

The Tank Museum Limited

Trustees' report and financial statements
for the year ended 31 December 2020

	Page
Legal and administrative information	1
Trustees' report	2-10
Independent auditors' report	11-14
Consolidated statement of financial activities	15
Consolidated balance sheet	16
Charity balance sheet	17
Consolidated statement of cash flows	18
Notes to the financial statements	19-38

Trustees	Lt Gen Sir Andrew Ridgway, KBE CB DL Mr William Bannister Mr Steve Rowbotham Mr David Webb Mr William Suttie Mr Bryn Hammond (resigned 25.6.2020) Ms Kate Adie, OBE DL Mr Anthony Woodhouse Mr Alexander Walters Mr Oliver Barnham Col Crispin Lockhart MBE ADC Brig Jonathan Swift OBE Col Jason Williams Mrs Yun Sun Choi (appointed 4.3.2021) Ms Andrea Bishop (appointed 4.3.2021)		
Secretary	Paul Dolan		
Company registered number	04962619		
Charity Commission registration number	1102661		
Registered office	Bovington Camp Wareham Dorset BH20 6JG		
Museum Director	Richard Smith OBE		
Auditors	Saffery Champness LLP Chartered Accountants Midland House 2 Poole Road Bournemouth BH2 5QY		
Investment advisers	Investec Wealth and Investment 30 Gresham Street London EC2V 7QN	Bankers	Handelsbanken 10 Parkstone Road Poole Dorset BH15 2PQ Barclays Tagus House Southampton Hampshire SO14 2ZP

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited consolidated financial statements of The Tank Museum Limited and its trading subsidiary, the Tank Museum Trading Company Limited for the year ended 31 December 2020. The trustees confirm that the Annual Report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Group Strategic Report

Policies and objectives

Purposes and aims: The charity's purposes are set out in the objects contained in the company's Memorandum of Association:

- To educate the public in the history of armoured warfare;
- To hold together the traditions of the Royal Armoured Corps and the Royal Tank Regiment and to perpetuate their deeds by the provision and maintenance of a museum;
- To preserve, for the benefit of the public, vehicles, documents and other exhibits and artefacts which are of historical importance in the study of armoured warfare.

We summarise our purpose with the phrase 'we tell the story of tanks and the people who serve with them'. The vision of The Tank Museum is to be the world's leader in the heritage of armoured warfare. Our mission is to conserve, develop and interpret the national collection of tanks and armoured fighting vehicles to educate and inspire people with the story of tanks and the people who serve with them; past, present and future.

Activities for achieving objectives

- Collecting- We hold the world's most important collection of armoured fighting vehicles and associated objects. We continue to enhance our collection to maintain this position;
- Conservation- We conserve our collections to ensure their availability for future generations;
- Communication- We use our collections to tell the story of tanks and the people who serve with them. We tell these stories at the Museum to the Army, the general public and to a global online audience.

In delivering our activities we seek to:

- Have a sound financial base and business culture to ensure the museum is sustainable and thrives;
- Control risk to ensure the longevity of the organisation;
- Maximise access, intellectual and physical, for all;
- Interpret the story of armoured warfare to meet audience needs in an enjoyable and engaging way;
- Be a leading authority on the history of armoured warfare;
- Consult and encourage involvement of the wider community in the life of the museum;
- Provide a safe and secure working environment and to promote the professional development of staff and volunteers

Ensuring our work delivers our aims

Every twelve months, the board of trustees reviews our aims, objectives and activities in a forward plan. This plan looks in detail at the year ahead and in summary to a minimum of five years ahead. Progress against this plan is assessed every quarter during the Board meetings. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives that they have set.

How our activities deliver public benefit

Our activities focus on engaging with the general public to educate them in the history of armoured warfare, in particular to try to ensure that the achievements of the Royal Armoured Corps and the Royal Tank Regiment are preserved for posterity. To do this, we hold and interpret the national collection of armoured vehicles.

Achievements and performance

Who used and benefited from our services?

Between January and December 2020, 103,852 people visited the Museum (2019: 221,241). The reduction in visitor numbers was due to the global pandemic which resulted in closures and reduced capacity.

The admissions policy allows for serving members of the armed forces and for members of the regimental associations of the Royal Armoured Corps to enter the Museum free of charge. We also encourage families of MoD staff in Bovington to use the Museum at no charge. Despite the pandemic 3,672 (2019: 7,243) people took advantage of this service.

While everyone has access to the Museum, there is a charge for entry which extends to an annual membership. During winter months, up to 15% of our audience comes from people taking advantage of the unlimited return visits from their annual membership.

Review of activities

The Museum's 2020 activities were dominated by the global pandemic which severely curtailed activities throughout the year. The Museum closed in line with Government advice for three months in the first half of the year and a further month in November. Operations while the Museum was opened were restricted by the need to maintain a safe environment for staff and visitors, meaning that site capacity was limited to about a third of our normal levels. This had a major effect on visitor numbers and income as well as progress on much of our long term collection care activities. The Museum received significant support through the Employee Retention Scheme, the Cultural Recovery Fund and the NLHF Emergency Fund.

Online Growth

The most significant development during the pandemic was the rapid expansion of the Museum's digital activity. The Museum began the Pandemic as a world leader in building online audiences through social media. From the first week of the lockdown this work expanded both in regard to content generation and subsequently into income generation. During the first lockdown online video content accelerated from one video per week to one per day. This in turn drove sales in the online shop from £65k in 2019 to £711k in 2020. With the online

customers being geographically distant from the Museum, it is clear that this was new rather than displaced activity which is likely to be able to be a sustained income stream after the pandemic.

The online activity became our main way of delivering our objects during the course of the year. In 2020 our YouTube audience consumed 2.7 million hours of Tank Museum video content. With a physical site visit averaging four hours, this means that near seven times more content was consumed online than onsite in 2020. The monthly online audience during 2020 was approximately half a million people, which is far in excess of anything that has been achieved on the site in the past. Our YouTube channel is particularly effective at reaching young men aged between 18 and 35 – a notoriously challenging demographic to reach for the heritage community. As well as being a way of directly delivering our objects, our online activities broaden awareness of the Museum and its work, encouraging visitors and building a long term support base.

Collections and Collections Management

The normal programme of collection management was suspended through most of 2020 due to the pandemic. Workshop and Archive team members sought to keep up to date with the flow of new material into the collection, but for much of the year were either on furlough or assisting customer facing teams in an operation which was more labour-intensive to deliver due to the need for increased stewarding on gallery.

The Tank Museum's reputation for excellence means that we are used as a point of reference both by our international opposite numbers and by museums across the UK. Tank Museum staff provided advice to over one hundred museums or other collections, with much of the emphasis in 2020 being placed on sharing how we achieved our success in our online activities.

Telling our stories and Educating the Public

Despite the Pandemic, the Museum has continued to invest in the visitor experience and bringing our collections to life through new exhibitions. The Main work in 2020 was to complete the first stage of our new Second World War exhibition which focusses on the experience of individual British soldiers in battle during the conflict. The first stage was completed in time for our reopening in July and survey results indicated that it had been well received by our visitors.

The Museum sees live displays of moving vehicles as a key part of its activity, both in preserving skills, sounds and the wider cultural biography of the collections and as a way of bringing them to life for the public. The Museum is a leader in managing the complex balance of operation against conservation, working in partnership with Cardiff University, Bournemouth University and University College London in understanding the ethical and physical challenges involved. Opportunities for live display were heavily curtailed in 2021 due to Covid, but we were still able to host two Tiger Days as well as deliver an online Tankfest event. The online Tankfest involved displaying new and archive footage of the vehicle fleet as well as material produced specially for the event by tank museums in France, Belgium, Holland, Sweden, Austria and the USA. Enabled by Wargaming.net, the event received over one million viewings of the material produced and demonstrated a new way of delivering Tankfest for the future.

Our success in engaging our audience is demonstrated by the reach we extend and the range of people who visit us. As well as drawing an unusually large proportion of our visitors from C2, D and E social groupings, our research from the 80% of visitors who filled in their gift aid forms showed the average drive time from their homes was over two hours, vital in order to overcome the challenges we face from our location in rural Dorset.

Our volunteers continue to provide invaluable support to the Museum. 80 people devoted 4,946 (2019: 25,486) hours of their time during the course of 2020. Although the hours contributed by our Volunteers has been

severely impacted by Covid-19 restrictions, the commitment and enthusiasm of our volunteers is greatly appreciated by the Museum, and we are pleased their efforts contribute to and are regularly reflected in our Trip Advisor reviews, which has established the Museum as Dorset's leading year-round visitor attraction.

The Museum continues to extend its formal education programmes into 'STEM' (Science, Technology, Engineering and Maths) subjects. These programmes have been expanded by new investment as part of the Conservation in Action programme with new workshops and materials available for schools and a number were made available online during the year. In 2020, 1,778 school children and accompanying adults visited the Museum as part of formal education programmes, a decrease from the 9,154 who visited in the previous year.

The Museum has developed partnerships with universities to deepen our understanding of our collections. We continue to work with Bournemouth University, University College London and Cardiff University on issues of collection care, and are collaborating with the Arts University Bournemouth to improve the way we project our collections.

Commercial operations

When open to the public the Museum continues to be successful in generating funds. The philosophy of The Tank Museum is that the Museum's ability to generate income dictates the level of ambition that it can hold in regard to the delivery of its charitable objects. The operations team continue to work hard to generate funds which are used to the benefit of our visitor experience and the continued preservation of the collection. Most of the Museum's trading activities are consolidated into The Tank Museum Trading Company Limited.

The Museum trading activities were impacted by reduced visitors but with the growth in the online shop this helped to generate a gross profit before administration expenses of £791,493 (2019: £1,229,833). Activities in this area continue to be our shop both online and onsite, restaurant and extensive corporate offering.

Our ability to generate income through our online activities was transformed during 2020. The Museum was able to use its substantial online presence to generate a nine-fold increase in online shop sales as well as attracting significant incomes through Patraeon and Adsense. Gross profits from online activities contributed £284k to our finances.

The Tank Museum Trading Company

This is the Museum's trading company whose accounts and gift aided donation of £414,200 (2019: £174,398) to the Museum are incorporated into the consolidated accounts.

Investment policy and performance

The investment policy of the Museum is to protect the capital invested and we have adopted a range of risk for our investments depending on the purpose of the funds.

Following a competitive tender process in 2013, Investec were reappointed as our Investment Managers, with full discretionary powers. They manage three funds. The Resource Fund holds funds which are allocated to capital projects in the short term. The 2054 Fund is a designated fund which seeks to cover long term fixed costs and the HLF Catalyst Designated Fund seeks to support the ongoing exhibition development of the Museum.

Our Investments performed well in 2020, with a recorded gain of £225,079, (2019: Gain of £795,370). All funds exceeded the set benchmarks for the financial year, and trustees remain content that the strategy applied for the funds is the correct one in terms of risk profile and required expected returns.

Remuneration and key management personnel

The trustees consider the board of trustees, the museum director, the deputy director, the company secretary, the head of collections, the curator, the head of marketing and engagement and the head of commercial operations to comprise the key management personnel of the charity. All members of the board of trustees give their time voluntarily and receive no financial benefits from the charity. The remuneration of key management personnel other than the trustees is set out in note 11 to the financial statements.

Financial review

The outbreak of the Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted the Group in various ways. The Museum was closed to the public between 21 March 2020 to 3 July 2020, from 5 November 2020 to 4 December and again from 31 December 2020 to (provisionally) 16 May 2021. These closures have had a dramatic impact on visitors, down 106k on 2019 (55%). Our Charitable and Trading Activities have been impacted by £1.8 million, but this has been offset by Grants from the DCMS Cultural Recovery Fund, the Coronavirus Job Retention Scheme, the Arts Council National Portfolio Funding and The Heritage Emergency Fund.

We have further maintained our Unrestricted Funds generation for the year by the flexibility of our workforce in agreeing to reduced working patterns, the strong performance from our online shop sales, and cost savings on our overheads.

This has resulted in our Unrestricted Funds before Investment Gains only reducing by £274k to £390k (2019 £664k).

Total funds generated in 2020 were £845k (2019 £1.134 million) which include Investment Gains of £225k (2019 £795k).

The Ministry of Defence continues to fund the running costs of The Tank Museum's buildings in line with ECAB policy. The board is extremely grateful to the MoD both for their financial support and ongoing technical assistance on all operational matters. The support from the MoD takes the form of paying for services to support the upkeep and operations of buildings, and a number of non-cash items such as depreciation and cost of capital. By combining the MoD's buying power on services and utilities with the private sector management of the operation, The Tank Museum provides an excellent model for public/ private sector partnership. This income and expenditure is recognised in the Statement of Financial Activities.

The Museum's liquidity position remains strong with funds invested in a combination of cash, low risk corporate bonds and equities which have exceeded the benchmarked performance criteria. These investments are currently valued at £5,777,950 (2019: £6,205,837). The intention of these investments is to use the funds towards costs related to major exhibitions planned for 2022 and beyond, site improvements and the Museum's ongoing resilience.

The Museum also has cash totalling £1,646,918 (2019: £1,199,031), which is used to finance the day to day running, and the current building projects of the museum and working capital.

Reserves policy

The trustees continue to monitor the reserves of the Museum closely and any funds given for specific projects are held as restricted funds which total £12,649,727 (2019: £12,425,823) including endowment funds of £1,298,701 (2019: £1,272,823).

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the Museum's objectives in a way that provides inclusive benefit for all. Sufficient free reserves are maintained to ensure that a minimum of £750k in cash is retained at the end of March, our lowest season cash cycle, to finance a further six months of our basic operational costs should revenue be impacted by unforeseen circumstances.

Free reserves are calculated as total unrestricted funds of £13,316,935 (2019: £12,695,724) after deducting designated reserves of £8,974,770 (2019: £9,650,235) and functional assets of the charity which represent a commitment of £2,254,493 (2019: £1,980,270) resulting in a balance of £2,087,672 (2019: £1,065,219). In the current circumstances it is considered prudent to be retaining free reserves at this level.

Plans for the future

The Tank Museum seeks to continuously improve its visitor experience and its collection management in order to further our charitable objects. The Trustees agree annually a rolling five year strategic plan to give direction to the charity. The summary of the plan is:

1) We will improve collection care

Following the completion of our redevelopment programme in 2018, we now have the facilities to ensure we have a collection that is fit for display for future generations. The organisation will now deliver a long term programme of display, conservation and restoration. The aim of this work is both to ensure the preservation of our collection and to enable it to be interpreted by an ongoing programme of live vehicle displays for at least the next twenty years.

2) We will develop our collections

The Museum has been successful in building its collection over recent years, with significant long term loans and acquisitions. We maintain a list of vehicles for both active and passive collecting as well as a programme of collecting supporting artefacts and documents.

3) We will continue to develop our visitor experience and exhibitions

Delivering a high quality visitor experience is both the ends and the means of achieving our charitable objects. The quality of a visitor's experience is a key measure of our success in educating the public and also the main driver of encouraging repeat visits and advocating visits by others. Through subscribing to a range of visitor experience benchmarking services the Museum is now able to measure and manage the visitor experience more closely.

We will deliver a series of thematic displays in the existing buildings to bring to life a variety of aspects of the people and vehicles involved in armoured warfare. The next major programme is to redisplay the Second World War collections. The first phase of this delivered in 2020, with the second phase completing in 2021. The display strategy is to have regular cycle of substantial upgrades to the visitor experience, each of which would be expected to have a life-span of 5-10 years and that can be funded primarily from ongoing revenues.

4) We will develop our online experience to engage more people and improve sustainability

The Museum is a leader in the use of social media in this field, with an audience greater than that which can physically come to the site. We will continue to invest in building this audience and will work to generate income from our on-line activities which will enable us to reach this audience sustainably into the future.

5) We will work closely with major stakeholders

In 2018 we became an Arts Council National Portfolio Organisation. We will develop this relationship to become a leading Arts and Heritage Organisation in the UK, building on our successful work with the National Lottery Heritage Fund over nearly 15 years. We will maintain our close ties with the Army, who provide the key services to support our site. We will continue to work closely with our partners at Wargaming.net who help take us to a global audience through their video game "World of Tanks". In addition we will maintain and build on our relationship with donors and supporters who enable us to achieve our charitable objects.

6) We will improve our sustainability

We will continue to seek to develop our ability to generate income in order to support the delivery of our charitable objects both in the near and long term. This involves maximising our on-site income through the Museum and its associated functions, developing online revenue streams and building a long term designated fund to support our work.

Post reporting date events

In light of the current uncertainties and a provisional reopening date of 17 May 2021 the Trustees have assessed the potential financial implications of the pandemic and have assessed that the Group has sufficient resources to allow it to continue through this period without any additional working funding required.

Employee involvement and employment of the disabled

The charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

Health & Safety Policy

In accordance with the charity's Equal Opportunities Policy, the charity has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the charity's offices.

Structure, governance and management

Constitution

The charity was incorporated on 13 November 2003. Previously it existed as an unincorporated association set up by a Declaration of Trust dated 28 July 1977 derived from the Royal Armoured Corps and The Royal Tank

Regiment. The registered charity number is 01102661. As of 1 April 2005, the charity commenced trading as a charitable company limited by guarantee registered company number 04962619.

Method of appointment or election of trustees

The board of trustees is shown on page 1. The composition and size of the board is reviewed regularly to assess the skills requirement of the board for it to meet the needs of the museum. The board is responsible for appointing trustees who are recruited from as broad a base as possible by personal contact, and usually serve for three years with a maximum of nine years.

Normally the full board meets four times a year to provide strategic leadership, set the budget and monitor accounts. An Executive Committee meets for a further four meetings to review the business of the museum, the development strategy and plans. In addition, a collections committee meets quarterly to review and assess collections policy.

Policies adopted for the induction and training of trustees

All new trustees are required to undertake an induction programme to give them a structured introduction to the operation of the museum and to give them an opportunity to meet key members of staff.

Organisational structure and decision making

The trustees decide the long-term strategy for the Museum; they set budgets, review quarterly performance of the charity and instigate change.

The Director manages the day to day operations. The Director is assisted by the senior management team, the functional areas being: curatorial, finance, human resources, collections, operations and marketing.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The executive committee of trustees has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate these risks. No specific external risks have been identified. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure they still meet the needs of the charity. The trustees review all these policies annually, which are monitored on their behalf by a nominated trustee, as is the risk register and policies intended to mitigate risk to the Museum.

Fundraising

All fundraising efforts of the Museum are led by the director and the senior management team and are carried out in line with the Code of Fundraising Practice. Approaches to the public are made only on the site or online to people who have actively chosen to engage with the Museum. The board of trustees are updated on activities quarterly. The Museum is now a subscriber to the Fundraising Regulator.

Trustees' responsibilities statement

The trustees (who are also directors of The Tank Museum Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

Auditor

Saffery Champness LLP were re-appointed as auditor to the charity and in accordance with Section 485 of the Companies Act 2006, the trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by the trustees on 20 May 2021 and signed on their behalf by:



Lieutenant General Sir Andrew Ridgway KBE CB DL

Opinion

We have audited the financial statements of The Tank Museum Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise Consolidated Statement of Financial Activities, the Consolidated Balance sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2020 and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Auditor's Report
For the year ended 31 December 2020

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.

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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the trustees (who are also the directors of the parent charitable company for the purposes 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 the 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 group and the parent 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 group or the parent 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further, the group and parent charitable company are subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant of such laws and regulations to be those relating to The Health and Safety Executive, particularly in relation to health and safety measures in response to Covid-19.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Auditor's Report
For the year ended 31 December 2020

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

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	Bournemouth
	Dorset
Chartered Accountants	BH2 5QY

Statutory Auditors

Date: 26 May 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities (including Income and Expenditure account)
For the year ended 31 December 2020

		Restricted Funds 2020 £	Endowment Funds 2020 £	Unrestricted Funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Income from:						
Donations, legacies and grants	2	789,559	-	2,008,686	2,798,245	1,252,527
Other trading activities	3		-	1,608,972	1,608,972	2,022,274
Investments	4	-	-	2,257	2,257	6,709
Charitable activities	5	-	-	1,218,867	1,218,867	2,785,278
Other income	6	-	-	-	-	37,520
Total income		<u>789,559</u>	<u>-</u>	<u>4,838,782</u>	<u>5,628,341</u>	<u>6,104,308</u>
Expenditure on:						
Costs of generating voluntary income		-	-	1,589,490	1,589,490	1,935,872
Charitable activities		<u>624,315</u>	<u>-</u>	<u>2,794,500</u>	<u>3,418,815</u>	<u>3,829,567</u>
Total expenditure	7	<u>624,315</u>	<u>-</u>	<u>4,383,990</u>	<u>5,008,305</u>	<u>5,765,439</u>
Net gains on investments		-	63,989	161,090	225,079	795,370
Net income		<u>165,244</u>	<u>63,989</u>	<u>615,882</u>	<u>845,115</u>	<u>1,134,239</u>
Transfers between funds		<u>32,782</u>	<u>(38,111)</u>	<u>5,329</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>198,026</u>	<u>25,878</u>	<u>621,211</u>	<u>845,115</u>	<u>1,134,239</u>
Reconciliation of funds:						
Total funds at 1 January 2020		<u>11,153,000</u>	<u>1,272,823</u>	<u>12,695,724</u>	<u>25,121,547</u>	<u>23,987,308</u>
Total funds at 31 December 2020	19	<u>11,351,026</u>	<u>1,298,701</u>	<u>13,316,935</u>	<u>25,966,662</u>	<u>25,121,547</u>

All activities relate to continuing operations. The surplus for the year for Companies Act purposes is equivalent to the net movement in funds above.

The notes on pages 19 to 38 form part of these financial statements.

The Tank Museum Limited
(A company limited by guarantee)

Consolidated Balance Sheet
As at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	12		18,111,283		17,894,759
Investments	13		4,696,743		4,448,835
			<u>22,808,026</u>		<u>22,343,594</u>
Current assets					
Stocks	15	332,774		321,631	
Debtors	16	595,464		327,776	
Current asset investments	13	1,081,207		1,757,002	
Cash at bank and in hand		<u>1,646,918</u>		<u>1,199,031</u>	
		3,656,363		3,605,440	
Creditors:					
Amounts falling due within one year	17	<u>(497,727)</u>		<u>(827,487)</u>	
Net current assets			<u>3,158,636</u>		<u>2,777,953</u>
Total assets less current liabilities			<u>25,966,662</u>		<u>25,121,547</u>
Represented by:					
Designated funds	18		8,974,770		9,650,235
Restricted funds	18		11,351,026		11,153,000
Endowment funds	18		1,298,701		1,272,823
Unrestricted funds	18		4,342,165		3,045,489
Total funds			<u>25,966,662</u>		<u>25,121,547</u>

The financial statements were approved by the trustees on 20 May 2021 and signed on their behalf by:



Lieutenant General Sir Andrew Ridgway KBE CB DL

The notes on pages 19 to 38 form part of these financial statements.

The Tank Museum Limited
(A company limited by guarantee)

Charity Balance Sheet
For the year ended 31 December 2020

			2020		2019
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		18,111,283		17,894,759
Investments	13		4,696,745		4,448,837
			<u>22,808,028</u>		<u>22,343,596</u>
Current assets					
Stocks	15	17,896		872	
Debtors	16	820,613		331,728	
Current asset investments	13	1,081,207		1,757,002	
Cash at bank and in hand		<u>1,365,804</u>		<u>1,050,970</u>	
		3,285,520		3,140,572	
Creditors:					
Amounts falling due within one year	17	<u>(297,394)</u>		<u>(777,839)</u>	
Net current assets			2,988,126		2,362,733
Total assets less current liabilities			<u>25,796,154</u>		<u>24,706,329</u>
Represented by:					
Designated funds	18		8,974,770		9,650,235
Restricted funds	18		11,351,026		11,153,000
Endowment funds	18		1,298,701		1,272,823
Unrestricted funds	18		<u>4,171,657</u>		<u>2,630,271</u>
Total funds			<u>25,796,154</u>		<u>24,706,329</u>

The profit for the financial period dealt with in the financial statements of the parent company was £1,089,825 (2019: £894,185). As permitted by Section 408 of the Companies Act 2006, no separate profit or loss account or statement of comprehensive income is presented in respect of the parent Company.

The financial statements were approved by the trustees on 20 May 2021 and signed on their behalf by:



Lieutenant General Sir Andrew Ridgway KBE CB DL

The notes on pages 19 to 38 form part of these financial statements.

The Tank Museum Limited
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 December 2020

	Note	2020 £	2019 £
Net cash provided by operating activities	20	<u>815,340</u>	<u>1,191,538</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,257	6,709
Purchase of property, plant and equipment		(990,965)	(1,141,660)
Proceeds from disposal of investments		1,089,336	881,827
Purchase of investments		<u>(436,370)</u>	<u>(446,310)</u>
Net cash used in investing activities		<u>(335,742)</u>	<u>(699,434)</u>
Cash flows from financing activities			
Repayments of borrowings		(31,711)	(128,359)
Net cash used in financing activities		<u>(31,711)</u>	<u>(128,359)</u>
Change in cash and cash equivalents in the reporting period		447,887	363,745
Cash and cash equivalents brought forward		1,199,031	835,286
Cash and cash equivalents carried forward		<u>1,646,918</u>	<u>1,199,031</u>

The notes on pages 19 to 38 form part of these financial statements.

1 Accounting policies

The Tank Museum Limited is a company limited by guarantee incorporated in England and Wales. The registered office is Bovington Camp, Wareham, Dorset BH20 6JG.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Tank Museum Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.3 Incoming resources

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when; the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to the Trustees' Report for more information about their contribution.

The Trustees have decided to recognise the financial contribution of the Ministry of Defence as a gift in kind to the Charity as a realistic estimate can be obtained.

1 Accounting policies (continued)

On receipt, the donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in the expenditure in the period of receipt.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Cost of generating funds are costs associated with attracting voluntary income.

Charitable expenditure and basis of allocation of costs comprises those costs incurred by the Charity in the delivery of its activities and services to enable the Charity to meet its charitable aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Staff costs and overhead expenses are allocated to activities on the basis of employee numbers.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include audit fees and costs linked to the strategic management of the Charity.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

1.5 Going concern

The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are no material uncertainties on the charity's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2021 and it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

1.6 Tangible fixed assets and depreciation

The museum operates a £500 de minimus value on fixed asset additions, amounts lower than this limit are fully expensed in the year of purchase.

1 Accounting policies (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Displays	10 – 33% straight line
Furniture, fittings and equipment	10 – 20% straight line
Buildings	Over the remaining term of the lease & 10 – 33% straight line

Heritage assets

The majority of the tank collection has been received by donation to the museum. These are considered to be heritage assets under the terms of the Statement of Recommended Practice and consequently no value is placed on either the asset or the donation. The management policy in respect of heritage assets is summarised in note 12.

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock.

1.9 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The group also operated a defined benefit pension scheme in the year. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. The scheme is a multi-employer scheme.

1 Accounting policies (continued)

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.13 Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest method. Financial assets and financial liabilities classified as receivable or payable within one year are not amortised.

1.14 Fund accounting

Funds held by the Charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable projects at the discretion of the trustees.

Designated funds – these are funds set aside by the Trustees out of the unrestricted general funds for specific purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

1.15 Taxation

As a charity, The Tank Museum benefits from various exemptions from taxation afforded by tax legislation and is therefore not liable for corporation tax on income or gains falling within those exemptions.

Notes to the financial statements (continued)
For the year ended 31 December 2020

2 Donations, legacies and grants

	Restricted funds 2020	Unrestricted funds 2020	Total funds 2020	Restricted funds 2019	Unrestricted funds 2019	Total funds 2019
	£	£	£	£	£	£
Donations	317,600	202,969	520,569	23,423	124,315	147,738
Legacies	-	51,929	51,929	-	700	700
Grants	471,959	985,242	1,457,201	225,752	120,375	346,127
Gifts in kind	-	768,546	768,546	-	757,962	757,962
Total	789,559	2,008,686	2,798,245	249,175	1,003,352	1,252,527

3 Trading activities

	Total funds 2020 £	Total funds 2019 £
Subsidiary trading income		
Turnover	1,608,972	2,022,274
	<u>1,608,972</u>	<u>2,022,274</u>
Trading expenses		
Cost of sales	806,366	753,426
Administrative expenses	139,634	178,861
Interest payable	-	7,121
Salaries and overheads	493,482	669,060
	<u>1,439,482</u>	<u>1,608,469</u>
Net income from trading activities	169,490	413,806

The subsidiary also received investment income of £nil (2019: £11) which is included in note 4.

On the face of the consolidated statement of financial activities all income is recognised within commercial trading operations and all expenditure is recognised within cost of generating funds, after removal of intercompany consolidation transactions.

The net income figure above is before any distribution of profits to the parent Charity.

4 Investment income

	Total funds 2020 £	Total funds 2019 £
Bank interest	2,257	6,709

All of the above in both years relates to unrestricted funds.

5 Income from charitable activities

	Total funds 2020 £	Total funds 2019 £
Primary purpose trade	1,111,379	2,659,347
Ancillary trade	107,488	125,931
	<u>1,218,867</u>	<u>2,785,278</u>

All of the above in both years relates to unrestricted funds.

6 Other income

	Total funds 2020 £	Total funds 2019 £
Gain on disposal of heritage assets	-	37,520

Notes to the financial statements (continued)
For the year ended 31 December 2020

7 Total expenditure

Current year	Staff costs (Note 11)	Other direct costs	Support costs (Note 8)	Governance costs	Total 2020
Expenditure on raising funds					
Fundraising	-	12,275	20,278	-	32,553
Publicity and advertising	-	90,534	-	-	90,534
Fundraising trading	584,464	855,083	-	-	1,439,547
	584,464	957,892	20,278	-	1,562,634
Investment costs	-	-	-	-	-
Generation of income	-	26,631	-	-	26,631
Expenditure on charitable activities					
Primary purpose trade	60,944	1,021,054	1,532,622	35,649	2,650,269
Intangible expenditure	-	768,546	-	-	768,546
	60,944	1,789,600	1,532,622	35,649	3,418,815
Governance	-	15,371	20,278	(35,649)	-
	645,408	2,789,494	1,573,178	-	5,008,080
Support staff costs	1,123,585		(1,123,585)		
	1,768,993		449,593		

Notes to the financial statements (continued)
For the year ended 31 December 2020

7 Total expenditure (continued)

<i>Prior year</i>	Staff costs (Note 11)	Other direct costs	Support costs (Note 8)	Governance costs	Total 2019
Expenditure on raising funds					
Fundraising	-	14,959	24,106	-	39,065
Publicity and advertising	-	248,556	-	-	248,556
Fundraising trading	591,159	1,017,309	-	-	1,608,468
	591,159	1,280,824	24,106	-	1,896,089
Investment costs					
Generation of income	-	39,783	-	-	39,783
Expenditure on charitable activities					
Primary purpose trade	60,479	1,241,828	1,732,300	36,998	3,071,605
Intangible expenditure	-	757,962	-	-	757,962
	60,479	1,999,790	1,732,300	36,998	3,829,567
Governance	-	12,892	24,106	(36,998)	-
	651,638	3,333,289	1,780,512	-	5,765,439
Support staff costs	1,457,115		(1,457,115)		
	2,108,753		323,397		

Notes to the financial statements (continued)
For the year ended 31 December 2020

8 Support costs

Current year	Costs of generating voluntary income	Governance	Primary purpose	Total 2020
	£	£	£	£
Staff related costs	444	444	43,569	44,457
Other costs	3,306	3,306	272,523	279,135
Wages and salaries	14,833	14,833	1,084,054	1,113,720
National insurance	1,155	1,155	79,610	81,920
Pension cost	539	539	52,868	53,946
	<u>20,277</u>	<u>20,277</u>	<u>1,532,624</u>	<u>1,573,178</u>
<i>Prior year</i>	<i>Costs of generating voluntary income</i>	<i>Governance</i>	<i>Primary purpose</i>	<i>Total 2019</i>
	£	£	£	£
Staff related costs	797	798	78,154	79,749
Other costs	3,505	3,505	236,637	243,647
Wages and salaries	17,843	17,841	1,259,120	1,294,804
National insurance	1,367	1,367	100,146	102,880
Pension cost	594	594	58,244	59,432
	<u>24,106</u>	<u>24,105</u>	<u>1,732,301</u>	<u>1,780,512</u>

The support costs allocation has been based on employee numbers.

9 Turnover

All turnover arose in the United Kingdom.

10 Net incoming resources

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	769,074	766,089
Auditor's remuneration – audit	16,050	14,350
– non audit services	3,000	3,000
Operating lease rentals	-	4,246

During the year, no trustees received any remuneration (2019: £nil)

4 trustees received reimbursement of expenses amounting to £721 in the current year, (2019: 2 trustees, £1,797) relating to travel and board meeting costs.

11 Staff costs

Staff costs were as follows:	2020 £	2019 £
Wages and salaries	1,593,613	1,905,122
Social security costs	119,953	142,477
Other pension costs	55,427	61,154
	<u>1,768,993</u>	<u>2,108,753</u>

The average monthly number of employees was 100 (2019: 107) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2020 Number	2019 Number
Museum staff	71	75
Administration staff	1	5
	<u>72</u>	<u>80</u>

No employees received remuneration amounting to more than £60,000 (2019: 1). Key management personnel received remuneration and benefits totalling £316,436 (2019: £360,614) and pension contributions of £15,693 (2019: £16,079).

12 Tangible fixed assets

Group	Buildings £	Assets in the course of construction £	Displays £	Furniture fittings & equipment £	Total £
Cost					
1 January 2020	21,185,784	762,856	3,021,603	1,476,147	26,446,390
Additions	54,745	396,888	32,757	506,575	990,965
Disposals	-	-	(241,481)	-	(241,481)
Transfers	-	(486,187)	-	486,187	-
31 December 2020	<u>21,240,529</u>	<u>673,557</u>	<u>2,812,879</u>	<u>2,468,909</u>	<u>27,195,874</u>
Depreciation					
1 January 2020	4,368,979	-	2,891,102	1,291,550	8,551,631
Charge for the year	535,783	-	37,534	195,757	769,074
On disposals	-	-	(236,114)	-	(236,114)
31 December 2020	<u>4,904,762</u>	<u>-</u>	<u>2,692,522</u>	<u>1,487,307</u>	<u>9,084,591</u>
Net book value					
31 December 2020	<u>16,335,767</u>	<u>673,557</u>	<u>120,357</u>	<u>981,602</u>	<u>18,111,283</u>
31 December 2019	<u>16,816,805</u>	<u>762,856</u>	<u>130,501</u>	<u>184,597</u>	<u>17,894,759</u>

Included in furniture, fittings and equipment are assets held by the trading subsidiary at a cost of £4,075. The assets have been fully written down.

The museum occupies land and buildings owned by the MOD. As noted in the accounting policies, the Ministry of Defence also provides support in the form of utilities and maintenance of the buildings.

Heritage assets

Heritage assets have not been capitalised in the current or previous period. The heritage assets consist of the Museum's collections both on and off display. They include some three hundred tanks and armoured fighting vehicles, fifty-seven thousand documents, ten thousand books, five thousand images and thirty-two thousand other artefacts. The whole of the collection has been "Designated" as of national importance by the Museums, Libraries and Archives Council.

12 Tangible fixed assets (continued)

The table below details the heritage assets in the course of being catalogued and the progress to date.

	Total 2020 Number	Total 2019 Number
Documents <60% completed	57,760	56,929
Journals	2,595	2,581
Maps/technical drawings	3,821	3,806
Photographs and images	263,000	263,000
Total	327,176	326,316

Catalogued heritage assets

	2020 Number	Net movement Number	2019 Number	2018 Number	2017 Number	2016 Number
Vehicles, trailers, turrets etc.	378	-	378	373	368	361
Audio visual	4,960	253	4,707	4,185	4,098	4,030
Books	10,292	16	10,276	10,007	9,799	9,572
Equipment	5,068	97	4,971	4,851	4,786	4,661
Art/silver	830	(96)	926	827	821	799
Flags	460	-	460	453	436	423
Medals	3,192	17	3,175	3,046	3,016	2,965
Memorabilia	2,979	13	2,966	2,838	2,724	2,582
Models	1,046	2	1,044	1,045	1,012	988
Uniforms	7,077	31	7,046	6,711	6,507	6,188
Weapons	955	6	949	936	899	836
Total	37,237	339	36,898	35,272	34,466	33,405

The heritage assets have been excluded from the balance sheet due to the significant costs that would be involved in the valuation, which are onerous compared with the additional benefit that would be derived by users of the accounts in assessing the trustees' stewardship of the accounts.

The standards of museum ethics regarding disposal to which The Tank Museum have subscribed as part of being an Accredited Museum do not allow the organisation to dispose of collection items primarily for financial reasons, and objects for disposal must first be offered to other accredited museums free of charge.

During the prior year a Dukw vehicle was sold as it did not fit cohesively with the collection for sales proceeds of £37,250 (note 6). This sale was made in line with the museum code of ethics as outlined above.

13 Fixed asset investments

Group and Charity	Listed Securities £
Market value	
At 1 January 2020	6,205,837
Additions	436,370
Disposals	(1,089,336)
Gain on investments	225,079
At 31 December 2020	5,777,950

The above market value at 31 December 2010 represents investments held as short term of £1,081,207 (2019: £1,757,002) and long term of £4,696,743 (2019: £4,448,835).

The historical cost at 31 December 2020 was £5,282,397 (2019: £5,237,581).

All of the listed securities relate to investment assets held in the UK.

In addition, the Charity holds two £1 shares in its subsidiary undertaking.

14 Principal subsidiaries

Name of undertaking	Registered office	Class of share held	% Held
The Tank Museum Trading Company Limited (registered no. 02236998)	Bovington Camp, Wareham, Dorset, BH20 6JG	Ordinary	100.00

The activity of the above company includes that of retailing souvenirs and books, and operating the trading of the museum.

15 Stocks

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	332,774	321,630	17,896	872

16 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	23,130	15,432	16,529	10,875
Amounts due from subsidiary	-	-	260,622	-
Other debtors	35,973	94,467	35,072	104,360
Prepayments and accrued income	536,361	217,877	508,390	216,493
	595,464	327,776	820,613	331,728

17 Creditors: Amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	-	31,711	-	31,711
Trade creditors	140,228	548,989	59,247	445,116
Amount owed to subsidiary	-	-	-	84,524
Other taxation and social security	36,107	51,280	34,803	49,283
Other creditors	179,204	141,242	177,653	133,340
Accruals and deferred income	142,188	54,265	25,691	33,865
	497,727	827,487	297,394	777,839

Notes to the financial statements (continued)
For the year ended 31 December 2020

18 Statement of funds

Movement of funds for the year

Current year	At 1 January 2020 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains £	At 31 December 2020 £
Designated funds						
Fixed assets	5,031,338	-	(148,221)	(1,930)	-	4,881,187
Vehicle	36,224	-	(21,404)	-	-	14,820
restoration						
2054 fund	2,825,671	-	-	35,000	136,885	2,997,556
General resource	1,757,002	-	-	(700,000)	24,205	1,081,207
	<u>9,650,235</u>	<u>-</u>	<u>(169,625)</u>	<u>(666,930)</u>	<u>161,090</u>	<u>8,974,770</u>
General funds						
Reserves	3,045,489	4,838,782	(4,214,365)	672,259	-	4,342,165
Total unrestricted funds	<u>12,695,724</u>	<u>4,838,782</u>	<u>(4,383,990)</u>	<u>5,329</u>	<u>161,090</u>	<u>13,316,935</u>
Restricted funds						
Buildings	10,885,201	965	(456,333)	-	-	10,429,833
Exhibitions	169,154	715,150	(106,572)	32,782	-	810,514
Revenue	98,645	73,444	(61,410)	-	-	110,679
	<u>11,153,000</u>	<u>789,559</u>	<u>(624,315)</u>	<u>32,782</u>	<u>-</u>	<u>11,351,026</u>
Endowment funds	1,272,823	-	-	(38,111)	63,989	1,298,701
Total funds	<u>25,121,547</u>	<u>5,628,341</u>	<u>(5,008,305)</u>	<u>-</u>	<u>225,079</u>	<u>25,966,662</u>

Notes to the financial statements (continued)
For the year ended 31 December 2020

18 Statement of funds (continued)

Prior Year	At 1 January 2019 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains £	At 31 December 2019 £
Designated funds						
New Workshop	1,500,000	-	-	(1,500,000)	-	-
Fixed assets	3,705,744	-	(160,135)	1,485,729	-	5,031,338
Vehicle restoration	-	37,520	(1,296)	-	-	36,224
2054 fund	2,210,236	-	-	190,962	424,473	2,825,671
General resource	1,990,898	-	-	(400,000)	166,104	1,757,002
	<u>9,406,878</u>	<u>37,520</u>	<u>(161,431)</u>	<u>(223,309)</u>	<u>590,577</u>	<u>9,650,235</u>
General funds						
Reserves	2,035,158	5,817,613	(5,029,755)	222,473	-	3,045,489
Total unrestricted funds	<u>11,442,036</u>	<u>5,855,133</u>	<u>(5,191,186)</u>	<u>(836)</u>	<u>590,577</u>	<u>12,695,724</u>
Restricted funds						
Buildings	11,203,599	167,687	(486,085)	-	-	10,885,201
Exhibitions	132,003	17,326	(12,002)	31,827	-	169,154
Revenue	109,813	64,162	(76,166)	836	-	98,645
	<u>11,445,415</u>	<u>249,175</u>	<u>574,253</u>	<u>32,663</u>	<u>-</u>	<u>11,153,000</u>
Endowment funds	1,099,857	-	-	(31,827)	204,793	1,272,823
Total restricted funds	<u>12,545,272</u>	<u>249,175</u>	<u>(574,253)</u>	<u>836</u>	<u>204,793</u>	<u>12,425,823</u>
Total funds	<u>23,987,308</u>	<u>6,104,308</u>	<u>(5,765,439)</u>	<u>-</u>	<u>795,370</u>	<u>25,121,547</u>

18 Statement of funds (continued)

Fund descriptions

Designated fund

New Workshop-The trustees originally designated £1.5 million towards funding the new Workshop Build. The build is now complete and the balance transferred to the fixed asset designated fund.

Fixed Assets-The fixed asset designated fund was set up to reflect those assets held by the Charity vital to its continuing objects. At the year-end assets with a net book value of £4,881,187 (2019: £5,031,338) relating to completed capital projects have been derestricted and have been transferred into this reserve.

Vehicle restoration – The Vehicle Restoration designated fund income relates to the sales proceeds from the sale of a heritage asset. In line with Museum regulations the funds will only be used to fund further exhibitions.

2054 fund is a long-term fund to support the ongoing running of the Museum if the lease with the MOD is not renewed by 2054.

General resource fund is a fund to support future building improvements and vehicle restoration.

Restricted Funds

Buildings represent our “At Close Quarters” Phase 2 Main Museum redevelopment and our Conservation Workshop building.

Exhibition funds are funds to fund our ongoing exhibitions.

Revenue funds are the Vehicle Restoration fund and the Charles Burnett III Fund for the restoration of British and Foreign vehicles.

Endowment Funds relate to the HLF Catalyst Endowment Fund. This constitutes an endowment fund which will become expendable in 2037. The income derived from the fund can be used to fund exhibitions.

Notes to the financial statements (continued)
For the year ended 31 December 2020

19 Analysis of net assets between funds

Fund balances at 31 December 2020 are represented by:

	Restricted funds 2020	Endowment funds 2020	Unrestricted funds 2020	Total funds 2020
	£		£	£
Tangible fixed assets	10,975,724	-	7,135,559	18,111,283
Fixed asset investments	-	1,298,701	3,398,042	4,696,743
Current asset investments	-	-	1,081,207	1,081,207
Current assets	375,302	-	2,199,854	2,575,156
Creditors due within one year	-	-	(497,727)	(497,727)
Total	11,351,026	1,298,701	13,316,935	25,966,662

Fund balances as at 31 December 2019 are represented by:

	Restricted funds 2019	Endowment funds 2019	Unrestricted funds 2019	Total funds 2019
	£		£	£
Tangible fixed assets	10,885,201	-	7,009,558	17,894,759
Fixed asset investments	-	1,267,494	3,181,341	4,448,835
Current asset investments	-	-	1,757,002	1,757,002
Current assets	267,799	5,329	1,575,310	1,848,438
Creditors due within one year	-	-	(827,487)	(827,487)
Total	11,153,000	1,272,823	12,695,724	25,121,547

20 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the year (as per Statement of Financial Activities)	845,115	1,134,239
Adjustment for:		
Depreciation charges	769,074	766,089
Loss on disposal of fixed assets	5,367	-
(Gains)/losses on investments	(225,079)	(795,370)
Dividends, interest and rents from investments	(2,257)	(6,709)
Increase in stocks	(11,143)	(81,121)
(Increase)/decrease in debtors	(267,688)	(85,560)
Decrease/(increase) in creditors	(298,049)	(259,970)
Net cash provided by operating activities	815,340	1,191,538

21 Analysis of changes in net debt

Current year	Balance at 1 January 2020 £	Cash flows £	Other non-cash changes £	Balance at 31 December 2020 £
Cash in hand	1,199,031	447,887	-	1,646,918
Loans due within 1 year	(31,711)	31,711	-	-
Loans due after 1 year	-	-	-	-
	<u>1,167,320</u>	<u>479,598</u>	<u>-</u>	<u>1,646,918</u>
<i>Prior year</i>	<i>Balance at 1 January 2019 £</i>	<i>Cash flows £</i>	<i>Other non-cash changes £</i>	<i>Balance at 31 December 2019 £</i>
Cash in hand	835,286	363,745	-	1,199,031
Loans due within 1 year	(128,286)	128,359	(31,784)	(31,711)
Loans due after 1 year	<u>(31,784)</u>	<u>-</u>	<u>31,874</u>	<u>-</u>
	<u>675,216</u>	<u>492,104</u>	<u>-</u>	<u>1,167,320</u>

22 Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted of £55,427 (2019: £61,154). Contributions totalling £nil (2019: £nil) were payable to the fund at the balance sheet date and are included in creditors.

23 Indemnity insurance

Indemnity insurance for the trustees has been taken out giving £3 million of cover at a cost of £2,391 (2019: £2,174).

24 Related party transactions

During the year, a trustee donated £nil (2019: £2,807) to the Charity.

25 Capital commitments

The Charity had capital commitments of £174,794 at the year end in relation to ongoing building projects (2019: £631,309).

26 Events during the reporting period

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted the Group in various ways. The Museum was closed to the public between 21 March 2020 to 3 July 2020, from 5 November 2020 to 4 December and again from 31 December 2020 to (provisionally) 16 May 2021. During this time the online shop has remained open and voluntary income continues to be received.

The Trust has sufficient cash resources hence does not foresee the need to liquidate investments and realise these losses.

In light of the current uncertainties the Trustees have assessed the potential financial implications of the pandemic and have assessed that the Group has sufficient resources to allow it to continue through this period without any additional working funding required.