

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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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 12 th September 2021)
	National Memorial Arboretum Lead (from 12 th September 2022)
Angela Ham	Head of Business Support Services (until 31 th March 2022)
Adrian Thickett	Head of Business Support Services (from 6 th 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 4 th September 2022)

BANKERS

Lloyds Commercial	HSBC Bank PLC
Public and Community Sector	49 Market Street
3 rd Floor, Gresham Street	Lichfield
London	Staffordshire
EC2V 8EH	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:

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TRUSTEES' REPORT (continued)

- 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.

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TRUSTEES' REPORT (continued)

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

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TRUSTEES' REPORT (continued)

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.

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TRUSTEES' REPORT (continued)

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

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TRUSTEES' REPORT (continued)

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.	<ul style="list-style-type: none">- 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.	<ul style="list-style-type: none">- 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.	<ul style="list-style-type: none">- 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.	<ul style="list-style-type: none">- 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.

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TRUSTEES' REPORT (continued)

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

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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

		Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2022 £000's	Total Funds 2021⁽¹⁾ £000's
	Note					
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

		2022 £000's	2021 £000's
	Note		
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 LIABILITIES		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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2022

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.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 30 September 2022****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.

National Memorial Arboretum Company Limited

Registered Company number 02927443

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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 paviers 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:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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.

National Memorial Arboretum Company Limited
Registered Company number 02927443

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

3) ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES

	Unrestricted	Restricted	Endowments	2022	2021
	£000's	£000's	£000's	£000's	£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	2021
	£000's	£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	2021
	£000's	£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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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 2022 £000's	Support Costs 2021 £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

National Memorial Arboretum Company Limited
Registered Company number 02927443

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2022

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 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	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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.

National Memorial Arboretum Company Limited

Registered Company number 02927443

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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).

National Memorial Arboretum Company Limited

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

17) DEBTORS

	2022	2021
	£000's	£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	2021
	£000's	£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	2021
	£000's	£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.

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Year ended 30 September 2022

19) COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2021 £000's	Total Funds 2020⁽¹⁾ £000's
	Note					
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

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2022

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2022

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.