified a planned schedule of activity is being undertaken so the impact on the charitable company will be minimised should any of the risks materialise.

- Internal audit, which is provided to the group by a third party, undertake a programme of examinations, ensuring the effectiveness of risk management and controls.

The key risks and how they are managed are:

Principal risk	**Mitigation**
Fundraising and grant income does not meet targets.	- Progress against business plan is assessed. - Financial support available from parent charity to meet funding gap.
Investment in new attractions does not increase visitor numbers.	- Prepare sound business cases prior to embarking on projects. - Increase advertising and marketing spend to create awareness.
Visitors are deterred from visiting due to site flooding and other extreme weather events.	- The website is kept up to date detailing any accessibility issues. The temporary exhibition programme should help preserve visitor numbers during periods of inclement weather and minor localised flooding. - Phase 1 of a programme of drainage improvements has been implemented to reduce the impact of flooding.
Maintenance endowments given to cover repairs of memorials are not sufficient to cover costs.	- Funds are pooled to obtain best rates. - The Arboretum has a fundraising strategy with the primary objective of achieving growth in unrestricted income over the medium to long term.

The company is not unduly exposed to price, credit, liquidity or foreign exchange risk.
The company is included in The Royal British Legion's group insurance policy which provides a comprehensive package of insurance against foreseeable risks including public and product liability.
The charity is covered by insurance from loss arising from neglect or default of its Trustees, and to indemnify the Trustees against the consequences of neglect or default on their part.

FUTURE DEVELOPMENTS

Next year, the Arboretum will:

- Further develop its plans to deliver the Remembrance for All Strategy as part of the RBL's Remembrance directorate.
- Finish delivery of the lottery funded Lockdown landscapes activity plan.
- Host a programme of events and commemorative activity relating to the 80th anniversary of D-Day.

- Continue to encourage support from stakeholders through advocacy and fundraising as we implement the vision shared as part of the 20th Anniversary commemoration in 2021.

PUBLIC BENEFIT STATEMENT

In considering the operation, achievements, performance and finances of the charitable company the Trustees have given due regard to the public benefit guidance published by the Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Arboretum was incorporated in 1994 as a Private charitable company limited by guarantee not having a share capital and registered in 1995 as a charity with the main governing principles being contained in Memorandum and Articles of Association. The Arboretum has been part of The Royal British Legion (the RBL) family of charities since 2003. The RBL is the sole member of the company and controls the appointment of all Trustees.

The Board of Trustees consists of four Trustees appointed by the RBL with one Trustee appointed as chairman. Two of the Trustees are also on the Trustee board of the RBL, one Trustee is a member of the executive management team of the RBL with line management responsibility for the Arboretum, and the remaining one member is an independent Trustee with significant military and visitor attraction experience respectively. Meetings of the Board of Trustees take place quarterly. In accordance with its Articles of Association a term of any Trustee's appointment cannot exceed three years, but a Trustee is eligible for reappointment for a further two terms and can be removed from office by the RBL at any time. Trustees are recruited through a variety of means, including open advertising. Training for all Trustees is provided through The Royal British Legion.

Responsibility for the day-to-day operations of the Arboretum has been delegated by the Managing Director to the National Memorial Arboretum Site Lead, who is supported by a management team, administrative support staff and a team of volunteers. The Managing Director has established an executive management structure for the Arboretum to undertake operational activities with a clearly defined management and reporting structure. The management team meets weekly to discuss operational issues and new initiatives and take any action as required.

The Arboretum has a trading subsidiary, NMA (Enterprises) Limited, which carries out the trading activities of the charity, principally the operation of restaurant and café facilities, concessions and business functions.

The Managing Director is supported by the following boards and committees:

- Landscape and Memorials Committee – this committee reviews and agrees proposals for new memorials and landscaping development and is critical to the future direction and management of the Arboretum grounds.

- NMA (Enterprises) Board – the board of Arboretum's trading subsidiary, NMA (Enterprises) Limited.

Key management personnel remuneration policy

The key management personnel remuneration policy has been harmonised with that of the parent charity. Roles are initially evaluated at the group job evaluation committee, which uses the Hay System, and salaries are benchmarked with similar roles in the local area in order to attract the appropriate calibre of candidate. The company then operates an annual appraisal scheme at which performance is assessed against set objectives. The annual pay award is set by the parent charity.

Equal opportunities

The company is an equal opportunities employer and is committed to a policy of employment based on aptitude and ability without discrimination of any kind.

Volunteers

The Trustees recognise the hard work contributed by staff, volunteers and the NMA friends who in many ways keep the site going. Active volunteers gave around 45,000 hours (2022: 40,000 hours) of invaluable help during the year. Volunteer activities include the provision of educational support for facilitated learning visits, guiding visitors around the site, and grounds maintenance which equates approximately to an additional 30 full time staff. The contribution is recognised by all who visit the site and many visitors write to express thanks for the way volunteers help with their visit and comment on the pride the volunteers take in all they do.

Fundraising

As a location-based charity the Arboretum does not have a national network of fundraisers or agents acting on its behalf. The majority of fundraising is derived directly from on-site activities and donation boxes. In addition, up to 2 direct mail campaigns may be undertaken per annum to registered supporters and applications are made to grant funders for specific initiatives to further charitable objectives. To date we have not received any complaints regarding fundraising activity. We endeavour to ensure our fundraising activity is not overly obtrusive or put anyone under undue pressure to donate.

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TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also Directors of The National Memorial Arboretum Company Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This report, incorporating the Director's report and including the Strategic Report, was approved by the Board of Trustees on 22 March 2024 and signed on its behalf by:

DocuSigned by:
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Anny R Reid
Chair of Trustees

Date: 22 March 2024

Independent auditor's report to the members of The National Memorial Arboretum Company Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The National Memorial Arboretum Company Limited (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report (continued)

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report (continued)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the charitable company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included Charity Commission for England and Wales (Charity Commission) regulations and Fundraising regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- revenue recognition which is related to whether grant income is complete: we performed detailed substantive tests on grant income, on a sample basis, to assess whether the grant income was complete.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

Independent auditor's report (continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with law and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Wright

Nicola Wright ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
13 May 2024

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
Year ended 30 September 2023

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2023 £000's	Total Funds 2022[1] £000's
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	2,869	811	317	3,997	3,740
Charitable Activities	4	695	10	-	705	701
Other Trading Activities		41	-	-	41	90
Investments:						
Net income from Trading subsidiary	5	250	-	-	250	618
Bank interest	6	6	6	66	78	2
TOTAL INCOME		**3,861**	**827**	**383**	**5,071**	**5,151**
EXPENDITURE ON:						
Raising Funds	7	787	-	-	787	664
Charitable Activities	8	3,614	441	79	4,134	3,523
TOTAL EXPENDITURE		**4,401**	**441**	**79**	**4,921**	**4,191**
Net income for the year		**(540)**	**386**	**304**	**150**	**960**
Transfer between Funds	20	305	(305)	-	-	-
NET MOVEMENT IN FUNDS		**(235)**	**81**	**304**	**150**	**960**
RECONCILIATION OF FUNDS						
Total funds brought forward		**21,595**	**712**	**1,621**	**23,928**	**22,968**
Net movement in funds for the year		(235)	81	304	150	960
Total funds carried forward		**21,360**	**793**	**1,925**	**24,078**	**23,928**

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

(1) See note 19 for 2022 detailed Statement of Financial Activities

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BALANCE SHEET
As at 30 September 2023

	Note	2023 £000's	2022 £000's
FIXED ASSETS			
Tangible fixed assets	14	20,025	20,020
Heritage assets	15	403	348
Fixed asset investments	16	-	-
Total Fixed Assets		**20,428**	**20,368**
CURRENT ASSETS			
Debtors	17	794	831
Cash at bank and in hand		3,306	3,419
Total Current Assets		**4,100**	**4,250**
Creditors – amounts falling due within one year	18a	(450)	(675)
NET CURRENT ASSETS		**3,650**	**3,575**
TOTAL ASSETS LESS CURRENT LIBILITIES		**24,078**	**23,944**
Creditors falling due in more than one year	18b	-	(15)
TOTAL NET ASSETS		**24,078**	**23,928**
FUNDS			
General Funds	20	1,345	1,632
Designated Funds	20	20,015	19,963
Restricted Funds	20	793	712
Expendable Endowment Funds	20	1,925	1,621
Total Funds		**24,078**	**23,928**

The notes on pages 18 to 36 form part of these financial statements.

These financial statements of The National Memorial Arboretum Company Limited were approved by the Board of Trustees and authorised for issue on 22 March 2024. They were signed on its behalf by:



Anny R Reid
Chair of Trustees

CASH-FLOW STATEMENT

Year ended 30 September 2023

	Note	Total Funds 2023 £000's	Total Funds 2022 £000's
Net cash provided by operating activities	**26**	**420**	**1,290**
Cash flows used in investing activities:			
Interest receivable		78	2
Purchase/gifts of property, plant and equipment		(534)	(707)
Purchase of heritage assets		(55)	-
Net cash used in investing activities		**(511)**	**(705)**
Cashflows used in financing activities:			
Interest element of finance lease payments		(1)	(2)
Repayment of finance leases		(21)	(21)
Net cash used in finance activities		**(22)**	**(23)**
Net (decrease) /increase in cash and cash equivalents		**(113)**	**562**
Cash and cash equivalents at the beginning of the year		3,419	2,857
Cash and cash equivalents at the end of the year		**3,306**	**3,419**

There are no cash equivalents, therefore cash and cash equivalents comprise cash at bank and in hand.

1) ACCOUNTING POLICIES

Company and Charitable Status

The National Memorial Arboretum Company Limited, a public benefit entity, is incorporated in England and Wales as a private company limited by guarantee not having any share capital. There are currently five Trustees who are also members of the company. Each member has undertaken to contribute to the assets in the event of a winding up a sum not exceeding £10. The charity is a registered with the Charity Commission for England and Wales. The registered office is given on page 1.

Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (SORP 2019); and the Companies Act 2006.

The principal accounting policies are set out below:

Basis of Preparation

Under Section 401 of the Companies Act the company is exempt from preparing consolidated accounts. The results presented therefore represent the accounts of the charitable company; The National Memorial Arboretum Company Limited. The results of the National Memorial Arboretum group including NMA (Enterprises) Limited are included in the accounts of the ultimate parent charity – The Royal British Legion which are publicly available.

Going Concern

The accounts have been prepared on a going concern basis as set out on page 6 of the Trustees' Report. Performance during 2023 has been impacted by the cost-of-living concerns, which will continue to be an influencer of performance during 2024, consequently the appropriateness of the going concern assumption basis has been reassessed, the Trustees have considered the Charity's financial position, capital and forecast and support available from the parent charity. Given the close operational relationship with The Royal British Legion, the letter of comfort in place, the funding supplied for the Remembrance Centre and the new Functions Pavilion, and the key role the Arboretum now plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident in the ongoing support of the Legion in funding the Arboretum.

Income

Income is recognised when the charity has entitlement to funds, performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations including amounts received for fixed assets are recognised immediately on receipt. The only exception to this is where there are predetermined conditions to be met, in these instances income is recognised once the required conditions have been met in full.

Grant income is recognised on written confirmation of the grant once any inherent performance related conditions of the grant have been met in full.

Legacy receipts are recognised when it is probable it will be received. This is deemed when:

- there has been a grant of probate;
- the executors have determined there are sufficient assets in the estate; and
- conditions attached to the legacy or within the control of the charity have been met.

1) ACCOUNTING POLICIES

Income (continued)

Interest receivable relates to interest on bank deposits and current accounts, under the terms of FRS102 this does not require adjustment using the effective interest rate method laid down by the standard, as the rate receivable is deemed to reflect the effective interest rate applicable.

Donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have paid to obtain services or facilities for equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised on an accruals basis.

In accordance with the Charities SORP (FRS 102) due to the extremely wide variety of skills provided to the Arboretum by its volunteers, it is not possible to quantify the value, consequently no income is recognised in respect of general volunteer time received - information on volunteer contributions is disclosed in the Trustees' Report on page 9.

Expenditure

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

Raising funds – includes costs incurred in generating fundraising income, advertising, and direct mail.

Charitable activities – includes direct costs of operating the charity (including staff costs) and maintaining the grounds and memorials along with the costs of commemorative events held in furtherance of the charitable objectives.

Support costs – are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, premises costs and governance costs. These costs are allocated between the cost of raising funds and expenditure on charitable activities. The bases of cost allocation are set out in note 9.

Fund Accounting

The charitable company holds the following funds**:**

Restricted funds represent grants, donations, legacies and appeal monies received which are allocated in accordance with the donor's instructions for specific purposes and are expendable only in accordance with the donor's wishes.

Designated funds represent funds set aside for the net book value of completed fixed assets relating to grounds, buildings and supporting infrastructure.

Fund Accounting (continued)
General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company.

Maintenance endowments are expended in line with the terms of their respective donation agreements.

Taxation
The charitable company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (Chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax; however, all profits are paid to the charitable company by way of gift aid.

Tangible Fixed Assets and Depreciation
i) Tangible Assets:
Tangible Assets are included at acquisition cost less depreciation. The capitalisation threshold is £20,000. Land held on long-term lease and landscaping costs to bring the grounds into use are not depreciated. Generally, depreciation is provided on other tangible fixed assets at rates calculated on a straight-line basis over their expected useful lives, the only exception to this is grounds equipment purchased during the 2020 financial year which is depreciated over the term of the Hire purchase/finance lease of 4 years.

Long leasehold and ground improvements	Long leasehold land and initial landscaping - not depreciated Ground improvements and drainage - 6.67% Roadways and paths - 8.33%
Heritage Assets	Not depreciated
Visitor facilities and fixtures	Building and fixtures 2% Solar Panels 5% Grounds Equipment under Finance lease 25% Catering equipment 20%
Office equipment	Office equipment 20%

Depreciation is not provided until an asset is brought into use. Depreciation is then charged over the asset's economic life based on the percentages above as appropriate. Depreciation is not charged in the year of disposal but is included in the profit/loss on disposal calculation.

Capital projects with a life of more than 1 year are managed via a capital work in progress account. Projects are transferred to fixed assets and depreciated over their economic life once they come into use.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any costs of sale and its value in use.

Tangible Fixed Assets and Depreciation (continued)

Where appropriate gifted land or other property is valued by a RICS qualified surveyor at the market rate prevailing at the point the asset is transferred to the Arboretum.

ii) Heritage Assets

The charitable company has capitalised trees held on site for Remembrance value within the financial statements. The trees are managed as part of the Arboretum ensuring that they are accessible to the public in line with the objectives of the charitable company.

Trees are included at cost as the Trustees deem a valuation policy to be inappropriate. The trees are deemed to have indeterminable lives as they are preserved through ongoing maintenance of the Arboretum and the Trustees do not therefore consider it appropriate to charge depreciation. However, a review for impairment is carried out on an ongoing basis and in the case of any damage, for example as a result of a severe storm or disease, the value of the trees will be adjusted and the impairment recognised in the Statement of Financial Activities.

The Armed Forces Memorial (AFM) is included as a Heritage Asset. Given the significant repairs required to the AFM on acquisition from the Armed Forces Memorial Trust in 2015, and the cost of ascertaining a definitive value through a surveyor's valuation significantly outweighing any benefit gained due to the unique nature of the asset, the AFM is included in the accounts at the nominal value of £1.

iii) Memorials

Under the current policy issued in 2010 new memorials are built by the commissioning organisation/association who retain ownership. Memorial holders are requested to either pay an annual maintenance charge for the upkeep of the grounds surrounding their memorial or make an upfront maintenance endowment to facilitate the 'lifetime' maintenance of their memorial in the event their organisation should cease to exist in the future. These are regarded as expendable endowments and the capital can be used to fund ongoing maintenance costs. All funds received for annual maintenance are included in the tree plaques, benches and paviors income category under income from charitable activities. Lump sum maintenance endowments are recognised under voluntary income and any subsequent expenditure is shown in the cost of charitable activities (endowment).

Prior to the introduction of the policy in 2011, any donations received for memorial construction were credited to income from charitable activities and any unspent balance transferred to endowment funds. These remaining balances will be used to cover maintenance on the specific memorials in the future.

Employee Benefits

The charitable company operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension contributions and other retirement benefits is the contributions payable in the year. The difference between this and contributions actually paid is shown as either accruals or prepayments in the balance sheet. All costs relate to unrestricted activities.

Financial Instruments
The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially valued at transaction value and subsequently measured at their settlement value as follows:

Financial Instruments (continued)
Trade and other debtors are recognised at the settlement amount after any discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount to settle the obligation can be measured reliably. Creditors and provisions are recognised at their settlement value after allowing for trade discounts due.

2) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
In the application of the company's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any further critical judgements or sources of estimation uncertainty requiring disclosure.

3) ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £000's	Restricted £000's	Endowments £000's	2023 £000's	2022 £000's
Donations	408	212	317	937	995
Gifts in kind*	-	-	-	-	193
Legacies	154	-	-	154	108
General grants (see 3a below)	2,308	598	-	2,906	2,444
Total	**2,870**	**810**	**317**	**3,997**	**3,740**

*There are no gifts in kind in the 2023 financial year. 2022 gifts relate to Land, Mobility scooters and grounds equipment.

3a) General grants comprise the following:

	2023 £000's	2022 £000's
Grant in Aid – Armed Forces Memorial	138	95
The Royal British Legion – Remembrance	2,300	1,950
The Royal British Legion – Queens Green Canopy	200	350
National Forest – Memorial woodland	-	36
National Lottery Heritage Fund	222	-
Memorial Grant Scheme	6	5
Lichfield District Council – Changing places	32	-
Other Grants	8	8
Total	**2,906**	**2,444**

4) ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

This note provides an analysis of activities specifically undertaken to generate income for the charity. It includes performance related grants for Armed Forces Day and other commemorative activity, primary purpose trading in the form of tree plaque, inscribed paviors, annual maintenance of plots and memorials and the recharge of overhead expenses to the Arboretum's trading subsidiary, NMA (Enterprises) Limited.

	2023 £000's	2022 £000's
Performance related grants:		
- Armed Forces Day	10	10
Car park	289	304
Learning services	40	40
NMA (Enterprises) overhead recharge	278	267
Tree plaques/benches/ annual maintenance	85	65
Insurance claims	3	15
Total	**705**	**701**

5) NET INCOME FROM TRADING SUBSIDIARY

The charitable company has a trading subsidiary, NMA (Enterprises) Limited, which is a private company registered in England and Wales, of which the registered office is given on page 1. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies. NMA (Enterprises) Limited primarily carries out the operation of a retail shop, restaurant and functions.

	2023 £000's	2022 £000's
Turnover	2,926	3,019
Cost of sales	(2,374)	(2,137)
Gross profit	**552**	**882**
Administrative expenses	(489)	(490)
Operating profit before taxation	**63**	**392**
Other Income	1	27
Profit before taxation	**64**	**419**
Taxation	-	-
Profit and total Comprehensive income for the year	**64**	**419**
Retained earnings brought forward:	**204**	**403**
Payment to parent charity under the gift aid scheme	(250)	(618)
Retained surplus for the year	**18**	**204**
Retained surplus carried forward	**18**	**204**
Assets	688	1,176
Liabilities	(670)	(972)
Net assets	**18**	**204**

6) ANALYSIS OF INCOME FROM INVESTMENTS

	2023 £000's	2022 £000's
Gifted from NMA (Enterprises)	250	618
Bank interest	78	2
Total	**328**	**620**

7) ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Direct Costs 2023 £000's	Support Costs 2023 £000's	Total 2023 £000's	Direct Costs 2022 £000's	Support Costs 2022 £000's	Total 2022 £000's
Raising donations, grants and legacies	17	31	48	60	28	88
Advertising, marketing and direct mail	604	135	739	493	83	576
Total	**621**	**166**	**787**	**553**	**111**	**664**

8) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £000's	Support costs £000's	Total 2023 £000's	Direct Costs 2022 £000's	Support Costs 2022 £000's	Total 2022 £000's
Commemorative events	439	117	556	311	112	423
Grounds and memorial upkeep	512	249	761	434	222	656
Visitor operations	1,112	1,427	2,539	952	1,229	2,181
NMA (Enterprises) overhead recharge	-	278	278	-	267	267
Total	**2,063**	**2,071**	**4,134**	**1,697**	**1,830**	**3,527**

9) ANALYSIS OF SUPPORT COSTS

	Raising funds £000's	Commemorative events £000's	Grounds and Memorials £000's	Visitor operations £000's	Recharge to NMA (Enterprises) £000's	Total 2023 £000's	Basis of allocation
Governance	12	9	19	71	-	111	**Headcount**
Central Management	34	24	51	190	123	422	**Headcount**
Administration	30	21	45	172	2	270	**Headcount**
Premises	87	61	131	497	107	883	**Headcount**
Depreciation	-	-	-	483	46	529	**Usage**
Legal and Professional	3	2	3	14	-	22	**Headcount**
Total	**166**	**117**	**249**	**1,427**	**278**	**2,237**	

2022 COMPARATIVE ANALYSIS OF SUPPORT COSTS

	Raising funds £000's	Commemorative events £000's	Grounds and Memorials £000's	Visitor operations £000's	Recharge to NMA (Enterprises) £000's	Total 2022 £000's	Basis of allocation
Governance	11	11	21	70	-	113	**Headcount**
Central Management	21	21	41	147	132	362	**Headcount**
Administration	16	16	32	112	2	178	**Headcount**
Premises	61	62	124	434	90	771	**Headcount**
Depreciation	-	-	-	450	43	493	**Usage**
Legal and Professional	2	2	4	16	-	24	**Headcount**
Total	**111**	**112**	**222**	**1,229**	**267**	**1,941**	

10) NET INCOME FOR THE YEAR

	2023 £000's	2022 £000's
Income is after charging:		
Depreciation of owned assets	529	493
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the financial statements	28	26

11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2023	2022
Raising funds	5	4
Charitable operations	42	41
Support	10	7
Total	**57**	**52**

Their aggregate remuneration comprised:

	2023 £000's	2022 £000's
Wages and salaries	1,380	1,156
Social security costs	119	100
Pension costs	139	118
Total	**1,638**	**1,374**

During the year no severance payments were made (2022: nil).

The number of employees whose emoluments excluding pension contributions but including benefits in kind were in excess of £60,000 was:

	2023	2022
£60,000-£70,000	1	1
Total	**1**	**1**

The key management personnel of the charity are listed on page 1. The total remuneration (including pension contributions but excluding employer's National Insurance Contributions) of the key management personnel of the charity for the year totalled £450,000 (2022: £305,000). Total employer's NIC paid in respect of key management personnel totalled £47,000 (2022: £31,000).

Trustees' Remuneration

No Trustees received remuneration during the current or prior year and no expenses were paid to any Trustees during 2023 for expenses (2022: nil).

12) TAXATION

The activities of the charitable company are exempt from corporation tax. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax; however, all profits are paid to the charitable company by way of gift aid therefore no tax liability will arise.

13) IRRECOVERABLE VAT

The charitable company was unable to recover £205,000 VAT for the 2023 financial year (2022: £147,000). This has been allocated back to the individual expenditure categories to which it relates.

14) TANGIBLE FIXED ASSETS

	Long Leasehold and Ground Improvements	Visitor Facilities and Fixtures	Office Equipment	Assets Under Construction	Totals
	£000's	£000's	£000's	£000's	£000's
Cost:					
at 1 October 2022	2,381	21,885	25	336	24,627
Additions	-	213	-	321	534
Disposals	-	(12)	-	-	(12)
Transfers	139	89	-	(228)	-
at 30 September 2023	**2,520**	**22,175**	**25**	**429**	**25,149**
Accumulated Depreciation:					
at 1 October 2022	1,370	3,212	25	-	4,607
Charge for the year	42	487	-	-	529
Disposals	-	(12)	-	-	(12)
at 30 September 2023	**1,412**	**3,687**	**25**	**-**	**5,124**
Net Book Value:					
at 30 September 2023	**1,108**	**18,488**	**-**	**429**	**20,025**
at 30 September 2022	**1,011**	**18,673**	**-**	**336**	**20,020**

In 1994 the Arboretum site of 152 acres was gifted by Tarmac Plc on a 999-year lease at a peppercorn rent. Included in the cost of the long leasehold land is land with an ascribed value of £120,000 (2020: £120,000) and landscaping costs to bring the grounds into use at £827,000 (2021: £827,000) which is not depreciated. Further land was gifted to the Arboretum in 2022 with an ascribed value of £178,000. Costs associated with the development of this land will be recognised at cost value as and when works are undertaken.

15) HERITAGE ASSETS

Basis of capitalisation	**Total £000's**
Carrying amount at 1 October 2022	348
Additions	55
Carrying amount at 30 September 2023	**403**

	2023 £000's	**2022 £000's**	**2021 £000's**	**2020 £000's**	**2019 £000's**
Purchases:					
Trees	55	-	-	-	-
Total Additions	**55**	**-**	**-**	**-**	**-**

Trees are an inherent part of the Arboretum and have been designated Heritage Assets and are not depreciated as described in note 1. These trees are included at cost as the majority have been selected for their symbolic meaning rather than from an arboreal collection perspective. The trees were originally planted as saplings and are now quite mature specimens. In the Trustees' opinion no provision for impairment is required at this time. 2023 is the first year there have been any significant new mature trees planted in the last 5 years.

The Armed Forces Memorial is included in the accounts at a deemed cost of £1. This reflects the dilapidated state in which the memorial was transferred to the Arboretum in 2015. The cost of ascertaining a value for the memorial through a surveyor's valuation significantly outweighs any benefit that will be derived by the organisation. Ongoing repairs and maintenance costs to the memorial were expensed in the year.

16) FIXED ASSET INVESTMENTS

The Trustees of the charitable company own the entire issued share capital of two ordinary shares of £1 each at a cost of £2 of NMA (Enterprises) Limited. During the year, NMA (Enterprises) Limited gift aided £250,000 profit to the Arboretum (2022: £618,000) and at the end of the year had aggregate reserves of £18,000 (2022: £204,000).

17) DEBTORS

	2023 £000's	2022 £000's
Amounts falling due within one year:		
Trade Debtors	73	40
Amounts owed by subsidiary undertaking	377	696
Prepayments and accrued income	344	95
Total	**794**	**831**

Amounts owed by the subsidiary undertaking are non-interest bearing and payable on demand.

18) CREDITORS

	2023 £000's	2022 £000's
a) Amounts falling due within one year:		
Trade creditors	138	171
Amounts owed to parent undertaking	2	12
HMRC- PAYE and NI	47	42
VAT creditor	59	92
Hire Purchase/Finance lease	15	21
Accruals and deferred income	189	337
Total	**450**	**675**

	2023 £000's	2022 £000's
b) Amounts falling due in more than one year:		
Hire Purchase/Finance Lease (due between 1-5 years)	-	15
Total	**-**	**15**

Amounts owed to the parent undertaking are non-interest bearing and repayable on demand.

The hire purchase/finance lease loans are secured against the assets to which they relate i.e. Grounds equipment purchases disclosed under fixed assets.

19) COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2022 £000's	Total Funds 2021 £000's
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	2,706	544	490	3,740	3,253
Charitable Activities	4	691	10	-	701	617
Other Trading Activities		90	-	-	90	41
Investments:						
Gift aid from NMA (Enterprises)	5	618	-	-	618	90
Bank interest	6	-	-	2	2	1
TOTAL INCOME		**4,105**	**554**	**492**	**5,151**	**4,002**
EXPENDITURE ON:						
Raising Funds	7	664	-	-	664	462
Charitable Activities	8	3,302	161	64	3,527	3,199
TOTAL EXPENDITURE		**3,966**	**161**	**64**	**4,191**	**3,661**
Net income for the year		**139**	**393**	**428**	**960**	**341**
Transfer between Funds	20	326	(326)	-	-	-
NET MOVEMENT IN FUNDS		**465**	**67**	**428**	**960**	**341**
RECONCILIATION OF FUNDS						
Total funds brought forward		**21,130**	**645**	**1,193**	**22,968**	**22,627**
Net movement in funds for the year		465	67	428	960	341
Total funds carried forward		**21,595**	**712**	**1,621**	**23,928**	**22,968**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2023

20) MOVEMENTS ON FUNDS

	At 1 October 2022 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2023 £000's
Unrestricted Funds:					
General Fund	**1,632**	**3,721**	**(3,872)**	**(136)**	**1,345**
Designated Funds					
Fixed assets	**19,684**	-	(529)	441	**19,596**
Development and Engagement	**279**	**140**	**-**	**-**	**419**
Designated Funds Total	**19,963**	**140**	**(529)**	**441**	**20,015**
Total Unrestricted Funds	**21,595**	**3,861**	**(4,401)**	**305**	**21,360**
Expendable endowments:					
NMA Memorials & Buildings	**577**	183	(28)	-	**732**
Basra Wall	**28**	1	(1)	-	**28**
Army Apprentices	**37**	1	-	-	**38**
Durham Light Infantry	**15**	1	(1)	-	**15**
British Korean Veterans	**28**	1	(2)	-	**27**
Polish Ex-Combatants	**46**	2	(3)	-	**45**
Royal Ulster Constabulary	**28**	1	(2)	-	**27**
Bastion Memorial	**46**	2	(1)	-	**47**
Royal Engineers	**82**	3	(1)	-	**84**
Police Service Northern Ireland	**28**	1	(2)	-	**27**
Victims of overseas terrorism	**41**	1	(1)	-	**41**
Heroes' Square garden maintenance	**97**	3	(7)	-	**93**
Royal Electrical & Mechanical Engineers	**30**	1	(2)	-	**29**
Devon & Dorset Regiment	**18**	1	(2)	-	**17**
Queens Lancashire Regiment	**25**	1	(1)	-	**25**
Guards Parachute Association	**24**	1	(1)	-	**24**
The Blues and Royals	**24**	1	(1)	-	**24**
Wrens	**36**	2	(2)	-	**36**
Royal Military Police	**20**	1	(2)	-	**19**
Scouts	**27**	1	(1)	-	**27**
National Mining Memorial	**26**	1	(1)	-	**26**
RBL Remembrance Glade	**23**	1	(1)	-	**23**
Royal Army Medical Corp	**54**	2	(3)	-	**53**
Post Office	**57**	2	(3)	-	**56**
Army Air Corp	**39**	1	(2)	-	**38**
Desert Rats	**20**	1	(1)	-	**20**
Royal Artillery	**31**	1	(1)	-	**31**
Submariners	**85**	3	(4)	-	**84**
41 Club	**29**	1	(2)	-	**28**
Household Division	**-**	21	-	-	**21**
RLC	**-**	37	-	-	**37**
Queen's Green Canopy	**-**	103	-	-	**103**
Total Expendable endowments	**1,621**	**383**	**(79)**	**-**	**1,925**

20) Movements in Funds (cont.)

	At 1 October 2022 £000's	Income £000's	Expenditure £000's	Transfers £000's	at 30 September 2023 £000's
Restricted Funds					
AFM	**488**	152	(156)	-	**484**
Remembrance Centre	**130**	-	-	-	**130**
Functions Pavilion	**34**	-	-	-	**34**
Memorial Woodland/Queens Green Canopy	**60**	400	-	(315)	**145**
NHLF	**-**	222	(232)	10	**-**
Other Funds received and fully utilised in year	**-**	53	(53)	-	**-**
Total Restricted Funds	**712**	**827**	**(441)**	**(305)**	**793**
Total Charity Funds	**23,928**	**5,071**	**(4,921)**	**-**	**24,078**

Separate funds are held for the following purposes:

- Expendable endowments - a number of memorial holders' gift monies to the Arboretum for the ongoing maintenance and upkeep of their memorial which is critical to the longevity of the Arboretum as the number of memorials increases. Due to the significant increase in take up of the scheme only endowments of over £20,000 are separately disclosed all others are included under the NMA memorials and building category.
- AFM **–** funds for the general upkeep of the memorial.
- Remembrance Centre Appeal – monies received and costs incurred relating to the visitor centre.
- Functions Pavilion – funding received from the parent charity to progress the development of functions pavilion to host the 250 Remembrance functions which take place on site per annum.
- Memorial woodland/Queens Green Canopy -funding received and expended relating to the expansion of the NMA into the new land gifted to the Arboretum by Tarmac and the Leavesley family in 2022.
- Funds received and fully utilised in the year includes funds received from Lichfield District Council to fund the creation of a changing places facility.
- NHLF – Funding from the National Lottery Heritage fund for the Lockdown landscapes project. A partnership project with the National Forest Company and Westminster Abbey.

Note: Expenditure of restricted funds for items which are subsequently capitalised will result in a transfer from restricted to unrestricted funds as the items capitalised are subsequently used for general purposes.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2023

21) COMPARATIVE MOVEMENT ON FUNDS

	At 1 October 2021 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2022 £000's
Unrestricted Funds:					
General Fund	**1,153**	**3,997**	**(3,473)**	**(45)**	**1,632**
Designated Funds					
Fixed assets	**19,806**	-	(493)	371	**19,684**
Development and Engagement	**171**	**108**	**-**	**-**	**279**
Designated Funds Total	**19,977**	**108**	**(493)**	**371**	**19,963**
Total Unrestricted Funds	**21,130**	**4,105**	**(3,961)**	**326**	**21,595**
Expendable endowments:					
NMA Memorials & Buildings	**428**	169	(20)	-	**577**
Basra Wall	**28**	-	-	-	**28**
Army Apprentices	**38**	-	(1)	-	**37**
Durham Light Infantry	**16**	-	(1)	-	**15**
British Korean Veterans	**30**	-	(2)	-	**28**
Polish Ex-Combatants	**49**	-	(3)	-	**46**
Royal Ulster Constabulary	**29**	-	(1)	-	**28**
Bastion Memorial	**47**	-	(1)	-	**46**
Royal Engineers	**83**	-	(1)	-	**82**
Police Service Northern Ireland	**30**	-	(2)	-	**28**
Victims of overseas terrorism	**43**	-	(2)	-	**41**
Heroes' Square garden maintenance	**104**	-	(7)	-	**97**
Royal Electrical & Mechanical Engineers	**32**	-	(2)	-	**30**
Devon & Dorset Regiment	**20**	-	(2)	-	**18**
Queens Lancashire Regiment	**26**	-	(1)	-	**25**
Guards Parachute Association	**25**	-	(1)	-	**24**
The Blues and Royals	**25**	-	(1)	-	**24**
Wrens	**38**	-	(2)	-	**36**
Royal Military Police	**21**	-	(1)	-	**20**
Scouts	**29**	-	(2)	-	**27**
National Mining Memorial	**28**	-	(2)	-	**26**
RBL Remembrance Glade	**24**	-	(1)	-	**23**
Royal Army Medical Corp	**-**	57	(3)	-	**54**
Post Office	**-**	60	(3)	-	**57**
Army Air Corp	**-**	41	(2)	-	**39**
Desert Rats	**-**	20	-	-	**20**
Royal Artillery	**-**	31	-	-	**31**
Submariners	**-**	85	-	-	**85**
41 Club	**-**	29	-	-	**29**
Total Expendable endowments	**1,193**	**492**	**(64)**	**-**	**1,621**

21) Movements on Funds (cont.)

	At 1 October 2021 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2022 £000's
Restricted Funds					
AFM	**481**	101	(94)	-	**488**
Remembrance Centre	**130**	-	-	-	**130**
Functions Pavilion	**34**	-	-	-	**34**
Memorial Woodland	**-**	386	-	(326)	**60**
Other Funds received and fully utilised in year	**-**	67	(67)	-	**-**
Total Restricted Funds	**645**	**554**	**(161)**	**(322)**	**712**
Total Charity Funds	**22,968**	**5,151**	**(4,191)**	**-**	**23,928**

22) ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2023 £000's
Fixed assets	832	19,596	-	-	20,428
Current assets	963	419	793	1,925	4,100
Current liabilities	(457)	-	-	-	(457)
Total	**1,338**	**20,015**	**793**	**1,925**	**24,071**

23) COMPARATIVE ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2022 £000's
Fixed assets	684	19,684	-	-	20,368
Current assets	1,638	279	712	1,621	4,250
Current Liabilities	(675)	-	-	-	(675)
Liabilities > than 1 year	(15)	-	-	-	(15)
Total	**1,632**	**19,963**	**712**	**1,621**	**23,928**

24) EMPLOYEE RETIREMENT BENEFITS

Defined contribution scheme

The charitable company operates a defined contribution scheme for all qualifying employees. The company's contribution to the scheme in the year was £139,000 (2022: £118,000). Outstanding amounts to be paid into the scheme at the year-end were zero (2022: zero).

25) RELATED PARTY TRANSACTIONS

The charitable company received payment of £278,000 (2022: £267,000) from NMA (Enterprises) to cover the cost of operational overheads incurred on its behalf.

Payments totalling £250,000 were received from NMA (Enterprises) under gift aid during the year, £204,000 relating to 2022 surplus and a payment on account of £46,000 relating to the to 2023 surplus (2022: £618k)

The company received a general remembrance grant of £2,300,000 (2022: £1,950,000) from its parent charity the Royal British Legion and a further £200,000 towards strategic developments (2022: £350,000).

No Trustee received payment for professional services or other services provided to the charity during the year (2022: £nil).

There were no donations received from Trustees during the year (2022: £nil).

There were no other related party transactions (2022: £nil).

26) CASH FLOW STATEMENT

a. Reconciliation of net income to cash generated by operations.

	2023 £000's	2022 £000's
Net income/ for the year	**150**	**960**
Adjustments for:		
Interest receivable	(78)	(2)
Interest Payable	1	2
Depreciation charges	529	493
Operating cash flow before movement in working capital	**602**	**1,453**
Decrease /(increase) in debtors	**37**	**(435)**
(Decrease)/increase in creditors	**(219)**	**272**
Cash generated by operating activities	**420**	**1,290**

b. Analysis of Cash and cash equivalents:

	2023 £000's	2022 £000's
Instant access working capital	196	524
Notice deposits	266	761
Other cash balances	2,844	2,134
Total cash and cash equivalents	**3,306**	**3,419**

c. Analysis of change in net debt:

	At 1 October 2022 £000's	Cash-flows £000's	New Finance Leases £000's	At 30 September 2023 £000's
Cash	3,419	(113)	-	3,306
Finance Leases	(36)	21	-	(15)
Total	**3,383**	**(92)**	**-**	**3,291**

27) ULTIMATE PARENT UNDERTAKING

The Royal British Legion (Registered Charity number 219279) is the charitable company's immediate and ultimate parent undertaking and ultimate controlling party. The parent undertaking of the smallest and largest group which includes the company for which the group accounts are prepared by The Royal British Legion. The consolidated financial statements of The Royal British Legion can be obtained from the charity's registered office at Haig House, 199 Borough High Street London SE1 1AA. The accounts of the Arboretum's trading subsidiary, NMA (Enterprises) Limited (Company number 04259701) can be obtained from Companies House.

28) POST BALANCE SHEET EVENT

On 20th December 2023 £18,000 was received from NMA (Enterprises) under gift aid, being the remaining surplus relating to the 2023 financial year. (2022: the remaining surplus of £204,000 from the 2022 financial year was paid 23rd December 2022).

THE NATIONAL MEMORIAL ARBORETUM COMPANY LIMITED

England & Wales - Charity number 1043992

Accounts

National Memorial Arboretum Company Limited

Company Registration No. 02927443
Registered Charity No. 1043992



National Memorial Arboretum Company Limited
Annual Report and Financial Statements

Year ended 30 September 2022



A member of The Royal British Legion family of charities

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National Memorial Arboretum Company Limited
Registered Company number 02927443

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

David Whimpenny – Chair (until 24th June 2022)
Anny R Reid - Chair (from 24th June 2022)
Andrew Farquhar
Jason Coward (until 24th June 2022)
Gary Ryan
Kate Logan
Lynda Atkins (until 5th March 2022)
Patsy Wilkinson (from 19th July 2022)
Rod Bedford (from 24th June 2022)

COMPANY SECRETARY

Luke Joannou

PRINCIPAL OFFICERS – Key Management Personnel

Philippa Rawlinson	Managing Director, RBL Director of Remembrance
Lorna Price	Head of Finance
Maria Howes	Head of Marketing & Business Development
Mark Ellis	Interim Lead from (from 12th September 2021)
	National Memorial Arboretum Lead (from 12th September 2022)
Angela Ham	Head of Business Support Services (until 31th March 2022)
Adrian Thickett	Head of Business Support Services (from 6th June 2022)
Andy Ansell	Head of Estates
Chris Ansell	Head of Participation and Learning (until 12th June 2022)
Rachel Smith	Head of Participation and Learning (from 4th September 2022)

BANKERS

Lloyds Commercial
Public and Community Sector
3rd Floor, Gresham Street
London
EC2V 8EH

HSBC Bank PLC
49 Market Street
Lichfield
Staffordshire
WS13 6LB

AUDITOR

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

REGISTERED & PRINCIPAL OFFICE

Croxall Road
Alrewas
Staffordshire
DE13 7AR

Charity Registration Number: 1043992

Company Registration Number: 02927443

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

The Trustees, who are also Directors of the charitable company, present their annual report, which incorporates a strategic report, and audited financial statements for the year ended 30 September 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The reference and administrative details on page 1 form part of this report.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The National Memorial Arboretum Company Limited (Arboretum) is a member of the Royal British Legion family of charities, which is the UK's national custodian of Remembrance; supporting and delivering nationwide events through its network of branches, members and volunteers and locally in communities across the country. The Arboretum is the United Kingdom's year-round centre for Remembrance in the heart of our country; a spiritually uplifting place which honours those who have fallen in the service of their country, recognising their service, suffering and sacrifice. The Arboretum's award-winning Remembrance Centre has now been open for 6 years and through its accompanying programme of activity, partially funded by the Heritage Lottery Fund, has been successful in widening the Arboretum's reach to new audiences and engaging them with Remembrance. In the last twelve months the Arboretum's strategic approach has built on the many achievements to date and the refreshed vision developed in 2020:

'To be the nation's year-round place to Remember, an inspirational world-class setting freely open to all.'

This is central to the charitable group's core charitable objective of championing Remembrance and promoting its observance and participation. Also, as a year-round space to celebrate lives lived and commemorate lives lost, we will ensure the baton of remembrance is passed on to future generations.

The Arboretum's specific charitable objectives as set out in the Memorandum and Articles of Association are to:

- promote an appreciation by the public of the role of the armed forces of the Crown by providing and maintaining the Arboretum as a public memorial to commemorate and remember those who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service of the public;
- relieve the distress and suffering of those who are bereaved; and
- educate the public and personnel of the armed forces of the Crown in citizenship, military history, the effects of armed conflict, conflict resolution and reconciliation.

2022 has been an encouraging year, as the impact of the Covid-19 pandemic on daily activity diminished. However this was replaced by the extreme heat and cost of living concerns in the latter part of the year. Whatever the operational challenges this has brought, the underlying key strategic priorities remain the same and are:

- Developing an inspirational living landscape that embraces our environment to create new Remembrance spaces and reasons to visit throughout the seasons;

- Developing an inspirational programme which responds to visitor needs and drives visitation of target audiences and maximises the value and potential of the site;

- Living our shared values to attract and develop great people;

- Collaborating with key internal and external partners to achieve win-win outcomes; and

- Nurturing a culture that uses all of our resources efficiently and effectively whilst minimising our impact on the environment.

ACHIEVEMENTS AND PERFORMANCE

2022 saw a cautious return to pre-Covid operating conditions, and a welcome return of our Remembrance and Learning audiences as it became possible to provide our full range of services. Performance was still lower than historically achieved, but has significantly exceeded initial expectations.

Visitors:

During the year, the Arboretum received 310,555 visitors (2021: 222,170), a 40% increase compared to 2021. While still lower than in the last pre-Covid year (2019: 342,189) it has been encouraging to see visitors returning to site and support for our key Remembrance activities. There have also been some notable successes:

- The restoration of visitor confidence meant visitor volumes in the first 6 months of the year surpassed all expectations, with some record monthly performances helping to generate very welcome additional income.
- Continued to attract high volumes of first time and young family visitors to supplement our core traditional older audience.
- A return to on-site attendance for the key Ride to the Wall fundraising event and our core Remembrance-tide programme, supplemented by live streaming over the internet.
- A sold out Illuminated Arboretum programme during December.
- Hosted the Queen's Baton Relay for the Commonwealth Games, supplemented by a number of Commonwealth themed activities across the busy summer period, including the Queen's Commonwealth temporary exhibition and the successful 'Arboretum Games' family activity programme.
- Continued to undertake post-visit audience research to improve customer service and activity going forward, supplemented with participation in a number of mystery shopper exercises, and were delighted to have been awarded the prestigious Visit England 'Gold' award.
- Launched the 'Tree of Cherished Memories'; a new fundraising initiative whereby members of the public can donate to the Arboretum and purchase an inscribed leaf or figure to be installed on the tree, for a fixed period of between 5 and 10 years, to remember a loved one.
- On a more sombre note, the Arboretum became a focal point for the laying of floral tributes and a host site for signing books of condolence, following the passing of Her Majesty Queen Elizabeth II, who was the patron of our parent charity and had a long-standing connection with the site.

The Arboretum site:
During the year, it has been necessary to continue with transforming business operations, to improve efficiency, reflect the new working environment and take steps to reduce costs where possible. With the increase in business volumes, it has been necessary to strengthen some teams to improve both service delivery and overall resilience and re-recruit posts which became vacant due to natural wastage during the pandemic. This has resulted in the restructure of some departments, with all existing staff being successfully deployed to new roles.

Landscape:
One of the key objectives of the Arboretum is to provide a public memorial to commemorate and remember those who have lost their lives or suffered injury in service to the public. During the year, Remembrance services and commemorations have returned to pre-Covid levels, and it has been encouraging to see the appetite for new memorials has not diminished. During the year 11 new memorials were dedicated including memorials to Submariners, 216 Squadron, and Cheshire Yeomanry. The dedication of the NAAFI (Navy, Army and Air Force Institutes) became the Arboretum's 400th memorial on site.

In 2021 the Arboretum and long-standing partners The National Forest Company shared that they had received many calls to develop a memorial for all those that have lost their lives in service during the pandemic and options to respond to this are being explored.

Our landowner Tarmac donated an additional 28 acres of land for potential future development. During 2022 a feasibility study of potential options has been completed and opportunities for fundraising are being explored. An RICS qualified surveyor has provided an initial valuation for the gifted land in its current state at £98,000.

To Commemorate the Platinum Jubilee, the Arboretum is to take part in the Queen's Green Canopy initiative, and during 2022 was gifted the freehold to an additional 7 acres of land adjacent to the entrance to the site by the Leavesley family. An RICS surveyor has valued this gift at £80,000. The land will be used to create a new tree lined avenue creating an approach route to the Arboretum which is more befitting to a national heritage site.

Going forward, the Arboretum will also need to open up areas of the site which are currently either under-utilised or inaccessible and with its landowner Tarmac has developed plans for a new permanent car park to replace the overflow car park which is subject to quarrying from 2023 at limited cost to the Arboretum. This coupled with Tarmac's aspirations for future development of land adjacent to the site will in time improve both the visitor journey and facilitate engagement with the site and Remembrance by the local community.

Programmes:
The 'Landscapes of Life' permanent interpretation exhibition remains an important component in the fulfilment of the Arboretum's charitable objectives of learning, by helping visitors to engage with Remembrance and since May 2019 has been free to enter. During the year this has been supplemented by a number of indoor temporary exhibitions and an engaging outdoor programme which has included a number of seasonally themed trails and the very popular Arboretum games, which appealed to the growing family audience engaging them with memorials across the site.

During the period we have continued to mark significant Remembrance events, with both our usual activity on site, and shared the services via a variety of digital and broadcast media; this has again

Programmes (continued)

extended our audience reach and given international engagement in what would have previously been site-based events.

During the year working with the National Forest and Westminster Abbey, the Arboretum was successful in securing a grant of c £250,000 from the National Lottery Heritage Fund, for an activity plan to commemorate the pandemic titled 'Lockdown Landscapes'. This project is still in its early stages and funds will be drawn down as the project progresses. At the end of the 2022 financial year no funds had been drawn down. The project is a key focus area for 2023.

Sustainability:
The Arboretum is also custodian to 150 acres of green space and is committed to acting sustainably, having a positive impact on our environment and its ecology, and being an advocate for sustainable practices. We have already undertaken work to limit our negative impact on the environment via recycling and using locally sourced products and materials where possible, but there is more we can do. Over the next five years we will continue to embed ethical and sustainable practices into our daily operations.

The Arboretum remains committed to growing its self-generated income sources to deliver against its strategic aims.

The main annual fundraising event of the year in October, "Ride to the Wall", proved to be very successful, generating £135,000 (2021: £115,000) thanks to the high volumes of pre-registrations for the event and bespoke merchandise sales.

Despite very uncertain times, business as usual fundraising has held up reasonably well. While advance booking your visit to the Arboretum is now recommended rather than being essential, the percentage of visitors choosing to book remains around 60% ensuring the prompt to donate on the online booking system continues to perform well generating £71,000 (2021: £125,000) of income during the year. The new donation boxes positioned at key points around the Remembrance Centre installed in 2021, have also continued to perform well.

FINANCIAL REVIEW
Income for the year was £5.1 million (2021: £4.0 million); The Arboretum is a free to enter site; its main sources of income are voluntary donations, grant funding and profits from its trading subsidiary NMA Enterprises Limited. The £1.1 million increase in income over the previous year mainly relates to higher income attributable to increased visitor volumes, new memorial maintenance endowments and the recognition of significant gifts in kind of £178,000 relating to the valuation of the land gifted by Tarmac in 2021 and the additional 7.5 acres gifted by the Leavesleys in the current financial year. With the removal of available Covid assistance grants, it has been necessary to increase the core Remembrance grant required from its parent charity. The Royal British Legion to pre-Covid levels to £1,950,000 (2021: £1,450,000).

In addition, to the above, Grant in Aid funding from the Ministry of Defence was received for the ongoing maintenance of the Armed Forces Memorial.

During the year, the Arboretum also received additional smaller gifts in the form of scooters and grounds equipment with a value of £15,000 (2021: £17,000) and funding for the purchase of 2 new electric golf style buggies from the RBL Women's Section and RBL St James's Branch.

Financial Review (Continued)

Expenditure was £4.2 million (2021: £3.7 million), a year-on-year increase of £0.5 million. This is mainly due to higher costs of raising funds which increased by £202,000 (2022: £664 000, 2021: £462,000).

The Arboretum is very much dependent on footfall on site, with the easing of Covid-19 restrictions it has been necessary to spend more on marketing due to increased competition. Expenditure on Charitable Activities is £328,000 higher than 2021 at £3.5 million (2021: £3.2 million) due to increased costs of infrastructure for commemorative events now we are able to welcome visitors on to site and higher general running costs such as utilities to support the increased footfall.

This resulted in a net increase in funds of £960,000 (2021: £341,000).

Capital expenditure for the year was £707,000, (2021: £12,000), and relates to the feasibility studies for the proposed woodland extension, the land gifts in kind noted above and the Tree of Cherished memories sculpture. 2021 expenditure relates to initial surveys relating to the Tarmac land.

The trading subsidiary, NMA (Enterprises) Limited was hardest hit by the impact of the Covid 19 pandemic. However due to increased visitor volumes and the re-start of Remembrance and Commercial functions, a surplus of £419,000 has been generated. £215,000 of which has been paid on account during the financial year. The 2021 surplus of £585,000 was solely attributable to business continuity insurance receipts arising from the loss of income due to the pandemic.

RESERVES POLICY AND GOING CONCERN

As the Arboretum is part of the Royal British Legion group, its policy is to not seek to hold reserves as this leads to a duplication of reserves at a group level. A rolling 12 month 'letter of comfort' under which The Royal British Legion will continue to provide any financial support (either through the waiver of intercompany debt, the provision of further intercompany funds or equity) that may be required in order for the organisation to pay its liabilities as they fall due, has been in place for a number of years.

Total charity funds increased by £0.9m to £23.9m at the end of the year (2021: £23.0m). Total charity funds comprise unrestricted funds of £21.6 million (2021: £21.1 million) and restricted funds of £2.3 million (2021: £1.8 million) including expendable endowment funds.

Total unrestricted funds comprise designated funds of £20.0 million (2021: £20.0 million) and general funds of £1.6m (2021: £1.2m); the general funds figure includes free unrestricted funds of £1,227,000 (2021: £976,000).

Designated funds represent the net book value of completed fixed assets relating to grounds and buildings and legacy income. As legacy income is difficult to predict and cannot be counted on to help fund day to day activities, any significant receipts are set aside to fund future development and engagement activity. The designated funds balance is broadly similar to 2021 due to legacy receipts and fixed asset additions being offset by depreciation.

Total restricted funds at the end of the year were £2.3million (2021: £1.8 million). £1.6million (2021: £1.2m) relates to maintenance endowments for the maintenance and insurance for a number of specific memorials. During the year the Arboretum was successful in securing a further £490,000 (2021: £316,000) of maintenance endowments for a mixture of new and existing memorials, which will help contribute to the Arboretum's longevity. The remaining balance of £712,000 includes

Reserves policy and Going Concern (Cont.)

£488,000 for the ongoing maintenance of the Armed Forces Memorial and minor works relating to the Remembrance Centre and Functions Pavilion.

The continuing operation of the Arboretum is dependent on donations and grants from supporters, together with funding from The Royal British Legion to support day to day activity. Given the close operational relationship with The Royal British Legion, the letter of comfort in place, the funding supplied for the Remembrance Centre and the new Functions Pavilion, and the key role the Arboretum now plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident that funding will be available to support the Arboretum's activities into the future. Reflecting on this, the Trustees have therefore prepared the accounts on a going concern basis.

RISK MANAGEMENT

The Trustees are responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage major risks to which the charity is exposed. The process in place regarding risk management and internal control includes the following:

- The risk analysis is reviewed monthly by the management team and scrutinised quarterly by the Board of Trustees. The Trustees are satisfied that for risks identified a planned schedule of activity is being undertaken so the impact on the charitable company will be minimised should any of the risks materialise.

- Internal audit, which is provided to the group by a third party, undertake a programme of examinations, ensuring the effectiveness of risk management and controls.

The key risks and how they are managed are:

Principal risk	Mitigation
Fundraising and grant income does not meet targets.	- Progress against business plan is assessed. - Financial support available from parent charity to meet funding gap.
Investment in new attractions does not increase visitor numbers.	- Prepare sound business cases prior to embarking on projects. - Increase advertising and marketing spend to create awareness.
Visitors are deterred from visiting due to site flooding and other extreme weather events.	- The website is kept up to date detailing any accessibility issues. The temporary exhibition programme should help preserve visitor numbers during periods of inclement weather and minor localised flooding. - Phase 1 of a programme of drainage improvements has been implemented to reduce the impact of flooding
Maintenance endowments given to cover repairs of memorials are not sufficient to cover costs.	- Funds are pooled to obtain best rates. - The Arboretum has a fundraising strategy with the primary objective of achieving growth in unrestricted income over the medium to long term.

Risk Management (Continued)

The company is not unduly exposed to price, credit, liquidity or foreign exchange risk.

The company is included in The Royal British Legion's group insurance policy which provides a comprehensive package of insurance against foreseeable risks including public and product liability.

The charity is covered by insurance from loss arising from neglect or default of its Trustees, and to indemnify the Trustees against the consequences of neglect or default on their part.

FUTURE DEVELOPMENTS

Next year, the Arboretum will:

- Continue with the development stages of the proposed Woodland extension.
- Deliver the first phase of the Queen's Green Canopy.
- Deliver the lottery funded Lockdown landscapes activity plan.
- Continue to encourage support from stakeholders through advocacy and fundraising as we implement the vision shared as part of the 20th Anniversary commemoration in 2021.

PUBLIC BENEFIT STATEMENT

In considering the operation, achievements, performance and finances of the charitable company the Trustees have given due regard to the public benefit guidance published by the Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Arboretum was incorporated in 1994 as a charitable company limited by guarantee not having a share capital and registered in 1995 as a charity with the main governing principles being contained in Memorandum and Articles of Association. The Arboretum has been part of The Royal British Legion (the RBL) family of charities since 2003. The RBL is the sole member of the company and controls the appointment of all Trustees.

The Board of Trustees consists of six Trustees appointed by the RBL with one Trustee appointed as chairman. Three of the Trustees are also on the Trustee board of the RBL, one Trustee is a member of the executive management team of the RBL with line management responsibility for the Arboretum, and the remaining two members are independent Trustees with significant military and visitor attraction experience respectively. Meetings of the Board of Trustees take place quarterly. In accordance with its Articles of Association a term of any Trustee's appointment cannot exceed three years, but a Trustee is eligible for reappointment for a further two terms and can be removed from office by the RBL at any time. Training for all Trustees is provided through The Royal British Legion.

Responsibility for the day-to-day operations of the Arboretum has been delegated by the Managing Director to the National Memorial Arboretum Site Lead, who is supported by a management team, administrative support staff and a team of volunteers. The Managing Director has established an executive management structure for the Arboretum to undertake operational activities with a clearly defined management and reporting structure. The management team meets weekly to discuss operational issues and new initiatives and take any action as required.

The Arboretum has a subsidiary company, NMA (Enterprises) Limited, which carries out the trading activities of the charity, principally the operation of restaurant and café facilities, concessions and business functions.

Structure Governance and Management (Continued)

The Managing Director is supported by the following boards and committees:

- Landscape and Memorials Committee – this committee reviews and agrees proposals for new memorials and landscaping development and is critical to the future direction and management of the Arboretum grounds

- NMA Enterprises Board – the board of Arboretum's subsidiary company, NMA (Enterprises) Limited

Key management personnel remuneration policy

The key management personnel remuneration policy has been harmonised with that of the parent charity. Roles are initially evaluated at the group job evaluation committee, which uses the Hay System, and salaries are benchmarked with similar roles in the local area in order to attract the appropriate calibre of candidate. The company then operates an annual appraisal scheme at which performance is assessed against set objectives. The annual pay award is set by the parent charity.

Equal opportunities

The company is an equal opportunities employer and is committed to a policy of employment based on aptitude and ability without discrimination of any kind.

Volunteers

The Trustees recognise the hard work contributed by staff, volunteers and the NMA friends who in many ways keep the site going. Active volunteers gave around 40,000 hours (2021: 35,000 hours) of invaluable help during the year. Volunteer activities include the provision of educational support for facilitated learning visits, guiding visitors around the site, and grounds maintenance which equates approximately to an additional 30 full time staff. The contribution is recognised by all who visit the site and many visitors write to express thanks for the way volunteers help with their visit and comment on the pride the volunteers take in all they do.

Fundraising

As a location-based charity the Arboretum does not have a national network of fundraisers or agents acting on its behalf. The majority of fundraising is derived directly from on-site activities and donation boxes. In addition, up to 2 direct mail campaigns may be undertaken per annum to registered supporters and applications are made to grant funders for specific initiatives to further charitable objectives. To date we have not received any complaints regarding fundraising activity. We endeavour to ensure our fundraising activity is not overly obtrusive or put anyone under undue pressure to donate.

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also Directors of The National Memorial Arboretum Company Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report, incorporating the Director's report and including the Strategic Report, was approved by the Board of Trustees on 24th March 2023 and signed on its behalf by:



Anny R Reid
Chair of Trustees

Date: 24th March 2023

Independent auditor's report to the members of The National Memorial Arboretum Company Limited
Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The National Memorial Arboretum Company Limited (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report (continued)

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included Charity Commission for England and Wales (Charity Commission) regulations and Fundraising regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- revenue recognition which is related to the completeness of grant income: we obtained an understanding of the key processes and relevant controls around the completeness of grant income; and performed detailed substantive tests on grant income, on a sample basis, to verify that it was complete and has been correctly recognised in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Wright

Nicola Wright, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom

21 April 2023

National Memorial Arboretum Company Limited
Registered Company number 02927443

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
Year ended 30 September 2022

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2022 £000's	Total Funds 2021[1] £000's
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	2,706	544	490	3,740	3,253
Charitable Activities	4	691	10	-	701	617
Other Trading Activities		90	-	-	90	41
Investments:						
Gift aid from NMA (Enterprises)	5	618	-	-	618	90
Bank interest	6	-	-	2	2	1
TOTAL INCOME		**4,105**	**554**	**492**	**5,151**	**4,002**
EXPENDITURE ON:						
Raising Funds	7	664	-	-	664	462
Charitable Activities	8	3,302	161	64	3,527	3,199
TOTAL EXPENDITURE		**3,966**	**161**	**64**	**4,191**	**3,661**
Net income for the year		**139**	**393**	**428**	**960**	**341**
Transfer between Funds	20	326	(326)	-	-	-
NET MOVEMENT IN FUNDS		**465**	**67**	**428**	**960**	**341**
RECONCILIATION OF FUNDS						
Total funds brought forward		**21,130**	**645**	**1,193**	**22,968**	**22,627**
Net movement in funds for the year		465	67	428	960	341
Total funds carried forward		**21,595**	**712**	**1,621**	**23,928**	**22,968**

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

(1) See note 19 for 2021 detailed Statement of Financial Activities

National Memorial Arboretum Company Limited
Registered Company number 02927443

BALANCE SHEET
As at 30 September 2022

	Note	2022 £000's	2021 £000's
FIXED ASSETS			
Tangible assets	14	20,020	19,806
Heritage assets	15	348	348
Fixed asset investments	16	-	-
Total Fixed Assets		**20,368**	**20,154**
CURRENT ASSETS			
Debtors	17	831	396
Cash at bank and in hand		3,419	2,857
Total Current Assets		**4,250**	**3,253**
Creditors – amounts falling due within one year	18a	(675)	(403)
NET CURRENT ASSETS		**3,576**	**2,850**
TOTAL ASSETS LESS CURRENT LIBILITIES		**23,943**	**23,004**
Creditors falling due in more than one year	18b	(15)	(36)
TOTAL NET ASSETS		**23,928**	**22,968**
FUNDS			
General Funds	20	1,632	1,153
Designated Funds	20	19,963	19,977
Restricted Funds	20	712	645
Expendable Endowment Funds	20	1,621	1,193
Total Funds		**23,928**	**22,968**

The notes on pages 18 to 36 form part of these financial statements.

These financial statements of The National Memorial Arboretum Company Limited were approved by the Board of Trustees and authorised for issue on 24th March 2023. They were signed on its behalf by:



Anny R Reid
Chair of Trustees

National Memorial Arboretum Company Limited
Registered Company number 02927443

CASH-FLOW STATEMENT

Year ended 30 September 2022

	Note	Total Funds 2022 £000's	Total Funds 2021 £000's
Net cash provided by operating activities	**26**	**1,290**	**1,063**
Cash flows from investing activities:			
Interest receivable		2	1
Purchase/gifts of property, plant and equipment		(707)	(12)
Purchase of heritage assets		-	-
Net cash used in investing activities		**(705)**	**(11)**
Cashflows from financing activities:			
Interest element of finance lease payments		(2)	(3)
Repayment of finance leases		(21)	(20)
Net cash used in finance leases		**(23)**	**(23)**
Net increase in cash and cash equivalents		**562**	**1,029**
Cash and cash equivalents at the beginning of the year		2,857	1,828
Cash and cash equivalents at the end of the year		**3,419**	**2,857**

There are no cash equivalents, therefore cash and cash equivalents comprise cash at bank and in hand.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2022

1) ACCOUNTING POLICIES

Company and Charitable Status

The National Memorial Arboretum Company Limited, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having any share capital. There are currently six Trustees who are also members of the company. Each member has undertaken to contribute to the assets in the event of a winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (SORP 2019); and the Companies Act 2006.

The principal accounting policies are set out below:

Basis of Preparation

Under section 401 of the Companies Act the company is exempt from preparing consolidated accounts. The results presented therefore represent the accounts of the charitable company; The National Memorial Arboretum Company Ltd. The results of the National Memorial Arboretum group including NMA Enterprises Limited are included in the accounts of the ultimate parent charity – The Royal British Legion which are publicly available.

Going Concern

The accounts have been prepared on a going concern basis as set out on page 6 of the Trustees' Report. Performance during 2022 has been impacted by the cost of living concerns, which will continue to be an influencer of performance during 2023, consequently the appropriateness of the going concern assumption basis has been reassessed, the Trustees have considered the Charity's financial position, capital and forecast and support available from the parent charity and concluded there are no material uncertainties regarding the charity's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to funds, performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations including amounts received for fixed assets are recognised immediately on receipt. The only exception to this is where there are predetermined conditions to be met, in these instances income is recognised once the required conditions have been met in full.

Grant income is recognised on written confirmation of the grant once any inherent performance related conditions of the grant have been met in full.

Legacy receipts are recognised when it is probable it will be received. This is deemed when:

- there has been a grant of probate;
- the executors have determined there are sufficient assets in the estate; and
- conditions attached to the legacy or within the control of the charity have been met.

1) ACCOUNTING POLICIES

Income (continued)

Interest receivable relates to interest on bank deposits and current accounts, under the terms of FRS102 this does not require adjustment using the effective interest rate method laid down by the standard, as the rate receivable is deemed to reflect the effective interest rate applicable.

Donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have paid to obtain services or facilities for equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised on an accruals basis.

In accordance with the Charities SORP (FRS 102) due to the extremely wide variety of skills provided to the Arboretum by its volunteers, it is not possible to quantify the value, consequently no income is recognised in respect of general volunteer time received - information on volunteer contributions is disclosed in the Trustees' Report on page 9.

Expenditure

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:
Raising funds – includes costs incurred in generating fundraising income, advertising, and direct mail.

Charitable activities – includes direct costs of operating the charity and maintaining the grounds and memorials along with the costs of commemorative events held in furtherance of the charitable objectives.

Support costs – are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, premises costs and governance costs. These costs are allocated between the cost of raising funds and expenditure on charitable activities. The bases of cost allocation are set out in note 9.

Fund Accounting

The charitable company holds the following funds:

Restricted funds represent grants, donations, legacies and appeal monies received which are allocated in accordance with the donors instructions for specific purposes and are expendable only in accordance with the donor's wishes.

Designated funds represent funds set aside for the net book value of completed fixed assets relating to grounds, buildings and supporting infrastructure.

General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company.

Fund Accounting (continued)
Maintenance endowments are expended in line with the terms of their respective donation agreements.

Taxation
The charitable company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax; however all profits are paid to the charitable company by way of gift aid.

Tangible Fixed Assets and Depreciation
i)Tangible Assets:
Tangible Assets are included at acquisition cost less depreciation. The capitalisation threshold is £20,000. Land held on long-term lease and landscaping costs to bring the grounds into use are not depreciated. Generally, depreciation is provided on other tangible fixed assets at rates calculated on a straight-line basis over their expected useful lives, the only exception to this is grounds equipment purchased during the 2020 financial year which is depreciated over the term of the Hire purchase/finance lease of 4 years.

Long leasehold and ground improvements	Long leasehold land and initial landscaping - not depreciated Ground improvements and drainage - 6.67% Roadways and paths - 8.33%
Heritage Assets	Not depreciated
Visitor facilities and fixtures	Building and fixtures 2% Grounds Equipment under Finance lease 25% Catering equipment 20%
Office equipment	Office equipment 20%

Depreciation is not provided until an asset is brought into use. Depreciation is then charged over the asset's economic life based on the percentages above as appropriate. Depreciation is not charged in the year of disposal but is included in the profit/loss on disposal calculation.

Capital projects with a life of more than 1 year are managed via a capital work in progress account. Projects are transferred to fixed assets and depreciated over their economic life once they come into use.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any costs of sale and its value in use.

Where appropriate gifted land or other property is valued by a RICS qualified surveyor at the market rate prevailing at the point the asset is transferred to the Arboretum.

Tangible Fixed Assets and Depreciation (continued)

ii) Heritage Assets

The charitable company has capitalised trees held on site for Remembrance value within the financial statements. The trees are managed as part of the Arboretum ensuring that they are accessible to the public in line with the objectives of the charitable company.

Trees are included at cost as the Trustees deem a valuation policy to be inappropriate. The trees are deemed to have indeterminable lives as they are preserved through ongoing maintenance of the Arboretum and the Trustees do not therefore consider it appropriate to charge depreciation. However, a review for impairment is carried out on an ongoing basis and in the case of any damage, for example as a result of a severe storm or disease, the value of the trees will be adjusted and the impairment recognised in the Statement of Financial Activities.

The Armed Forces Memorial (AFM) is included as a Heritage Asset. Given the significant repairs required to the AFM on acquisition from the Armed Forces Memorial Trust in 2015, and the cost of ascertaining a definitive value through a surveyor's valuation significantly outweighing any benefit gained due to the unique nature of the asset, the AFM is included in the accounts at the nominal value of £1.

iii) Memorials

Under the current policy issued in 2010 new memorials are built by the commissioning organisation/association who retain ownership. Memorial holders are requested to either pay an annual maintenance charge for the upkeep of the grounds surrounding their memorial or make an upfront maintenance endowment to facilitate the 'lifetime' maintenance of their memorial in the event their organisation should cease to exist in the future. These are regarded as expendable endowments and the capital can be used to fund ongoing maintenance costs. All funds received for annual maintenance are included in the tree plaques, benches and paviors income category under income from charitable activities. Lump sum maintenance endowments are recognised under voluntary income and any subsequent expenditure is shown in the cost of charitable activities (endowment).

Prior to the introduction of the policy in 2011, any donations received for memorial construction were credited to income from charitable activities and any unspent balance transferred to endowment funds. These remaining balances will be used to cover maintenance on the specific memorials in the future.

Employee Benefits

The charitable company operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension contributions and other retirement benefits is the contributions payable in the year. The difference between this and contributions actually paid is shown as either accruals or prepayments in the balance sheet. All costs relate to unrestricted activities.

Financial Instruments

The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially valued at transaction value and subsequently measured at their settlement value as follows:

Financial Instruments (continued)

Trade and other debtors are recognised at the settlement amount after any discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount to settle the obligation can be measured reliably. Creditors and provisions are recognised at their settlement value after allowing for trade discounts due.

2) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

During the year the Arboretum obtained professional valuations for Land gifted by Tarmac and the Leavesley family with a total value of £178k being recognised in the accounts. With no direct market comparisons available for the value of similar land in the local area, these valuations are considered to be estimates of the land value in its current state. While this does not mean the valuations cannot be relied upon, for reasons of transparency it is important to provide insight into the market context under which the valuation opinions were prepared.

The Trustees do not consider there are any further critical judgements or sources of estimation uncertainty requiring disclosure.

3) ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £000's	Restricted £000's	Endowments £000's	2022 £000's	2021 £000's
Donations	462	43	490	995	728
Gifts in kind*	178	15	-	193	17
Legacies	108	-	-	108	21
General grants (see 3a below)	1,958	486	-	2,444	2,487
Total	**2,706**	**544**	**490**	**3,740**	**3,253**

*2022 gifts in kind relate to the donation Land, mobility scooters and grounds equipment. 2021 gifts relate grounds equipment and the long-term use of a water pump

3a) General grants comprise the following:

	2022 £000's	2021 £000's
Grant in Aid – Armed Forces Memorial	95	158
The Royal British Legion – Remembrance	1,950	1,450
The Royal British Legion – Memorial Woodland	350	-
National Forest – Memorial woodland	36	-
Heritage Lottery Fund	-	825
Memorial Grant Scheme	5	6
Learning Grants	-	10
Furlough Grant	-	20
Covid assistance grants	-	13
Other Grants	8	5
Total	**2,444**	**2,487**

4) ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

This note provides an analysis of activities specifically undertaken to generate income for the charity. It includes performance related grants for Armed Forces Day and other commemorative activity, primary purpose trading in the form of tree plaque, inscribed pavior and bench sales and the recharge of overhead expenses to the Arboretum's trading subsidiary NMA (Enterprises) Limited.

	2022 £000's	2021 £000's
Performance related grants:		
- Armed Forces Day	10	10
Car park	304	243
Exhibition Tickets	-	-
Learning services	40	19
NMA Enterprises overhead recharge	267	188
Tree plaques/benches/ annual maintenance	65	99
Insurance claims	15	58
Total	**701**	**617**

5) NET INCOME FROM TRADING SUBSIDIARY

The charitable company has a trading subsidiary NMA (Enterprises) Limited, which is registered in England and Wales. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies. NMA (Enterprises) Limited primarily carries out the operation of a retail shop, restaurant and functions.

	2022 £000's	2021 £000's
Turnover	3,019	1,701
Cost of sales	(2,137)	(1,423)
Gross profit	**882**	**278**
Administrative expenses	(490)	(315)
Operating profit/(loss) before taxation	**392**	**(37)**
Other Income	27	622
Profit before taxation	**419**	**585**
Taxation	-	-
Profit and total Comprehensive income for the year	**419**	**585**
Retained earnings brought forward:	**403**	**(92)**
Payment to parent charity under the gift aid scheme	(618)	(90)
Retained surplus for the year	**204**	**495**
Retained surplus carried forward	**204**	**403**
Assets	1,176	1,000
Liabilities	(972)	(597)
Net assets	**204**	**403**

6) ANALYSIS OF INCOME FROM INVESTMENTS

	2022 £000's	2021 £000's
Gifted from NMA (Enterprises)	618	90
Bank interest	2	1
Total	**620**	**91**

7) ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Direct Costs £000's	Support Costs £000's	Total 2022 £000's	Direct Costs 2021 £000's	Support Costs 2021 £000's	Total 2021 £000's
Raising donations, grants and legacies	60	28	88	33	21	54
Advertising, marketing and direct mail	493	83	576	338	70	408
Total	**553**	**111**	**664**	**371**	**91**	**462**

8) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £000's	Support costs £000's	Total 2022 £000's	Direct Costs 2021 £000's	Support Costs 2021 £000's	Total 2021 £000's
Commemorative events	311	112	423	212	81	293
Grounds and memorial upkeep	434	222	656	557	173	730
Visitor operations	952	1,229	2,181	868	1,120	1,988
NMA (Enterprises) overhead recharge	-	267	267	-	188	188
Total	**1,697**	**1,830**	**3,527**	**1,637**	**1,562**	**3,199**

9) ANALYSIS OF SUPPORT COSTS

	Raising funds £000's	Commemorative events £000's	Grounds and Memorials £000's	Visitor operations £000's	Recharge to NMA Enterprises £000's	Total 2022 £000's	Basis of allocation
Governance	11	11	21	70	-	113	Headcount
Central Management	21	21	41	147	132	362	Headcount
Administration	16	16	32	112	2	178	Headcount
Premises	61	62	124	434	90	771	Headcount
Depreciation	-	-	-	450	43	493	Usage
Legal and Professional	2	2	4	16	-	24	Headcount
Total	**111**	**112**	**222**	**1,229**	**267**	**1,941**	

2021 COMPARATIVE ANALYSIS OF SUPPORT COSTS

	Raising funds £000's	Commemorative events £000's	Grounds and Memorials £000's	Visitor operations £000's	Recharge to NMA Enterprises £000's	Total 2021 £000's	Basis c allocatio
Governance	9	8	18	64	-	99	Headcoun
Central Management	18	16	34	131	68	267	Headcoun
Administration	9	8	17	66	2	102	Headcoun
Premises	55	49	103	397	74	678	Headcoun
Depreciation	-	-	-	459	44	503	Usag
Legal and Professional	-	-	1	3	-	4	Headcoun
Total	**91**	**81**	**173**	**1,120**	**188**	**1,653**	

10) NET INCOME FOR THE YEAR

	2022 £000's	2021 £000's
Incom is after charging:		
Depreciation of owned assets	493	503
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the financial statements	26	20

11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2022	2021
Raising funds	4	4
Charitable operations	41	37
Support	7	9
Total	**52**	**50**

Their aggregate remuneration comprised:

	2022 £000's	2021 £000's
Wages and salaries	1,156	1,113
Social security costs	100	98
Pension costs	118	122
Severance	-	42
Total	**1,374**	**1,375**

During the year no severance payments were made (2021: severance payments made to 5 members of staff following departmental restructures).

The number of employees whose emoluments excluding pension contributions but including benefits in kind were in excess of £60,000 was:

	2022	2021
£60,000-£70,000	1	1
£90,000-£100,000	-	1
Total	**1**	**2**

The key management personnel of the charity are listed on page 1. The total remuneration (including pension contributions but excluding employer's National Insurance Contributions) of the key management personnel of the charity for the year totalled £305,000 (2021: £378,000). Total employer's NIC paid in respect of key management personnel totalled £31,000 (2021: £37,000).

Trustees' Remuneration

No Trustees received remuneration during the current or prior year and no expenses were paid to any Trustees during 2022 (2021: nil) for expenses.

12) TAXATION

The activities of the charitable company are exempt from corporation tax. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax; however all profits are paid to the charitable company by way of gift aid therefore no tax liability will arise.

13) IRRECOVERABLE VAT

The charitable company was unable to recover £147,000 VAT for the 2022 financial year (2021: £96,000). This has been allocated back to the individual expenditure categories to which it relates.

14) TANGIBLE FIXED ASSETS

	Long Leasehold and Ground Improvements	Visitor Facilities and Fixtures	Office Equipment	Assets Under Construction	Totals
	£000's	£000's	£000's	£000's	£000's
Cost:					
At 1 October 2021	2,161	21,737	25	10	23,933
Additions	220	161	-	326	707
Disposals		(13)			(13)
At 30 September 2022	**2,381**	**21,885**	**25**	**336**	**24,627**
Accumulated Depreciation:					
At 1 October 2021	1,330	2,772	25	-	4,127
Charge for the year	40	453	-	-	493
Disposals		(13)			(13)
At 30 September 2022	**1,370**	**3,210**	**25**	**-**	**4,607**
Net Book Value:					
At 30 September 2022	**1,011**	**18,673**	**-**	**336**	**20,020**
At 30 September 2021	**831**	**18,965**	**-**	**10**	**19,806**

In 1994 the Arboretum site of 152 acres was gifted by Tarmac Plc on a 999-year lease at a peppercorn rent. Included in the cost of the long leasehold land is land with an ascribed value of £120,000 (2020: £120,000) and landscaping costs to bring the grounds into use at £827,000 (2021: £827,000) which is not depreciated.

During the year an initial valuation of £98,000 was applied to 25 acres added to the lease in 2021 This land requires considerable works to bring into use. During the year £326,000, was spent on the feasibility studies for the development of the land.

During 2022 the Arboretum was gifted the freehold of a further 7.5 acres of land adjacent to the entrance of the site with a survey valuation of £80,000.

15) HERITAGE ASSETS

Basis of capitalisation	Trees At cost £000's	Total £000's
Carrying amount at 1 October 2021	348	348
Carrying amount at 30 September 2022	**348**	**348**

Trees are an inherent part of the Arboretum and have been designated Heritage Assets and are not depreciated as described in note 1. These trees are included at cost as the majority have been selected for their symbolic meaning rather than from an arboreal collection perspective. The trees were originally planted as saplings and are now quite mature specimens. In the Trustees' opinion no provision for impairment is required at this time. There have not been any significant new mature trees planted in the last 5 years.

The Armed Forces Memorial is included in the accounts at a deemed cost of £1. This reflects the dilapidated state in which the memorial was transferred to the Arboretum in 2015. The cost of ascertaining a value for the memorial through a surveyor's valuation significantly outweighs any benefit that will be derived by the organisation. Ongoing repairs and maintenance costs to the memorial were expensed in the year.

16) FIXED ASSET INVESTMENTS

The Trustees of the charitable company own the entire issued share capital of two ordinary shares of £1 each at a cost of £2 of NMA (Enterprises) Limited. During the year NMA (Enterprises) Limited gift aided £90,000 profit to the Arboretum (2021: £90,000) and at the end of the year had aggregate reserves of £403,000 (2021: £403,000).

17) DEBTORS

	2022 £000's	2021 £000's
Amounts falling due within one year:		
Trade Debtors	40	57
Amounts owed by subsidiary undertaking	696	226
Prepayments and accrued income	95	113
Total	**831**	**396**

Amounts owed by the subsidiary undertaking are non-interest bearing and payable on demand.

18) CREDITORS

	2022 £000's	2021 £000's
a) Amounts falling due within one year:		
Trade creditors	171	75
Amounts owed to parent undertaking	12	12
HMRC- PAYE and NI	42	36
VAT creditor	92	37
Hire Purchase/Finance lease	21	21
Accruals and deferred income	337	222
Total	**675**	**403**

	2022 £000's	2021 £000's
b) Amounts falling due in more than one year:		
Hire Purchase/Finance Lease (due between 1-5 years)	15	36
Total	**15**	**36**

Amounts owed to the parent undertaking are non-interest bearing and repayable on demand.

The hire purchase/finance lease loans are secured against the assets to which they relate i.e., Grounds equipment purchases disclosed under fixed assets.

19) COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2021 £000's	Total Funds 2020[1] £000's
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	2,284	654	315	3,253	3,279
Charitable Activities	4	607	10	-	617	419
Other Trading Activities		41	-	-	41	37
Investments:						
Gift aid from NMA (Enterprises)	5	90	-	-	90	107
Bank interest	6	-	-	1	1	7
TOTAL INCOME		**3,022**	**664**	**316**	**4,002**	**3,849**
EXPENDITURE ON:						
Raising Funds	7	462	-	-	462	617
Charitable Activities	8	2,555	604	40	3,199	3,165
TOTAL EXPENDITURE		**3,017**	**604**	**40**	**3,661**	**3,782**
Net income for the year		**5**	**60**	**276**	**341**	**67**
Transfer between Funds	20	5	(6)	1	-	-
NET MOVEMENT IN FUNDS		**10**	**54**	**277**	**341**	**67**
RECONCILIATION OF FUNDS						
Total funds brought forward		**21,120**	**591**	**916**	**22,627**	**22,560**
Net movement in funds for the year		10	54	277	341	67
Total funds carried forward		**21,130**	**645**	**1,193**	**22,968**	**22,627**

20) MOVEMENTS ON FUNDS

	At 1 October 2021 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2022 £000's
Unrestricted Funds:					
General Fund	**1,153**	**3,997**	**(3,473)**	**(45)**	**1,632**
Designated Funds					
Fixed assets	**19,806**	-	(493)	371	**19,684**
Development and Engagement	**171**	**108**	-	-	**279**
Designated Funds Total	**19,977**	**108**	**(493)**	**371**	**19,963**
Total Unrestricted Funds	**21,130**	**4,105**	**(3,961)**	**326**	**21,595**
Expendable endowments*:					
NMA Memorials & Buildings	**428**	169	(20)	-	**577**
Basra Wall	**28**	-	-	-	**28**
Army Apprentices	**38**	-	(1)	-	**37**
Durham Light Infantry	**16**	-	(1)	-	**15**
British Korean Veterans	**30**	-	(2)	-	**28**
Polish Ex-Combatants	**49**	-	(3)	-	**46**
Royal Ulster Constabulary	**29**	-	(1)	-	**28**
Bastion Memorial	**47**	-	(1)	-	**46**
Royal Engineers	**83**	-	(1)	-	**82**
Police Service Northern Ireland	**30**	-	(2)	-	**28**
Victims of overseas terrorism	**43**	-	(2)	-	**41**
Heroes' Square garden maintenance	**104**	-	(7)	-	**97**
Royal Electrical & Mechanical Engineers	**32**	-	(2)	-	**30**
Devon & Dorset Regiment	**20**	-	(2)	-	**18**
Queens Lancashire Regiment	**26**	-	(1)	-	**25**
Guards Parachute Association	**25**	-	(1)	-	**24**
The Blues and Royals	**25**	-	(1)	-	**24**
Wrens	**38**	-	(2)	-	**36**
Royal Military Police	**21**	-	(1)	-	**20**
Scouts	**29**	-	(2)	-	**27**
National Mining Memorial	**28**	-	(2)	-	**26**
RBL Remembrance Glade	**24**	-	(1)	-	**23**
Royal Army Medical Corp	-	57	(3)	-	**54**
Post Office	-	60	(3)	-	**57**
Army Air Corp	-	41	(2)	-	**39**
Desert Rats	-	20	-	-	**20**
Royal Artillery	-	31	-	-	**31**
Submariners	-	85	-	-	**85**
41 Club	-	29	-	-	**29**
Total Expendable endowments	**1,193**	**492**	**(64)**	-	**1,621**

20) Movements on Funds (cont.

	At 1 October 2021 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2022 £000's
Restricted Funds					
AFM	**481**	101	(94)	-	**488**
Remembrance Centre	**130**	-	-	-	**130**
Functions Pavilion	**34**	-	-	-	**34**
Memorial Woodland	-	386	-	(326)	**60**
Other Funds received and fully utilised in year	-	67	(67)	-	-
Total Restricted Funds	**645**	**554**	**(161)**	**(322)**	**712**
Total Charity Funds	**22,968**	**5,151**	**(4,191)**	-	**23,928**

Separate funds are held for the following purposes:

- Expendable endowments - a number of memorial holders' gift monies to the Arboretum for the ongoing maintenance and upkeep of their memorial which is critical to the longevity of the Arboretum as the number of memorials increases. Due to the significant increase in take up of the scheme only endowments of over £20,000 are separately disclosed all others are included under the NMA memorials and building category.
- AFM – funds for the general upkeep of the memorial.
- Remembrance Centre Appeal – monies received and costs incurred relating to the visitor centre.
- Functions Pavilion – funding received from the parent charity to progress the development of a permanent functions pavilion to host the 250 Remembrance functions which take place on site per annum.
- Memorial woodland -funding received and expended relating to the expansion of the NMA into the new land gifted to the Arboretum by Tarmac.
- Funds received and fully utilised in the year includes funds received from the RBL Women's section and the RBL St James's Branch for the purchase of 2 new Golf style electric buggies.

Note: Expenditure of restricted funds for items which are subsequently capitalised will result in a transfer from restricted to unrestricted funds as the items capitalised are subsequently used for general purposes.

21) COMPARATIVE MOVEMENT ON FUNDS

	At 1 October 2020 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2021 £000's
Unrestricted Funds:					
General Fund	**652**	**3,022**	**(2,514)**	**(7)**	**1,153**
Designated Funds					
Fixed assets	**20,297**	-	(503)	12	**19,806**
Development and Engagement	**171**	-	-	-	**171**
Designated Funds Total	**20,468**	-	**(503)**	**12**	**19,977**
Total Unrestricted Funds	**21,120**	**3,022**	**(3,017)**	**5**	**21,130**
Expendable endowments*:					
NMA Memorials & Buildings	**304**	137	(14)	1	**428**
Basra Wall	**29**	-	(1)	-	**28**
Army Apprentices	**39**	-	(1)	-	**38**
Durham Light Infantry	**17**	-	(1)	-	**16**
British Korean Veterans	**32**	-	(2)	-	**30**
Polish Ex-Combatants	**53**	-	(4)	-	**49**
Royal Ulster Constabulary	**31**	-	(2)	-	**29**
Bastion Memorial	**49**	-	(2)	-	**47**
Royal Engineers	**84**	-	(1)	-	**83**
Police Service Northern Ireland	**31**	-	(1)	-	**30**
Victims of overseas terrorism	**43**	-	-	-	**43**
Heroes' Square garden maintenance	**130**	(18)	(8)	-	**104**
Royal Electrical & Mechanical Engineers	**34**	-	(2)	-	**32**
Devon & Dorset Regiment	**21**	-	(1)	-	**20**
Queens Lancashire Regiment	**19**	7	-	-	**26**
Guards Parachute Association	-	25	-	-	**25**
The Blues and Royals	-	25	-	-	**25**
Wrens	-	38	-	-	**38**
Royal Military Police	-	21	-	-	**21**
Scouts	-	29	-	-	**29**
National Mining Memorial	-	28	-	-	**28**
RBL Remembrance Glade	-	24	-	-	**24**
Total Expendable endowments	**916**	**316**	**(40)**	**1**	**1,193**

21) Comparative Movements on Funds (cont.)

	At 1 October 2020 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2021 £000's
Restricted Funds					
AFM	**411**	165	(95)	-	**481**
Remembrance Centre	**130**	-	-	-	**130**
Functions Pavilion	**50**	-	(14)	(2)	**34**
Memorial Woodland	-	4	-	(4)	-
Covid-19 support					
National Lottery Heritage fund	-	429	(429)	-	-
Furlough Grant	-	20	(20)	-	-
Other Funds received and fully utilised in year	-	46	(46)	-	-
Total Restricted Funds	**591**	**664**	**(604)**	**(6)**	**645**
Total Charity Funds	**22,627**	**4,002**	**(3,661)**	**-**	**22,968**

22) ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2022 £000's
Fixed assets	684	19,684	-	-	20,368
Current assets	1,638	279	712	1,621	4,250
Current liabilities	(675)	-	-	-	(675)
Liabilities > than 1 year	(15)	-	-	-	(15)
Total	**1,632**	**19,963**	**712**	**1,621**	**23,928**

23) COMPARATIVE ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2021 £000's
Fixed assets	348	19,806	-	-	20,154
Current assets	1,244	171	645	1,193	3,253
Current Liabilities	(403)	-	-	-	(403)
Liabilities > than 1 year	(36)	-	-	-	(36)
Total	**1,153**	**19,977**	**645**	**1,193**	**22,968**

24) EMPLOYEE RETIREMENT BENEFITS

Defined contribution scheme

The charitable company operates a defined contribution scheme for all qualifying employees. The company's contribution to the scheme in the year was £118,000 (2021: £122,000). Outstanding amounts to be paid into the scheme at the year-end were zero (2021: zero).

25) RELATED PARTY TRANSACTIONS

The charitable company received payment of £267,000 (2021: £188,000) from NMA (Enterprises) to cover the cost of operational overheads incurred on its behalf. A payment on account of £215,000 in respect of the 2022 surplus generated by NMA Enterprises was also received (2021: £90,000).

The company received a general remembrance grant of £1,950,000 (2021: £1,450,000) from its parent charity the Royal British Legion and a further £350,000 towards strategic developments.

No Trustee received payment for professional services or other services provided to the charity during the year (2021: £nil).

There were no donations received from Trustees during the year (2021: £nil).

There were no other related party transactions (2021: £nil).

26) CASH FLOW STATEMENT

a) Reconciliation of net income to cash generated by operations.

	2022 £000's	2021 £000's
Net income/ for the year	**960**	**341**
Adjustments for:		
Interest receivable	(2)	(1)
Interest Payable	2	3
Depreciation charges	493	503
Loss on disposal of fixed assets	-	-
Operating cash flow before movement in working capital	**1,458**	**846**
(Increase)/Decrease in debtors	**(435)**	**292**
Increase/(Decrease) in creditors	**272**	**(75)**
Cash generated by operating activities	**1,290**	**1,063**

b) Analysis of Cash and cash equivalents:

	2022 £000's	2021 £000's
Instant access working capital	524	501
Notice deposits	761	760
Other cash balances	2,134	1,596
Total cash and cash equivalents	**3,419**	**2,857**

c) Analysis of change in net debt:

	At 1 October 2021 £000's	Cash-flows £000's	New Finance Leases £000's	At 30 September 2022 £000's
Cash	2,857	562	-	3,419
Finance Leases	(57)	21	-	(36)
Total	**2,800**	**583**	**-**	**3,383**

27) ULTIMATE PARENT UNDERTAKING

The Royal British Legion (Registered Charity number 219279) is the charitable company's ultimate parent undertaking and ultimate controlling party. The parent undertaking of the smallest and largest group which includes the company for which the group accounts are prepared is The Royal British Legion. The consolidated financial statements of The Royal British Legion can be obtained from the charity's registered office at 199 Borough High Street London, SE1 1AA. The accounts of the Arboretum's trading subsidiary NMA Enterprises Limited (Company number 04259701) can be obtained from Companies House.

THE NATIONAL MEMORIAL ARBORETUM COMPANY LIMITED

England & Wales - Charity number 1043992

Accounts

National Memorial Arboretum Company Limited

Company Registration No. 02927443
Registered Charity No. 1043992

NATIONAL MEMORIAL ARBORETUM

National Memorial Arboretum Company Limited
Annual Report and Financial Statements

Year ended 30 September 2021

ROYAL BRITISH LEGION

A member of The Royal British Legion family of charities

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National Memorial Arboretum Company Limited
Registered Company number 02927443

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES AND OFFICERS

David Whimpenny – Chairman
Andrew Farquhar
Jason Coward
Gary Ryan
Kate Logan
Lynda Atkins

COMPANY SECRETARY

Mr Luke Joannou

PRINCIPAL OFFICERS – Key Management Personnel

Mrs Philippa Rawlinson	Managing Director
Mrs Lorna Price	Head of Finance
Mrs Sarah Oakden	Head of Marketing & Business Development (until 16th October 2020
Mrs Maria Howes	Head of Marketing & Business Development (from 26th April 2021)
Mr Mark Ellis	Head of Visitor Experience (until 12th September 2021) Interim Lead (from 12th September 2021)
Mrs Angela Ham	Head of Business Support Services
Mr Andy Ansell	Head of Estates
Mr Chris Ansell	Head of Participation and Learning

BANKERS

Lloyds Commercial
Public and Community Sector
3rd Floor, Gresham Street
London
EC2V 8EH

HSBC Bank PLC
49 Market Street
Lichfield
Staffordshire
WS13 6LB

AUDITOR

Deloitte LLP
Hill House
1 Little New Street
London
EC4A 3TR

REGISTERED & PRINCIPAL OFFICE

Croxall Road
Alrewas
Staffordshire
DE13 7AR

Charity Registration Number: 1043992

Company Registration Number: 02927443

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

The Trustees, who are also Directors of the charitable company, present their annual report, which incorporates a strategic report, and audited financial statements for the year ended 30 September 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The reference and administrative details on page 1 form part of this report.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The National Memorial Arboretum Company Limited (Arboretum) is a member of the Royal British Legion family of charities, which is the UK's national custodian of Remembrance; supporting and delivering nationwide events through its network of branches, members and volunteers and locally in communities across the country. The Arboretum is the United Kingdom's year-round centre for Remembrance in the heart of our country; a spiritually uplifting place which honours those who have fallen in the service of their country, recognising their service, suffering and sacrifice. The Arboretum's award winning Remembrance Centre has now been open for 5 years and through its accompanying programme of activity partially funded by the Heritage Lottery Fund has been successful in widening the Arboretum's reach to new audiences and engaging them with Remembrance. In the last twelve months the Arboretum's strategic approach has built on the many achievements to date and the refreshed vision developed in 2020;

'To be the nation's year-round place to Remember, an inspirational world-class setting freely open to all.'

This is central to the charitable group's core charitable objective of championing Remembrance, and promoting its observance and participation. Also, as a year-round space to celebrate lives lived and commemorate lives lost, we will ensure the baton of remembrance is passed on to future generations.

The Arboretum's specific charitable objectives are to:

- promote an appreciation by the public of the role of the armed forces of the Crown by providing and maintaining the Arboretum as a public memorial to commemorate and remember those who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service of the public;
- relieve the distress and suffering of those who are bereaved; and
- educate the public and personnel of the armed forces of the Crown in citizenship, military history, the effects of armed conflict, conflict resolution and reconciliation.

2021 has been a challenging year due to the ongoing impact of the Covid-19 pandemic. However, whatever the operational challenges this has brought the underlying key strategic priorities remain the same and are:

- Developing an inspirational living landscape that embraces our environment to create new Remembrance spaces and reasons to visit throughout the seasons;

- Developing an inspirational programme which responds to visitor needs and drives visitation of target audiences and maximises the value and potential of the site;
- Living our shared values to attract and develop great people;
- Collaborating with key internal and external partners to achieve win-win outcomes; and
- Nurturing a culture that uses all of our 'resources' efficiently and effectively whilst minimising our impact on the environment.

ACHIEVEMENTS AND PERFORMANCE

2021 marked the 20th Anniversary of the official opening of the Arboretum and the Centenary of its parent charity The Royal British Legion. This was marked by a holistic programme of onsite, digital and public relations activity, celebrating the Arboretums history, thanking those who have contributed to its success and outlining the vision for the future. This was all delivered against a challenging environment due to the ongoing impact of the covid pandemic. While unlike 2020 the site has been able to remain open throughout the financial year, it has been subject to capacity and operating constraints of varying severity due to social distancing and other mandatory covid requirements. As experience has been gained and restrictions lifted, it has been possible to extend the range of service provision for visitors. Consequently, performance while lower than historically achieved, has significantly exceeded initial expectations.

Visitors:

During the year, the Arboretum received 222,170 visitors (2020: 181,503), a 22% increase compared to 2020. While this is a marked improvement over 2020, it is still considerably lower than would be achieved in a normal year (2019: 342,186). However there have been some notable successes:

- The 20th Anniversary commemoration outlined above.
- The restoration of visitor confidence during August and September meant the site operated at pre-covid capacity generating very welcome additional income.
- The significantly higher volumes of first time and young family visitors attracted during the height of the pandemic in 2020 have been supplemented by the return of our more traditional 'older' audience following the successful vaccine roll-out.
- The Ride to the Wall fundraising event and our core Remembrance tide programme were successfully streamed over the internet.
- A sold out Illuminated Arboretum run during December.
- It was possible to resume mass participation events such as Armed Forces Day, from June 2021.
- We have continued to undertake post visit audience research. Visitors from over forty Association of Leading Visitor Attractions members are emailed a post-visit online survey that focuses on the safety measures put in place for coronavirus. This enables us to benchmark the perception of our visitors against a high-quality peer group; the Arboretum's results have continually over-index against our peers with several areas being 'best in class' reflecting how safe visitors felt and how much this enabled them to enjoy their visit.

The Arboretum site:

During the year steps have been taken to maximise the benefits available from the various support schemes to mitigate the impact of Covid, including use of the furlough scheme and 2 successful applications to the National Lottery heritage fund under the culture recovery fund which have generated grants of £296,000 and £132,000 respectively towards fixed operating costs such as grounds maintenance and facilities management costs. The £132,000 grant was supplemented by an additional £396,000 to replenish free reserves depleted during the pandemic.

It has also been necessary to continue to transform business operations, to improve efficiency, reflect the new working environment and take steps to reduce costs where possible. This has resulted in the restructure of some departments, resulting in the loss of 5 posts which were no longer required. However, in the main these have been replaced with new roles with a different skill set and customer centric focus which will improve service delivery going forwards.

The decision to bring the main grounds contract in-house in the Summer of 2020 has also proven to be very successful with improvements in both the control and quality of the grounds works undertaken during the year.

Landscape:

One of the key objectives of the Arboretum is to provide a public memorial to commemorate and remember those who have lost their lives or suffered injury in service to the public. During the year, while the Arboretum hosted significantly less Remembrance services and commemorations than would normally be the case, this has not reduced the appetite for new memorials and demand continues to increase. The Arboretum plans to develop a memorial woodland for all those that have lost their lives in service during the pandemic. Working with our partners the National Forest and our landowner Tarmac the first steps to delivering this have been taken by signing a supplementary lease for an additional 25 acres of land for development.

Going forward, the Arboretum will also need to open up areas of the site which are currently either under-utilised or inaccessible and with its landowner Tarmac has developed plans for a new permanent car park to replace the overflow car park which is subject to quarrying from 2023 at limited cost to the Arboretum. This coupled with Tarmac's aspirations for future development of land adjacent to the site will in time improve both the visitor journey and facilitate engagement with the site and Remembrance by the local community.

Programmes:

The 'Landscapes of Life' permanent interpretation exhibition remains an important component in the fulfilment of the Arboretum's charitable objectives of learning, by helping visitors to engage with Remembrance and since May 2019 has been free to enter. However, for the majority of the year it has had to remain closed due to covid restrictions. This has been overcome by hosting a number of temporary exhibitions which have engaged audiences with remembrance, with a focus on outdoor delivery. This included the installation of a new outdoor escape challenge which appealed to the growing family audience engaging them with memorials across the site as they tackled Covid-19 secure challenges.

During the period we have continued to mark significant Remembrance events, including when we were unable to carry out our usual activity on site, and shared the services via a variety of digital and broadcast media; this has again extended our audience reach and given international engagement in what would have previously been site-based events.

Sustainability:

The Arboretum remains committed to growing its self-generated income sources as much as possible to reduce the reliance on its parent charity for funding

The main annual fundraising event of the year In October, "Ride to the Wall", proved to be very successful even though it was only able to take place in virtual form, generating £115,000 (2020: £150,000) thanks to the high volumes of pre-registrations for the event and bespoke merchandise sales.

Despite very uncertain times, business as usual fundraising has held up reasonably well, and the addition of a prompt to donate on the online booking system has continued to be extremely successful generating over £125,000 (2020: £61,000) of income during the year. This has been supplemented by the development of some new donation boxes positioned at key points around the Remembrance Centre, which have also resulted in higher levels of giving than seen historically.

The Arboretum is also custodian to 180 acres of green space and is committed to acting sustainably, having a positive impact on our environment and its ecology, and being an advocate for sustainable practices. We have already undertaking work to limit our negative impact on the environment via recycling and using locally sourced products and materials where possible, but there is more we can do. Over the next five years we will continue to embed ethical and sustainable practices into our daily operations.

FINANCIAL REVIEW

Income for the year was £4.0 million (2020: £3.9 million); The Arboretum is a free to enter site; its main sources of income are voluntary donations, grant funding and profits from its trading subsidiary NMA Enterprises Limited. The £0.1 million increase in income over the previous year mainly relates to higher income as a result of increased visitor volumes. This coupled with Grants from the National Lottery heritage fund (under the Culture Recovery scheme) and other covid assistance grants including furlough income and local government grants, have resulted in a year on year decrease in the core Remembrance grant required from its parent charity The Royal British Legion to £1,450,000 (2020: £1,800,000).

In addition, to the above, Grant in Aid funding from the Ministry of Defence was received for the ongoing maintenance of the Armed Forces Memorial.

During the year, the Arboretum also received gifts in kind of £17,000 relating to mobility scooters, and grounds equipment/materials.

Expenditure was £3.7 million (2020: £3.8 million), a year on year decrease of £0.1 million. This is mainly due to lower costs of raising funds which reduced by £155,000. The 2020 figures reflected one-off costs relating to investment in a new state of the art website, (2021: £462,000, 2020: £617,000). As the Arboretum is a visitor attraction, it is very much dependent on footfall on site, and the new website has been critical to achieving improved visitor volume performance during the year. Expenditure on Charitable Activities is broadly similar to 2020 at £3.2 million (2020: £3.2 million).

This resulted in a net increase in funds of £341,000 (2020: increase of £67,000).

Capital expenditure for the year was £12,000, (2020: £105,000), and relates to initial surveys for the additional land for the development of the memorial woodland. 2020 capital expenditure relates to capital equipment purchased under a finance lease.

Financial Review (Continued)

The trading subsidiary, NMA (Enterprises) Limited, has been hardest by the impact of the Covid 19 pandemic, however due to improved sales, visitor volumes and the business continuity insurance receipts a surplus of £585,000 has been generated (2020: loss of £92,000), £90,000 of which has been paid on account during the financial year.

RESERVES POLICY AND GOING CONCERN

As the Arboretum is part of the Royal British Legion group, its policy is to not seek to hold reserves as this leads to a duplication of reserves at a group level. A 'letter of comfort' has been agreed by the RBL trustees under which The Royal British Legion will continue to provide any financial support (either through the waiver of intercompany debt, the provision of further intercompany funds or equity) that may be required in order for the organisation to pay its liabilities as they fall due, for a period of at least 12 months from the date of approval of the 2021 accounts.

Total charity funds increased by £0.4m to £23.0m at the end of the year (2020: £22.6m). Total charity funds comprise unrestricted funds of £21.2 million (2020: £21.1 million) and restricted funds of £1.8 million (2020: £1.5 million) including expendable endowment funds.

Total unrestricted funds comprise designated funds of £20.0 million (2020: £20.5 million) and general funds of £1.2m (2020: £0.7m); the general funds figure includes free unrestricted funds of £976,000 (2020: £475,000).

Designated funds represent the net book value of completed fixed assets relating to grounds and buildings and legacy income. As legacy income is difficult to predict and cannot be counted on to help fund day to day activities, any significant receipts are set aside to fund future development and engagement activity. The reduction in the designated funds balance is due to the depreciation charge for 2021.

Total restricted funds at the end of the year were £1.8 million (2020: £1.5 million). £1.2million (2020: £916,000) relates to maintenance endowments for the maintenance and insurance for a number of specific memorials. During the year the Arboretum was successful in securing a further £316,000 (2020: £103,000) of maintenance endowments for a mixture of new and existing memorials, which will help contribute to the Arboretum's longevity. The remaining balance of £645,000 includes £481k for the ongoing maintenance of the Armed Forces Memorial and minor works relating to the Remembrance Centre and Functions Pavilion.

The continuing operation of the Arboretum is dependent on donations and grants from supporters, together with funding from The Royal British Legion to support both day to day activity and any residual assistance (after maximising the benefits available from any assistance schemes), through the Covid-19 pandemic. Given the close operational relationship with The Royal British Legion, the letter of comfort in place, the funding supplied for the Remembrance Centre and the new Functions Pavilion, and the key role the Arboretum now plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident that funding will be available to support the Arboretum's activities into the future. Reflecting on this, the Trustees have therefore prepared the accounts on a going concern basis.

RISK MANAGEMENT

The Trustees are responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage major risks to which the charity is exposed. The process in place regarding risk management and internal control includes the following:

- The risk analysis is reviewed monthly by the management team and scrutinised quarterly by the Board of Trustees. The Trustees are satisfied that for risks identified a planned schedule of activity is being undertaken so the impact on the charitable company will be minimised should any of the risks materialise.

- Internal audit, which is provided by a third party, undertake a programme of examinations, ensuring the effectiveness of risk management and controls.

The key risks and how they are managed are:

Principal risk	Mitigation
Impact of COVID-19 on day to day operations.	- Ensure maximum benefit is obtained from available assistance packages - Take steps to keep operating costs to a minimum including mothballing of areas it is not permissible to open. - More frequent financial forecasts - Keeping abreast of latest government guidance
Fundraising and grant income does not meet targets.	- Progress against business plan is assessed. - Financial support available from parent charity to meet funding gap.
Investment in new attractions does not increase visitor numbers.	- Prepare sound business cases prior to embarking on projects. - Increase advertising and marketing spend to create awareness.
Visitors are deterred from visiting due to site flooding.	- The website is kept up to date detailing any accessibility issues. The temporary exhibition programme should help preserve visitor numbers during periods of inclement weather and minor localised flooding. - Phase 1 of a programme of drainage improvements has been implemented to reduce the impact of flooding
Maintenance endowments given to cover repairs of memorials are not sufficient to cover costs.	- Funds are pooled to obtain best rates. - The Arboretum has a fundraising strategy with the primary objective of achieving growth in unrestricted income over the medium to long term.

Risk management (continued)

The company is not unduly exposed to price, credit, liquidity or foreign exchange risk.

The company is included in The Royal British Legion's group insurance policy which provides a comprehensive package of insurance against foreseeable risks including public and product liability.

The charity is covered by insurance from loss arising from neglect or default of its Trustees, and to indemnify the Trustees against the consequences of neglect or default on their part.

FUTURE DEVELOPMENTS

Next year, the Arboretum will:

- Embark on a programme of activities aligned to the commonwealth games, which will engage new audiences with Remembrance.
- Continue with the development stages of the proposed Memorial Woodland
- Encourage support from stakeholders through advocacy and fundraising as we implement the vision shared as part of the 20th Anniversary commemoration.

PUBLIC BENEFIT STATEMENT

In considering the operation, achievements, performance and finances of the charitable company the Trustees have given due regard to the public benefit guidance published by the Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Arboretum was incorporated in 1994 as a charitable company limited by guarantee not having a share capital and registered in 1995 as a charity. The Arboretum has been part of The Royal British Legion (the RBL) family of charities since 2003. The RBL is the sole member of the company and controls the appointment of all Trustees.

The Board of Trustees consists of six Trustees appointed by the RBL with one Trustee appointed as chairman. Three of the Trustees are also on the Trustee board of the RBL, one Trustee is a member of the executive management team of the RBL with line management responsibility for the Arboretum, and the remaining two members are independent Trustees with significant military and visitor attraction experience respectively. Meetings of the Board of Trustees take place quarterly. In accordance with its Articles of Association a term of any Trustee's appointment cannot exceed three years, but a Trustee is eligible for reappointment for a further two terms and can be removed from office by the RBL at any time. Training for all Trustees is provided through The Royal British Legion.

Responsibility for the day to day operations of the Arboretum is delegated to the Managing Director, who is supported by a management team, administrative support staff and a team of volunteers. The Managing Director has established an executive management structure for the Arboretum to undertake operational activities with a clearly defined management and reporting structure. The management team meets weekly to discuss operational issues and new initiatives and take any action as required.

The Arboretum has a subsidiary company, NMA (Enterprises) Limited, which carries out the trading activities of the charity; principally the operation of restaurant and café facilities, concessions and business functions.

The Managing Director is supported by the following boards and committees:

- Landscape and Memorials Committee – this committee reviews and agrees proposals for new memorials and landscaping development and is critical to the future direction and management of the Arboretum grounds

- NMA Enterprises Board – the board of Arboretum's subsidiary company, NMA (Enterprises) Limited

Key management personnel remuneration policy

The key management personnel remuneration policy has been harmonised with that of the parent charity. Roles are initially evaluated at the group job evaluation committee, which uses the Hay System, and salaries are benchmarked with similar roles in the local area in order to attract the appropriate calibre of candidate. The company then operates an annual appraisal scheme at which performance is assessed against set objectives. The annual pay award is set by the parent charity.

Equal opportunities

The company is an equal opportunities employer and is committed to a policy of employment based on aptitude and ability without discrimination of any kind.

Volunteers

The Trustees recognise the hard work contributed by staff, volunteers and the NMA friends who in many ways keep the site going. Active volunteers gave around 35,000 hours (2020: 50,000 hours) of invaluable help during the year. Volunteer activities include the provision of educational support for facilitated learning visits, guiding visitors around the site, and grounds maintenance which approximately equates to an additional 30 full time staff. The contribution is recognised by all who visit the site and many visitors write to express thanks for the way volunteers help with their visit and comment on the pride the volunteers take in all they do.

Fundraising

As a location based charity the Arboretum does not have a national network of fundraisers or agents acting on its behalf. The majority of fundraising is derived directly from on-site activities and donation boxes. In addition, up to 2 direct mail campaigns are undertaken per annum to registered supporters and applications are made to grant funders for specific initiatives to further charitable objectives. To date we have not received any complaints regarding fundraising activity. We endeavour to ensure our fundraising activity is not overly obtrusive or put anyone under undue pressure to donate.

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also Directors of The National Memorial Arboretum Company Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

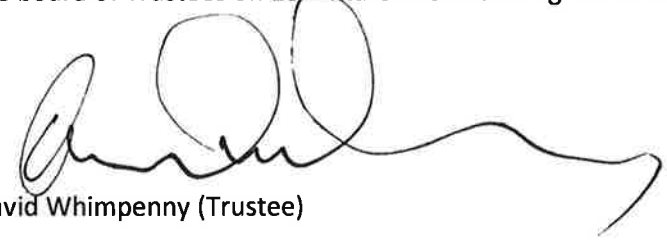
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report, incorporating the Directors report and including the Strategic Report, was approved by the board of Trustees on 18th March 2022 and signed on its behalf by:



David Whimpenny (Trustee)

Date: 18 March 2022

Independent auditor's report to the members of The National Memorial Arboretum Company Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The National Memorial Arboretum Company Limited (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors report (continued)

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditors report (continued)

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included Charity Commission for England and Wales (Charity Commission) regulations and Fundraising regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- revenue recognition which is related to the completeness of grant income: we obtained an understanding of the key processes and relevant controls around the completeness of grant income; and performed detailed substantive tests on grant income, on a sample basis, to verify that it was complete and has been correctly recognised in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring with management including obtaining and reviewing supporting documentation concerning the entity's policies and procedures relating to detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance.

Independent auditors report (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Wright

Nicola Wright, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom

8 April 2022

National Memorial Arboretum Company Limited
Registered Company number 02927443

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
Year ended 30 September 2021

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2021 £000's	Total Funds 2020[1] £000's
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	2,284	654	315	3,253	3,279
Charitable Activities	4	607	10	-	617	419
Other Trading Activities		41	-	-	41	37
Investments:						
Gift aid from NMA (Enterprises)	5	90	-	-	90	107
Bank interest	6	-	-	1	1	7
TOTAL INCOME		**3,022**	**664**	**316**	**4,002**	**3,849**
EXPENDITURE ON:						
Raising Funds	7	462	-	-	462	617
Charitable Activities	8	2,555	604	40	3,199	3,165
TOTAL EXPENDITURE		**3,017**	**604**	**40**	**3,661**	**3,782**
Net income for the year		**5**	**60**	**276**	**341**	**67**
Transfer between Funds	20	5	(6)	1	-	-
NET MOVEMENT IN FUNDS		**10**	**54**	**277**	**341**	**67**
RECONCILIATION OF FUNDS						
Total funds brought forward		**21,120**	**591**	**916**	**22,627**	**22,560**
Net movement in funds for the year		10	54	277	341	67
Total funds carried forward		**21,130**	**645**	**1,193**	**22,968**	**22,627**

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

(1) See note 19 for 2020 detailed Statement of Financial Activities

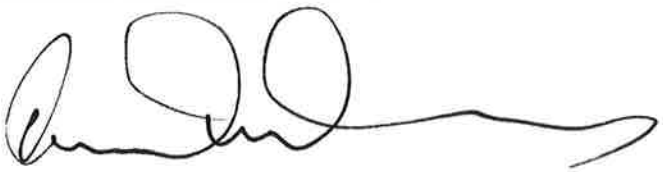
National Memorial Arboretum Company Limited
Registered Company number 02927443

BALANCE SHEET
As at 30 September 2021

	Note	2021 £000's	2020 £000's
FIXED ASSETS			
Tangible assets	14	19,806	20,297
Heritage assets	15	348	348
Fixed asset investments	16	-	-
Total Fixed Assets		**20,154**	**20,645**
CURRENT ASSETS			
Debtors	17	396	688
Cash at bank and in hand		2,857	1,828
Total Current Assets		**3,253**	**2,516**
Creditors – amounts falling due within one year	18a	(403)	(477)
NET CURRENT ASSETS		**2,850**	**2,039**
TOTAL ASSETS LESS CURRENT LIBILITIES		**23,004**	**22,684**
Creditors falling due in more than one year	18b	(36)	(57)
TOTAL NET ASSETS		**22,968**	**22,627**
FUNDS			
General Funds	20	1,153	652
Designated Funds	20	19,977	20,468
Restricted Funds	20	645	591
Expendable Endowment Funds	20	1,193	916
Total Funds		**22,968**	**22,627**

The notes on pages 18 to 35 form part of these financial statements.

These financial statements of The National Memorial Arboretum Company Limited were approved by the Board of Trustees and authorised for issue on 18th March 2022. They were signed on its behalf by:



David Whimpenny
Chair of Trustees

National Memorial Arboretum Company Limited
Registered Company number 02927443

CASH-FLOW STATEMENT

Year ended 30 September 2021

	Note	Total Funds 2021 £000's	Total Funds 2020 £000's
Net cash provided by operating activities	**26**	**1,063**	**99**
Cash flows from investing activities:			
Interest receivable		1	7
Purchase of property, plant and equipment		(12)	-
Purchase of heritage assets		-	-
Net cash used in investing activities		**(11)**	**7**
Cashflows from financing activities:			
Interest element of finance lease payments		(3)	-
Repayment of finance leases		(20)	(28)
Net cash used in finance leases		**(23)**	**(28)**
Net increase in cash and cash equivalents		**1,029**	**78**
Cash and cash equivalents at the beginning of the year		1,828	1,750
Cash and cash equivalents at the end of the year		**2,857**	**1,828**

There are no cash equivalents, therefore cash and cash equivalents comprise cash at bank and in hand.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2021

1) ACCOUNTING POLICIES

Company and Charitable Status

The National Memorial Arboretum Company Limited, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having any share capital. There are currently six Trustees who are also members of the company. Each member has undertaken to contribute to the assets in the event of a winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (SORP 2019); and the Companies Act 2006.

The principal accounting policies are set out below:

Basis of Preparation

The results presented are the accounts of the charitable company. The National Memorial Arboretum group is included in the accounts of the parent charity – The Royal British Legion, and therefore accounts have not been prepared which consolidate the results of NMA (Enterprises) Limited.

Going Concern

The accounts have been prepared on a going concern basis as set out on page 6 of the Trustees' Report. Performance during 2021 has been impacted by the Covid pandemic, which will continue to be an influencer of performance during 2022, consequently the appropriateness of the going concern assumption basis has been reassessed, the Trustees have considered the Charity's financial position, capital and forecasts and concluded there are no other material uncertainties regarding the charity's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to funds, performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations including amounts received for fixed assets are recognised immediately on receipt. The only exception to this is where there are predetermined conditions to be met, in these instances income is recognised once the required conditions have been met in full.

Grant income is recognised on written confirmation of the grant once any inherent performance related conditions of the grant have been met in full.

Legacy receipts are recognised when it is probable it will be received. This is deemed when:

- there has been a grant of probate;
- the executors have determined there are sufficient assets in the estate; and
- conditions attached to the legacy or within the control of the charity have been met.

1) ACCOUNTING POLICIES

Income (continued)

Interest receivable relates to interest on bank deposits and current accounts, under the terms of FRS102 this does not require adjustment using the effective interest rate method laid down by the standard, as the rate receivable is deemed to reflect the effective interest rate applicable.

Donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have paid to obtain services or facilities for equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised on an accruals basis.

In accordance with the Charities SORP (FRS 102) due to the extremely wide variety of skills provided to the Arboretum by its volunteers, it is not possible to quantify the value, consequently no income is recognised in respect of general volunteer time received – information on volunteer contributions is disclosed in the Trustees' Report on page 9.

Expenditure

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:
Raising funds – includes costs incurred in generating fundraising income, advertising, and direct mail.

Charitable activities – includes direct costs of operating the charity and maintaining the grounds and memorials along with the costs of commemorative events held in furtherance of the charitable objectives.

Support costs – are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, premises costs and governance costs. These costs are allocated between the cost of raising funds and expenditure on charitable activities. The bases of cost allocation are set out in note 9.

Fund Accounting

The charitable company holds the following funds:

Restricted funds represent grants, donations, legacies and appeal monies received which are allocated in accordance with the donors instructions for specific purposes and are expendable only in accordance with the donor's wishes.

Designated funds represent funds set aside for the net book value of completed fixed assets relating to grounds buildings, and supporting infrastructure.

General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company.

Fund Accounting (continued)
Maintenance endowments are expended in line with the terms of their respective donation agreements.

Taxation
The charitable company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards)
or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax, however all profits are paid to the charitable company by way of gift aid.

Tangible Fixed Assets and Depreciation
i)Tangible Assets:
Tangible Assets are included at acquisition cost less depreciation. The capitalisation threshold is £20,000. Land held on long-term lease and landscaping costs to bring the grounds into use are not depreciated. Generally, depreciation is provided on other tangible fixed assets at rates calculated on a straight line basis over their expected useful lives, the only exception to this is grounds equipment purchased during the 2020 financial year which is depreciated over the term of the Hire purchase/finance lease of 4 years.

Long leasehold and ground improvements	Long leasehold land and initial landscaping - not depreciated Ground improvements and drainage - 6.67% Roadways and paths - 8.33%
Heritage Assets	Not depreciated
Visitor facilities and fixtures	Building and fixtures 2% Grounds Equipment under Finance lease 25% Catering equipment 20%
Office equipment	Office equipment 20%

Depreciation is not provided until an asset is brought into use. Depreciation is then charged over the asset's economic life based on the percentages above as appropriate. Depreciation is not charged in the year of disposal but is included in the profit/loss on disposal calculation.

Capital projects with a life of more than 1 year are managed via a capital work in progress account. Projects are transferred to fixed assets and depreciated over their economic life once they come into use.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any costs of sale and its value in use.

ii) Heritage Assets
The charitable company has capitalised trees held on site for Remembrance value within the financial statements. The trees are managed as part of the Arboretum ensuring that they are accessible to the public in line with the objectives of the charitable company.

ii) Heritage Assets (continued)

Trees are included at cost as the Trustees deem a valuation policy to be inappropriate. The trees are deemed to have indeterminable lives as they are preserved through ongoing maintenance of the Arboretum and the Trustees do not therefore consider it appropriate to charge depreciation. However, a review for impairment is carried out on an ongoing basis and in the case of any damage, for example as a result of a severe storm or disease, the value of the trees will be adjusted and the impairment recognised in the Statement of Financial Activities.

The Armed Forces Memorial (AFM) is included as a Heritage Asset. Given the significant repairs required to the AFM on acquisition from the Armed Forces Memorial Trust in 2015, and the cost of ascertaining a definitive value through a surveyor's valuation significantly outweighing any benefit gained due to the unique nature of the asset, the AFM is included in the accounts at the nominal value of £1.

iii) Memorials

Under the current policy issued in 2010 new memorials are built by the commissioning organisation/association who retain ownership. Memorial holders are requested to either pay an annual maintenance charge for the upkeep of the grounds surrounding their memorial or make an upfront maintenance endowment to facilitate the 'lifetime' maintenance of their memorial in the event their organisation should cease to exist in the future. These are regarded as expendable endowments and the capital can be used to fund ongoing maintenance costs. All funds received for annual maintenance are included in the tree plaques, benches and paviors income category under income from charitable activities. Lump sum maintenance endowments are recognised under voluntary income and any subsequent expenditure is shown in the cost of charitable activities (endowment).

Prior to the introduction of the policy in 2011, any donations received for memorial construction were credited to income from charitable activities and any unspent balance transferred to endowment funds. These remaining balances will be used to cover maintenance on the specific memorials in the future.

Employee Benefits

The charitable company operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension contributions and other retirement benefits is the contributions payable in the year. The difference between this and contributions actually paid is shown as either accruals or prepayments in the balance sheet. All costs relate to unrestricted activities.

Financial Instruments

The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially valued at transaction value and subsequently measured at their settlement value as follows:

Trade and other debtors are recognised at the settlement amount after any discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount to settle the obligation can

Financial Instruments (continued)
be measured reliably. Creditors and provisions are recognised at their settlement value after allowing for trade discounts due.

2) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

3) ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £000's	Restricted £000's	Endowments £000's	2021 £000's	2020 £000's
Donations	399	14	315	728	490
Gifts in kind*	-	17	-	17	3
Legacies	21	-	-	21	94
General grants (see 3a below)	1,864	623	-	2,487	2,692
Total	**2,284**	**654**	**315**	**3,253**	**3,279**

*2020 gifts in kind relate to the donation of some grounds equipment and the long term loan of a water pump. 2021 gifts relate to mobility scooters and grounds equipment

3a) General grants comprise the following:

	2021 £000's	2020 £000's
Grant in Aid – Armed Forces Memorial	158	158
The Royal British Legion – Remembrance	1,450	1,800
The Royal British Legion – Covid -19	-	500
Heritage Lottery Fund	825	100
Memorial Grant Scheme	6	6
Learning Grants	10	10
Furlough Grant	20	88
Small Business rate relief grant	-	25
Covid assistance grants	13	-
Other Grants	5	5
Total	**2,487**	**2,692**

4) ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

This note provides an analysis of activities specifically undertaken to generate income for the charity. It includes performance related grants for Armed Forces Day and other commemorative activity, primary purpose trading in the form of tree plaque, inscribed pavior and bench sales and the recharge of overhead expenses to the Arboretum's trading subsidiary NMA (Enterprises) Limited.

	2021 £000's	2020 £000's
Performance related grants:		
- Armed Forces Day	10	-
Car park	243	158
Exhibition Tickets	-	-
Learning services	19	25
NMA Enterprises overhead recharge	188	189
Tree plaques/benches/ annual maintenance	99	47
Insurance claims	58	-
Total	**617**	**419**

5) NET INCOME FROM TRADING SUBSIDIARY

The charitable company has a trading subsidiary NMA (Enterprises) Limited, which is registered in England and Wales. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies. NMA (Enterprises) Limited primarily carries out the operation of a retail shop, restaurant and functions.

	2021 £000's	2020 £000's
Turnover	1,701	1,220
Cost of sales	(1,423)	(1,142)
Gross profit	**278**	**78**
Administrative expenses	(315)	(297)
Operating (Loss) before taxation	**(37)**	**(219)**
Other Income	622	127
Profit/(Loss) before taxation	**585**	**(92)**
Taxation	-	-
Profit/(Loss) and total Comprehensive income (expense) for the year	**585**	**(92)**
Retained earnings brought forward:	**(92)**	**107**
Payment to parent charity under the gift aid scheme	(90)	(107)
Retained surplus/(deficit) for the year	**495**	**(92)**
Retained surplus/(deficit) carried forward	**403**	**(92)**
Assets	1,000	501
Liabilities	(597)	(593)
Net assets/(liabilities	**403**	**(92)**

6) ANALYSIS OF INCOME FROM INVESTMENTS

	2021 £000's	2020 £000's
Gifted from NMA (Enterprises)	90	107
Bank interest	1	7
Total	**91**	**114**

7) ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Direct Costs £000's	Support Costs £000's	Total 2021 £000's	Direct Cost 2020 £000's	Support Cost 2020 £000's	Total 2020 £000's
Raising donations, grants and legacies	33	21	54	99	20	119
Advertising, marketing and direct mail	338	70	408	449	49	498
Total	**371**	**91**	**462**	**548**	**69**	**617**

8) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £000's	Support costs £000's	Total 2021 £000's	Direct Cost 2020 £000's	Support Cost 2020 £000's	Total 2020 £000's
Commemorative events	212	81	293	275	79	354
Grounds and memorial upkeep	557	173	730	455	92	547
Visitor operations	868	1,120	1988	875	1,200	2,075
NMA (Enterprises) overhead recharge	-	188	188	-	189	189
Total	**1,637**	**1,562**	**3,199**	**1,605**	**1,560**	**3,165**

9) ANALYSIS OF SUPPORT COSTS

	Raising funds £000's	Commemorative events £000's	Grounds and Memorials £000's	Visitor operations £000's	Recharge to NMA Enterprises £000's	Total 2021 £000's	Basis of allocation
Governance	9	8	18	64	-	99	Headcount
Central Management	18	16	34	131	68	267	Headcount
Administration	9	8	17	66	2	102	Headcount
Premises	55	49	103	397	74	678	Headcount
Depreciation	-	-	-	459	44	503	Usage
Legal and Professional	-	-	1	3	-	4	Headcount
Total	**91**	**81**	**173**	**1,120**	**188**	**1,653**	

9) ANALYSIS OF SUPPORT COSTS continued

2020 COMPARATIVE ANALYSIS OF SUPPORT COSTS

	Raising funds	Commemorative events	Grounds and Memorials	Visitor operations	Recharge to NMA Enterprises	Total 2020	Basis c allocatio
	£000's	£000's	£000's	£000's	£000's	£000's	
Governance	7	8	9	69	-	93	Headcoun
Central Management	16	18	21	166	80	301	Headcoun
Administration	6	6	8	59	1	80	Headcoun
Premises	40	47	54	427	72	640	Headcoun
Depreciation	-	-	-	477	36	513	Usag
Legal and Professional	-	-	-	2	-	2	Headcoun
Total	**69**	**79**	**92**	**1,200**	**189**	**1,629**	

10) NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £000's	2020 £000's
Income/expenditure is after charging:		
Depreciation of owned assets	503	513
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the financial statements	20	17

11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2021	2020
Raising funds	4	4
Charitable operations	37	40
Support	9	5
Total	**50**	**49**

Their aggregate remuneration comprised:

	2021 £000's	2020 £000's
Wages and salaries	1,113	1,150
Social security costs	98	101
Pension costs	122	126
Severance	42	6
Total	**1,375**	**1,383**

11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

During the year a severance payment was made to 5 members of staff following restructures of the Visitor Services, Learning and Finance departments. (2020: 1).

The number of employees whose emoluments excluding pension contributions but including benefits in kind were in excess of £60,000 was:

	2021	2020
£60,000-£70,000	1	1
£90,000-£100,000	1	1
Total	**2**	**2**

The key management personnel of the charity are listed on page 1. The total remuneration (including pension contributions but excluding employer's National Insurance Contributions) of the key management personnel of the charity for the year totalled £378,000 (2020: £401,000). Total employer's NIC paid in respect of key management personnel totalled £37,000 (2020: £39,000).

Trustees' Remuneration

No Trustees received remuneration during the current or prior year and no expenses were paid to any Trustees during 2021 (2020: nil) for expenses.

12) TAXATION

The activities of the charitable company are exempt from corporation tax. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax, however all profits are paid to the charitable company by way of gift aid therefore no tax liability will arise.

13) IRRECOVERABLE VAT

The charitable company was unable to recover £96,000 VAT for the 2021 financial year (2020: £133,000). This has been allocated back to the individual expenditure categories to which it relates.

14) TANGIBLE FIXED ASSETS

	Long Leasehold and Ground Improvements £000's	Visitor Facilities and Fixtures £000's	Office Equipment £000's	Assets Under Construction £000's	Totals £000's
Cost:					
At 1 October 2020	2,161	21,735	25	-	23,921
Additions	-	2	-	10	12
At 30 September 2021	**2,161**	**21,737**	**25**	**10**	**23,933**
Accumulated Depreciation:					
At 1 October 2020	1,290	2,309	25	-	3,624
Charge for the year	40	463	-	-	503
At 30 September 2021	**1,330**	**2,772**	**25**	**-**	**4,127**
Net Book Value:					
At 30 September 2021	**831**	**18,965**	**-**	**10**	**19,806**
At 1 October 2020	**871**	**19,426**	**-**	**-**	**20,297**

In 1994 the Arboretum site of 152 acres was gifted by Tarmac Plc on a 999 year lease at a peppercorn rent. Included in the cost of the long leasehold land is land with an ascribed value of £120,000 (2020: £120,000) and landscaping costs to bring the grounds into use at £827,000 (2020: £827,000) which is not depreciated. During the year as addition 30 acres was added to the lease comprising silt lakes and other land which requires considerable works to bring into use. During the year initial surveys were completed at a cost of £10,000.

Additions for the year of £2,000 relate to irrecoverable VAT arising on the payment of the final retention relating to the Functions pavilion.

15) HERITAGE ASSETS

Basis of capitalisation	**Trees At cost £000's**	**Total £000's**
Carrying amount at 1 October 2020	348	348
Carrying amount at 30 September 2021	**348**	**348**

	2021 £000's	2020 £000's	2019 £000's	2018 £000's	2017 £000's
Purchases:					
Trees	-	-	-	-	2
Total Additions	-	-	-	-	**2**

Trees are an inherent part of the Arboretum and have been designated Heritage Assets and are not depreciated as described in note 1. These trees are included at cost as the majority have been selected for their symbolic meaning rather than from an arboreal collection perspective. The trees were originally planted as saplings and are now quite mature specimens. In the Trustees' opinion no provision for impairment is required at this time. During the year no new mature trees were planted.

The Armed Forces Memorial is included in the accounts at a deemed cost of £1. This reflects the dilapidated state in which the memorial was transferred to the Arboretum in 2015. The cost of ascertaining a value for the memorial through a surveyor's valuation significantly outweighs any benefit that will be derived by the organisation. Ongoing repairs and maintenance costs to the memorial were expensed in the year.

16) FIXED ASSET INVESTMENTS

The Trustees of the charitable company own the entire issued share capital of two ordinary shares of £1 each at a cost of £2 of NMA (Enterprises) Limited. During the year NMA (Enterprises) Limited gift aided £90,000 profit to the Arboretum (2020: £107,000 relating to the final balance due relating to the 2019 financial year and zero relating to the 2020 financial year, due to operating losses arising from the Covid pandemic) and at the end of the year had aggregate reserves of £403,000 (2020: minus £92,000)

17) DEBTORS

	2021 £000's	2020 £000's
Amounts falling due within one year:		
Trade Debtors	57	82
Amounts owed by subsidiary undertaking	226	478
Prepayments and accrued income	113	128
Total	**396**	**688**

Amounts owed by the subsidiary undertaking are non-interest bearing and payable on demand.

18) CREDITORS

	2021 £000's	2020 £000's
a) Amounts falling due within one year:		
Trade creditors	75	85
Amounts owed to parent undertaking	12	158
HMRC- PAYE and NI	36	-
VAT creditor	37	8
Hire Purchase/Finance lease	21	20
Accruals and deferred income	222	206
Total	**403**	**477**

	2021 £000's	2020 £000's
b) Amounts falling due in more than one year:		
Hire Purchase/Finance Lease (due between 1-5 years)	36	57
Total	**36**	**57**

Amounts owed to the parent undertaking are non-interest bearing and repayable on demand.

The hire purchase/finance lease loans are secured against the assets to which they relate i.e. Grounds equipment purchases in the year disclosed under fixed assets.

19) COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2020 £000's	Total Funds 2019 £000's
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	2,788	393	98	3,279	2,030
Charitable Activities	4	419	-	-	419	627
Other Trading Activities		37	-	-	37	47
Investments:						
Gift aid from NMA (Enterprises)	5	107	-	-	107	664
Bank interest	6	2	-	5	7	7
TOTAL INCOME		**3,353**	**393**	**103**	**3,849**	**3,375**
EXPENDITURE ON:						
Raising Funds	7	617	-	-	617	542
Charitable Activities	8	2,783	347	35	3,165	3,600
TOTAL EXPENDITURE		**3,400**	**347**	**35**	**3,782**	**4,142**
Net (expenditure)/income for the year		**(47)**	**46**	**68**	**67**	**(767)**
Transfer between Funds	20	9	(9)	-	-	-
NET MOVEMENT IN FUNDS		**(38)**	**37**	**68**	**67**	**(767)**
RECONCILIATION OF FUNDS						
Total funds brought forward		**21,158**	**554**	**848**	**22,560**	**23,327**
Net movement in funds for the year		(38)	37	68	67	(767)
Total funds carried forward		**21,120**	**591**	**916**	**22,627**	**22,560**

20) MOVEMENTS ON FUNDS

	At 1 October 2020 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2021 £000's
Unrestricted Funds:					
General Fund	**652**	**3,022**	**(2,514)**	**(7)**	**1,153**
Designated Funds					
Fixed assets	**20,297**	-	(503)	12	**19,806**
Development and Engagement	**171**	-	-	-	**171**
Designated Funds Total	**20,468**	-	**(503)**	**12**	**19,977**
Total Unrestricted Funds	**21,120**	**3,022**	**(3,017)**	**5**	**21,130**
Expendable endowments*:					
NMA Memorials & Buildings	**304**	137	(14)	1	**428**
Basra Wall	**29**	-	(1)	-	**28**
Army Apprentices	**39**	-	(1)	-	**38**
Durham Light Infantry	**17**	-	(1)	-	**16**
British Korean Veterans	**32**	-	(2)	-	**30**
Polish Ex-Combatants	**53**	-	(4)	-	**49**
Royal Ulster Constabulary	**31**	-	(2)	-	**29**
Bastion Memorial	**49**	-	(2)	-	**47**
Royal Engineers	**84**	-	(1)	-	**83**
Police Service Northern Ireland	**31**	-	(1)	-	**30**
Victims of overseas terrorism	**43**	-	-	-	**43**
Heroes' Square garden maintenance	**130**	(18)	(8)	-	**104**
Royal Electrical & Mechanical Engineers	**34**	-	(2)	-	**32**
Devon & Dorset Regiment	**21**	-	(1)	-	**20**
Queens Lancashire Regiment	**19**	7	-	-	**26**
Guards Parachute Association	-	25	-	-	**25**
The Blues and Royals	-	25	-	-	**25**
Wrens	-	38	-	-	**38**
Royal Military Police	-	21	-	-	**21**
Scouts	-	29	-	-	**29**
National Mining Memorial	-	28	-	-	**28**
RBL Remembrance Glade	-	24	-	-	**24**
Total Expendable endowments	**916**	**316**	**(40)**	**1**	**1,193**

20) Movements on Funds (cont)

	At 1 October 2020 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2021 £000's
Restricted Funds					
AFM	**411**	165	(95)	-	**481**
Remembrance Centre	**130**	-	-	-	**130**
Functions Pavilion	**50**	-	(14)	(2)	**34**
Memorial Woodland	-	4	-	(4)	-
Covid-19 support					
National Lottery Heritage fund	-	429	(429)	-	-
Furlough Grant	-	20	(20)	-	-
Other Funds received and fully utilised in year	-	46	(46)	-	-
Total Restricted Funds	**591**	**664**	**(604)**	**(6)**	**645**
Total Charity Funds	**22,627**	**4,002**	**(3,661)**	**-**	**22,968**

Separate funds are held for the following purposes:

- Expendable endowments - a number of memorial holders gift monies to the Arboretum for the ongoing maintenance and upkeep of their memorial which is critical to the longevity of the Arboretum as the number of memorials increases. Due to the significant increase in take up of the scheme only endowments of over £20,000 are separately disclosed all others are included under the NMA memorials and building category.
- AFM – funds for the general upkeep of the memorial
- Remembrance Centre Appeal – monies received and costs incurred relating to the visitor centre
- Functions Pavilion – funding received from the parent charity to progress the development of a permanent functions pavilion to host the 250 Remembrance functions which take place on site per annum
- National Lottery Heritage fund – Covid 19 support
- Furlough grant – contribution towards the salary cost of employees unable to work due to the Covid-19 pandemic.

Note: Expenditure of restricted funds for items which are subsequently capitalised will result in a transfer from restricted to unrestricted funds as the items capitalised are subsequently used for general purposes.

21) COMPARATIVE MOVEMENT ON FUNDS

	At 1 October 2019 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2020 £000's
Unrestricted Funds:					
General Fund	**363**	**3,259**	**(2,874)**	**(96)**	**652**
Designated Funds					
Fixed assets	**20,705**	-	(513)	105	**20,297**
Development and Engagement	**90**	**94**	**(13)**	-	**171**
Designated Funds Total	**20,795**	**94**	**(526)**	**105**	**20,468**
Total Unrestricted Funds	**21,158**	**3,353**	**(3,400)**	**9**	**21,120**
Expendable endowments*:					
NMA Memorials & Buildings	**234**	79	(9)	-	**304**
Basra Wall	**29**	-	-	-	**29**
Army Apprentices	**39**	1	(1)	-	**39**
Durham Light Infantry	**18**	-	(1)	-	**17**
British Korean Veterans	**33**	-	(1)	-	**32**
Polish Ex-Combatants	**56**	1	(4)	-	**53**
Royal Ulster Constabulary	**33**	-	(2)	-	**31**
Bastion Memorial	**50**	1	(2)	-	**49**
Royal Engineers	**85**	-	(1)	-	**84**
Police Service Northern Ireland	**33**	-	(2)	-	**31**
Victims of overseas terrorism	**43**	-	-	-	**43**
Heroes' Square garden maintenance	**136**	-	(6)	-	**130**
Royal Electrical & Mechanical Engineers	**37**	1	(4)	-	**34**
Devon & Dorset Regiment	**22**	-	(1)	-	**21**
Queens Lancashire Regiment	-	20	(1)	-	**19**
Total Expendable endowments	**848**	**103**	**(35)**	-	**916**
Restricted Funds					
AFM	**354**	166	(109)	-	**411**
Remembrance Centre	**142**	-	(11)	(1)	**130**
Functions Pavilion	**58**	-	-	(8)	**50**
Covid-19 support					
National Lottery Heritage fund	-	100	(100)	-	-
Furlough Grant	-	88	(88)	-	-
LDC BCNDR Relief	-	25	(25)	-	-
Other Funds received and fully utilised in year	-	14	(14)	-	-
Total Restricted Funds	**554**	**393**	**(347)**	**(9)**	**591**
Total Charity Funds	**22,560**	**3,849**	**(3,782)**	-	**22,627**

*Due to the increase in expendable endowments only endowments of more the £20,000 are separately disclosed, all others are included under the NMA memorials and buildings category

22) ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2021 £000's
Fixed assets	348	19,806	-	-	20,154
Current assets	1,244	171	645	1,193	3,253
Current liabilities	(403)	-	-	-	(403)
Liabilities > than 1 year	(36)	-	-	-	(36)
Total	**1,153**	**19,977**	**645**	**1,193**	**22,968**

23) COMPARATIVE ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2020 £000's
Fixed assets	348	20,297	-	-	20,645
Current assets	815	171	611	916	2,513
Current Liabilities	(457)	-	(20)	-	(477)
Liabilities > than 1 year	(57)	-	-	-	(57)
Total	**652**	**20,468**	**591**	**916**	**22,627**

24) EMPLOYEE RETIREMENT BENEFITS

Defined contribution scheme

The charitable company operates a defined contribution scheme for all qualifying employees. The company's contribution to the scheme in the year was £122,000 (2020: £126,000). Outstanding amounts to be paid into the scheme at the year end were zero (2020: £15,000).

25) RELATED PARTY TRANSACTIONS

The charitable company received payment of £188,000 (2020: £189,000) from NMA (Enterprises) to cover the cost of operational overheads incurred on its behalf. A payment on account of £90,000 in respect of the 2021 surplus generated by NMA Enterprises was also received (2020: zero due to operating losses arising during the pandemic.

The company received a general remembrance grant of £1,450,000 (2020: £1800,000) from its parent charity the Royal British Legion. (2020: £1,800,000), no additional monies were required for covid support during 2021 (2020: £500,000).

No Trustee received payment for professional services or other services provided to the charity during the year (2020: £nil).

There were no donations received from Trustees during the year (2020: £nil).

There were no other related party transactions (2020:£nil).

26) CASH FLOW STATEMENT

a. Reconciliation of net income to cash generated by operations.

	2021 £000's	2020 £000's
Net income/ for the year	**341**	**67**
Adjustments for:		
Interest receivable	(1)	(7)
Interest Payable	3	-
Depreciation charges	503	513
Loss on disposal of fixed assets	-	-
Operating cash flow before movement in working capital	**846**	**573**
(Increase)/Decrease in debtors	**292**	**(124)**
(Decrease) in creditors	**(75)**	**(350)**
Cash generated by operating activities	**1,063**	**99**

b. Analysis of Cash and cash equivalents:

	2021 £000's	2020 £000's
Instant access working capital	501	297
Notice deposits	760	260
Other cash balances	1,596	1,271
Total cash and cash equivalents	**2,857**	**1,828**

c. Analysis of change in net debt:

	At 1 October 2020 £000's	Cash-flows £000's	New Finance Leases £000's	At 30 September 2021 £000's
Cash	1,828	1,029	-	2857
Finance Leases	(77)	20	-	(57)
Total	**1,751**	**1,049**	**-**	**2,800**

27) ULTIMATE PARENT UNDERTAKING

The Royal British Legion (Registered Charity number 219279) is the charitable company's ultimate parent undertaking and ultimate controlling party. The parent undertaking of the smallest and largest group which includes the company for which the group accounts are prepared is The Royal British Legion. The consolidated financial statements of The Royal British Legion can be obtained from the charity's registered office at 199 Borough High Street London, SE1 1AA. The accounts of the Arboretum's trading subsidiary NMA Enterprises Limited (Company number 04259701) can be obtained from Companies House.

THE NATIONAL MEMORIAL ARBORETUM COMPANY LIMITED

England & Wales - Charity number 1043992

Accounts

National Memorial Arboretum Company Ltd

Company Registration No. 02927443
Registered Charity No. 1043992



National Memorial Arboretum Company Ltd
Report and Financial Statements

Year ended 30 September 2020



A member of The Royal British Legion family of charities

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National Memorial Arboretum Company Ltd
Registered Company number 02927443

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES AND OFFICERS

David Whimpenny – Chairman
Andrew Farquhar
Jason Coward
Gary Ryan (resigned 28 February 2020, Re-appointed 19 June 2020)
Paul Harris (resigned 19 June 2020)
Kate Logan
Lynda Atkins (Appointed 19 June 2020)

COMPANY SECRETARY

Mr Luke Joannou

PRINCIPAL OFFICERS – Key Management Personnel

Mrs Philippa Rawlinson	Managing Director
Mrs Lorna Price	Head of Finance
Mrs Aysha Afridi	Head of Heritage and Learning (until 20 January 2020)
Mrs Sarah Oakden	Head of Marketing
Mr Mark Ellis	Head of Visitor Experience
Mrs Angela Ham	Head of Business Support Services
Mr Andy Ansell	Head of Estates
Mr Chris Ansell	Head of Participation and Learning (from 1 March 2020)

BANKERS

Lloyds Commercial
Public and Community Sector
3rd Floor, Gresham Street
London
EC2V 8EH

HSBC Bank PLC
49 Market Street
Lichfield
Staffordshire
WS13 6LB

AUDITOR

Deloitte LLP
Hill House
1 Little New Street
London
EC4A 3TR

REGISTERED & PRINCIPAL OFFICE

Croxall Road
Alrewas
Staffordshire
DE13 7AR

Charity Registration Number: 1043992

Company Registration Number: 02927443

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

The Trustees, who are also Directors of the charitable company, present their annual report, which incorporates a strategic report, and audited financial statements for the year ended 30 September 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019 (revised 1 January 2019)). The reference and administrative details on page 1 form part of this report.

OBJECTIVES AND ACTIVITIES

The National Memorial Arboretum Company Limited (Arboretum) is a member of the Royal British Legion family of charities, which is the UK's national custodian of Remembrance; supporting and delivering nationwide events through its network of branches, members and volunteers and locally in communities across the country. The Arboretum is the United Kingdom's year-round centre for Remembrance in the heart of our country; a spiritually uplifting place which honours those who have fallen in the service of their country, recognising their service, suffering and sacrifice. The Arboretum's award winning Remembrance Centre has now been open for 4 years and through its accompanying programme of activity partially funded by the Heritage Lottery Fund has been successful in widening the Arboretum's reach to new audiences and engaging them with Remembrance. In the last twelve months the Arboretum's strategic approach has been reviewed to build on the many achievements to date.

Our refreshed vision is to be the nation's year-round place to Remember, an inspirational world-class setting freely open to all.

This is central to the charitable group's core charitable objective of championing Remembrance, and promoting its observance and participation. Also, as a year-round space to celebrate lives lived and commemorate lives lost, we will ensure the baton of remembrance is passed on to future generations.

The Arboretum's specific charitable objectives are to:

- promote an appreciation by the public of the role of the armed forces of the Crown by providing and maintaining the Arboretum as a public memorial to commemorate and remember those who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service of the public;
- relieve the distress and suffering of those who are bereaved; and
- educate the public and personnel of the armed forces of the Crown in citizenship, military history, the effects of armed conflict, conflict resolution and reconciliation.

2020 has been a challenging year due to the wet winter and most notably the Covid-19 pandemic. However, whatever the operational challenges this has brought the underlying key strategic priorities remain the same and are:

- Developing an inspirational living landscape that embraces our environment to create new Remembrance spaces and reasons to visit throughout the seasons.

- Developing an inspirational programme which responds to visitor needs and drives visitation of target audiences and maximises the value and potential of the site.

- Living our shared values to attract and develop great people.

- Collaborating with key internal and external partners to achieve win-win outcomes; and

- Nurturing a culture that uses all of our 'resources' efficiently and effectively whilst minimising our impact on the environment.

ACHIEVEMENTS AND PERFORMANCE

The 2020 financial year proved to be very challenging. In the early part of the year the site was beset by multiple periods of prolonged flooding, the impact of which was exacerbated further by the onset of the Covid-19 pandemic. The latter resulted in total site closure from 22nd March for a period of 12 weeks. Since re-opening on 8th June 2020, the site has been subject to capacity constraints due to the requirement to comply with social distancing regulations. However, as experience has been gained and it has proved permitted, safe and sensible to do so, it has been possible to extend the range of service provision for visitors. Consequently performance while lower than historically achieved, has exceeded initial expectations.

Visitors:

During the year, the Arboretum received 181,503 visitors (2019: 342,186), a 47% decrease compared to 2019. The significant decrease can mainly be attributed to the Covid-19 pandemic which significantly impacted the key spring and summer seasons. However there have been some successes.

- Thanks to the widely acclaimed VJ day commemorations most days during August and September operated at near full capacity.
- There have been significantly higher volumes of first time and young family visitors.
- While it was not possible to offer the usual mass participation events such as Armed Forces Day, and the planned long weekend to mark the VE day 75 commemoration, a number of virtual events have been held and streamed over the internet. In August we hosted the national commemoration to mark VJ day 75, the service led by HRH the Prince of Wales was broadcast by the BBC which helped raise profile and reach new audiences.

Since reopening in June, we have undertaken post visit audience research. Visitors from over forty Association of Leading Visitor Attractions members are emailed a post-visit online survey that focuses on the safety measures put in place for coronavirus. This enables us to benchmark the perception of our visitors against a high-quality peer group; the Arboretum's results have continually over-index against our peers with several areas being 'best in class' reflecting how safe visitors felt and how much this enabled them to enjoy their visit.

The Arboretum site:
During the year steps have been taken to maximise the benefits available from the various support schemes to mitigate the impact of Covid-19, including use of the furlough scheme and a successful application to the National Lottery heritage fund for £100,000 towards fixed operating costs such as grounds maintenance.

It has also been necessary to transform business operations, to improve efficiency and facilitate increased homeworking by back of house staff and to incorporate the requirement to pre-book into what was a simple ticket sales system.

In addition, steps have been taken to reduce operating costs where possible. This has been achieved by closing areas of the site which under current guidelines it has not been possible to operate eg the Aspects functions pavilion, and bringing the main grounds contract in house from August 2020, the latter will both improve the control and quality of the grounds works and also yield permanent year on year savings.

Landscape:
One of the key objectives of the Arboretum is to provide a public memorial to commemorate and remember those who have lost their lives or suffered injury in service to the public. During the year, while the Arboretum hosted significantly less Remembrance services and commemorations than would normally be the case, this has not reduced the appetite for new memorials and demand continues to increase; including public interest in a memorial to those who have lost their life in service during the pandemic. Consequently going forward, the Arboretum will need to open up areas of the site which are currently either under utilised or inaccessible. With this in mind, during the year the Arboretum has completed a review of the landscape masterplan and in partnership with its landowner Tarmac identified a number of exciting opportunities for limited expansion of the site in the future. This includes the signing of a Memorandum of Understanding between the two parties which in time will yield a replacement car park to replace the overflow car park which is subject to quarrying from 2023 at limited cost to the Arboretum. This coupled with future development of land adjacent to the site will in time will improve both the visitor journey and facilitate engagement with the site and Remembrance by the local community.

Programmes:
The 'Landscapes of Life' permanent interpretation exhibition remains an important component in the fulfilment of the Arboretum's charitable objectives of learning, by helping visitors to engage with Remembrance and since May 2019 has been free to enter. During the year this has been supplemented by a number of temporary exhibitions. Since reopening in June there has been a focus on outdoor activity with an installation created in partnership with Central St Martin's to commemorate VE & VJ Day 75 and an outdoor escape challenge which appealed to the growing family audience engaging them with memorial across the site as they tackled Covid-19 secure challenges.

VE & VJ day 75 were also marked by the creation of both adult and child activity packs to encourage participation and understanding of service and sacrifice endured by those affected by the conflicts; working in partnership with the Legion, leading housing & youth associations gave these significant reach with key audiences. During the period we have continued to mark significant Remembrance events, including when we were unable to carry out our usual activity on site, and shared the services via a variety of digital and broadcast media; this has again extended our audience reach and given international engagement in what would have previously been site-based events.

Sustainability:
The NMA remains committed to growing its self-generated income sources as much as possible to reduce the reliance on its parent charity for funding

The main annual fundraising event of the year In October, "Ride to the Wall", proved to be one of the most successful to date, generating £150,000 (2019:£140,000) thanks to the high volumes of pre-registrations for the event and bespoke merchandise sales.

Despite very uncertain times, business as usual fundraising has held up reasonably well, and the addition of a prompt to donate on the online booking system has proved extremely successful generating over £60,000 of income since its launch in June.

FINANCIAL REVIEW
Income for the year was £3.9 million (2019: £3.4million); The Arboretum is a free to enter site; its main sources of income are voluntary donations, grant funding and in a normal operation year profits from its trading subsidiary NMA Enterprises Ltd. The £0.5 million increase in income over the previous year mainly relates to an increase in the core Remembrance grant from its parent charity The Royal British Legion to £1,800,000 (2019: £724,000) and other grants received to help mitigate the impact of the Covid pandemic. This included £100,000 from the National Lottery Heritage Fund towards the upkeep of the grounds, £88,000 from the Furlough scheme, £25,000 under the small business rates relief scheme. Due to loss of income from the Arboretum's subsidiary company arising out of the pandemic the Arboretum's parent Charity also provided a further £500,000 to support day to day activities.

In addition, to the above, Grant in Aid funding from the Ministry of Defence was received for the ongoing maintenance of the Armed Forces Memorial

During the year, the Arboretum also received gifts in kind of £3,000 relating to the long term loan of a water pump and some grounds equipment.

Expenditure was £3.8 million (2019: £4.1 million), a year on year decrease of £0.3 million. Costs of raising funds increased by £75,000 and reflect the investment in the development of a new state of the art website during the year, (2020: £617,000, 2019: £542,000). As the Arboretum is a visitor attraction, it is very much dependent on footfall on site, the new website will therefore be critical to the future success once we come out of the pandemic. Expenditure on Charitable Activities decreased by £0.4 million to £3.2 million (2019: £3.6 million), the decrease being mainly due to reduced utility costs arising from the total closure of the site during lockdown, and post lockdown operating restrictions which meant it was possible to mothball the functions pavilion for a large part of the year. In addition, there were savings on grounds maintenance following a strategic review of the area which included a reduction in external mowing services and bringing the main grounds contract in house from August 2020 and the removal of mass participation events such as Armed Forces day from day to day activities.

This resulted in a net increase in funds of £67,000 (2019: decrease of £767,000).

Capital expenditure for the year was £105,000, (2019: £534,000), and relates to the purchase of grounds equipment under a finance lease arrangement to facilitate the bringing in house of the main contract.

The trading subsidiary, NMA (Enterprises) Ltd, was hit hardest by the impact of the Covid 19 pandemic resulting in an operating loss for the year of £92,000 (2019: surplus £647,000).

RESERVES POLICY AND GOING CONCERN

As the Arboretum is part of the Royal British Legion group, its policy is to not seek to hold reserves as this leads to a duplication of reserves at a group level. A 'letter of comfort' has been agreed by the RBL trustees under which The Royal British Legion will continue to provide any financial support (either through the waiver of intercompany debt, the provision of further intercompany funds or equity) that may be required in order for the NMA to pay its liabilities as they fall due, for a period of at least 12 months from the date of approval of the 2020 accounts.

Total charity funds increased by £0.1m to £22.6m at the end of the year (2019: £22.5m) . Total charity funds comprise unrestricted funds of £21.1 million (2019: £21.1 million) and restricted funds of £1.5 million (2019: £1.4 million) including expendable endowment funds.

Total unrestricted funds comprise designated funds of £20.5 million (2019: £20.8 million) and general funds of £0.6m (2019: £0.4m); the general funds figure includes free unrestricted funds of £475,000 (2019: £105,000).

Designated funds represent the net book value of completed fixed assets relating to grounds and buildings and legacy income. As legacy income is difficult to predict and cannot be counted on to help fund day to day activities, any receipts are set aside to fund future development and engagement activity. The reduction in the designated funds balance is mainly due to depreciation charges offset by legacy receipts. During the year £13,000 of the designated legacy fund was spent on the Tea for II initiative which was one of the key activities underpinning the VE/VJ day commemorations.

Total restricted funds at the end of the year were £1.5 million (2019: £1.4 million). This includes the remaining funds relating to the Remembrance Centre and Functions Pavilion as there are some minor works still outstanding, funds for the ongoing maintenance of the Armed Forces memorial and £916,000 (2019: £848,000) of maintenance endowments for maintenance and insurance for a number of smaller specific memorials. During the year the Arboretum was successful in securing a further £103,000 (2019: £33,000) of maintenance endowments for a mixture of new and existing memorials, which will help contribute to the NMA's longevity.

The continuing operation of the Arboretum is dependent on donations and grants from supporters, together with funding from The Royal British Legion to support both day to day activity and any residual assistance (after maximising the benefits available from any assistance schemes), through the Covid-19 pandemic. Given the close operational relationship with The Royal British Legion, the letter of comfort in place, the funding supplied for the Remembrance Centre and the new Functions Pavilion, and the key role the NMA now plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident that funding will be available to support the NMA's activities into the future. Reflecting on this, the Trustees have therefore prepared the accounts on a going concern basis.

RISK MANAGEMENT

The Trustees are responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage major risks to which the charity is exposed. The process in place regarding risk management and internal control includes the following:

- The risk analysis is reviewed monthly by the management team and scrutinised quarterly by the Board of Trustees. The Trustees are satisfied that for risks identified a planned schedule

of activity is being undertaken so the impact on the charitable company will be minimised should any of the risks materialise.

- Internal audit, which is provided by a third party, undertake a programme of examinations, ensuring the effectiveness of risk management and controls.

The key risks and how they are managed are:

Principal risk	Mitigation
Impact of COVID-19 on day to day operations.	- Ensure maximum benefit is obtained from available assistance packages - Take steps to keep operating costs to a minimum including mothballing of areas it is not permissible to open. - More frequent financial forecasts - Keeping abreast of latest government guidance
Fundraising and grant income does not meet targets.	- Progress against business plan is assessed. - Financial support available from parent charity to meet funding gap.
Investment in new attractions does not increase visitor numbers.	- Prepare sound business cases prior to embarking on projects. - Increase advertising and marketing spend to create awareness.
Visitors are deterred from visiting due to site flooding.	- The website is kept up to date detailing any accessibility issues. The temporary exhibition programme should help preserve visitor numbers during periods of inclement weather and minor localised flooding. - Phase 1 of a programme of drainage improvements has been implemented to reduce the impact of flooding
Maintenance endowments given to cover repairs of memorials are not sufficient to cover costs.	- Funds are pooled to obtain best rates. - The NMA has a fundraising strategy with the primary objective of achieving growth in unrestricted income over the medium to long term.

The company is not unduly exposed to price, credit, liquidity or foreign exchange risk.

The company is included in The Royal British Legion's group insurance policy which provides a comprehensive package of insurance against foreseeable risks including public and product liability.

The charity is covered by insurance from loss arising from neglect or default of its Trustees, and to indemnify the Trustees against the consequences of neglect or default on their part.

FUTURE DEVELOPMENTS

Next year, the Arboretum will mark the 20th anniversary of its official opening through a holistic programme of onsite activity, digital engagement and public relations. The programme will celebrate the Arboretum's history and outline an inspiring vision of our future; thank those who have contributed to its success; engage people in learning and remembrance of the communities we serve; and encourage support through advocacy and fundraising. As part of this narrative, the Arboretum will also be marking the centenary of its parent charity The Royal British Legion. It is anticipated Covid will continue to have a significant impact on the scale and scope of the services the Arboretum will be able to deliver and steps will be taken to maximise the benefits from any assistance packages available including the furlough scheme.

PUBLIC BENEFIT STATEMENT

In considering the operation, achievements, performance and finances of the charitable company the Trustees are satisfied that public benefit has been provided in accordance with the Charities Act 2011 and guidance provided by the Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The NMA was incorporated in 1994 as a charitable company limited by guarantee not having a share capital and registered in 1995 as a charity. The Arboretum has been part of The Royal British Legion (the RBL) family of charities since 2003. The RBL is the sole member of the company and controls the appointment of all Trustees.

The Board of Trustees consists of six Trustees appointed by the RBL with one Trustee appointed as chairman. Three of the Trustees are also on the Trustee board of the RBL, one Trustee is a member of the executive management team of the RBL with line management responsibility for the NMA, and the remaining two members are independent Trustees with significant military and visitor attraction experience respectively. Meetings of the Board of Trustees take place quarterly. In accordance with its Articles of Association a term of any Trustee's appointment cannot exceed three years, but a Trustee is eligible for reappointment for a further two terms and can be removed from office by the RBL at any time. Training for all Trustees is provided through The Royal British Legion.

Responsibility for the day to day operations of the Arboretum is delegated to the Managing Director, who is supported by a management team, administrative support staff and a team of volunteers. The Managing Director has established an executive management structure for the NMA to undertake operational activities with a clearly defined management and reporting structure. The management team meets weekly to discuss operational issues and new initiatives and take any action as required.

The Arboretum has a subsidiary company, NMA (Enterprises) Limited, which carries out the trading activities of the charity; principally the operation of restaurant and café facilities, concessions and business functions.

The Managing Director is supported by the following boards and committees:

- Landscape and Memorials Committee – this committee reviews and agrees proposals for new memorials and landscaping development and is critical to the future direction and management of the Arboretum grounds

- NMA Enterprises Board – the board of NMA's subsidiary company, NMA (Enterprises) Ltd

Key management personnel remuneration policy
The key management personnel remuneration policy has been harmonised with that of the parent charity. Roles are initially evaluated at the group job evaluation committee, which uses the Hay System, and salaries are benchmarked with similar roles in the local area in order to attract the appropriate calibre of candidate. The company then operates an annual appraisal scheme at which performance is assessed against set objectives. The annual pay award is set by the parent charity.

Equal opportunities
The company is an equal opportunities employer and is committed to a policy of employment based on aptitude and ability without discrimination of any kind.

Volunteers
The Trustees recognise the hard work contributed by staff, volunteers and the NMA friends who in many ways keep the site going. Active volunteers gave around 50,000 hours (2019: 60,000 hours) of invaluable help during the year. Volunteer activities include the provision of educational support for facilitated learning visits, guiding visitors around the site, and grounds maintenance which approximately equates to an additional 30 full time staff. The contribution is recognised by all who visit the site and many visitors write to express thanks for the way volunteers help with their visit and comment on the pride the volunteers take in all they do.

Fundraising

As a location based charity the Arboretum does not have a national network of fundraisers or agents acting on its behalf. The majority of fundraising is derived directly from on-site activities and donation boxes. In addition, up to 2 direct mail campaigns are undertaken per annum to registered supporters and applications are made to grant funders for specific initiatives to further charitable objectives. To date we have not received any complaints regarding fundraising activity. We endeavour to ensure our fundraising activity is not overly obtrusive or put anyone under undue pressure to donate.

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also Directors of The National Memorial Arboretum Company Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

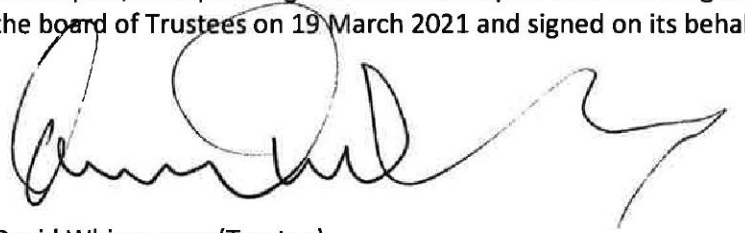
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware and
- the trustees has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report, incorporating the Directors report and including the Strategic Report, was approved by the board of Trustees on 19 March 2021 and signed on its behalf by:



David Whimpenny (Trustee)

Date: 19th March 2021

Independent auditor's report to the members of The National Memorial Arboretum Company Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The National Memorial Arboretum Company Limited (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in respect of these matters.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report and the strategic report have been prepared in accordance with applicable legal requirements.

Report on the audit of the financial statements (Continued)

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Wright

Nicola Wright, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom

19 APRIL 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
Year ended 30 September 2020

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2020 £000's	Total Funds 2019[1] £000's
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	2,788	393	98	3,279	2,030
Charitable Activities	4	419	-	-	419	627
Other Trading Activities		37	-	-	37	47
Investments:						
Gift aid from NMA (Enterprises)	5	107	-	-	107	664
Bank interest	6	2	-	5	7	7
TOTAL INCOME		**3,353**	**393**	**103**	**3,849**	**3,375**
EXPENDITURE ON:						
Raising Funds	7	617	-	-	617	542
Charitable Activities	8	2,783	347	35	3,165	3,600
TOTAL EXPENDITURE		**3,400**	**347**	**35**	**3,782**	**4,142**
Net (expenditure)/income for the year		**(47)**	**46**	**68**	**67**	**(767)**
Transfer between Funds	20	9	(9)	-	-	-
NET MOVEMENT IN FUNDS		**(38)**	**37**	**68**	**67**	**(767)**
RECONCILIATION OF FUNDS						
Total funds brought forward		**21,158**	**554**	**848**	**22,560**	**23,327**
Net movement in funds for the year		(38)	37	68	67	(767)
Total funds carried forward		**21,120**	**591**	**916**	**22,627**	**22,560**

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

(1) See note 19 for 2019 detailed Statement of Financial Activities

National Memorial Arboretum Company Ltd
Registered Company number 02927443

BALANCE SHEET
At 30 September 2020

	Note	2020 £000's	2019 £000's
FIXED ASSETS			
Tangible assets	14	20,297	20,705
Heritage assets	15	348	348
Fixed asset investments	16	-	-
Total Fixed Assets		**20,645**	**21,053**
CURRENT ASSETS			
Debtors	17	688	564
Cash at bank and in hand		1,828	1,750
Total Current Assets		**2,516**	**2,314**
Creditors – amounts falling due within one year	18a	(477)	(807)
NET CURRENT ASSETS		**2,039**	**1,507**
Creditors falling due in more than one year	18b	(57)	-
TOTAL NET ASSETS		**22,627**	**22,560**
FUNDS			
General Funds	20	652	363
Designated Funds	20	20,468	20,795
Restricted Funds	20	591	554
Expendable Endowment Funds	20	916	848
Total Funds		**22,627**	**22,560**

The notes on pages 17 to 35 form part of these financial statements.

These financial statements of The National Memorial Arboretum Company Ltd were approved by the Board of Trustees and authorised for issue on 19 March 2021. They were signed on its behalf by:

David Whimpenny
Chair of Trustees

National Memorial Arboretum Company Ltd
Registered Company number 02927443

CASHFLOW STATEMENT
Year ended 30 September 2020

	Note	Total Funds 2020 £000's	Total Funds 2019 £000's
Net cash provided by operating activities	**26**	**99**	**67**
Cash flows from investing activities:			
Interest receivable		7	7
Purchase of property, plant and equipment			(534)
Purchase of heritage assets		-	-
Net cash used in investing activities		**7**	**(527)**
Cashflows from financing activities:			
Interest element of finance lease payments		(1)	-
Repayment of finance leases		(27)	-
Net cash provided by finance leases		**(28)**	**-**
Net (Decrease)/ increase in cash and cash equivalents		**78**	**(460)**
Cash and cash equivalents at the beginning of the year		1,750	2,210
Cash and cash equivalents at the end of the year		**1,828**	**1,750**

There are no cash equivalents, therefore cash and cash equivalents comprise cash at bank and in hand.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2020

1) ACCOUNTING POLICIES

Company and Charitable Status

The National Memorial Arboretum Company Ltd, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having any share capital. There are currently six Trustees who are also members of the company. Each member has undertaken to contribute to the assets in the event of a winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (SORP 2019); and the Companies Act 2006.

The principal accounting policies are set out below:

Basis of Preparation

The results presented are the accounts of the charitable company. The NMA group is included in the accounts of the NMA's parent charity – The Royal British Legion, and therefore accounts have not been prepared which consolidate the results of NMA (Enterprises) Ltd.

Going Concern

The accounts have been prepared on a going concern basis as set out on page 6 of the Trustees' Report. Performance during 2020 has been significantly impacted by the Covid-19 pandemic, which will continue to be a key influencer of performance during 2021. Steps will be taken to ensure the company maximises benefits from any assistance schemes available, such as the furlough scheme during this challenging time. There are no other material uncertainties about the charity's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to funds, performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations including amounts received for fixed assets are recognised immediately on receipt. The only exception to this is where there are predetermined conditions to be met, in these instances income is recognised once the required conditions have been met in full.

Grant income is recognised on written confirmation of the grant once any inherent performance related conditions of the grant have been met in full.

Legacy receipts are recognised when it is probable it will be received. This is deemed when:

- there has been a grant of probate;
- the executors have determined there are sufficient assets in the estate; and
- conditions attached to the legacy or within the control of the charity have been met.

1) ACCOUNTING POLICIES

Income (continued)

Interest receivable relates to interest on bank deposits and current accounts, under the terms of FRS102 this does not require adjustment using the effective interest rate method laid down by the standard, as the rate receivable is deemed to reflect the effective interest rate applicable.

Donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have paid to obtain services or facilities for equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised on an accruals basis.

In accordance with the Charities SORP (FRS 102) due to the extremely wide variety of skills provided to the Arboretum by its volunteers, it is not possible to quantify the value, consequently no income is recognised in respect of general volunteer time received – information on volunteer contributions is disclosed in the Trustees' Report on page 9.

Expenditure

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:
Raising funds – includes costs incurred in generating fundraising income, advertising, and direct mail.

Charitable activities – includes direct costs of operating the charity and maintaining the grounds and memorials along with the costs of commemorative events held in furtherance of the charitable objectives.

Support costs – are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, premises costs and governance costs. These costs are allocated between the cost of raising funds and expenditure on charitable activities. The bases of cost allocation are set out in note 9.

Fund Accounting

The charity holds the following funds:

Restricted funds represent grants, donations, legacies and appeal monies received which are allocated in accordance with the donors instructions for specific purposes and are expendable only in accordance with the donor's wishes.

Designated funds represent funds set aside for the net book value of completed fixed assets relating to grounds buildings, and supporting infrastructure.
General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company.

Fund Accounting (continued)
Maintenance endowments are expended in line with the terms of their respective donation agreements.

Taxation
The company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax, however all profits are paid to the charitable company by way of gift aid.

Tangible Fixed Assets and Depreciation
i)Tangible Assets:
Tangible Assets are included at acquisition cost less depreciation. The capitalisation threshold is £20,000. Land held on long-term lease and landscaping costs to bring the grounds into use are not depreciated. Generally, depreciation is provided on other tangible fixed assets at rates calculated on a straight line basis over their expected useful lives, the only exception to this is grounds equipment purchased during the 2020 financial year which is depreciated over the term of the Hire purchase/finance lease of 4 years.

Long leasehold and ground improvements	Long leasehold land and initial landscaping - not depreciated Ground improvements and drainage - 6.67% Roadways and paths - 8.33%
Heritage Assets	Not depreciated
Visitor facilities and fixtures	Building and fixtures 2% Grounds Equipment under Finance lease 25% Catering equipment 20%
Office equipment	Office equipment 20%

Depreciation is not provided until an asset is brought into use. Depreciation is then charged over the asset's economic life based on the percentages above as appropriate. Depreciation is not charged in the year of disposal but is included in the profit/loss on disposal calculation.

Capital projects with a life of more than 1 year are managed via a capital work in progress account. Projects are transferred to fixed assets and depreciated over their economic life once they come into use.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any costs of sale and its value in use.

ii) Heritage Assets
The charitable company has capitalised trees held on site for Remembrance value within the financial statements. The trees are managed as part of the Arboretum ensuring that they are accessible to the public in line with the objectives of the charitable company.

ii) Heritage Assets (continued)

Trees are included at cost as the Trustees deem a valuation policy to be inappropriate. The trees are deemed to have indeterminable lives as they are preserved through ongoing maintenance of the Arboretum and the Trustees do not therefore consider it appropriate to charge depreciation. However a review for impairment is carried out each year and in the case of any

damage, for example as a result of a severe storm or disease, the value of the trees will be adjusted and the impairment recognised in the Statement of Financial Activities.

The Armed Forces Memorial (AFM) is included as a Heritage Asset. Given the significant repairs required to the AFM on acquisition from the Armed Forces Memorial Trust in 2015, and the cost of ascertaining a definitive value through a surveyor's valuation significantly outweighing any benefit gained due to the unique nature of the asset, the AFM is included in the accounts at the nominal value of £1.

iii) Memorials

Under the current policy issued in 2010 new memorials are built by the commissioning organisation/association who retain ownership. Memorial holders are requested to either pay an annual maintenance charge for the upkeep of the grounds surrounding their memorial or make an upfront maintenance endowment to facilitate the 'lifetime' maintenance of their memorial in the event their organisation should cease to exist in the future. These are regarded as expendable endowments and the capital can be used to fund ongoing maintenance costs. All funds received for annual maintenance are included in the tree plaques, benches and paviours income category under income from charitable activities. Lump sum maintenance endowments are recognised under voluntary income and any subsequent expenditure is shown in the cost of charitable activities (endowment).

Prior to the introduction of the policy in 2011, any donations received for memorial construction were credited to income from charitable activities and any unspent balance transferred to endowment funds. These remaining balances will be used to cover maintenance on the specific memorials in the future.

Employee Benefits

The company operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension contributions and other retirement benefits is the contributions payable in the year. The difference between this and contributions actually paid is shown as either accruals or prepayments in the balance sheet. All costs relate to unrestricted activities.

Financial Instruments

The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially valued at transaction value and subsequently measured at their settlement value as follows:

Trade and other debtors are recognised at the settlement amount after any discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount to settle the obligation can

Financial Instruments (continued)
be measured reliably. Creditors and provisions are recognised at their settlement value after allowing for trade discounts due.

2) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

3) ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £000's	Restricted £000's	Endowments £000's	2020 £000's	2019 £000's
Donations	389	3	98	490	514
Gifts in kind*		3	-	3	2
Legacies	94	-	-	94	170
General grants (see 3a below)	2,305	387	-	2,692	1,344
Total	**2,788**	**393**	**98**	**3,279**	**2,030**

*2020 gifts in kind relate to the donation of some grounds equipment and the long term loan of a water pump. 2019 gifts in kind relate to the donation of a pallet truck and sweeper by Briggs Equipment Ltd.

3a) General grants comprise the following:

	2020 £000's	2019 £000's
Grant in Aid – Armed Forces Memorial	158	159
The Royal British Legion – Infrastructure	-	282
The Royal British Legion – Remembrance	1,800	724
The Royal British Legion – construction/development projects	-	84
The Royal British Legion – Covid -19	500	-
Heritage Lottery Fund	100	63
Memorial Grant Scheme	6	7
Learning Grants	10	25
Furlough Grant	88	-
Small Business rate relief grant	25	-
Veolia Pathways grant	-	(5)
Other Grants	5	5
Total	**2,692**	**1,344**

4) ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

This note provides an analysis of activities specifically undertaken to generate income for the charity. It includes performance related grants for Armed Forces Day and other commemorative activity, primary purpose trading in the form of tree plaque, inscribed pavior and bench sales and the recharge of overhead expenses to the NMA's trading subsidiary NMA (Enterprises) Ltd.

	2020 £000's	2019 £000's
Performance related grants:		
- Armed Forces Day	-	5
- Commemoration Activity	-	52
Car park	158	226
Exhibition Tickets	-	11
Learning services	25	51
NMA Enterprises overhead recharge	189	215
Tree plaques/benches/ annual maintenance	47	43
Insurance claims	-	24
Total	**419**	**627**

5) NET INCOME FROM TRADING SUBSIDIARY

The charitable company has a trading subsidiary NMA (Enterprises) Limited, which is registered in England and Wales. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies. NMA (Enterprises) Limited primarily carries out the operation of a retail shop, restaurant and functions.

	2020 £000's	2019 £000's
Turnover	1,220	2,789
Cost of sales	(1,142)	(1,733)
Gross profit	**78**	**1,056**
Administrative expenses	(297)	(409)
Operating (Loss)/profit on ordinary activities	**(219)**	**647**
Other Income	127	-
(Loss)/Profit on activities before taxation	**(92)**	**647**
Taxation	-	-
(Loss)/profit and total Comprehensive(expense) income for the year	**(92)**	**647**
Retained earnings brought forward:	**107**	**124**
Payment to parent charity under the gift aid scheme	(107)	(664)
Retained loss for the year	**(92)**	**(17)**
Retained earnings carried forward	**(92)**	**107**
Assets	501	503
Liabilities	(593)	(396)
Net (liabilities)/assets	**(92)**	**107**

6) ANALYSIS OF INCOME FROM INVESTMENTS

	2020 £000's	2019 £000's
Gifted from NMA (Enterprises)	107	664
Bank interest	7	7
Total	**114**	**671**

7) ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Direct Costs £000's	Support Costs £000's	Total 2020 £000's	Direct Cost 2019 £000's	Support Cost 2019 £000's	Total 2019 £000's
Raising donations, grants and legacies.	99	20	119	84	13	99
Advertising, marketing and direct mail	449	49	498	404	39	443
Total	**548**	**69**	**617**	**488**	**54**	**542**

8) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £000's	Support costs £000's	Total 2020 £000's	Direct Cost 2019 £000's	Support Cost 2019 £000's	Total 2019 £000's
Commemorative events	275	79	354	331	47	378
Grounds and memorial upkeep	455	92	547	536	70	606
Visitor operations	875	1,200	2,075	1,311	1,090	2,401
NMA (Enterprises) overhead recharge	-	189	189	-	215	215
Total	**1,605**	**1,560**	**3,165**	**2,178**	**1,422**	**3,600**

9) ANALYSIS OF SUPPORT COSTS

	Raising funds £000's	Commemorative events £000's	Grounds and Memorials £000's	Visitor operations £000's	Recharge to NMA Enterprises £000's	Total 2020 £000's	Basis of allocation £000's
Governance	7	8	9	69	-	93	Headcount
Central Management	16	18	21	166	80	301	Headcount
Administration	6	6	8	59	1	80	Headcount
Premises	40	47	54	427	72	640	Headcount
Depreciation	-	-	-	477	36	513	Usage
Legal and Professional	-	-	-	2	-	2	Headcount
Total	**69**	**79**	**92**	**1,200**	**189**	**1,629**	

9) ANALYSIS OF SUPPORT COSTS continued

2019 COMPARATIVE ANALYSIS OF SUPPORT COSTS

	Raising funds	Commemorative events	Grounds and Memorials	Visitor operations	Recharge to NMA Enterprises	Total 2019	Basis c allocatio
	£000's	£000's	£000's	£000's	£000's	£000's	£000'
Governance	7	7	9	76	-	99	Headcoun
Central Management	5	4	6	48	96	159	Headcoun
Administration	5	4	7	53	-	69	Headcoun
Premises	36	31	47	385	85	584	Headcoun
Depreciation	-	-	-	521	34	555	Usag
Legal and Professional	1	1	1	7	-	10	Headcoun
Total	**54**	**47**	**70**	**1,090**	**215**	**1,476**	

10) NET (EXPENDITURE)/INCOME FOR THE YEAR

	2020 £000's	2019 £000's
Income/expenditure is after charging:		
Depreciation of owned assets	513	555
Loss on disposal fixed assets	-	23
Profit on disposal fixed assets	-	(2)
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the financial statements	17	16

11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2020	2019
Raising funds	4	4
Charitable operations	40	39
Support	5	5
Total	**49**	**48**

Their aggregate remuneration comprised:

	2020 £000's	2019 £000's
Wages and salaries	1,150	1,132
Social security costs	101	101
Pension costs	126	106
Severance	6	2
Total	**1,383**	**1,341**

11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

During the year a severance payment was made to 1 member of staff following a restructure of the Support Services department. (2019: zero)

The number of employees whose emoluments excluding pension contributions but including benefits in kind were in excess of £60,000 was:

	2020	2019
£60,000-£70,000	1	1
£80,000-£90,000	-	1
£90,000-£100,000	1	-
Total	**2**	**2**

The key management personnel of the charity are listed on page 1. The total remuneration (including pension contributions but excluding employer's NIC) of the key management personnel of the charity for the year totalled £401,000 (2019: £445,000). Total employer's NIC paid in respect of key management personnel totalled £39,000 (2019: £41,000).

Trustees' Remuneration

No Trustees received remuneration during the current or prior year and no expenses were paid to any Trustees during 2020 (2019: nil) for travel expenses.

12) TAXATION

The activities of the charitable company are exempt from corporation tax. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax, however all profits are paid to the charitable company by way of gift aid therefore no tax liability will arise.

13) IRRECOVERABLE VAT

The charitable company was unable to recover £133,000 VAT for the 2020 financial year (2019: £117,000). This has been allocated back to the individual expenditure categories to which it relates.

14) TANGIBLE FIXED ASSETS

	Long Leasehold and Ground Improvements £000's	Visitor Facilities and Fixtures £000's	Office Equipment £000's	Totals £000's
Cost:				
At 1 October 2019	2,161	21,630	25	23,816
Additions	-	105	-	105
At 30 September 2020	**2,161**	**21,735**	**25**	**23,921**
Accumulated Depreciation:				
At 1 October 2019	1,226	1,860	25	3,111
Charge for the year	64	449	-	513
At 30 September 2020	**1,290**	**2,309**	**25**	**3,624**
Net Book Value:				
At 30 September 2020	**871**	**19,426**	**-**	**20,297**
At 1 October 2019	**935**	**19,770**	**-**	**20,705**

In 1994 the NMA site of 152 acres was gifted by Lafarge Aggregates on a 999 year lease at a peppercorn rent. Included in the cost of the long leasehold land is land with an ascribed value of £120,000 (2019: £120,000) and landscaping costs to bring the grounds into use at £827,000 (2019: £827,000) which is not depreciated.

Additions for the year of £105,000 relate to grounds equipment purchased under hire purchase/lease agreements to facilitate bringing in house the main grounds contract.

15) HERITAGE ASSETS

Basis of capitalisation	**Trees At cost £000's**	**Total £000's**
Carrying amount at 1 October 2019	348	348
Carrying amount at 30 September 2020	**348**	**348**

	2020 £000's	2019 £000's	2018 £000's	2017 £000's	2016 £000's
Purchases:					
Trees	-	-	-	2	57
Total Additions	-	-	-	**2**	**57**

Trees are an inherent part of the Arboretum and have been designated Heritage Assets and are not depreciated as described in note 1. These trees are included at cost as the majority have been selected for their symbolic meaning rather than from an arboreal collection perspective. The trees were originally planted as saplings and are now quite mature specimens. In the Trustees' opinion no provision for impairment is required at this time. During the year no new mature trees were planted.

The Armed Forces Memorial is included in the accounts at a deemed cost of £1. This reflects the dilapidated state in which the memorial was transferred to the NMA in 2015. The cost of ascertaining a value for the memorial through a surveyor's valuation significantly outweighs any benefit that will be derived by the organisation. Ongoing repairs and maintenance costs to the memorial were expensed in the year.

16) FIXED ASSET INVESTMENTS

The Trustees of the charitable company own the entire issued share capital of two ordinary shares of £1 each at a cost of £2 of NMA (Enterprises) Ltd. During the year NMA (Enterprises) did not gift aid any profits to the NMA (2019: £664,000)due to operating losses arising from the Covid-19 pandemic and at the end of the year had aggregate reserves of minus £92,000 (2019: positive £107,000)

17) DEBTORS

	2020 £000's	2019 £000's
Amounts falling due within one year:		
Trade Debtors	82	52
Amounts owed by subsidiary undertaking	478	252
Prepayments and accrued income	128	260
Total	**688**	**564**

Amounts owed by the subsidiary undertaking are non-interest bearing and payable on demand.

18) CREDITORS

	2020 £000's	2019 £000's
a) Amounts falling due within one year:		
Trade creditors	85	126
Amounts owed to parent undertaking	158	142
HMRC- PAYE and NI	-	35
VAT creditor	8	19
Hire Purchase/Finance lease	20	-
Accruals and deferred income	206	485
Total	**477**	**807**

	2020 £000's	2019 £000's
b) Amounts falling due in more than one year:		
Hire Purchase/Finance Lease (due between 1-5 years)	57	-
Total	**57**	**-**

Amounts owed to the parent undertaking are non-interest bearing and repayable on demand.

The hire purchase/finance lease loans are secured against the assets to which they relate i.e. Grounds equipment purchases in the year disclosed under fixed assets.

19) COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2019 £000's
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	3	1,338	659	33	2,030
Charitable Activities	4	570	57	-	627
Other Trading Activities		47	-	-	47
Investments:					
Gift aid from NMA (Enterprises)	5	664			664
Bank interest	6	-	-	7	7
TOTAL INCOME		**2,619**	**716**	**40**	**3,375**
EXPENDITURE ON:					
Raising Funds	7	542	-	-	542
Charitable Activities	8	2,967	601	32	3,600
TOTAL EXPENDITURE		**3,509**	**601**	**32**	**4,142**
Net (expenditure)/income for the year		**(890)**	**115**	**8**	**(767)**
Transfer between Funds	20	600	(600)	-	-
NET MOVEMENT IN FUNDS		**(290)**	**(485)**	**8**	**(767)**
RECONCILIATION OF FUNDS					
Total funds brought forward		**21,448**	**1,039**	**840**	**23,327**
Net movement in funds for the year		(290)	(485)	8	(767)
Total funds carried forward		**21,158**	**554**	**848**	**22,560**

20) MOVEMENTS ON FUNDS

	At 1 October 2019 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2020 £000's
Unrestricted Funds:					
General Fund	**363**	**3,259**	**(2,874)**	**(96)**	**652**
Designated Funds					
Fixed assets	**20,705**	-	(513)	105	**20,297**
Development and Engagement	**90**	**94**	**(13)**	-	**171**
Designated Funds Total	**20,795**	**94**	**(526)**	**105**	**20,468**
Total Unrestricted Funds	**21,158**	**3,353**	**(3,400)**	**9**	**21,120**
Expendable endowments*:					
NMA Memorials & Buildings	**234**	79	(9)	-	**304**
Basra Wall	**29**	-	-	-	**29**
Army Apprentices	**39**	1	(1)	-	**39**
Durham Light Infantry	**18**	-	(1)	-	**17**
British Korean Veterans	**33**	-	(1)	-	**32**
Polish Ex-Combatants	**56**	1	(4)	-	**53**
Royal Ulster Constabulary	**33**	-	(2)	-	**31**
Bastion Memorial	**50**	1	(2)	-	**49**
Royal Engineers	**85**	-	(1)	-	**84**
Police Service Northern Ireland	**33**	-	(2)	-	**31**
Victims of overseas terrorism	**43**	-	-	-	**43**
Heroes' Square garden maintenance	**136**	-	(6)	-	**130**
Royal Electrical & Mechanical Engineers	**37**	1	(4)	-	**34**
Devon & Dorset Regiment	**22**	-	(1)	-	**21**
Queens Lancashire Regiment	-	20	(1)	-	**19**
Total Expendable endowments	**848**	**103**	**(35)**	-	**916**
Restricted Funds					
AFM	**354**	166	(109)		**411**
Remembrance Centre	**142**		(11)	(1)	**130**
Functions Pavilion	**58**		-	(8)	**50**
Covid-19 support					
National Lottery Heritage fund	-	100	(100)		-
Furlough Grant	-	88	(88)		-
LDC BCNDR Relief	-	25	(25)		-
Other Funds received and fully utilised in year	-	14	(14)		-
Total Restricted Funds	**554**	**393**	**(347)**	**(9)**	**591**
Total Charity Funds	**22,560**	**3,849**	**(3,782)**	-	**22,627**

*Due to the increase in expendable endowments only endowments of more the £20,000 are separately disclosed, all others are included under the NMA memorials and buildings category.

20) MOVEMENTS ON FUNDS (continued)

Separate funds are held for the following purposes

- NMA Memorials & Buildings –and other small restricted funds with a value less than £20,000
- Basra Wall – memorial maintenance
- Army Apprentices – lifetime
- Durham Light Infantry – lifetime memorial maintenance
- British Korean Veterans – plot/bench maintenance
- Polish Ex-Combatants – lifetime memorial maintenance
- Royal Ulster Constabulary – lifetime memorial maintenance
- Bastion Memorial – lifetime memorial maintenance and addition of any additional names to the memorial
- Royal Engineers – memorial maintenance
- Police Service Northern Ireland – lifetime memorial maintenance
- Heroes' Square garden maintenance – garden and water feature maintenance
- Royal Electrical & Mechanical Engineers – lifetime memorial maintenance
- Devon & Dorset Regiment – lifetime memorial maintenance
- Victims of Overseas Terrorism – lifetime memorial maintenance
- Queens Lancashire Regiment – lifetime memorial maintenance
- AFM – funds for the general upkeep of the memorial
- Infrastructure – works to put the NMA on mains gas and sewage
- Remembrance Centre Appeal – monies received and costs incurred relating to the visitor centre
- Functions Pavilion – funding received from the parent charity to progress the development of a permanent functions pavilion to host the 250 Remembrance functions which take place on site per annum
- Heritage Lottery fund – activity plan and audience development
- National Lottery Heritage fund – Covid 19 support
- Furlough grant – contribution towards the salary cost of employees unable to work due to the Covid-19 pandemic
- LDC BCNDR relief – Covid-19 support grant

Note: Expenditure of restricted funds for items which are subsequently capitalised will result in a transfer from restricted to unrestricted funds as the items capitalised are subsequently used for general purposes.

21) COMPARATIVE MOVEMENT ON FUNDS

	At 1 October 2018 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2019 £000's
Unrestricted Funds:					
General Fund	**1,416**	**2,529**	**(2,952)**	**(630)**	**363**
Designated Funds					
Fixed assets	**20,032**	-	(557)	1,230	**20,705**
Development and Engagement	**-**	**90**	**-**	**-**	**90**
Designated Funds Total	**20,032**	**90**	**(557)**	**1,230**	**20,795**
Total Unrestricted Funds	**21,448**	**2,619**	**(3,509)**	**600**	**21,158**
Expendable endowments*:					
NMA Memorials & Buildings	**208**	34	(8)	-	**234**
Basra Wall	**29**	-	-	-	**29**
Army Apprentices	**40**	-	(1)	-	**39**
Durham Light Infantry	**20**	-	(2)	-	**18**
British Korean Veterans	**35**	-	(2)	-	**33**
Polish Ex-Combatants	**58**	1	(3)	-	**56**
Royal Ulster Constabulary	**34**	-	(1)	-	**33**
Bastion Memorial	**50**	1	(1)	-	**50**
Royal Engineers	**85**	1	(1)	-	**85**
Police Service Northern Ireland	**34**	-	(1)	-	**33**
Victims of overseas terrorism	**44**	1	(2)	-	**43**
Heroes' Square garden maintenance	**143**	1	(8)	-	**136**
Royal Electrical & Mechanical Engineers	**37**	1	(1)	-	**37**
Devon & Dorset Regiment	**23**	-	(1)	-	**22**
Total Expendable endowments	**840**	**40**	**(32)**	**-**	**848**
Restricted Funds					
AFM	**365**	166	(146)	(31)	**354**
Infrastructure & Tourism signs	**-**	332	(50)	(282)	**-**
Remembrance Centre	**202**		1	(61)	**142**
WW1 Commemoration	**8**		(8)	-	**-**
Functions Pavilion	**350**		(86)	(208)	**56**
Future strategic development**		34	(32)		**2**
Heritage Lottery fund	**78**	63	(141)		**-**
Veolia – Pathway improvements	**36**	(5)	(23)	(8)	**-**
Other Funds received and fully utilised in year	**-**	126	(116)	(10)	**-**
Total Restricted Funds	**1,039**	**716**	**(601)**	**(600)**	**554**
Total Charity Funds	**23,327**	**3,375**	**(4,142)**	**-**	**22,560**

*Due to the increase in expendable endowments only endowments of more the £20,000 are separately disclosed, all others are included under the NMA memorials and buildings category.

** Funds for the future development of the site due to the immaterial remaining this was merged into the functions pavilion funds for 2020

22) ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2020 £000's
Fixed assets	348	20,297	-	-	20,645
Current assets	818	171	611	916	2,516
Current liabilities	(457)	-	(20)	-	(477)
Liabilities > than 1 year	(57)	-	-	-	(57)
Total	**652**	**20,468**	**591**	**916**	**22,627**

23) COMPARATIVE ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2019 £000's
Fixed assets	348	20,705	-	-	21,053
Current assets	602	90	774	848	2,314
Current liabilities	(587)	-	(220)		(807)
Total	**363**	**20,795**	**554**	**848**	**22,560**

24) EMPLOYEE RETIREMENT BENEFITS

Defined contribution scheme

The company operates a defined contribution scheme for all qualifying employees. The company's contribution to the scheme in the year was £101,000 (2019: £101,000). Outstanding amounts to be paid into the scheme at the year end were £15,000 (2019: £9,000).

25) RELATED PARTY TRANSACTIONS

The company received payment of £189,000 (2019: £215,000) from NMA (Enterprises) to cover the cost of operational overheads incurred on its behalf. The remaining 2019 operating surplus of NMA (Enterprises) of £107,000 was donated to the National Memorial Arboretum Company under gift aid during 2020 prior to the Covid-19 pandemic (2019: £124,000 was donated in respect of the 2018 operating surplus) Due to operating losses arising from the Covid-19 pandemic there is no dividend payable for the 2020 financial year hence there have been no payments on account. During the 2019 financial year £540,000 of the 2019 operating surplus of £647,000 was paid on account during the year.

The company received £2.3m (2019: £1.1m) in grants from its parent charity the Royal British Legion these included a general Remembrance grant of £1,800,000 (2019: £724,000), and £500,000 for additional Covid-19 support (2019: zero) during 2019 £366,000 was received for strategic projects.

No Trustee received payment for professional services or other services provided to the charity during the year (2019: £nil).

There were no donations received from Trustees during the year (2019: £nil).

There were no other related party transactions.

26) CASH FLOW STATEMENT

a. Reconciliation of net income to cash generated by operations.

	2020 £000's	2019 £000's
Net income/(expenditure) for the year	**67**	**(767)**
Adjustments for:		
Interest receivable	(7)	(7)
Depreciation charges	513	555
Loss on disposal of fixed assets	-	23
Operating cash flow before movement in working capital	**573**	**(196)**
(Increase)/Decrease in debtors	**(124)**	**536**
(Decrease) in creditors	**(350)**	**(273)**
Cash provided by operating activities	**99**	**67**

b. Analysis of Cash and cash equivalents:

	2020 £000's	2019 £000's
Instant access working capital	297	240
Notice deposits	260	259
Other cash balances	1,271	1,251
Total cash and cash equivalents	**1,828**	**1,750**

c. Analysis of change in net debt:

	At 01 October 2019 £000's	Cash-flows £000's	New Finance Leases £000's	At 30 September 2020 £000's
Cash	1750	78		1828
Finance Leases	-	27	(104)	(77)
Total	**1750**	**105**	**(104)**	**1751**

27) ULTIMATE PARENT UNDERTAKING

The Royal British Legion (Registered Charity number 219279) is the charitable company's ultimate parent undertaking and ultimate controlling party. The parent undertaking of the smallest and largest group which includes the company for which the group accounts are prepared is The Royal British Legion. The consolidated financial statements of The Royal British Legion can be obtained from the charity's registered office at 199 Borough High Street London, SE1 1AA. The accounts of the NMA's trading subsidiary NMA Enterprises Ltd (Company number 04259701) can be obtained from Companies House.