

Charity Registration No. 1095077

Company Registration No. 04480767 (England and Wales)

**THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Executive Board

C H Ryland Esq  
Capt (retd) R R Mullings  
Maj (retd) G E C Woodcock  
Lt Col (retd) D R Dixon OBE  
Lt Col (retd) R H Stephenson TD  
Lt Col (retd) P R H Clifford TD  
Cllr A S Hansdot  
Lt Col A H Ayres  
Col (retd) J F Penley OBE TD  
S Stilwell Esq  
Dr T J Brain OBE  
Brig J D Daniel MBE  
C N W Malet Esq  
Mrs A M Malsbury  
P T J Brooke BFP FCA (Appointed 1 December 2020)  
E King (Appointed 15 July 2021)  
S Fenn (Appointed 15 July 2021)

### Secretary

V. Hopson

### Charity number

1095077

### Company number

04480767

### Principal address

The Custom House  
Gloucester Docks  
Gloucester  
GL1 2HE

### Registered office

The Custom House  
Gloucester Docks  
Gloucester  
GL1 2HE

### Independent examiner

Pitt Godden & Taylor LLP  
Unit 3 Ambrose House  
Meteor Court  
Barnett Way  
Barnwood  
Gloucester  
GL4 3GG

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# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

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# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## EXECUTIVE BOARD'S REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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The Executive Board present their report and accounts for the year ended 31 March 2021. The Accounts have been prepared in accordance with the accounting policies as set out in note 1 to the Accounts (page 11 to 13) and comply with the Charity's governing documents, all applicable law and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (2019). The year being reported here was also a totally exceptional one both nationally and internationally, being dominated by the impacts of the COVID-19 pandemic. What is set out in these Accounts should therefore be viewed in that context.

#### Objectives and activities

In summary, the objects of the Charity as set out in the Memorandum of Association are:

- to advance the education of the general public regarding the history of The Gloucestershire Regiment, The Royal Gloucestershire Hussars and The Royal Gloucestershire, Berkshire and Wiltshire Regiment and the immediate or any successive legal successor unit or subunit under any Army Order, or equivalent thereof (current successor units are the Rifles and the Royal Wessex Yeomanry), by the protection, preservation, maintenance, restoration and exhibition of uniforms, medals, pictures, books, manuscripts, maps, documents, equipment, machinery, apparatus, buildings, structures and all other items of militaria.
- to provide a memorial to all those who have served in the regiments listed above and particularly to recognise those who have died or suffered physical or mental disability as a result of their service to the Crown.

Specifically, the Charity carries out these objects by:

- the provision and maintenance of premises for a Museum to exhibit the regimental collections to the general public. The Museum also includes an archive, a café and a shop selling associated books, souvenirs and other items. The Charity also delivers a range of educational programmes to schools and other organisations. In addition, the Charity has a website containing digitised images of the regimental collections, together with other valuable research material. The website also facilitates sales through an online shop.
- providing from the archives, where resources permit, information to the general public in response to specific queries about individuals who have served in the regiments or their antecedents.

#### Public Benefit Statement

In planning and supervising the Charity's activities for the current year and in planning its activities for future years, the Executive Board has kept in mind the Charity Commission's guidance on public benefit.

In previous years the focus of the Charity's activities has been on the provision of the Museum, its website and the development and delivery of educational programmes to schools. However due to the COVID-19 pandemic and following HM Government's guidelines, the museum had to be closed to the general public for the vast majority of the year. The pandemic also prevented the delivery of the vast bulk of the Charity's educational programmes. Nonetheless such on-line activities as were possible under these exceptional circumstances were carried out.

Throughout the year the overriding objective of the Executive Board has been to put the Charity in the best position possible so that it could resume its full range of activities when the effects of the pandemic abated. Although occurring after the year end, it is worth recording here that the Museum finally reopened to the general public on 21 May 2021.

In addition to its own fund-raising activities which results in donations direct to the Charity, in previous years we have been supported by the separate Friends of the Soldiers of Gloucestershire Museum Trust which has provided financial support to the Charity in carrying its activities. This year, due to the pandemic, the Friends

# **THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM**

## **EXECUTIVE BOARD'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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activities have also had to be curtailed. On the positive side the Charity has benefited significantly from HM Government's various schemes to provide financial support to businesses, particularly those in the hospitality sector and through grants from the National Heritage Lottery Fund, from Gloucester City Council and also from other donations.

To achieve the Charity's objectives now and into the future, the Executive Board had previously identified five main strategic priorities, including a Financial Sustainability Programme. A sixth was added during the year. The progress this Year against these priorities is as set out below:

### **1. Caring for the Collections**

The Charity does not own any historic artefacts but instead manages the collections of the Gloucestershire Regiment Museum Trust and the Royal Gloucestershire Hussars Trust. These collections have been deposited with the Charity under the terms of long-term loan agreements. The management and care of the collections is conducted under a formal Collections Management Policy and the Museum is accredited by the Arts Council. This accreditation was renewed two years ago for five years.

Under the management of the Museum, new items are being added to the collections each year and the Executive Board are very grateful to donors, who are often the families of soldiers who served with the regiments.

With the Museum closed, a major focus this year has been on ensuring that the artefacts in the Collections have been held securely and in appropriate environmental conditions. This has necessitated ensuring that the museum building remained adequately temperature controlled, that the security systems remained in working order and that the building was being regularly inspected.

### **2. Displaying the Collections**

The Museum displays were last refreshed in 2013/14. In addition, the City of Paju in the Republic of Korea (South Korea) made a grant to the Charity of approximately £92,000 which helped to make possible the establishment of a permanent gallery in the Museum devoted to the Korean War and the Battle of the Imjin River. As a result, the Executive Board considers the Museum displays remain fit for the purpose they were originally designed for.

However and looking into the future, the Executive Board are currently undertaking a review to see what changes should be made to the ways in which the Museum display the Collections. In particular this review is seeking to understand whether and how the military involvements of the various regiments, having been deployed throughout the world over the past 300 years, can be portrayed in ways that involve a 360 degree view of history and can thereby engage all sectors of the general public, including those sectors who historically have not engaged with British heritage.

Also the Executive Board is mindful that, with the current strategic pivot to the Asia / Pacific region, there is a growing focus on the Anglo / South Korean relationship and yet our Korean gallery remains the only significant museum display in the UK about the Korean War. The Trustees believe that this is a subject that merits greater space in the future. As the Museum is currently constrained by available space within its galleries, any significant changes to the way the displays are configured, as outlined above, will result in a need to expand the building's capabilities.

### **3. Conducting Educational Programmes**

It has not been possible to continue to deliver the bulk of our Educational Programmes to schools during the pandemic. However some educational outreach work including the development and distribution of 'Activity Packs' which can be used at home has been carried out.

### **4. Developing the relationship with the Republic of Korea**

Due to the achievements of the Gloucestershire Regiment in the Korean War, as previously noted the

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# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## EXECUTIVE BOARD'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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Museum is uniquely placed to include a far greater representation of the Korean War in its displays, archives and educational programmes. The overall intent here is to foster an ever-closer relationship with the people of Republic of Korea and the modern City of Paju in particular where the Battle of the Imjin River took place. As a symbol of this relationship, the Charity acted as the conduit for a major gift of 1,000 sets of Personal Protection Equipment (PPE) from the Mayor and Citizens of Paju to the people of Gloucester in May 2020. On receipt at the Museum, these sets were passed on to the NHS for distribution to the staff of care homes in the area.

The 70th anniversary of the battle also occurs in 2021. The Charity has initiated and supported an Imjin 70 Committee, composed of Trustees and others drawn from across the county of Gloucestershire to organise a series of events to commemorate the battle and the achievements of the Republic of Korea as a consequence of the support rendered by UN Forces during the Korean War. These events will start at the end of April 2021 on the actual anniversary itself and continue throughout the year. In addition to commemoration, another focus of the events will be on publicity and fund raising for the Charity and other closely related charities.

### 5. Achieving Financial Sustainability

Historically the Ministry of Defence (MoD) provided support to the Charity in the form of free services and the payment of certain running costs totalling approximately £60,000 per annum. Following cuts to the UK Defence budget, support to the Museum, and also to other regional military museums, was withdrawn during 2017. In its place the trustees of the Royal Gloucestershire, Berkshire and Wiltshire Regimental Trust agreed to provide the Charity with a grant of £60,000 per annum for five years.

In response to the longer-term financial challenge this posed, a new detailed Five-Year Business Plan was developed and came into force on 1 November 2018. The key objective of this Plan was to achieve financial sustainability on the basis of the Charity's operations excluding grants and donations by the end of the five-year period. The Plan involves developing existing activity streams; visitor admissions, the shop, the café and adding new ones; educational programmes and talks, licenced bar and members' nights, room hire and two new memberships schemes, one for individuals and one for corporates. Although during the 2019/20 year, great strides were made towards achieving the objectives as set out in the Plan, the onset of the coronavirus pandemic and the closure of the Museum this year has delayed this objective adding to future uncertainties.

The Plan also made no assumptions about changes to the Custom House which houses the Museum. In 2018/19, the Charity was successful in obtaining a grant from the Heritage Lottery Fund under its Resilient Heritage Programme of £38,000. This grant including an architectural review of the building to;

- look at the uses that the greater space becoming available within the building will allow, including allocating significant additional space to the Korean War and to a separate Korean War archive
- create a large multi-use space for temporary exhibitions, events and for hire
- build a separate and much larger café with a full-function kitchen.

This architectural review was completed last Year resulting in the creation of draft plans to replace the current 'glass-house' fronting to the Docks with a significantly larger structure. This would expand the current shop and café area and also add the multi-use space. In addition, use would be made of the attic floor with the Archives and admin offices moving into that space, thereby freeing space on the lower floors to increase the space available to the Museum. On balance the Executive Board still believes that if such changes are made possible in future years by further grants and a fund-raising programme, the role of the Museum would be greatly enhanced.

However, with the onset of the pandemic, such plans were put on hold until the impact of the pandemic has dissipated, and it becomes clearer what the future for organisations such as ours might look like. With the intended reopening of the Museum scheduled for May 2021, the Executive Board will then look to restart this process.

### 6. Making improvements to the Corporate Structure and Governance of the Charity

The Executive Board has recognised this as a new strategic priority with a number of related activities.

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# **THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM**

## **EXECUTIVE BOARD'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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The current Five-Year Business Plan calls for trading revenues to be increased significantly. In order to comply fully with HMRC and Charity Commission regulations, it has therefore been necessary to set up a separate subsidiary trading company, The Soldiers of Gloucestershire Museum Trading Limited. This trading company is wholly owned by the Charity, with an independent director and a formal agreement with the Charity regarding the allocation of costs and the distribution of profits. The trading company was set up at the end of last Year, but due to the pandemic it did not start trading until 1 September 2020.

Secondly the Executive Board are mindful that the Articles of Association of the Charity date back to when it was first established. It is therefore the intention to modernise them in line with current company law and practice. This review was not concluded until after the Year ended, but it is relevant to record here that an amended set of Articles were voted upon and approved by members at an Extraordinary General Meeting held on 9 September 2021.

Finally and although not a new priority, the Executive Board has now formally recognised the need to have a membership that has an appropriate range of skills and where possible is also relatively diverse in terms of gender, ethnicity and age. All these factors will now be taken into account when recruiting new trustees.

### **Principal Risks and Uncertainties**

The Executive Board has identified the major risks to which the Charity is exposed. These can be summarised as follows:

1. The coronavirus pandemic and the consequent lockdown has introduced unforeseen difficulties in achieving the Five-Year Business Plan going forward. As has already been stated, in response to the pandemic the Museum was closed to the general public for the vast bulk of the Year. In the short term the various grants received and other cost savings measures implemented by the Executive Board, including some staff restructuring, have ensured that the Charity has continued to strengthen its financial reserves. However it remains to be seen how quickly visitor numbers will return once the Museum reopens and Government assistance falls away. The medium-term outlook must therefore be seen as being uncertain.
2. The building in which the Museum is located (the Custom House) was purchased by the Charity from the MoD last Year. Thus the original risk of lease termination has been removed to be replaced by risks arising from the ownership of a 180 year old Grade II listed building. To mitigate this risk and prior to the acquisition, the Charity commissioned a Condition Survey of the building from a local Chartered Surveyor to understand what plannable expenditure would be necessary in the future. As a result a sum from the reserves has also been earmarked as a building maintenance fund. This issue of building maintenance was put into further spotlight by the highly localised torrential rainstorm which occurred in August 2020 and the resulting water ingress. This caused the roof of one of the galleries to fall in. In the event the costs of repair were met by the Charity's insurers. The Charity therefore needs to be mindful of maintaining a suitable reserve in case of other unexpected contingencies.
3. The Five-Year Business Plan being followed aims to allow the Charity to achieve Financial Sustainability by the end of the period it covers. Were this not to be achieved the Charity would continue to be dependent on grants and donations to continue to operate.

### **Donations and services in kind**

The Executive Board recognises that donations and services in kind, including professional services, have made a vital contributor to the overall financial wellbeing of the Charity during the Year. With the onset of pandemic and the Museum closed, the team of volunteers that had supported the Charity in previous years departed. We would like to record our thanks here to all these individuals for their service. It is also important to record that a new team of volunteers has now been recruited ahead of the Museum reopening

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## EXECUTIVE BOARD'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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### Achievements and performance

A summary of the Charity's main activities and achievements during the year follows:

In view of the exceptional nature of the Year, the Executive Board has concluded that providing key performance comparisons with the previous Year would be misleading. There is one exception to this which is the movement in reserves.

The main sources of income to enable the Charity to meet its objectives in the year were:

	£
Voluntary income	157,019
Museum admission fees, shop sales and room hire	46,348
	<hr/>
	203,367
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Main areas of expenditure made by the Charity in the year were:

Costs incurred in maintaining and running the museum (including cost of shop sales)	169,898
Expenditure, including museum redevelopment expenditure charged against income	53,336
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	223,234
	<hr/>

### Financial review

The Executive Board is committed to establishing revenue reserves sufficient to cover twelve months of operating costs. As at 31 March 2021, readily realisable reserves stood at £110,983 (2020 £54,822) or approximately 9 months operating costs.

The Executive Board would draw to your attention the following notes to the financial statements: note 11, Tangible fixed assets and the review of depreciation and amortisation of fixed.

### Structure, governance and management

The Charity, The Soldiers of Gloucestershire Museum Ltd. (Charity number 1095077, Company number 4480767), is a company limited by guarantee. It is governed by its Memorandum and Articles of Association. The Executive Board members are both trustees of the Charity and also directors of the company for the purpose of company law. Those who served during the year and up to the date of signature of the financial statements were as follows:

C H Ryland Esq	
Capt (retd) R R Mullings	
Maj (retd) G E C Woodcock	
Lt Col (retd) D R Dixon OBE	
Lt Col (retd) R H Stephenson TD	
Lt Col (retd) P R H Clifford TD	
Cllr A S Hansdot	
C J Duckworth DL	(Resigned 26 March 2021)
Dr R E Deeks DL	(Resigned 8 March 2021)
Lt Col A H Ayres	
Col (retd) J F Penley OBE TD	
S Stilwell Esq	
Dr T J Brain OBE	
Brig J D Daniel MBE	
C N W Malet Esq	
Mrs A M Malsbury	



# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## EXECUTIVE BOARD'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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P T J Brooke BFP FCA

(Appointed 1 December 2020)

E King

(Appointed 15 July 2021)

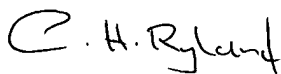
S Fenn

(Appointed 15 July 2021)

The Executive Board of trustees of the Charity comprises: one ex officio member, four nominated members and twelve ordinary members. For the time being the ex officio member is The Rifles County Colonel for Gloucestershire. The nominated members are appointed by the trustees of The Royal Gloucestershire Hussars Trust, for a period of 4 years or, if the appointment is being made to fill a casual vacancy, the unexpired term of the appointee's predecessor. Ordinary members are appointed by the Executive Board for a period of 4 years.

Finally, the Executive Board would draw your attention to note 20 to the financial statements, giving details of transactions with related parties.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



C H Ryland Esq

Board Member

Dated: ..... 15<sup>th</sup> December 2021

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## INDEPENDENT EXAMINER'S REPORT

### TO THE EXECUTIVE BOARD OF THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

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I report on the financial statements of the company for the year ended 31 March 2021, which are set out on pages 8 to 21.

#### Respective responsibilities of Executive Board and examiner

The Executive Board who are also the directors of The Soldiers Of Gloucestershire Museum for the purposes of company law, are responsible for the preparation of the accounts. The Executive Board consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

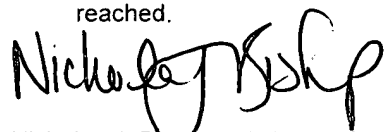
#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; have not been met.
- (b) No other matter has come to my attention in connection with my examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Nicholas J. Bishop F.C.C.A. A.C.A.  
Pitt Godden & Taylor LLP

Chartered Accountants  
Unit 3 Ambrose House  
Meteor Court  
Barnett Way  
Barnwood  
Gloucester  
GL4 3GG

Dated: 15-12-21

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>					
Voluntary income	2	151,954	5,065	157,019	116,093
Incoming resources from charitable activities:	3	1,771	-	1,771	27,496
Trading activities in furtherance of the charity's objects	4	36,342	-	36,342	65,101
Service charge received	5	8,235	-	8,235	-
<b>Total income</b>		<b>198,302</b>	<b>5,065</b>	<b>203,367</b>	<b>208,690</b>
<b><u>Expenditure on:</u></b>					
Trading activities	6	24,682	-	24,682	30,618
Charitable activities	7	152,161	46,391	198,552	251,183
<b>Total resources expended</b>		<b>176,843</b>	<b>46,391</b>	<b>223,234</b>	<b>281,801</b>
Net gains/(losses) on investments	10	8,319	-	8,319	(3,683)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>29,778</b>	<b>(41,326)</b>	<b>(11,548)</b>	<b>(76,794)</b>
Gross transfers between funds		(1,500)	1,500	-	-
<b>Net incoming/(outgoing) resources</b>		<b>28,278</b>	<b>(39,826)</b>	<b>(11,548)</b>	<b>(76,794)</b>
<b><u>Other recognised gains and losses</u></b>					
Revaluation of tangible fixed assets		-	-	-	264,349
<b>Net movement in funds</b>		<b>28,278</b>	<b>(39,826)</b>	<b>(11,548)</b>	<b>187,555</b>
Fund balances at 1 April 2020		555,389	88,396	643,785	456,230
<b>Fund balances at 31 March 2021</b>		<b>583,667</b>	<b>48,570</b>	<b>632,237</b>	<b>643,785</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11	671,332		727,379	
Investments	12	55,341		47,022	
		<u>726,673</u>		<u>774,401</u>	
<b>Current assets</b>					
Stocks	13	12,286		16,430	
Debtors	14	1,231		2,267	
Cash at bank and in hand		125,253		19,601	
		<u>138,770</u>		<u>38,298</u>	
<b>Creditors: amounts falling due within one year</b>	16	(70,742)		(13,968)	
Net current assets			68,028		24,330
<b>Total assets less current liabilities</b>			794,701		798,731
<b>Creditors: amounts falling due after more than one year</b>	17	(162,464)		(154,946)	
<b>Net assets</b>			<u>632,237</u>		<u>643,785</u>
<b>Income funds</b>					
Restricted funds	18	48,570		88,396	
<u>Unrestricted funds</u>					
General unrestricted funds		319,318		291,040	
Revaluation reserve		<u>264,349</u>		<u>264,349</u>	
			583,667		555,389
(General unrestricted funds include an unrealised investment revaluation reserve (£31,242 (2020 £22,923))			<u>632,237</u>		<u>643,785</u>

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## BALANCE SHEET (CONTINUED)

**AS AT 31 MARCH 2021**

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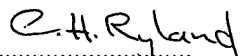
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The Executive Board acknowledge their responsibilities for ensuring that the Charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Executive Board on ..... 5<sup>th</sup> December 2021



C H Ryland Esq  
Trustee

Company Registration No. 04480767

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Company information**

The Soldiers Of Gloucestershire Museum is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is The Custom House, Gloucester Docks, Gloucester, GL1 2HE.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with applicable Accounting Standards, in particular the requirements of FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland), the Statement of Recommended Practice 'Accounting and Reporting by Charities' (2019), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investments.

#### **1.2 Going concern**

At the time of approving the financial statements, the Executive Board have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Executive Board continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Executive Board in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Incoming resources**

Donations, legacies, gifts and grants, museum admission fees, shop and coffee shop sales are accounted for in the period when the conditions for entitlement, certainty and measurement are met.

Investment income is accounted for when received.

Income is measured at the fair value of the consideration received or receivable, net of discounts, VAT and other sales related taxes.

#### **1.5 Resources expended**

Liabilities recognised as resources expended are included in the period when there is a legal or constructive obligation, committing the company to the expenditure. Their allocation is as follows:

Costs of running the shop and coffee shop are included under trading activities.

Costs of running the museum and archives and the costs of the museum redevelopment (depreciation) are included under charitable activities.

Costs of examining the accounts are included under charitable activities.

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 1 Accounting policies

(Continued)

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Property	Over 40 years straight line
Website	over 3 years straight line
Fixtures and fittings	Varying rates between 6 and 30 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

The investment in the subsidiary is measured at cost.

##### 1.8 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price.

##### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### 1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at transaction price less impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at transaction price less impairment, where due in one year or less, otherwise at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

##### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.



# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Voluntary income

	Unrestricted Income funds £	Restricted Income funds £	Total 2021 £	Total 2020 £
Donations and gifts	69,253	-	69,253	99,013
Grants receivable	82,701	5,065	87,766	17,080
	<u>151,954</u>	<u>5,065</u>	<u>157,019</u>	<u>116,093</u>
<b>For the year ended 31 March 2020</b>	<u>99,013</u>	<u>17,080</u>		<u>116,093</u>
<b>Grants receivable</b>				
Heritage Lottery Fund	-	3,820	3,820	-
Fundraising grant	-	300	300	1,800
The Polish Association	-	945	945	-
NLHF Emergency Fund	24,400	-	24,400	-
Corona Virus Job Retention Scheme	17,487	-	17,487	-
Business Grant	25,000	-	25,000	-
Gloucetser City Council Rates Refund	15,814	-	15,814	-
HLF Grant	-	-	-	15,280
	<u>82,701</u>	<u>5,065</u>	<u>87,766</u>	<u>17,080</u>

### 3 Incoming resources from charitable activities:

	Museum admission fees 2021 £	Museum admission fees 2020 £
Museum admission fees	<u>1,771</u>	<u>27,496</u>

### 4 Trading activities in futherance of the charity's objects

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Shop, cafe and room hire income	<u>36,342</u>	<u>65,101</u>

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Service charge received

	Unrestricted funds	Total
	2021 £	2020 £
Service charge received	8,235	-

### 6 Trading activities

	Unrestricted funds	Total
	2021 £	2020 £
Shop and cafe purchases	24,682	30,618

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 7 Charitable activities

	2021 £	2020 £
Staff costs	81,371	80,834
Depreciation and impairment	57,675	57,431
IT running costs	4,732	12,270
Insurance	3,748	5,476
Repairs and renewals	7,411	36,335
Advertising and postage	4,648	4,722
Subscriptions	2,869	3,690
Travel and volunteer expenses	(51)	8,638
Heat and light	7,915	5,929
Sundry expenditure	9,830	8,250
Displays	-	1,275
HLF Fees/Consultants	6,792	23,519
Independent examiners fees (examination only)	670	700
Till and card machine operating lease	-	149
Loan interest	7,518	4,946
Professional fees	3,424	(2,981)
	<u>198,552</u>	<u>251,183</u>
<b>Analysis by fund</b>		
Unrestricted funds	152,161	189,870
Restricted funds	46,391	61,313
	<u>198,552</u>	<u>251,183</u>

The independent examiner received £750 (2020 £725) in respect of non examination services.

### 8 Executive Board

No Executive Board member received any remuneration or reimbursed expenses, during the year.

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Director	1	1
Shop staff	6	5
	<u>7</u>	<u>6</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	80,924	80,376
Other pension costs	447	458
	<u>81,371</u>	<u>80,834</u>

There were no employees whose annual remuneration was £60,000 or more.

### 10 Net gains/(losses) on investments

	2021 £	2020 £
Revaluation of investments	<u>8,319</u>	<u>(3,683)</u>

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

### 11 Tangible fixed assets

	Property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2020	787,753	604,886	1,392,639
Additions	-	1,628	1,628
At 31 March 2021	787,753	606,514	1,394,267
<b>Depreciation and impairment</b>			
At 1 April 2020	164,946	500,314	665,260
Depreciation charged in the year	9,888	47,787	57,675
At 31 March 2021	174,834	548,101	722,935
<b>Carrying amount</b>			
At 31 March 2021	612,919	58,413	671,332
At 31 March 2020	622,807	104,572	727,379

The property in which the museum is based was owned by the Ministry of Defence (MoD) and was partly leased to the museum.

This property was purchased during the prior year by the museum thus removing the threat that the MoD could terminate the lease. This purchase was funded by a short-term loan from Ryland Ltd with C H Ryland as the settlor of the trusts from which the loan is ultimately derived.

In the light of these changes the Executive Board continue to review the depreciation and amortisation of fixed assets, in particular, their useful economic lives. With the above in mind certain assets such as display cases which are expected to last up to 20 and 30 years are now being depreciated equally over their updated expected remaining lives.

There is a profit share agreement with the MoD whereby if Customs House is let or disposed of for an amount more than £392,250 (as adjusted for inflation) the excess would be split as to 40% to the MoD and 60% to the museum.

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 12 Fixed asset investments

	Listed investments £	Other investments	Total £
<b>Cost or valuation</b>			
At 1 April 2020	46,922	100	47,022
Valuation changes	8,319	-	8,319
At 31 March 2021	55,241	100	55,341
<b>Carrying amount</b>			
At 31 March 2021	55,241	100	55,341
At 31 March 2020	46,922	100	47,022

	Notes	2021 £	2020 £
Other investments comprise:			
Investments in subsidiaries	22	100	100

### 13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	12,286	16,430

### 14 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Other debtors	1,231	2,267

### 15 Loans and overdrafts

	2021 £	2020 £
Other loans	162,464	154,946
Payable after one year	162,464	154,946

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 15 Loans and overdrafts

(Continued)

In the previous year £150,000 was loaned from Ryland Limited. The principal amount of the loan will carry interest at the rate of 3.25% above the official base rate. This equates to interest of £5,025 (2020: £4,946) in the period. The agreement also states that the museum will be responsible for paying any taxes that arise on the loan, £2,493 has been provided for in respect of this.

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,375	8,211
Other creditors	2,684	2,684
Accruals and deferred income	62,683	3,073
	<u>70,742</u>	<u>13,968</u>

### 17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Borrowings	<u>162,464</u>	<u>154,946</u>

Although the terms of the loan of £150,000 for the purchase of the Custom House are that it is repayable in less than one year, the Charity has received a Letter of Comfort from the Lender, which has led the Executive Board to judge that this can be regarded as of longer term.

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes. Unexpended in this regard means held either as a revenue balance or as the un-depreciated portion of a fixed asset and therefore not yet charged against income.

	Movement in funds				
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Museum redevelopment	81,019	-	(41,382)	-	39,637
Modern Army Display	958	-	-	-	958
Fund Raising grant	1,800	300	(244)	-	1,856
Korean Museum donation	1,594	-	-	-	1,594
Friends re security and display case	3,025	-	-	-	3,025
Heritage Lottery Fund 1	-	3,820	(3,820)	-	-
Polish Display	-	-	-	1,500	1,500
The Polish Association	-	945	(945)	-	-
	<u>88,396</u>	<u>5,065</u>	<u>(46,391)</u>	<u>1,500</u>	<u>48,570</u>

# THE SOLDIERS OF GLOUCESTERSHIRE MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 19 Analysis of net assets between funds

	Unrestricted income funds	Restricted funds	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Fund balances at 31 March 2021 are represented by:				
Tangible assets	625,319	46,013	671,332	727,379
Investments	55,341	-	55,341	47,022
Mixed motive investments	(2,557)	2,557	-	-
Current assets/(liabilities)	68,028	-	68,028	24,330
Long term liabilities	(162,464)	-	(162,464)	(154,946)
	<u>583,667</u>	<u>48,570</u>	<u>632,237</u>	<u>643,785</u>

### 20 Related party transactions

During the prior year Ryland Limited, a company ultimately owned equally by C R (No 1) Grandchildren's Settlement and C R (No 2) Grandchildren's Settlements of which Executive Board member C H Ryland is the settlor, loaned the charity £150,000. This attracted interest of £5,025 (2020 £4,946) and tax of £2,493 during the year leading to an amount remaining outstanding at the year end of £162,464.

### 21 Control

The trustees consider that no individual controls the charity.

### 22 Subsidiaries

These financial statements are separate financial statements and therefore present information about the charity as an individual undertaking and not as a group.

On 26 February 2020, a UK incorporated limited company, The Soldiers of Gloucestershire Museum Trading Limited, was incorporated with company registration number 12486073 and registered address The Customs House, Gloucester Docks, Gloucester, GL1 2HE. The company was incorporated with £100 authorised and issued ordinary share capital and is wholly owned by The Soldiers of Gloucestershire Museum. The company was formed with the intention that it undertake certain of the trading activities conducted by the museum and was dormant until 1 September 2020.

### 23 Contingent asset

#### Infectious disease claim for business interruption

After the end of the accounting period, the Charity's insurers, having initially rejected any claim for business interruption due to the Covid pandemic, entered into discussions around a claim, capped at £24,750 net of excess, associated with the consequences of Covid. Discussions are ongoing.

#### Ceiling claim for business interruption

An insurance claim for business interruption arising as a consequence of the flood damage was submitted in respect of the period. Discussions are ongoing but proceeds are not expected to exceed £4,000 and before adjustment for cost savings