

THE GURKHA MUSEUM TRUST

England & Wales · Charity number 1169920

Details

| | |
|-------------|---------------------------------------------------------|
| Other names | THE GURKHA MUSEUM |
| Status | Registered |
| Legal form | CIO |
| Registered | 2016-10-26 |
| Register | View on the Charity Commission register |

Contact

| | |
|---------|----------------------------------------------------------------------------------|
| Address | The Gurkha Museum Peninsula Barracks Romsey Road Winchester SO23 8TP |
| Phone | 01962842832 |
| Email | admin@thegurkhamuseum.co.uk |
| Website | www.thegurkhamuseum.co.uk |

Activities

Objects: THE OBJECTS OF THE CIO ARE, FOR THE PUBLIC BENEFIT: TO ADVANCE EDUCATION IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF THE GURKHA MUSEUM AND THE PRESERVATION AND MAINTENANCE OF THE BRIGADE COLLECTION; AND TO PROMOTE THE EFFICIENCY OF THE ARMED FORCES BY UPHOLDING THE TRADITIONS AND ETHOS OF THE BRIGADE OF GURKHAS AND PERPETUATING ITS DEEDS.

Activities: The purpose of the Charity is to oversee the running of the Gurkha Museum based in Winchester and this includes the preservation and maintenance of the Brigade Collection and the upholding of the traditions and ethos of the Brigade of Gurkhas.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|----------|-------------|------------|-----------|
| 2024-12-31 | £923,109 | £739,189 | £2,107,138 | 11 |
| 2023-12-31 | £576,818 | £520,214 | £1,862,046 | 9 |
| 2022-12-31 | £415,517 | £526,197 | - | - |
| 2021-12-31 | £387,141 | £515,304 | - | - |
| 2020-12-31 | £330,245 | £390,003 | - | - |

Trustees

| Name | Role | Appointed |
|------------------------------------------|-------|------------|
| MARTIN RICHARD BROOKS MA | Chair | 2016-10-26 |
| Brigadier Jody Davies MBE | | 2025-05-20 |
| COLONEL CHARLES MATTHEW JOHN BARNETT MBE | | 2016-10-26 |
| COLONEL WILLIAM FRANCIS SHUTTLEWOOD OBE | | 2017-01-01 |
| Colonel David John Robinson | | 2021-11-15 |
| Emile Simpson | | 2026-01-12 |
| Garfield Smith | | 2025-01-20 |
| John Walter Bulbeck | | 2017-01-01 |
| Lt Gen Sir David Robert Bill KCB | | 2019-05-13 |
| MAJOR JOHN REDFERN HARROP | | 2019-05-13 |
| Major Michael Frederick Barney | | 2022-12-19 |
| Major Sanjip Rai | | 2024-08-08 |
| STEPHEN MASLIN | | 2017-01-01 |
| SUDHA RAI | | 2019-05-13 |

THE GURKHA MUSEUM TRUST

England & Wales - Charity number 1169920

Accounts



The Gurkha Museum Trust

Annual Report and Financial Statement for the Year Ending 31 December 2024

Charity Number 1169920

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THE GURKHA MUSEUM TRUST – CHAIRMAN’S STATEMENT 2024

We have been lifted by the extraordinary levels of support and generosity in 2024, our Fiftieth Anniversary year and when our Reaccreditation by the Arts Council England was fully successful, valid for a further five years. This has allowed us not only to get the delivery phase of Project “Kaida”, the name we have given to our major Redevelopment Project, ready to go but has resulted in the achievement of raising the majority of our Capital Appeal need of £5.2 million through payments and firm commitments, leaving a final £1 million to secure in 2025 and 2026. I am pleased to report further progress has been made since the end of the financial year. This positive outcome results from the impact of planning and recruiting a specialist fundraising and support team to achieve this.

The bedrock funding of our Appeal has been secured from the National Lottery Heritage Fund (NLHF) who confirmed our full request for Stage Two funding in late 2024 and from the particular generosity of the Serving Brigade of Gurkhas through their Service Day’s Pay Giving (SDPG) as highlighted last year. In fact, the Brigade confirmed further SDPG support for the Trust in 2024. It has encouraged generosity elsewhere that every soldier from Rifleman to General has continued to contribute to Project Kaida. It is this enduring support from the Brigade of Gurkhas, whether serving or veteran, that makes the Gurkha Museum so special.

Also, I would like to highlight the generous grants and pledges of grants from the Foyle Foundation, the Swire Charitable Trust and others who for now wish to remain anonymous, with the prospect of several more in 2025. The Regimental Associations of the antecedent regiments and the Gurkha Brigade Association along with Corporates and some particularly generous individuals, as well as a number of charity fund raising efforts by individual soldiers and Gurkha Community Associations have generously swelled the total, support that continues into 2025.

Our challenge for 2025 is to close in on the remaining gap, while both maintaining the strong forward momentum of the Museum itself, and starting the Museum Display rebuild, to be completed, following temporary closure of the museum galleries, by the summer of 2026.

As described elsewhere in the Annual Report it has not all been plain sailing, where we have seen an unanticipated reduction in retail sales and issues of irrecoverable VAT charges. With prudent provision this led to a greater than planned trading deficit in the year £179,000 (2023 - £104,000). We have taken decisive actions and external advice to resolve these issues in 2025 and return to manageable operating deficits, as part of the medium-term financial plan, using the financial model that was developed for us in the previous year. This modelling extends our ability to plan the Museum’s finances prudently beyond the life of the Redevelopment project. Overall, with Project Kaida inflow exceeding outflows in the year, we posted an overall surplus of £370,000, (2023-£55,000) helped by an investment gain as well. Investment market turbulence is a challenge we have already had to face after the year end, and despite some recovery it will be difficult to anticipate what the current year will bring in an uncertain world.

We were pleased to welcome Major Sanjip Rai as a Trustee in the year, replacing Major Ram Rai, ex-officio as Officer Commanding Sittang Company, Royal Military Academy Sandhurst. Three new members of staff joined us in the year as well, two of them new appointments associated with Project Kaida capacity building, Lauren Grierson and Joseph Harris, and one replacement appointment, Anusha Adhikari.

I would like to thank again my fellow Trustees and our staff led by Dr Daren Bowyer, our Director, whose energy and application with his team including Emma Boryer, as Head of Fundraising and Marketing, is now in the process of delivering the ambitious vision the Trustees have set. Special mention should also be made of our Assistant Curator Doug Henderson for his excellent work in project managing and securing our Arts Council England Reaccreditation in the year.

As in previous years, none of the day-to-day operations of the Gurkha Museum, especially now with staff and trustees so committed to delivering Project Kaida, would be possible without our dedicated team of Volunteers, supported by our growing body of Friends. I would like to thank them all as we move into the exciting delivery phase of our ambitions in 2025.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

The Gurkha Museum Trust

Registered Charity Number

1169920

Registered Office

The Gurkha Museum
Peninsula Barracks
Romsey Road
Winchester
Hampshire
SO23 8TS

Vice Patrons

Lieutenant General Sir Peter Duffell KCB CBE MC
Lieutenant General Richard Wardlaw OBE to September
Major General Gerald Strickland DSO MBE from September
Colonel Denis Wood MBE

Chairman of the Trustees

Mr Martin Brooks MA FRAS

Elected Trustees

Colonel Charles Barnett MBE
Major Michael Barney
Lieutenant General Sir David Bill KCB
Mr John Bulbeck MSCI
Major John Harrop
Mr Steve Maslin FCA
Mrs Sudha Rai
Colonel William Shuttlewood OBE

Ex-Officio Trustees

Colonel David Robinson (Colonel Brigade of Gurkhas)
Major Ramkumar Rai RGR (Officer Commanding Gurkha Company RMAS) to
August
Major Sanjip Rai RGR (Officer Commanding Gurkha Company RMAS) from August

Museum Director & Company Secretary

Dr Daren Bowyer MA MPhil PhD

Accountants

Winchester Bourne Ltd
Sullivan Court
Colden Common
Winchester
SO21 1WP

Independent Examiner

Sarah Alexander FCCA FCA
Lewis Brownlee (Chichester) Limited
Appledram Barns
Birdham Road
Chichester
West Sussex
PO20 7EQ

Investment Managers

BlackRock Investment Management (UK) Ltd
12 Throgmorton Avenue
London
EC2N 2DL

CCLA

Senator House
85 Queen Victoria St
London
EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Board of Trustees operates under a constitution dated 14 October 2016, as amended by a Resolution dated 26 October 2016, both registered at the Charity Commission under Registered Number 1169920.

Organisational Structure

The Trust is a Charitable Incorporated Organisation run by the Board of Trustees and managed day-to-day by the Museum Director with the support of the Assistant Curator, Head of Fundraising and Marketing, and Operations Manager. The Senior Management Team is aided by the work of a Digital Communications Officer, Fundraising Coordinator and four Museum Assistants (two full time and two part-time), three of whom are ex-Gurkhas. Additionally, two further posts were created in 2024, as part of the redevelopment project, Project Kaida. They are a part-time (0.5 FTE) Community Engagement & Partnerships Officer, and a full time Archives and Digitisation Officer.

The Board's work is enhanced by three Committees dedicated to Governance, Investments, and Risk & Audit. These Committees are made up of selected trustees and advisors working to Terms of Reference which are regularly reviewed and enable the Board to give due attention to matters that require consideration. In addition, there is also an informal Collections Advisory Group, which includes specialist advisers as appropriate, to provide expertise relating to the Museum's collections. Governance of Project Kaida, the Museum's redevelopment project, is overseen by a Museum Development Board, aided by a Capital Appeal Committee. Both of these are made up of a mix of both trustees and ad hoc external members.

The Board of Trustees meets at least three times a year to consider proposals presented to them by the committees and to provide strategic direction to the executive.

Appointments

Office holders, elected Trustees, and ex-officio Trustees are appointed in accordance with the Constitution. The ex-officio trustees represent all ranks of the serving Brigade of Gurkhas.

In August, Major Sanjip Rai became a Trustee, replacing Major Ram Rai, ex-officio as Officer Commanding Sittang Company, Royal Military Academy Sandhurst. There were no other changes to the composition of the Board of Trustees during the reporting period.

The dedication, commitment and contribution of all trustees is acknowledged with gratitude. It is especially important to The Gurkha Museum Trust that it remains closely connected to the serving Brigade of Gurkhas and that the views of the serving Brigade are well represented. In this respect, the ex-officio trustees have a particularly significant role to play.

Trustee Induction and Training

Newly elected Trustees are briefed by the Chairman and Director on all matters relating to the Trust. They receive copies of the Constitution, the latest sets of Minutes, Annual Report and Financial Statements, Charity Commission guidance on trustee responsibilities, and other documents as deemed appropriate. External training is also offered and undertaken by Trustees from time to time.

Staff Changes

In January we were joined by Lauren Grierson, in the first of our Project Kaida roles, that of Community Engagement and Partnerships Officer. The main purpose of the role is to extend the Museum's reach into the community, including schools and with a special emphasis on reaching and growing new audiences as identified by the redevelopment project's Activity Plan.

In March, the second of our Project Kaida roles, Archives and Digitization Officer, was filled by Joseph Harris. The main purpose of the role is to support the Assistant Curator in extending the Museum's reach through digitisation of our extensive archives and making our collections more accessible to researchers and historians through better cataloguing and collections management.

In the summer, our Digital Communications Officer, Brad Hall, left us for a commercial marketing role. His place was filled in November by Anusha Adhikari.

Staff Professional Development and Networking

Trustees continue to give high priority to the training and development of staff and to allocate funds accordingly. Staff now have access to a wide range of online training and maximum use is made of this for completion of annual routine and mandatory training such as health & safety subjects and data protection. Personal and professional development needs are identified through the annual appraisal process and individual training and development plans agreed accordingly. Opportunities are provided for staff to meet fellow professionals at such events as the Army Museums Ogilby Trust (AMOT) Annual Conference, National Army Museum Conference and the Museums and Heritage Show.

We believe engagement with our sector and our local community is critical to success. The Assistant Curator is a member of the Steering Committee of South West Museums Development, the Director chairs Hampshire Military Museums Network and the National Army Museum's Southern Army Museums Forum. The Director is also a member of the Winchester Business Strategy Group and Winchester City Council's Cultural Strategy Development Forum. We play a very supportive role as part of Winchester's Military Museums.

The stand out training and development event of the year was the opportunity, in November 2024, for all of the office staff to visit Nepal – for most a first visit.

Accreditation

The Museum is Accredited by Arts Council England, first being awarded this in 2011 and was successful in its subsequent renewal in 2015 (registration no. 1775). Delays to the renewals process as a consequence of the Covid pandemic mean that our accreditation was extended and we were invited to submit for renewal in late 2023. Appropriate effort had been put into ensuring the Museum's readiness for this, and we were able confidently to submit our application in December 2023. We were delighted that our application has been fully successful.

Fundraising Regulator

The Gurkha Museum continues to register on a voluntary basis with the Fundraising regulator.

Risk Management

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Museum's operational performance, including risks to staff and volunteers.
- The Museum's ability to achieve its objects.
- Meeting the expectation of visitors and supporters.
- The Museum's reputation and integrity.
- The Museum's assets.

The Trustees identify and review these risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks in a timely manner. Where possible and appropriate, risks are covered by insurance.

Trustees noted the forthcoming presentation to Parliament of The Terrorism (Protection of Premises) Act 2025 ("Martyn's Law"). Our visitor numbers and capacity are below the threshold required for formal action in light of this. However, trustees thought it prudent to take note of the requirements and that staff should take up opportunities for relevant training. They also considered the new Statutory Duty to take all reasonable steps to avoid sexual harassment in the course of employment. A detailed risk assessment was undertaken with the support of our out-sourced HR advisors, and relevant policies were updated appropriately.

OBJECTIVES AND ACTIVITIES

Objects for Public Benefit

The objects of The Gurkha Museum Trust are stated in the Constitution; “To advance education in particular but not exclusively by the provision of The Gurkha Museum and the preservation and maintenance of the Brigade collection; and to promote the efficiency of the Armed Forces by upholding the traditions and ethos of the Brigade of Gurkhas and perpetuating its deeds.”

Aims and Objectives

- Maintain, for posterity, collections and artefacts associated with Britain’s Gurkhas and actively provide open public access, and academic research facilities, to promote military scholarships and public education and understanding.
- Encourage visitors of all ages, genders and ethnic identities to visit, or otherwise engage with, the Museum to learn about and enjoy the unique history of Britain’s Gurkhas, and to promote and educate the public in the history of Gurkhas and their culture in Nepal.
- Engage with local communities, schools, special interest and disability groups and Nepalese community groups in providing a source of education, information and understanding of the history, culture and religion of Gurkhas and their role in the modern British Army.
- Build partnerships and networks with historical and cultural organisations, and other similar museums, to deliver more efficiently and widely promote the purpose, objectives, and activities of the Museum.
- Provide a heritage focal point for Gurkha units, past and present, and inspire future generations of British and Gurkha officers and soldiers.
- Provide the Army and other government departments with sources of information on historical matters unique to Gurkha service.

Public Benefit Statement

The trustees confirm that they have taken into account the Charity Commission’s general guidance on public benefit when reviewing the Charity’s aim and objectives and in making decisions.

ACTIVITY AND PLANS

2024 marked the 50th anniversary of the founding of the Gurkha Museum, then in a converted barrack-hut in Church Crookham, with limited public access. It was fitting, then, that as we celebrated that milestone, we took enormous steps forward towards in our ambitious redevelopment project – Project Kaida. This will cement the

Museum's place not just as a must-see visitor destination but as the internationally recognised reference centre for Gurkha heritage.

The main focus for the first seven months of the year was on the detailed design work for the redevelopment for which we had received 'Development Phase' funding from the National Lottery Heritage Fund (NLHF). The designs, to Royal Institute of British Architects (RIBA) Stage 3 (Spatial Coordination), were submitted to NLHF in July, together with a comprehensive plan for Activity and Outreach, a detailed interpretation strategy, and a business plan with long range Income and Expenditure forecast to demonstrate the financial viability of the project.

The rigorous and comprehensive application, totaling some 19 supporting documents and running to over 770 pages, paid off. In a fitting end to our Golden Anniversary year, in December we received the tremendous news that our application had been successful.

While there remains a funding gap to be closed, and a good deal of work still to be done, this is a most significant step forward. More detail and latest updates can be found at: <https://thegurkhamuseum.co.uk/project-kaida/>

Another major achievement for the year was passing our re-accreditation with Arts Council England. This is no tick-box exercise but a root and branch examination of a museum's policies, procedures and practices, to ensure it deserves this coveted and indeed vital assurance standard. We first achieved this in 2015, and it is normally a five-year cycle of re-evaluation. However, the Covid pandemic intervened and Arts Council England suspended the process and are only now clearing a backlog of Accreditation and Re-accreditations. It is a particular credit to Doug Henderson, our Assistant Curator, who led the process, that we passed at first attempt.

A third standout success of our Golden Anniversary Year was to be awarded Cultural and Creative Business of the Year at the Winchester Business Excellence Awards. We were runners up in 2023, and winners of the Digital Innovation category in 2021, so our track record is strong.

We are a small museum by national standards but consistently punch above our weight. That we do so is in no small part due to the support we receive from our Friends and supporters financially, but also to the many volunteers who help us, whether in a research capacity, in manning our shop, or in assisting with our outreach, engagement and education activities. While the number of active subscription-paying Friends increased by 32% over the course of 2025, our volunteers clocked-up an impressive 3,716 hours between them. Had we been paying them, even at just the National Living Wage of £11.44 an hour, that is a cash value of £42,500.

2024 saw a good spread of subject matter for our events and talks, covering, among others, the Hunza-Nagar campaign, Gallipoli 1915 (a lecture greatly enhanced by having a Turkish speaker give the Ottoman perspective), Imphal-Kohima 1944, operations in the Far East after the Japanese Surrender, and, marking the 25th anniversary, the role of Royal Gurkha Rifles in the Kosovo campaign of 1999. Our Summer Exhibition, among our most successful for footfall, marked our 50th year

with a reflection both of the Museum's growth and development and of the many changes undergone by the Brigade over that time.

Noting our global ambitions, the Director took part in 25th anniversary commemorations in Kosovo in June, and in September both Martin Brooks, our Chairman, and Doug Henderson, our Assistant Curator, joined 7th Gurkha Rifles Regimental Association members and serving soldiers of Tavoletto Company, exploring 7th Gurkha Rifles' operations on the Gothic Line and commemorating, in particular, the 80th anniversaries of the action at Tavoletto, and the liberation of San Marino.

In November, the Director joined a National Army Museum team in Delhi, delivering a curators' course to Indian tri-service military museum curators. This also enabled his participation in the Indian Military Heritage Festival.

With funding support from our NLHF Development Grant, and in-country support from British Gurkhas Nepal, all office staff were able to attend an introduction and orientation visit to Nepal, taking-in the main cultural sights of Kathmandu, a political-military brief from the Defence Attache, and a visit to Pokhara for a recruiting brief and briefs by the Gurkha Welfare Trust and the Kadoorie Agricultural Aid Association. They all returned better informed and greatly inspired.

The NLHF Development Grant funded two new posts to help us move Project Kaida forward. In January we were joined by Lauren Grierson as Community Engagement and Partnerships Officer (part time) and in March by Joseph Harris as Archives and Digitisation Officer. Lauren's role has been to work with our contractors to design the Activity Plan, to prepare for and initiate its delivery, while Joseph has been paving the way for the full digitisation of the archive.

We have continued our regular briefings to Gurkha recruits and serving soldiers, seeing a significant growth in visits from units that now have Gurkha sub-units, or who find themselves working alongside Gurkhas. The instigation of the Community Engagement and Partnerships Officer role has allowed us to improve the work we can do to inspire a younger generation, too. In February, we hosted a Children's Curry and Craft Day that saw over sixty visitors tour the Museum, handle Nepali objects; hear Gurkha stories, enjoy a bhat (traditional Gurkha curry), as well as participating in various arts and craft activities. There was also the opportunity to learn about Project Kaida and contribute to the consultation. In August, we trailed a new summer holiday workshop, 'Everest Explorers'. In honour of the Olympics, we celebrated Naik Tejbir Bura's role in the 1922 British Mount Everest expedition. Families discovered what it takes to climb Mount Everest and then built their own LEGO camp before bringing their creations to life using tablet-based coding.

Our engagement with older veterans and their families also increased. In March, we shared our redevelopment plans with the Nepalese support group, Maddhat Shamuha. We visited their meeting in Aldershot to deliver a presentation on Project Kaida and to understand their heritage needs. In May, we assisted an English language workshop at Nayo Bato School, Rushmoor, using our object handling

collection. We also conducted an object-led storytelling workshop for One Community, encouraging participants to share their own stories connected to our museum artifacts, and delivered a workshop for Dementia Friendly Alton, where participants shared stories inspired by our Nepali artifacts.

Support to those in education broadened, too. April saw a visit from Masters students from Southampton University, for whom the Museum staff team delivered a 'Behind the Scenes' talk showcasing their roles. In June, we participated in The Chalke History Festival schools' day, offering a workshop called Operation BUILD BRAVE. This hands-on activity gave students a glimpse into the Gurkhas' military aid work, particularly during Operation MARMAT in response to the 2015 Nepal Earthquake. Students built and coded LEGO vehicles to simulate delivering aid to Nepal, and participated in a question-and-answer session with our Gurkha veteran Museum Assistant Mekh Rana.

In addition to our two new posts, we have seen one other change in the office. Sadly, in the summer, Brad Hall, who had achieved so much as the first ever Digital Communication Officer at the Museum, left us for new challenges with a commercial start-up. In November we welcomed as his replacement Anusha Adhikari who has the added bonus of being of Nepali heritage.

Acquisitions

The Museum has continued to acquire, through purchase or donation, objects which will add to the richness of its collection. As a guiding principle, we ask ourselves how the object will add to the telling of relevant stories. Notable acquisitions in 2024 were:

- Commemorative 6th Gurkha Rifles silver tankard, produced for the amalgamation of 6th Gurkha Rifles into Royal Gurkha Rifles (and apparently having languished as a pen holder in one of Scotland's university's libraries for some time, according to the donor).
- Framed car pennant of General Sir Walter Walker when Director of Operations, Brunei and Borneo in the 1960s.
- Maquette statuette by sculptor Amy Goodman as preparation for her full-size statue of Kulbir Thapa VC in Aldershot.
- Browning Hi-Power 9mm pistol of Capt Carr, 3rd Battalion 5th Royal Gurkha Rifles, c1945.
- Material, including a ceremonial kukri, from Lt Wynn Parry-Jones, with 9GR during the Amritsar Massacre of 1919.
- Archive of letters written by John Twells, 1st Gurkha Rifles during his time in service in the Second World War.
- Serbian Special Military Police uniform as worn in Kosovo during Royal Gurkha Rifles' actions there in 1999.
- Archive of material of E.D. 'Moke' Murray, 4th Gurkha Rifles, 7th Gurkha Rifles and V-Force in the Second World War.
- Presentation kukri presented to Dr Charles Lansley for his work with the Gurkha Language School in the 1990s-early 2000s.

- 3 x photograph albums belonging to Col Rogers, the original founder of 2nd Battalion 1st Gurkha Rifles c.1870.

Looking to the Future

Throughout 2025 we will be celebrating 210 years since Gurkhas were first recruited into the armies of the East India Company, and marking, of course, the very significant 80th anniversaries of VE and VJ day, commemorating the Gurkha contributions in both Europe and Burma.

However, our NLHF grant secured, the main effort will be on commencing the Delivery Phase of Project Kaida, our redevelopment project.

In January we will be working with the Ministry of Defence (our landlord) and NLHF to secure the necessary legal agreements to allow us to proceed and then starting the tender process for the major contractors. Our intention is to begin the decant of the collections in June/July and to see base-build work starting on site in July/August. The offices, library and McDonald Gallery will remain open throughout, and we will mount a series of temporary exhibitions. We hope to see the new Museum open in summer 2026.

Conclusion

2024, our Golden Anniversary Year, was one marked with significant successes and substantial steps forward in our plans for redevelopment. Despite the workload incurred by that project, the Gurkha Museum has continued to offer a wide range of activity, to grow its audiences and to engage with an ever broader range of stakeholders. The demands of the next stages of Project Kaida, will be greater still. Nevertheless, we go into 2025 committed, encouraged and confident.

FINANCIAL REVIEW

THE GURKHA MUSEUM FINANCIAL REVIEW YE 31ST DECEMBER 2024

Results in the year

The Museum had another successful year in preparation for its major redevelopment (Project Kaida) and further information is given in the Activity and Plans section of this report. The financial result for the year shows a mixed result, as set out below.

Net assets increased by £245,000 from £1,862,000 to £2,107,000 as follows:

| | |
|--------------------------------|-------------------|
| | £000 |
| Deficit on ordinary activities | (179) |
| Investment gains | 61 |
| Surplus on Kaida | <u>363</u> |
| Increase in net assets | <u>245</u> |

The Museum saw a deficit on its ordinary activities (trading results and Museum activities) of £179,000 (2023 - £104,000). In recent years the Trustees have approved a deficit budget while the Museum prepares for Project Kaida and an Investment Reserve of £1,000,000 is maintained to help to provide investment income to help sustain these deficits. There were two main reasons for the increased deficit on ordinary activities.

First, the net income from retail activity fell by £15,000, in part as the heavy management focus of recent years in maximising this income stream was redirected to finalising preparations for Project Kaida. A reduction in net income from shop and bar sales was only partially mitigated by increased income from gallery sales and events. Second, administration expenses increased by £65,000 as the Museum invested in new people to prepare for Project Kaida. The Museum also set aside a provision for irrecoverable VAT charge while it resolves its VAT status with HMRC; the Museum hopes to release some or all of this provision in the current year.

Overall, the increase in operating deficit from last year amounted to £75,000. The Museum has budgeted for a return to more normal operating deficits in 2025.

After excluding investment income (included in the operating result above), there was a gain on investment values of £61,000, which represents a 4% return on the opening investment value. After the year, the Museum has suffered a reduction in the value of its investments, in common with many organisations as a result of market turbulence emanating from the new US Administration. The Museum has sought to ringfence funds required for Kaida and its short-term needs by placing the requisite amounts in cash-based accounts.

Project Kaida donations received of £575,000 in the year exceeded Project Kaida expenditure of £205,000 leading to an in-year surplus of £370,000. The Trustees are extremely grateful to all those who have donated so far to Project Kaida and further information on donations is given on the Museum's website:

<https://thegurkhamuseum.co.uk/project-kaida>

Reserves at the end of the year

The net assets at 31st December 2024 are made up of the following reserves:

| | 31 Dec 24 | 31 Dec 23 | Movement |
|-------------------------------|---------------------|---------------------|-------------------|
| | £000 | £000 | £000 |
| <i>Designated Reserves:</i> | | | |
| Investment Reserve | 1,000 | 1,000 | - |
| Development Reserve | 718 | 348 | 370 |
| <i>Undesignated Reserves:</i> | | | |
| Fixed Asset Reserve | 130 | 91 | 39 |
| General Fund | <u>259</u> | <u>423</u> | <u>(164)</u> |
| Total Reserves | <u>2,107</u> | <u>1,862</u> | <u>245</u> |

The Burma Book Project reserve was created to ring-fence expenditure and income for a standalone project to print publish and distribute a book.

The Investment Reserve was designated some years ago by the Trustees to provide investment income to offset (partially) budgeted deficits while the Museum prepares for Project Kaida. There has been no movement in the year.

The Development Reserve is designated to execute Project Kaida. The increase of £370,000 represents the surplus of donations received over preparatory expenditure, primarily professional fees.

The fixed asset reserve relates to capital expenditure related to Project Kaida. When such a fixed asset is acquired, the full cost is charged to the Project Kaida Reserve on acquisition and an equivalent amount credited to the fixed asset reserve. Each year the associated depreciation expensed from General Reserve is transferred to the fixed asset reserve. This treatment allows the full cost of a capital asset to be charged Project Kaida as incurred and ensures future depreciation is not charged to General Reserve. The movement in the year relates to depreciation of Project Kaida assets in the year.

The General Reserve comprises all reserves other than those reserves set out above. The reduction in the year of £117,000 is made up of the deficit on ordinary activities (£179,000) which is partially offset by investment gains of £61,000.

In addition, £48,582 was transferred between the General Reserve, Development Reserve and Fixed Asset Reserve relating to an adjustment in respect of the prior year and annual depreciation in the year.

INVESTMENTS

2024 Investment Performance

2024 was a positive year for markets in general and, as a result, the Charity's main Investment Fund increased in value by approximately 5.11% (£70,682) to end the year at £1,474,893. The two constituent funds, namely the BlackRock Armed Forces Charities Growth & Income Fund & the CCLA COIF Charities Investment Fund, both produced a positive contribution with the former outperforming the latter by 3.0%.

The less risky CCLA COIF Charities Deposit Fund also produced a 5.10% return ending the year with a value a of £117,801.

The combined total of both portfolios as at 31 Dec 2024 is £1,592,695.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2019 and FRS 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATION

Signature:



Name:

Martin Brooks

Appointment:

Chairman of Trustees

Date: 19 August 2025

Independent Examiner's Report to the Trustees of The Gurkha Museum Trust

Independent examiner's report to the trustees of The Gurkha Museum Trust

I report to the charity Trustees on my examination of the accounts of The Gurkha Museum Trust (the Trust) for the year ended 31st December 2024.

Responsibilities and basis of report

As the charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Sarah Alexander FCCA FCA

Lewis Brownlee (Chichester) Limited
Chartered Accountants
Appledram Barns
Birdham Road
Chichester
West Sussex
PO20 7EQ

Date:17.9.25.....


**Consolidated Statement of Financial Activities
for the Year Ended 31st December 2024**

| | | 2024 Total Funds £ | 2023 Total Funds £ |
|------------------------------------|-------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | Notes | | |
| Donations and legacies | 2 | 373,471 | 73,351 |
| Charitable activities | | | |
| Grants received | 5 | 395,289 | 331,483 |
| Other trading activities | 3 | 135,068 | 139,755 |
| Investment income | 4 | <u>19,281</u> | <u>32,229</u> |
| Total | | <u>923,109</u> | <u>576,818</u> |
| EXPENDITURE ON | | | |
| Charitable activities | 6 | | |
| Support services | | 666,601 | 454,280 |
| Trading costs | | 72,588 | 65,934 |
| Total | | <u>739,189</u> | <u>520,214</u> |
| Net gains on investments | | <u>61,172</u> | <u>84,208</u> |
| NET INCOME/(EXPENDITURE) | | 245,092 | 140,812 |
| RECONCILIATION OF FUNDS | | | |
| Total Funds Brought Forward | | <u>1,862,046</u> | <u>1,721,234</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>2,107,138</u> | <u>1,862,046</u> |

**Consolidated Balance Sheet
31st December 2024**

| | Notes | 2024 Total funds £ | 2023 Total funds £ |
|----------------------------------------------|-------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Tangible Fixed Assets | 10 | 138,471 | 144,520 |
| Investments | 11 | <u>1,592,695</u> | <u>1,465,874</u> |
| | | 1,731,166 | 1,610,394 |
| CURRENT ASSETS | | | |
| Stock | 12 | 23,438 | 25,910 |
| Debtors | 13 | 17,519 | 91,864 |
| Cash at bank and in hand | | <u>356,633</u> | <u>165,969</u> |
| | | 397,590 | 283,743 |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | <u>(21,618)</u> | <u>(32,091)</u> |
| NET CURRENT ASSETS | | <u>375,972</u> | <u>251,652</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,107,138</u> | <u>1,862,046</u> |
| NET ASSETS | | <u>2,107,138</u> | <u>1,862,046</u> |
| FUNDS | | | |
| Unrestricted funds | 15 | | |
| General fund | | 258,537 | 423,322 |
| Investments | | 1,000,000 | 1,000,000 |
| Burma Book Project fund | | 802 | - |
| Development fund | | 718,085 | 347,790 |
| Fixed asset reserve | | <u>129,714</u> | <u>90,934</u> |
| TOTAL FUNDS | | <u>2,107,138</u> | <u>1,862,046</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on
19 August 2025 and were signed on its behalf by:

.....


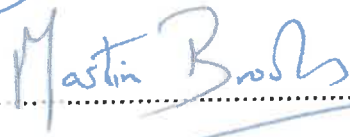
Trustee

Charity Balance Sheet

31st December 2024

| | Notes | 2024 £ | 2023 £ |
|----------------------------------------------|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 138,471 | 144,520 |
| Investments | 11 | <u>1,592,695</u> | <u>1,465,974</u> |
| | | 1,731,166 | 1,610,494 |
| CURRENT ASSETS | | | |
| Stocks | 12 | - | - |
| Debtors | 13 | 13,190 | 87,817 |
| Cash at bank and in hand | | <u>323,761</u> | <u>133,100</u> |
| | | 336,951 | 220,917 |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | <u>(17,264)</u> | <u>(17,063)</u> |
| NET CURRENT ASSETS | | <u>319,687</u> | <u>203,854</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,050,853</u> | <u>1,814,348</u> |
| NET ASSETS | | <u>2,050,853</u> | <u>1,814,348</u> |
| FUNDS | | | |
| | 16 | | |
| Unrestricted funds | | | |
| General fund | | 202,251 | 375,624 |
| Investments | | 1,000,000 | 1,000,000 |
| Burma Book Project fund | | 802 | - |
| Development fund | | 718,086 | 347,790 |
| Fixed asset reserve | | <u>129,714</u> | <u>90,934</u> |
| TOTAL FUNDS | | <u>2,050,853</u> | <u>1,814,348</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 19 August 2025 and were signed on its behalf by:

.....


Trustee

Consolidated Cash Flow Statement for the Year Ended 31st December 2024

| | Notes | 2024 £ | 2023 £ |
|-----------------------------------------------------------------------|-------|-----------------|----------------|
| | 1 | | |
| Cash flows from operating activities | | | |
| Cash generated from operations | | <u>258,431</u> | <u>40,694</u> |
| Net cash provided by/(used in) operating activities | | <u>258,431</u> | <u>40,694</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (2,119) | (95,466) |
| Purchase of fixed asset investments | | (432,636) | (30,759) |
| Sale of fixed asset investments | | <u>366,988</u> | <u>200,202</u> |
| Net cash provided by investing activities | | <u>(67,767)</u> | <u>73,977</u> |
| Change in cash and cash equivalents in the reporting period | | 190,664 | 114,671 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>165,969</u> | <u>51,298</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>356,632</u> | <u>165,969</u> |

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31st December 2024**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

| | 2024 £ | 2023 £ |
|-------------------------------------------------------------------------------------------------------------|-----------------|---------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 245,092 | 140,812 |
| Adjustments for: | | |
| Depreciation charges | 8,167 | 4,166 |
| Gains on investments | (61,172) | (84,208) |
| Decrease in stocks | 2,472 | 3,540 |
| Decrease / (Increase) in debtors | 74,345 | (45,566) |
| (Decrease) / Increase in creditors | <u>(10,473)</u> | <u>17,109</u> |
| Net cash provided by operations | <u>258,431</u> | <u>40,694</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.24 | Cash flow £ | At 31.12.24 £ |
|--------------------------|----------------|----------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>165,969</u> | <u>190,664</u> | <u>356,632</u> |

Notes to the Financial Statements For the Year Ended 31st December 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the Charitable Incorporated Organisation (CIO), which is a public benefit entity under FRS 102 and registered with the Charity Commission, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Basis of consolidation

The financial statements incorporate the results of the charitable incorporated organisation together with those of its trading subsidiary Gurkha Museum Enterprises Limited on a line by line basis.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees. In practical terms all funds are used solely for the purpose of maintaining and running The Gurkha Museum and improving the display, artefacts, archives and library. General Funds includes an investment portfolio and this fund is expendable. The interest from the invested income and the dividends is used as the working capital for the day-to-day operation of the Museum, to include salaries. It is the Trustees' policy to preserve and increase capital for the fund so that the interest is able to make up any funding gap created by the withdrawal of MOD funding. It is the Trustees' aim to build this fund to a sum where the annual income from dividends and interest will be sufficient to replace the withdrawal of all MOD funding. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Allocation and apportionment of costs

Expenditure is analysed between charitable support costs, governance and costs of generating funds. Items, which involve more than one cost category are apportioned as appropriate to the cost categories involved.

Taxation

Trading activity is carried out via the Museums' subsidiary, Gurkha Museum Enterprises Limited ("GMEL"). GMEL's surplus for the year is transferred to the Museum by a Deed of Covenant and no corporation tax is payable. Museum activity is accounted for in the Museum's own accounts and as it is a registered charity no corporation tax is payable on surplus on charitable activities.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements – continued

For the Year Ended 31st December 2024

1. ACCOUNTING POLICIES – continued

Fixed asset reserve

The Museum has embarked on a major fund-raising programme (“Project Kaida”). Grants and donations applicable to Kaida are credited to the Development Reserve and related expenditure charged to this reserve. The full cost of Kaida capital expenditure is charged to the Development Reserve when incurred and transferred to the Fixed Asset Reserve, in order that the Development Reserve shows the full against the capital expenditure in the Fixed Asset Reserve in accordance with Museum’s depreciation policy.

Heritage assets

The collections of the Gurkha Museum predominantly consist of donations which are considered heritage assets under the terms of the Statement of Recommended Practice as issued by the Charities Commission. The heritage assets of the Gurkha Museum have been excluded from the balance sheet due to a lack of valuation, as no financial value has historically, or is currently, placed on items donated to the Museum. Furthermore, in accordance with the Code of Ethics for Museums, to which the Gurkha Museum must adhere to as an Accredited Museum, the disposal of any collections cannot be made principally for financial reasons.

Investments

Asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Statement of Financial Activities.

Tangible fixed assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Fixture and Fittings–5 to 25 years straight line

Computer Equipment – 10 years straight line

Stocks

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

Debtors

Trade other debtors and prepayments are recognised at the settlement amount after any discount offered and net of any provisions for bad and doubtful debts.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to the liability. The unwinding discount is recognised in the Statement of Financial Activities as a finance cost.

**Notes to the Financial Statements – continued
For the Year Ended 31st December 2024**

| | 2024 Group £ | 2023 Group £ |
|----------------------------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | |
| Donations | 339,215 | 59,318 |
| Gift Aid | 8,131 | 2,145 |
| Legacies | 10,250 | - |
| Friends Subscriptions | <u>15,875</u> | <u>11,888</u> |
| | <u>373,471</u> | <u>73,351</u> |

| | 2024 Group £ | 2023 Group £ |
|------------------------------------|--------------------|--------------------|
| 3. OTHER TRADING ACTIVITIES | | |
| Admissions | 19,097 | 18,243 |
| Shop income | - | 11,264 |
| Lectures | 29,729 | 16,822 |
| Bar sales | - | 2,700 |
| Gallery Hire | - | 11,383 |
| Archive & Research | 2,393 | 6,487 |
| Burma Book Project | 2,248 | 8,000 |
| Other income | 427 | - |
| Gift shop | <u>81,174</u> | <u>64,856</u> |
| | <u>135,068</u> | <u>139,755</u> |

| | 2024 Group £ | 2023 Group £ |
|-----------------------------------|--------------------|--------------------|
| 4. INVESTMENT INCOME | | |
| Dividends and interest receivable | <u>19,281</u> | <u>32,229</u> |

| | 2024 Group £ | 2023 Group £ |
|---------------------------------------------|--------------------|--------------------|
| 5. INCOME FROM CHARITABLE ACTIVITIES | | |
| Grants | <u>395,289</u> | <u>331,483</u> |

Grants received, included in the above, are as follows:

| | 2024 Group £ | 2023 Group £ |
|---------------------------------------|--------------------|--------------------|
| Other Grants | 302,053 | 229,580 |
| Salary grant in aid | 43,236 | 51,903 |
| Headquarters Brigade of Gurkhas Grant | <u>50,000</u> | <u>50,000</u> |
| | <u>395,289</u> | <u>331,483</u> |

Notes to the Financial Statements – continued
For the Year Ended 31st December 2024

6. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Support costs (see note 7) | Totals |
|------------------|-----------------|----------------------------------|----------------|
| | £ | £ | £ |
| Support Services | 601,434 | 65,167 | 666,601 |
| Gift shop | 72,588 | - | 72,588 |
| | <u>674,022</u> | <u>65,167</u> | <u>739,189</u> |

7. SUPPORT COSTS

| | |
|------------------|---------------|
| Governance costs | <u>65,167</u> |
|------------------|---------------|

Included in governance costs are Independent Examiners fees of £4,000 (2023: £3,900).

8. TRUSTEE'S REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits or other benefits for the year ended 31st December 2024 nor for the year ended 31st December 2023.

| Trustee's expenses | 2024 Group £ | 2023 Group £ |
|--------------------|--------------------|--------------------|
| Trustees' expenses | <u>140</u> | <u>60</u> |

Trustees' expenses were paid to one trustee in both the current and previous financial year.

9. STAFF COSTS (GROUP)

| | 2024 Group £ | 2023 Group £ |
|-----------------------|--------------------|--------------------|
| Wages and Salaries | 315,976 | 258,075 |
| Social Security costs | 25,228 | 19,762 |
| Pension costs | <u>14,299</u> | <u>11,372</u> |
| | <u>355,503</u> | <u>289,209</u> |

The number of employees who received remuneration amounting to between £60,000-£70,000 was 1 (2023: 1).

The average number of persons employed by the charity during the year was as follows:

| | |
|---------------|---------------|
| 2024 Group | 2023 Group |
| 11 | 9 |

Notes to the Financial Statements – continued
For the Year Ended 31st December 2024

10. TANGIBLE FIXED ASSETS (GROUP & CHARITY)

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------------------|-------------------------------|----------------------------|----------------|
| COST | | | |
| At 1 st January 2024 | 164,106 | 10,647 | 174,753 |
| Additions | <u>600</u> | <u>1,519</u> | <u>2,119</u> |
| At 31 st December 2024 | 164,706 | 12,166 | 176,872 |
| DEPRECIATION | | | |
| At 1 January 2024 | 27,040 | 3,194 | 30,233 |
| Charge for year | <u>6,989</u> | <u>1,179</u> | <u>8,167</u> |
| At 31 December 2024 | 34,028 | 4,373 | 38,401 |
| Net Book Value | | | |
| At 31 st December 2024 | <u>130,678</u> | <u>7,794</u> | <u>138,471</u> |
| At 31 st December 2023 | <u>137,066</u> | <u>7,453</u> | <u>144,520</u> |

11. FIXED ASSET INVESTMENTS (GROUP)

| | Listed investments £ | Cash and settlements pending £ | Totals £ |
|-----------------------|----------------------------|-----------------------------------------|------------------|
| MARKET VALUE | | | |
| At 1st January 2024 | 1,404,211 | 61,663 | 1,465,874 |
| Additions | 376,497 | 56,138 | 432,636 |
| Disposals | (366,988) | - | (366,988) |
| Revaluations | <u>61,172</u> | <u>-</u> | <u>61,172</u> |
| At 31 December 2024 | 1,474,893 | 117,801 | 1,592,695 |
| NET BOOK VALUE | | | |
| At 31 December 2024 | <u>1,474,893</u> | <u>117,801</u> | <u>1,592,695</u> |
| At 31 December 2023 | <u>1,404,211</u> | <u>61,663</u> | <u>1,465,974</u> |

There were no investment assets outside the UK.

**Notes to the Financial Statements – continued
For the Year Ended 31st December 2024**

11. FIXED ASSET INVESTMENTS (GROUP) – continued

Cost or valuation at 31st December 2024 is represented by:

| | Listed investments | Cash and settlements pending | Totals |
|-------------------|-----------------------|------------------------------------|------------------|
| | £ | £ | £ |
| Valuation in 2024 | <u>1,474,893</u> | <u>117,801</u> | <u>1,592,695</u> |

FIXED ASSET INVESTMENTS (CHARITY)

| | Shares in group undertakings | Listed investments | Cash and settlements pending | Totals |
|-----------------------|------------------------------------|-----------------------|------------------------------------|------------------|
| | £ | £ | £ | £ |
| MARKET VALUE | | | | |
| At 1st January 2024 | 100 | 1,404,211 | 61,663 | 1,465,974 |
| Additions | | 376,497 | 56,138 | 432,636 |
| Disposals | | (366,988) | - | (366,988) |
| Revaluations | | 61,172 | - | 61,172 |
| At 31 December 2024 | <u>100</u> | <u>1,474,893</u> | <u>117,801</u> | <u>1,592,695</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2024 | 100 | <u>1,474,893</u> | <u>117,801</u> | <u>1,592,695</u> |
| At 31 December 2023 | <u>100</u> | <u>1,404,211</u> | <u>61,663</u> | <u>1,465,974</u> |

There were no investment assets outside the UK.

Subsidiary

Gurkha Museum Enterprises Limited (Registered Number 13760511)

Nature of business: Gift shop

| | |
|-----------------|-----------|
| Class of shares | % holding |
| Ordinary | 100.00 |

| | 2024 | 2023 |
|--------------------------------|--------------|---------------|
| | £ | £ |
| Aggregate capital and reserves | 100 | 100 |
| Turnover | 81,174 | 64,856 |
| Profit for the year | <u>7,086</u> | <u>47,698</u> |

Notes to the Financial Statements – continued
For the Year Ended 31st December 2024

12. STOCKS

| | 2024 Group | 2024 Charity | 2023 Group | 2023 Charity |
|--------|---------------|-----------------|---------------|-----------------|
| | £ | £ | £ | £ |
| Stocks | <u>23,438</u> | <u>-</u> | <u>25,910</u> | <u>-</u> |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 Group | 2024 Charity | 2023 Group | 2023 Charity |
|--------------------------------|---------------|-----------------|---------------|-----------------|
| | £ | £ | £ | £ |
| Trade Debtors | 3,435 | 1,035 | 4,005 | 424 |
| Other Debtors | 70 | 70 | 70 | 70 |
| VAT | - | - | 31,380 | 31,380 |
| Prepayments and accrued income | <u>14,014</u> | <u>12,085</u> | <u>56,409</u> | <u>55,943</u> |
| | <u>17,519</u> | <u>13,190</u> | <u>91,864</u> | <u>87,817</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 Group | 2024 Charity | 2023 Group | 2023 Charity |
|------------------------------|---------------|-----------------|---------------|-----------------|
| | £ | £ | £ | £ |
| Trade Creditors | 3,354 | 59 | 10,921 | 2,734 |
| Taxation and social security | 11,910 | 11,910 | 18,050 | 11,109 |
| VAT | 35 | 35 | - | - |
| Other creditors | <u>6,318</u> | <u>5,260</u> | <u>3,120</u> | <u>3,220</u> |
| | <u>21,618</u> | <u>17,264</u> | <u>32,091</u> | <u>17,063</u> |

Notes to the Financial Statements – continued
For the Year Ended 31st December 2024

15. MOVEMENT IN FUNDS (GROUP)

| | At 01.01.24 | Net movement in funds | Transfer between funds | At 31.12.24 |
|---------------------------|------------------|-----------------------------|------------------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General Fund | 423,322 | (116,203) | (48,582) | 258,537 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Burma Book Project fund | - | (1,898) | 2,700 | 802 |
| Development fund | 347,790 | 363,193 | 7,102 | 718,085 |
| Fixed Asset Reserve | <u>90,934</u> | <u>-</u> | <u>38,780</u> | <u>129,714</u> |
| TOTAL FUNDS | <u>1,862,046</u> | <u>245,092</u> | <u>-</u> | <u>2,107,138</u> |

Net movement in funds, included in the above are as follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General Fund | 352,443 | (529,818) | 61,172 | (116,203) |
| Development Fund | 568,418 | (205,225) | - | 363,193 |
| Burma Book Project fund | <u>2,248</u> | <u>(4,146)</u> | <u>-</u> | <u>(1,898)</u> |
| Total Funds | <u>923,109</u> | <u>(739,189)</u> | <u>61,172</u> | <u>245,092</u> |

Comparatives for movement in funds (Group)

| | At 1.1.23 | Net movement in fund | Transfer between funds | At 31.12.23 |
|---------------------------|------------------|----------------------------|------------------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General Fund | 440,111 | (16,789) | - | 423,322 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Friends of the Museum | 131,375 | - | (131,375) | - |
| Development fund | 149,748 | 157,601 | 40,441 | 347,790 |
| Fixed Asset Reserve | <u>-</u> | <u>-</u> | <u>90,934</u> | <u>90,934</u> |
| TOTAL FUNDS | <u>1,721,234</u> | <u>140,812</u> | <u>-</u> | <u>1,862,046</u> |

Notes to the Financial Statements – continued
For the Year Ended 31st December 2024

15. MOVEMENT IN FUNDS (GROUP) – continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General Fund | 364,496 | (465,493) | 84,208 | (16,789) |
| Development Fund | <u>212,322</u> | <u>(54,721)</u> | - | <u>157,601</u> |
| Total Funds | <u>576,818</u> | <u>(520,214)</u> | <u>84,208</u> | <u>140,812</u> |

16. MOVEMENT IN FUNDS (CHARITY)

| | At 01.01.24 £ | Net movement in funds £ | Transfer between funds £ | At 31.12.24 £ |
|---------------------------|---------------------|----------------------------------|-----------------------------------|---------------------|
| Unrestricted funds | | | | |
| General Fund | 375,624 | (124,790) | (48,583) | 202,251 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Burma Book Project | - | (1,898) | 2,700 | 802 |
| Development fund | 347,790 | 363,193 | 7,103 | 718,086 |
| Fixed Asset Reserve | <u>90,934</u> | - | <u>38,780</u> | <u>129,714</u> |
| TOTAL FUNDS | <u>1,814,348</u> | <u>236,505</u> | - | <u>2,050,853</u> |

Net movement in funds, included in the above are as follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General Fund | 352,043 | (533,005) | 61,172 | (124,790) |
| Development Fund | 568,418 | (205,225) | - | 363,193 |
| Burma Book Project fund | <u>2,248</u> | <u>(4,146)</u> | - | <u>(1,898)</u> |
| TOTAL FUNDS | <u>922,709</u> | <u>(747,376)</u> | <u>61,172</u> | <u>236,505</u> |

**Notes to the Financial Statements – continued
For the Year Ended 31st December 2024**

16. MOVEMENT IN FUNDS (CHARITY) – continued

Comparatives for movement in funds (Charity)

| | At 01.01.23 | Net movement in funds | Transfer between funds | At 31.12.23 |
|---------------------------|------------------|-----------------------------|------------------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General Fund | 440,111 | (64,487) | - | 375,624 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Friends of the Museum | 131,375 | - | (131,375) | - |
| Development fund | 149,748 | 157,601 | 40,441 | 347,790 |
| Fixed Asset Reserve | - | - | <u>90,934</u> | <u>90,934</u> |
| TOTAL FUNDS | <u>1,721,234</u> | <u>93,114</u> | <u>-</u> | <u>1,814,348</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General Fund | 364,496 | (513,191) | 84,208 | (64,487) |
| Development Fund | <u>212,322</u> | <u>(54,721)</u> | - | <u>157,601</u> |
| Total Funds | <u>576,818</u> | <u>(567,912)</u> | <u>84,208</u> | <u>93,114</u> |

Notes to the Financial Statements – continued For the Year Ended 31st December 2024

DESIGNATED FUNDS

Investments

The Trustees agreed to create a fund to generate investment income to support the planned deficits of the charity during the period of major redevelopment of the Museum.

Development Fund

This fund was created to set aside funds sufficient to support the major redevelopment of the Museum which is expected to continue over a period of years.

Friends fund

The purpose of this fund was to set aside monies to support the replenishing of the Museum's displays and archives. As this purpose is similar in nature to the development fund the Friends fund closed in 2023 and the balance transferred to the development fund.

Burma Book Project fund

This fund was created to ringfence expenditure and income for a standalone project to print, publish and distribute a book. The museum receives 10% royalties for each book sale.

Fixed asset reserve

This reserve represents the costs incurred on the redevelopment project less depreciation. Expenditure incurred is treated as part of the development fund and then transferred to this reserve.

17. RELATED PARTY TRANSACTIONS

The trustees have considered related parties and any relevant transactions. The following information is disclosed:

Trustee Colonel David Robinson is also a trustee of The Brigade of Gurkhas Education and Welfare Fund, from which, grants totalling £123,579 were received during the year. He is also a trustee of the Royal Gurkha Rifles Regimental Trust from whom a donation of £500 was received.

Trustees Colonel William Shuttlewood and Major John Harrop are trustees of the 2nd King Edward Own Goorkhas (The Sirmoor Rifles) Regimental Trust, from whom a donation of £28,442 was received towards Project Kaida.

Trustee Major John Harrop made donations totalling £200.

Trustee Mr John Bulbeck is also a Trustee of the 7th Duke of Edinburgh's Own Gurkha Rifles Regimental Trust from whom a donation of £30,000 was received towards project Kaida

Mr Steve Maslin made a donation of £200 in the year. Trustee Mr J Bulbeck and Dr D G Bowyer, Secretary and Museum Director, both donated £100 to the museum during the year.

**Detailed Statement of Financial Activities
For the Year Ended 31st December 2024**

| | 2024 | 2023 |
|----------------------------------------------|----------------|----------------|
| | Group £ | Group £ |
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 339,215 | 59,318 |
| Gift aid | 8,131 | 2,145 |
| Legacies | 10,250 | - |
| Friends Subscriptions | <u>15,875</u> | <u>11,888</u> |
| | 373,471 | 73,351 |
| Other trading activities | | |
| Admissions | 19,097 | 18,243 |
| Shop income | - | 11,264 |
| Lectures | 29,729 | 16,822 |
| Bar sales | - | 2,700 |
| Gallery Hire | - | 11,383 |
| Archive & Research | 2,393 | 6,487 |
| Burma Book Project | 2,248 | 8,000 |
| Other income | 427 | - |
| Gurkha Museum Enterprises trading activities | <u>81,174</u> | <u>64,856</u> |
| | 135,068 | 139,755 |
| Investment income | | |
| Dividends and interest | 19,281 | 32,229 |
| Charitable activities | | |
| Grants | <u>395,289</u> | <u>331,483</u> |
| Total incoming resources | 923,109 | 576,818 |
| EXPENDITURE | | |
| Charitable activities | | |
| Support Services | 601,434 | 393,804 |
| Trading Costs | - | 48,776 |
| Gurkha Museum Enterprises trading costs | <u>72,588</u> | <u>17,158</u> |
| | 674,022 | 459,738 |
| Support costs | | |
| Governance costs | | |
| Trustees' expenses | 140 | 60 |
| Office and administration | - | - |
| Other meeting costs | 3,683 | 5,559 |
| Proportion of Director's salary | 32,500 | 32,500 |
| Audit & Accountancy | <u>28,844</u> | <u>22,357</u> |
| | 65,167 | 60,476 |

**Detailed Statement of Financial Activities
For the Year Ended 31st December 2024**

| | 2024 | 2023 |
|---------------------------------------------------------|----------------|----------------|
| | Group £ | Group £ |
| Total resources expended | <u>739,189</u> | <u>520,214</u> |
| Net income/(expenditure) before gains and losses | 183,920 | 56,604 |
| Net gains on fixed asset investments | <u>61,172</u> | <u>84,208</u> |
| Net income/ (expenditure) | <u>245,092</u> | <u>140,812</u> |

THE GURKHA MUSEUM TRUST

England & Wales - Charity number 1169920

Accounts



The Gurkha Museum Trust

Annual Report and Financial Statement for the Year Ending 31 December 2023

Charity Number 1169920

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THE GURKHA MUSEUM TRUST – CHAIRMAN’S STATEMENT 2023

It is an exciting time to be associated with the Gurkha Museum Trust as the capacity and resource to deliver our redevelopment, now known as Project Kaida, have been built up in the year to both deliver our modernisation Project and raise the money to fund it through an associated Capital Appeal.

The defining event of the year was securing National Lottery Heritage Stage One financial support in June. This together with the continuing support of the Serving Brigade of Gurkhas through its One Day Pay scheme, has given Trustees and our Staff Team, as well as our key stakeholder and actual and potential funders, further confidence, and incentive to deliver our ambitious immediate modernisation goals by early 2026.

There has been no let up on expanding and delivering our existing museum offering and activity levels as reported below while undertaking this major redevelopment, which is a measure of the ambition and determination of the Gurkha Museum Trust.

Therefore, it is very good news that we have strengthened our staff team by the arrival of a Head of Fundraising, Emma Boryer, together with Victoria Anastasi replacing Anga Tamang whom we were sorry to lose.

The Gurkha Museum Trust with its growing associated trading activities is becoming a larger and more complex charity and as a result a new trading subsidiary, Gurkha Museum Enterprises Limited (“GMEL”) commenced trading on 1st July, having been approved by the Trustees.

It is gratifying to report that alongside this growing complexity, the financial standing of the Trust has improved overall since 2022. Firstly, we managed to hold the Trust to a smaller than planned operating deficit in the year. As reported previously, these multi-year deficits are planned to gear up our redevelopment capacity in the short-term and are underpinned by our Reserves. With investment gains in the year, after the losses in investment values in 2022, and a surplus on the Museum Development Account the Trust returned to an overall surplus of £56,000 in 2023.

Looking to the future we anticipate a much larger movement in funds in 2024, both because of fundraising and grants coming in and museum redevelopment expenditure going out, with a plan to retain the underlying operating results at a similar level to 2023. The challenge for the coming year with fundraising capacity now in place will be to raise the bulk of the £5.2 million we seek to deliver Project Kaida. Initial signs are encouraging that we will be off to a good start.

In planning this we are increasingly looking to medium-term financial modelling, together with an active risk management process to ensure the secure long-term sustainability of the Gurkha Museum Trust, in an uncertain world at home and abroad, once Project Kaida has been delivered.

There have been no changes in the composition of the board of Trustees in the year, although the skills need, and overall profile of the board, are kept under regular

review. I would like to thank my fellow trustees for their hard work and wisdom freely given, in steering us through such a phase of change and renewal not seen for the last thirty years at the Trust. In this they are complemented by an able executive team and colleagues ably led by the Director Dr Daren Bowyer who are turning the Trust's ambitions into reality with professionalism and determination.

Finally, it is to our Volunteers, Friends, and the overall support of the Brigade of Gurkhas, whether serving or veteran, who make the Gurkha Museum so special, that I offer again my especial thanks on behalf of the Gurkha Museum Trust.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

The Gurkha Museum Trust

Registered Charity Number

1169920

Registered Office

The Gurkha Museum
Peninsula Barracks
Romsey Road
Winchester
Hampshire
SO23 8TS

Vice Patrons

Lieutenant General Sir Peter Duffell KCB CBE MC (Appointed October 2022)
Lieutenant General Richard Wardlaw OBE
Colonel D.R. Wood MBE

Chairman of the Trustees

Mr Martin Brooks MA FRAS

Elected Trustees

Colonel Charles Barnett MBE
Major Michael Barney
Lieutenant General Sir David Bill KCB
Mr John Bulbeck MSCI
Major John Harrop
Mr Steve Maslin FCA
Mrs Sudha Rai
Colonel William Shuttlewood OBE

Ex-Officio Trustees

Colonel David Robinson (Colonel Brigade of Gurkhas)
Major Ramkumar Rai RGR (Officer Commanding Gurkha Company RMAS)

Museum Director & Company Secretary

Dr Daren Bowyer MA MPhil PhD

Accountants

Winchester Bourne Ltd
Sullivan Court
Colden Common
Winchester
SO21 1WP

Independent Examiner

Mr P.E.H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Investment Managers

BlackRock Investment Management (UK) Ltd
12 Throgmorton Avenue
London
EC2N 2DL

CCLA

Senator House
85 Queen Victoria St
London
EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Board of Trustees operates under a constitution dated 14 October 2016, as amended by a Resolution dated 26 October 2016, both registered at the Charity Commission under Registered Number 1169920.

Organisational Structure

The Trust is a Charitable Incorporated Organisation run by the Board of Trustees and managed day-to-day by the Museum Director with the support of the Assistant Curator, Head of Fundraising and Marketing, and Operations Manager. The Senior Management Team is aided by work of a Digital Officer, Fundraising Coordinator and four Museum Assistants (three full time and one part-time), three of whom are ex-Gurkhas.

The Board's work is enhanced by three Committees dedicated to Governance, Investments, and Risk & Audit. These Committees are made up of selected trustees and advisors working to Terms of Reference which are regularly reviewed and enable the Board to give due attention to matters that require consideration. In addition, there is also an informal Collections Advisory Group, which includes specialist advisers as appropriate to provide expertise relating to the Museum's collections. Governance of Project Kaida, the Museum's redevelopment project, is overseen by a Museum Development Board, aided by a Capital Appeal Committee. Each of these comprise both trustees and ad hoc external members.

The Board of Trustees meets at least twice a year to consider proposals presented to them by the committees and to provide strategic direction to the executive.

Appointments

Office holders, elected trustees, and ex-officio trustees are appointed in accordance with the Constitution. The ex-officio trustees represent all ranks of the serving Brigade of Gurkhas.

There were no changes to the composition of the Board of Trustees during the reporting period.

The dedication, commitment and contribution of all trustees is acknowledged with gratitude. It is especially important to The Gurkha Museum Trust that it remains closely connected to the serving Brigade of Gurkhas and that the views of the serving Brigade are well represented. In this respect, the ex-officio trustees have a particularly significant role to play.

Trustee Induction and Training

Newly elected trustees are briefed by the Chairman and Director on all matters relating to the Trust. They receive copies of the Constitution, the latest sets of Minutes, Annual Report and Financial Statements, Charity Commission guidance on

trustee responsibilities, and other documents as deemed appropriate. External training is also offered and undertaken by trustees from time to time.

Staff Changes

In April we were delighted to be joined by Emma Boryer to fill the post of Head of Fundraising and Marketing, filling a gap left by the departure of Charlie Martin the previous November. A former Royal Signals officer and Sandhurst instructor, with operational experience in Afghanistan and including command of Queen's Gurkha Signals soldiers, Emma's understanding of Gurkhas is enhanced by being married to a former Royal Gurkha Rifles officer. She is also hugely experienced in managing major capital appeal campaigns.

We were sorry to lose Anga Tamang, Admin, Retail and Events Assistant who has moved on to a career in NHS management. She has been replaced by Victoria Anastasi in the re-focussed role of Fundraising Co-ordinator. Victoria's experience includes similar roles at Royal Museums Greenwich and Historic Royal Palaces

We look forward, in 2024, to recruiting two new roles – Community Engagement and Partnerships Officer, and Archives and Digitisation Assistant – part funded by our National Lottery Heritage Fund (NLFH) redevelopment project.

Staff Professional Development and Networking

Trustees continue to give high priority to the training and development of staff and to allocate funds accordingly. Staff now have access to a wide range of online training and maximum use is made of this for completion of annual routine and mandatory training such as health & safety subjects and data protection. Personal and professional development needs are identified through the annual appraisal process and individual training and development plans agreed accordingly. Several members of staff undertook training in the collection and curation or Oral History, an area of activity that we expect to grow. Opportunities are provided for staff to meet fellow professionals at such events as the Army Museums Ogilby Trust (AMOT) Annual Conference, National Army Museum Conference and the Museums and Heritage Show.

We believe engagement with our sector and our local community is critical to success. The Assistant Curator is a member of the Steering Committee of South East Museums Development, the Director chairs Hampshire Military Museums Network and the National Army Museum's Southern Army Museums Forum. The Director is also a member of the Winchester Business Strategy Group and Winchester City Council's Cultural Strategy Development Forum. We play a very supportive role as part of Winchester's Military Museums.

2023, staff were pleased to accept an invitation to Gurkha Company, Infantry Training Centre Catterick to gain an understanding of Gurkha recruits training and development after arrival in the UK.

Accreditation

The Museum is Accredited by Arts Council England, first being awarded this in 2011 and was successful in its subsequent renewal in 2015 (registration no. 1775). Delays to the renewals process as a consequence of the Covid pandemic mean that our accreditation was extended, and we were invited to submit for renewal in late 2023. Appropriate effort had been put into ensuring the Museum's readiness for this, and we were able confidently to submit our application in December 2023. (Post year end, we were pleased to receive confirmation that our Accreditation had been renewed for a further five-year period.)

Fundraising Regulator

The Gurkha Museum continues to be exempt from the Fundraising Regulator Levy as the Charity's spend on generating voluntary income has remained under the threshold of £100,000. However, the Museum registered on a voluntary basis in 2020 and continues to do so.

Risk Management

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Museum's operational performance, including risks to staff and volunteers.
- The Museum's ability to achieve its objects.
- Meeting the expectation of visitors and supporters.
- The Museum's reputation and integrity.
- The Museum's assets.

The Trustees identify and review these risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks in a timely manner. Where possible and appropriate, risks are covered by insurance.

OBJECTIVES AND ACTIVITIES

Objects for Public Benefit

The objects of The Gurkha Museum Trust are stated in the Constitution; "To advance education in particular but not exclusively by the provision of The Gurkha Museum and the preservation and maintenance of the Brigade collection; and to promote the efficiency of the Armed Forces by upholding the traditions and ethos of the Brigade of Gurkhas and perpetuating its deeds."

Aims and Objectives

- Maintain, for posterity, collections and artefacts associated with Britain's Gurkhas and actively provide open public access, and academic research facilities, to promote military scholarships and public education and

understanding.

- Encourage visitors of all ages, genders and ethnic identities to visit, or otherwise engage with, the Museum to learn about and enjoy the unique history of Britain's Gurkhas, and to promote and educate the public in the history of Gurkhas and their culture in Nepal.
- Engage with local communities, schools, special interest and disability groups and Nepalese community groups in providing a source of education, information and understanding of the history, culture and religion of Gurkhas and their role in the modern British Army.
- Build partnerships and networks with historical and cultural organisations, and other similar museums, to deliver more efficiently and widely promote the purpose, objectives, and activities of the Museum.
- Provide a heritage focal point for Gurkha units, past and present, and inspire future generations of British and Gurkha officers and soldiers.
- Provide the Army and other government departments with sources of information on historical matters unique to Gurkha service.

Public Benefit Statement

The trustees confirm that they have taken into account the Charity Commission's general guidance on public benefit when reviewing the Charity's aim and objectives and in making decisions.

ACTIVITY AND PLANS

Building on the remarkable successes of the previous year, 2023 was just as demanding but even more successful. The significant, perhaps defining, success was acceptance by The National Lottery Heritage Fund (NLHF) of our bid for Development Stage funding for our major redevelopment plans, now entitled **Project Kaida**¹, about which more follows below. However, we have not rested on those laurels, nor did we allow the demanding workload of preparing the application, to prevent us from continuing an active and busy programme of events and engagement.

Over the year, we have reprised both our 'Burns' Night with a Nepali Twist' and our 'Museum After Dark' event for Halloween. Both are developing a supporter base of their own – Burns Night, in particular, was an early sell out. Our monthly Nepali lunches are thriving and growing, bringing new visitors to the museum and introducing them to Nepali food and customs; and we have continued a programme of both lunchtime and evening lectures, with a bhat (Nepali curry).

¹ "Kaida" is the Nepali word for a unique blend of heritage, customs and ethos, and a forward-looking mindset. Kaida is the 'Gurkha way' and has been central to the successful contributions of the Gurkhas for over two hundred years of military service.

We have also continued our programme of children's/family events, offering tastings of Gurkha bhat with craft opportunities related to the Museum's stories and objects. 2023 also saw a first collaboration with Winchester's Military Museums in a very successful family-focussed joint event, coinciding with National Heritage Open Days.

Our Summer exhibition, opened on behalf of the Lord Lieutenant of Hampshire by General Sir Mark Mans, a former Adjutant-General, focused on Gurkhas and State Ceremonial and was our second best attended since 2017 (with over 600 visitors). It was a most apt theme for the year as many Gurkhas participated – and even more were involved in logistic support to – both the funeral of Queen Elizabeth II and the Coronation of King Charles III, who is Colonel-in-Chief of the Royal Gurkha Rifles.

The Director and Digital Officer visited Nepal in March 2023, to attend the unveiling of a memorial to all ranks of 6th Queen Elizabeth's Own Gurkha Rifles, in Pokhara. The event, attended by hundreds of veterans, many of advancing years, was an excellent opportunity to move forward with our oral history collecting programme. Later in the year, the Director returned to Nepal at the invitation of the Defence Attaché to present at the Nepal Military Museum, on Gurkha Service in the First World War. This event was part of the celebrations of the hundredth anniversary of the Anglo-Nepal Treaty of Perpetual Friendship, 1923. It is hoped this will be just the first of regular collaborations between our two museums. The visit was also an opportunity to visit and further the ever-closer supportive relationship with the Gurkha Memorial Museum in Pokhara.

As part of the foundations for the forthcoming redevelopment we also undertook a major refurbishment of our library – creating a separate research area, archive store and main library/event space. And we have made much-needed improvements to the kitchen space – creating a servery – to enhance our catering provision.

Our digital output, aimed at a wide range of ages and interest-levels has continued unabated, as have our social media feeds.

Looking to the Future

Plans for the Museum's redevelopment moved on apace during the year. In February we submitted our application to National Lottery Heritage Fund (NLHF) for Round 1 (Development Stage) funding and were delighted to be informed in June of our success. Work then moved on rapidly to assemble suitable Design and Client Teams to undertake that phase. A very competitive tender process led to the appointment of PLB Limited to complete the RIBA Stage 2/3 Plan and Jane Frederick and Chloe Bird, who had worked with us on the Round 1 bid, as Activity Planners.

Our intention is to submit our Round 2 (Development Phase) application in August 2024 with a view to work commencing early in 2025 and the redeveloped Museum opening in early 2026. The Development Phase funding also allows for the recruitment of a Community Engagement and Partnerships Officer (part time) and an Archives and Digitisation Officer. These roles will allow us to start work on the Project's ambitions education and public engagement plan and prepare the ground

for full digitisation of the archive. An important focus for our activity will be wide consultation with all key audience groups as well as non-user surveys.

The estimated total cost for Project Kaida is £5.2M, of which approximately £300,000 has been spent from reserves established for that purpose on preparatory planning and preliminary work such as the refit of the offices in 2022 and the redevelopment of the library and catering facilities, referred to above, in 2023. Of the remaining £4.9M. £2.9M has been sought from NLHF (including the Development Phase Grant, referred to above, of up to £291,580). We are left, then, with a fundraising target of £2M. Approximately £750,000 of this has already been received or committed and the outstanding amount is subject of a Capital Appeal. It is particularly pleasing to us that £325,000 of this funding has been paid or committed to us by the serving Brigade of Gurkhas through their Education and Welfare Fund to which all serving members of the Brigade contribute through the Service Days Pay Giving Scheme. This ringing endorsement of the project, from a vital stakeholder, is highly reassuring. (Early in 2024, as this report was being written, we were delighted to be informed that this support is being extended by a further c£175,000, to be delivered in monthly instalments through 2024 – 2026.)

Acquisitions

The Museum has continued to acquire, through purchase or donation, objects which will add to the richness of its collection. As a guiding principle, we ask ourselves how the object will add to the telling of relevant stories. Notable acquisitions in 2023 were:

- The medals of Brig-Gen Charles Bruce CB MVO, including his 1924 Olympic Gold medal for Alpinism, relating to his leadership of the 1922 Everest expedition.
- A 12-bore shotgun used in the Borneo Confrontation (1963-66), donated by Colonel Mike Allen, late 7th and 10th Gurkha Rifles, our sole firearms acquisition for the year,
- A collection of letters and material connected to Rana Gyan Jung Bahadur, a member of the Nepalese prime-ministerial dynasty, c1900.
- A directional road sign "The Gurkha Museum" relating to the original site in Church Crookham.
- A First edition of 'Nepal' by Capt. Kirkpatrick in the late 18th century, one of the earliest accounts of Nepal in western literature
- The sword of Lt. General Aketo Nakamura, captured by 10th Gurkha Rifles in 1945
- A ceremonial kukri, presented to Captain John Twells by HM The King of Nepal.

Conclusion

Despite the inevitable workload attendant on a major project grant application to NLHF, the Gurkha Museum has continued to offer a wide range of activity, to grow its audiences and to engage with an ever-broader range of stakeholders. While we

are in no doubt as to the demands of the next stages of our redevelopment project, Project Kaida, we look to whose challenges with confidence and enthusiasm.

FINANCIAL REVIEW

In 2023 there were two key financial matters. First, our application to The National Lottery Heritage Fund (NLHF) for Development Phase funding of our redevelopment, Project Kaida, was successful, with Permission to start granted in July. This meant that we were able to start claiming, quarterly in arrears, for costs incurred by that project. Additionally, the grant included an element of Full Cost Recovery (FCR) to support normal running costs. The latter is reflected in the total figure of £59,318 for Donations. Secondly, trustees agreed that from 1 July (Q3) our retail operations would be run through our erstwhile dormant trading subsidiary, Gurkha Museum Enterprises Limited. Advice was taken on the VAT implications of this and a VAT Group consequently established. Presented here, then, are both the trading company accounts for Quarters 3 and 4, and the Consolidated accounts for the whole year.

Development Funding

Admissions and Other Primary Purpose Income

Admissions income at £18,243, was a further noticeable and pleasing improvement on the prior year (£14,231) and, indeed above the last pre-pandemic year (2019) figure of £16,585. We continued to see a growth in income from lectures (£16,822, vs £14,231).

Trading Income

Overall trading income was slightly reduced, reflecting a small downturn in retail activity, though this was partly offset by greater commercial hire of our main function space, the McDonald Gallery.

Voluntary Income

This significant uplift in Voluntary income reflects donations and grants in support of Project Kaida, our major redevelopment project.

We placed emphasis this year on improving our regular donor base, including refocussing the role of an administrative assistant to fundraising coordination. This has already paid dividends in an uplift of Friends' subscriptions from £9,093, to £11,888.

Expenditure

Total Expenditure of £520,214, was slightly down on 2022 despite including initial Development Stage costs (partly reimbursed by grants from NLHF) for Project Kaida.

Outturn

Overall outturn, then, was a surplus of £140,812, reflecting a build-up of funds from Project Kaida.

INVESTMENTS

Following several difficult months earlier in the year, the final quarter of 2023 brought a marked improvement in sentiment. The change in fortunes stemmed from investors' growing confidence that, after nearly two years of monetary policy tightening in the shape of rising official interest rates, relief was in sight and rates had not only peaked but would begin to decline before too long.

The expectation of looser monetary conditions is generally good news for equity markets for two principal reasons. Lower interest rates would be expected to promote consumer spending and business investment, making it easier for companies to generate earnings. Meanwhile as cash and other 'low risk' assets offer diminishing yields, investing in company shares can be more attractive to investors.

The global equity market delivered total returns for the final quarter of 6.7% in sterling terms, bringing returns for the full calendar year up to 16.8%. The fortunes of different industry sectors continued to diverge, with information technology enjoying the strongest gains while the weakest part of the market, the energy sector, fell back slightly over the quarter. Over 2023 as a whole, the IT sector gained more than 50%. Information services and consumer discretionary stocks were also among the stronger performers. Consumer staples and utilities joined the energy sector in lagging the market – these sectors were all flat or slightly negative over the year.

As with equities, fixed interest markets generally benefit when interest rates are expected to be lower rather than higher, because bond prices move in the opposite direction to yields. The UK government bond ('gilt') market produced total returns of 8.5% over the last quarter, overcoming earlier losses to leave returns for the full year at 3.6%. The corresponding index for corporate bonds also had a strong period, returning 7.3% for the quarter and 8.6% over the full calendar year.

In UK commercial property, rental flows have mainly held up well and so income, a key element of returns to property investors, has remained healthy. Capital values, which in 2022 experienced a sharp reversal of gains enjoyed in previous years, had not yet begun to recover by the end of 2023. As with most other assets, property prices generally move inversely to interest rates. The current higher yield environment is not the only challenge facing the asset class, but nevertheless a forthcoming decline in cash and bond yields would be expected to support some recovery in property valuations.

In order to meet additional liquidity requirements for the Museum, the investment committee agreed to withdraw £50,000 in July, which was transferred to our cash reserves. In addition, it was also agreed that the Museum divest and close the 'Friends' Fund' with the proceeds also transferring to cash reserves.

2023 Investment Performance

The Charity's main Investment Fund increased by approximately 7.63%.

RESERVES POLICY

The Trustees have reviewed their reserves policy in the light of the Museum's current development plans and having considered the Charity Commission's guidance *Charity Financial Reserves*. The aims and objectives of the Museum are set out earlier.

Classes of reserves

The Museum has three classes of reserve.

- Restricted reserves may only be used for the specific purposes set out in the relevant grant or donation received.
- Designated reserves are allocated from the General Reserve by the Trustees for specific purposes; they can only be used for the purposes specified by the Trustees until and unless the Trustees decide otherwise.
- General Reserve arises from the historical surplus accumulated by the Museum other than restricted or designated reserves and may be used for all other Museum purposes.

Restricted Reserve

There is currently one Restricted Reserve that arises from grants received from National Lottery Fund in connection with the major redevelopment of the Museum (Project Kaida).

Designated reserves

During the year the Museum had three Designated Reserves.

- The Investment Fund was designated by the Trustees to recognise that the Museum has operated at a deficit in most recent years while it is preparing for the major redevelopment programme and is likely to incur further losses until the modernised Museum is fully operational. The Investment Reserve is intended to be set aside to generate investment income that will mitigate these deficits until the Museum can return to operating at break-even.
- The Development Reserve was designated by the Trustees to recognise that a considerable level of expenditure would be required over multiple years to modernise the Museum and bring its collections up to date. This reserve is intended to ensure the Museum keeps adequate reserves free for the redevelopment and separate from day-to-day requirements.
- The Friends' Fund was designated by Trustees to direct grants received from Friends of the Museum to be available to purchase collection items and artifacts as they became available.

General Reserve

The General Reserve comprises accumulated reserves from all other sources other than restricted and designated funds.

Movement on Reserves

| | 31 Dec 23 | 31 Dec 22 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| | £ | £ |
| General Reserve | 429,833 | 440,111 |
| The movement in the year is represented by Net Income of £140,812 Less £154,419 transferred to the Development Reserve and £3,329 transferred from the fixed asset reserve. | | |
| Investment Reserve | 1,000,000 | 1,000,000 |
| There has been no movement during the year | | |
| Development Reserve | 341,280 | 149,747 |
| Grants and Donations received amounted to £212,322 including Brigade of Gurkhas £164,156, National Lottery Heritage Fund £25,666, Kai Tak Ball £22,500. In addition, £128,522 (net of investment loss) was transferred from the Friends' Fund (see below). Charges to the reserve of £148,655 comprise £94,262 of capital additions and £54,393 consulting and related work in connection with Project Kaida. | | |
| Fixed Asset Reserve | 90,934 | 0 |
| Fixed Asset Reserve comprises £94,262 of capital additions related to Kaida less depreciation of £3,328. | | |
| Friends' Fund | 0 | 131,705 |
| Historically the Friends' Fund has been designated by Trustees for the specific purpose of replenishing the Museum's displays and archives. During the year the Trustees approved the transfer of this fund to the Development Reserve. | | |
| Restricted reserve | 0 | 0 |
| The Museum credited grants from National Lottery Heritage Fund of £25,666 In relation to the development phase of Kaida and [£33,652] as contribution to its incremental ongoing costs (Full Cost Recovery). All related expenditure was incurred in the year and so there is no balance on this reserve as at 31st December 2023. | | |

Free Reserves

In addition to the above designated reserves, the Trustees also have regard, when assessing the Museum's level of free reserves, to its working capital needs plus a contingency to cover interruptions to its activities (e.g. damage to the building or other events requiring closure over a lengthy period, as came to pass in 2020 and 2021 as a result of the Covid Pandemic). In the light of the uncertainty due to the

Pandemic, the Trustees sought to ensure that a minimum of £400,000 was maintained in cash or liquid investments, which is sufficient to cover 12 months of operating expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

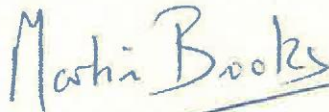
The law applicable to charities in England & Wales and Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that 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 2015 and FRS 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATION

Signature:



Name:

M.R. Brooks

Appointment:

Chairman of Trustees

Date: 22 May 2024

Independent Examiner's Report to the Trustees of The Gurkha Museum Trust

Independent examiner's report to the trustees of The Gurkha Museum Trust
I report to the charity trustees on my examination of the accounts of The Gurkha Museum Trust (the Trust) for the year ended 31st December 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies. I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Paul Wright FCA DChA

Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: 21st May 2024,.....

**Consolidated Statement of Financial Activities
for the Year Ended 31st December 2023**

| | Notes | 2023 Total funds £ | 2022 Total funds £ |
|----------------------------------------------|-------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 2 | 73,351 | 54,138 |
| Charitable activities | 5 | | |
| Grants received | | 331,483 | 203,456 |
| Other trading activities | 3 | 74,899 | 128,930 |
| Gurkha Museum Enterprises trading activities | 3 | 64,856 | - |
| Investment income | 4 | 32,229 | 28,994 |
| Total | | <u>576,818</u> | <u>415,518</u> |
| EXPENDITURE ON | | | |
| Charitable activities | 6 | | |
| Support services | | 454,280 | 464,292 |
| Trading costs | | 48,776 | 61,903 |
| Gurkha Museum Enterprises trading costs | | 17,158 | - |
| Total | | <u>520,214</u> | <u>526,195</u> |
| Net gains/(losses) on investments | | <u>84,208</u> | <u>(205,607)</u> |
| NET INCOME/(EXPENDITURE) | | 140,812 | (316,284) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | <u>1,721,234</u> | <u>2,037,518</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>1,862,046</u> | <u>1,721,234</u> |

**Consolidated Balance Sheet
31st December 2023**

| | Notes | 2023 Total funds £ | 2022 Total funds £ |
|----------------------------------------------|-------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 144,520 | 53,220 |
| Investments | 11 | <u>1,465,874</u> | <u>1,555,950</u> |
| | | 1,610,394 | 1,609,170 |
| CURRENT ASSETS | | | |
| Stocks | 12 | 25,910 | 29,450 |
| Debtors | 13 | 91,864 | 39,357 |
| Cash at bank and in hand | | <u>165,969</u> | <u>51,298</u> |
| | | 283,743 | 120,105 |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | (32,091) | (8,041) |
| NET CURRENT ASSETS | | <u>251,652</u> | <u>112,064</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,862,046</u> | <u>1,721,234</u> |
| NET ASSETS | | <u>1,862,046</u> | <u>1,721,234</u> |
| FUNDS | 15 | | |
| Unrestricted funds | | | |
| General fund | | 423,322 | 440,111 |
| Investments | | 1,000,000 | 1,000,000 |
| Friends of the Museum | | - | 131,375 |
| Development fund | | 347,790 | 149,748 |
| Fixed Asset Reserve | | <u>90,934</u> | - |
| TOTAL FUNDS | | <u>1,862,046</u> | <u>1,721,234</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 23 May 24 and were signed on its behalf by:

Mashi B. 006
Trustee

**Charity Balance Sheet
31st December 2023**

| | Notes | 2023 Total funds £ | 2022 Total funds £ |
|----------------------------------------------|-------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 144,520 | 53,220 |
| Investments | 11 | <u>1,465,874</u> | <u>1,555,950</u> |
| | | 1,610,394 | 1,609,170 |
| CURRENT ASSETS | | | |
| Stocks | 12 | - | 29,450 |
| Debtors | 13 | 87,817 | 39,357 |
| Cash at bank and in hand | | <u>133,100</u> | <u>51,298</u> |
| | | 220,917 | 120,105 |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | <u>(16,963)</u> | <u>(8,041)</u> |
| NET CURRENT ASSETS | | <u>203,954</u> | <u>112,064</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,814,348</u> | <u>1,721,234</u> |
| NET ASSETS | | <u>1,814,348</u> | <u>1,721,234</u> |
| FUNDS | | | |
| | 16 | | |
| Unrestricted funds | | | |
| General fund | | 375,624 | 440,111 |
| Investments | | 1,000,000 | 1,000,000 |
| Friends of the Museum | | - | 131,375 |
| Development fund | | 347,790 | 149,748 |
| Fixed Asset Reserve | | <u>90,934</u> | <u>-</u> |
| TOTAL FUNDS | | <u>1,814,348</u> | <u>1,721,234</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 23 May 2024 and were signed on its behalf by:

Marti Brooks
Trustee

**Consolidated Cash Flow Statement
for the Year Ended 31st December 2023**

| | Notes | 2023 £ | 2022 £ |
|--------------------------------------------------------------------|-------|----------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>40,694</u> | <u>(136,410)</u> |
| Net cash provided by/(used in) operating activities | | <u>40,694</u> | <u>(136,410)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (95,466) | (45,883) |
| Purchase of fixed asset investments | | (30,759) | (28,830) |
| Sale of fixed asset investments | | <u>200,202</u> | <u>93,793</u> |
| Net cash provided by investing activities | | <u>73,977</u> | <u>19,080</u> |
| Change in cash and cash equivalents in the reporting period | | 114,671 | (117,330) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>51,298</u> | <u>168,628</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>165,969</u> | <u>51,298</u> |

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31st December 2023**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2023 £ | 2022 £ |
|---------------------------------------------------------------------------------------------------------|---------------|------------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 140,812 | (316,284) |
| Adjustments for: | | |
| Depreciation charges | 4,166 | 2,464 |
| (Gain)/losses on investments | (84,208) | 205,607 |
| Realised (Gains)/Losses on investments | 4,841 | 6,207 |
| Decrease/(increase) in stocks | 3,540 | (5,970) |
| Increase in debtors | (45,566) | (14,933) |
| Increase in creditors | <u>17,109</u> | <u>(13,501)</u> |
| Net cash provided by/(used in) operations | <u>40,694</u> | <u>(136,410)</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.23 £ | Cash flow £ | At 31.12.23 £ |
|--------------------------|----------------|----------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>51,298</u> | <u>114,671</u> | <u>165,969</u> |
| | <u>51,298</u> | <u>114,671</u> | <u>165,969</u> |
| Total | <u>51,298</u> | <u>114,671</u> | <u>165,969</u> |

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable incorporated organisation, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees. In practical terms all funds are used solely for the purpose of maintaining and running The Gurkha Museum and improving the display, artefacts, archives and library. General Funds includes an investment portfolio and this fund is expendable. The interest from the invested income and the dividends is used as the working capital for the day to day operation of the Museum, to include salaries. It is the Trustees' policy to preserve and increase capital for the fund so that the interest is able to make up any funding gap created by the withdrawal of MOD funding. It is the Trustees' aim to build this fund to a sum where the annual income from dividends and interest will be sufficient to replace the withdrawal of all MOD funding. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Allocation and apportionment of costs

Expenditure is analysed between charitable support costs, governance and costs of generating funds. Items which involve more than one cost category are apportioned as appropriate to the cost categories involved.

Taxation

Trading activity is carried out via the Museums' subsidiary, Gurkha Museum Enterprises Limited ("GMEL"). GMEL's surplus for the year is transferred to the Museum by a Deed of Covenant and no corporation tax is payable. Museum activity

is accounted for in the Museum's own accounts and as it is a registered charity no corporation tax is payable on surplus on charitable activities.

Fixed asset reserve

The Museum has embarked on a major fund-raising programme ("Project Kaida"). Grants and donations applicable to Kaida are credited to the Development Reserve and related expenditure charged to this reserve. The full cost of Kaida capital expenditure is charged to the Development Reserve when incurred and transferred to the Fixed Asset Reserve, in order that the Development Reserve shows the full cash cost of Kaida capital and revenue expenditure. Depreciation is then charged against the capital expenditure in the Fixed Asset Reserve in accordance with Museums' depreciation policy.

Heritage assets

The collections of the Gurkha Museum predominantly consist of donations which are considered heritage assets under the terms of the Statement of Recommended Practice as issued by the Charities Commission. The heritage assets of the Gurkha Museum have been excluded from the balance sheet due to a lack of valuation, as no financial value has historically, or is currently, placed on items donated to the Museum. Furthermore, in accordance with the Code of Ethics for Museums, to which the Gurkha Museum must adhere to as an Accredited Museum, the disposal of any collections cannot be made principally for financial reasons.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

2. DONATIONS AND LEGACIES

| | 2023 Group £ | 2022 Group £ |
|-----------------------|--------------------|--------------------|
| Donations | 59,318 | 24,586 |
| Gift aid | 2,145 | 752 |
| Legacies | - | 19,707 |
| Friends Subscriptions | <u>11,888</u> | <u>9,093</u> |
| | <u>73,351</u> | <u>54,138</u> |

3. OTHER TRADING ACTIVITIES

| | 2023 Group £ | 2022 Group £ |
|----------------------------------------------|--------------------|--------------------|
| Admissions | 18,243 | 14,231 |
| Shop income | 11,264 | 58,170 |
| Lectures | 16,822 | 14,088 |
| Bar Sales | 2,700 | 5,180 |
| Gallery Hire | 11,383 | 28,876 |
| Archive & Research | 6,487 | 6,308 |
| Burma Book Project | 8,000 | - |
| Other income | - | 2,077 |
| Gurkha Museum Enterprises trading activities | <u>64,856</u> | <u>-</u> |
| | <u>139,755</u> | <u>128,930</u> |

The trading subsidiary, Gurkha Museum Enterprises Limited, commenced operations in July 2023.

4. INVESTMENT INCOME

| | 2023 Group £ | 2022 Group £ |
|------------------------|--------------------|--------------------|
| Dividends and interest | <u>32,229</u> | <u>28,994</u> |

5. INCOME FROM CHARITABLE ACTIVITIES

| | 2023 Group £ | 2022 Group £ |
|--------|--------------------|--------------------|
| Grants | <u>331,483</u> | <u>203,456</u> |

Grants received, included in the above, are as follows:

| | 2023 Group £ | 2022 Group £ |
|---------------------|--------------------|--------------------|
| Other grants | 229,580 | 114,457 |
| Salary grant in aid | 51,903 | 38,999 |
| HQBG grant | <u>50,000</u> | <u>50,000</u> |
| | <u>331,483</u> | <u>203,456</u> |

6. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Support costs (see note 7) £ | Totals £ |
|-----------------------------------------|----------------------|---------------------------------------|----------------|
| Support services | 393,804 | 60,476 | 454,280 |
| Trading costs | 48,776 | - | 48,776 |
| Gurkha Museum Enterprises trading costs | <u>17,158</u> | <u>-</u> | <u>17,158</u> |
| | <u>459,738</u> | <u>60,476</u> | <u>520,214</u> |

The trading subsidiary, Gurkha Museum Enterprises Limited, commenced operations in July 2023.

7. SUPPORT COSTS

| | Governance costs £ |
|------------------|--------------------------|
| Support services | <u>60,476</u> |

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2023 nor for the year ended 31st December 2022.

Trustees' expenses

| | 2023 Group £ | 2022 Group £ |
|--------------------|--------------------|--------------------|
| Trustees' expenses | <u>3,989</u> | <u>4,601</u> |

Trustees' expenses are in relation to a joint trustee and management away day.

9. STAFF COSTS (GROUP)

| | 2023 Group £ | 2022 Group £ |
|-----------------------|--------------------|--------------------|
| Wages and salaries | 258,075 | 240,083 |
| Social security costs | 19,762 | 19,612 |
| Pension costs | <u>11,372</u> | <u>11,233</u> |
| | <u>289,209</u> | <u>270,928</u> |

The number of employees who received remuneration amounting to between £60,000-£70,000 was 1 (2022: 1).

There average number of persons employed by the charity during the year was as follows:

| 2023 Group | 2022 Group |
|---------------|---------------|
| 9 | 9 |

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

10. TANGIBLE FIXED ASSETS (GROUP & CHARITY)

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|----------------------------------|----------------------------|----------------|
| COST | | | |
| At 1st January 2023 | 68,640 | 10,647 | 79,287 |
| Additions | <u>95,466</u> | <u>-</u> | <u>95,466</u> |
| At 31st December 2023 | <u>164,106</u> | <u>10,647</u> | <u>174,753</u> |
| DEPRECIATION | | | |
| At 1st January 2023 | 23,938 | 2,129 | 26,067 |
| Charge for year | <u>3,101</u> | <u>1,065</u> | <u>4,166</u> |
| At 31st December 2023 | <u>27,039</u> | <u>3,194</u> | <u>30,233</u> |
| NET BOOK VALUE | | | |
| At 31st December 2023 | <u>137,067</u> | <u>7,453</u> | <u>144,520</u> |
| At 31st December 2022 | <u>44,702</u> | <u>8,518</u> | <u>53,220</u> |

11. FIXED ASSET INVESTMENTS (GROUP)

| | Listed investments £ | Cash and settlements pending £ | Totals £ |
|-----------------------|----------------------------|-----------------------------------------|------------------|
| MARKET VALUE | | | |
| At 1st January 2023 | 1,447,309 | 108,641 | 1,555,950 |
| Additions | 27,737 | 3,022 | 30,759 |
| Disposals | (155,043) | (50,000) | (205,043) |
| Revaluations | <u>84,208</u> | <u>-</u> | <u>84,208</u> |
| At 31st December 2023 | <u>1,404,211</u> | <u>61,663</u> | <u>1,465,874</u> |
| NET BOOK VALUE | | | |
| At 31st December 2023 | <u>1,404,211</u> | <u>61,663</u> | <u>1,465,874</u> |
| At 31st December 2022 | <u>1,447,309</u> | <u>108,641</u> | <u>1,555,950</u> |

There were no investment assets outside the UK.

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2023**

11. FIXED ASSET INVESTMENTS (GROUP) - continued

Cost or valuation at 31st December 2023 is represented by:

| | Listed investments £ | Cash and settlements pending £ | Totals £ |
|-------------------|----------------------------|-----------------------------------------|------------------|
| Valuation in 2023 | <u>1,404,211</u> | <u>61,663</u> | <u>1,465,874</u> |

FIXED ASSET INVESTMENTS (CHARITY)

| | Shares in group undertakings £ | Listed Totals £ | Cash and settlements investments £ | pending £ |
|-----------------------------------|-----------------------------------------|-----------------------|---------------------------------------------|------------------|
| MARKET VALUE | | | | |
| At 1 st January 2023 | - | 1,447,309 | 108,641 | 1,555,950 |
| Additions | 100 | 27,737 | 3,022 | 30,859 |
| Disposals | - | (155,043) | (50,000) | (205,043) |
| Revaluations | - | 84,208 | - | 84,208 |
| At 31 st December 2023 | <u>100</u> | <u>(316,284)</u> | <u>61,663</u> | <u>1,465,974</u> |
| NET BOOK VALUE | | | | |
| At 31 st December 2023 | 100 | 1,404,211 | 61,663 | 1,465,974 |
| At 31 st December 2022 | <u>-</u> | <u>1,447,309</u> | <u>108,641</u> | <u>1,555,950</u> |

There were no investment assets outside the UK.

**Subsidiary
Gurkha Museum Enterprises Limited**

Nature of business: Gift shop

| Class of shares | % holding |
|-----------------|-----------|
| Ordinary | 100.00 |

| | 2023 £ | 2022 £ |
|--------------------------------|---------------|-----------|
| Aggregate capital and reserves | 100 | - |
| Turnover | 64,856 | - |
| Profit/(loss) for the year | <u>47,698</u> | <u>-</u> |

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

12. STOCKS

| | 2023 Group £ | 2023 Charity £ | 2022 Group £ | 2022 Charity £ |
|--------|--------------------|----------------------|--------------------|----------------------|
| Stocks | 25,910 | - | 29,450 | 29,450 |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 Group £ | 2023 Charity £ | 2022 Group £ | 2022 Charity £ |
|--------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade debtors | 4,005 | 424 | 3,296 | 3,296 |
| Other debtors | 70 | 70 | 70 | 70 |
| VAT | 31,380 | 31,380 | - | - |
| Prepayments and accrued income | 56,409 | 55,943 | 35,991 | 35,991 |
| | 91,864 | 87,817 | 39,357 | 39,357 |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 Group £ | 2023 Charity £ | 2022 Group £ | 2022 Charity £ |
|------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade creditors | 10,921 | 2,734 | 3,350 | 3,350 |
| Taxation and social security | 18,050 | 11,109 | 1,781 | 1,781 |
| Other creditors | 3,120 | 3,120 | 2,910 | 2,910 |
| | 32,091 | 16,963 | 8,041 | 8,041 |

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

15. MOVEMENT IN FUNDS (GROUP) - continued

| | At 1.1.23 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.23 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | 440,111 | (16,789) | - | 423,322 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Friends of the Museum | 131,375 | - | (131,375) | - |
| Development fund | 149,748 | 157,601 | 40,441 | 347,790 |
| Fixed Asset Reserve | - | - | 90,934 | 90,934 |
| TOTAL FUNDS | <u>1,721,234</u> | <u>140,812</u> | <u>-</u> | <u>1,862,046</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 364,496 | (465,493) | 84,208 | (16,789) |
| Development fund | <u>212,322</u> | <u>(54,721)</u> | - | <u>157,601</u> |
| TOTAL FUNDS | <u>576,818</u> | <u>(520,214)</u> | <u>84,208</u> | <u>140,812</u> |

Comparatives for movement in funds (Group)

| | At 1.1.22 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.22 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | 699,432 | (305,203) | 45,882 | 440,111 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Friends of the Museum | 131,375 | - | - | 131,375 |
| Designated fund | 206,711 | (11,081) | (45,882) | 149,748 |
| TOTAL FUNDS | <u>2,037,518</u> | <u>(316,284)</u> | <u>-</u> | <u>1,721,234</u> |

15. MOVEMENT IN FUNDS (GROUP)

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 299,158 | (425,438) | (178,923) | (305,203) |
| Development fund | <u>116,360</u> | <u>(100,757)</u> | <u>(26,684)</u> | <u>(11,081)</u> |
| | <u>415,518</u> | <u>(526,195)</u> | <u>(205,607)</u> | <u>(316,284)</u> |
| TOTAL FUNDS | <u>415,518</u> | <u>(526,195)</u> | <u>(205,607)</u> | <u>(316,284)</u> |

16. MOVEMENT IN FUNDS (CHARITY)

| | At 1.1.23 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.23 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | 440,111 | (16,789) | - | 423,322 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Friends of the Museum | 131,375 | - | (131,375) | - |
| Development fund | 149,748 | 157,601 | 40,441 | 347,790 |
| Fixed Asset Reserve | - | - | 90,934 | 90,934 |
| | <u>1,721,234</u> | <u>140,812</u> | <u>-</u> | <u>1,862,046</u> |
| TOTAL FUNDS | <u>1,721,234</u> | <u>140,812</u> | <u>-</u> | <u>1,862,046</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 364,496 | (465,493) | 84,208 | (16,789) |
| Development fund | <u>212,322</u> | <u>(54,721)</u> | - | <u>157,601</u> |
| TOTAL FUNDS | <u>576,818</u> | <u>(520,214)</u> | <u>84,208</u> | <u>140,812</u> |

16. MOVEMENT IN FUNDS (CHARITY)

Comparatives for movement in funds (Charity)

| | At 1.1.22 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.22 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | 699,432 | (305,203) | 45,882 | 440,111 |
| Investments | 1,000,000 | - | - | 1,000,000 |
| Friends of the Museum | 131,375 | - | - | 131,375 |
| Designated fund | 206,711 | (11,081) | (45,882) | 149,748 |
| | <u>2,037,518</u> | <u>(316,284)</u> | <u>-</u> | <u>1,721,234</u> |
| TOTAL FUNDS | <u>2,037,518</u> | <u>(316,284)</u> | <u>-</u> | <u>1,721,234</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 299,158 | (425,438) | (178,923) | (305,203) |
| Development fund | <u>116,360</u> | <u>(100,757)</u> | <u>(26,684)</u> | <u>(11,081)</u> |
| | <u>415,518</u> | <u>(526,195)</u> | <u>(205,607)</u> | <u>(316,284)</u> |
| TOTAL FUNDS | <u>415,518</u> | <u>(526,195)</u> | <u>(205,607)</u> | <u>(316,284)</u> |

Designated funds

Investment fund

The Trustees agreed to create a fund to generate investment income to support the planned deficits of the charity during the period of major redevelopment of the Museum.

Development fund

This fund was created to set aside funds sufficient to support the major redevelopment of the Museum which is expected to continue over a period of years.

Friends fund

The purpose of this fund was to set aside monies to support the replenishing of the Museum's displays and archives. As this purpose is similar in nature to the development fund the Friends fund closed in the year and the balance transferred to the development fund.

Fixed Asset reserve

This reserve represents the costs incurred on the redevelopment project less depreciation. Expenditure incurred is treated as part of the development fund and then transferred to this reserve.

17. RELATED PARTY DISCLOSURES

The trustees have considered related parties and any relevant transactions. The following information is disclosed:

Trustee Colonel D. J. Robinson is also a trustee of The Brigade of Gurkhas Education and Welfare Fund, from which, grants totalling £214,456 were received during the year. He is also a Trustee of the Gurkha Welfare Trust, from whom income of £6,000 was received for the provision and licensing of imagery and a donation received of £300; and of the Royal Gurkha Rifles Regimental Trust from whom a grant of £500 was received.

Trustee Mr J Bulbeck is also a Trustee of 7th Duke of Edinburgh's Own Gurkha Rifle Regimental Trust who hired the gallery for their AGM generating income for the museum of £1,910. Mr Bulbeck also donated £100 during the year.

Trustees Colonel William Shuttlewood and Major John Harrop are also Trustees of the 2nd King Edward VII's Own Gurkha Rifles Regimental Trust, from which a donation of £2,000 was received.

Dr D. G. Bowyer, Secretary and Museum Director, Mrs E. Boryer, Head of Fundraising and Marketing and her spouse Mr Boryer each donated £200 to become Life Friends of the museum.

Detailed Statement of Financial Activities
for the Year Ended 31st December 2023

| | 2023 Group £ | 2022 Group £ |
|----------------------------------------------|--------------------|--------------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 59,318 | 24,586 |
| Gift aid | 2,145 | 752 |
| Legacies | - | 19,707 |
| Friends Subscriptions | <u>11,888</u> | <u>9,093</u> |
| | 73,351 | 54,138 |
| Other trading activities | | |
| Admissions | 18,243 | 14,231 |
| Shop income | 11,264 | 58,170 |
| Lectures | 16,822 | 14,088 |
| Bar Sales | 2,700 | 5,180 |
| Gallery Hire | 11,383 | 28,876 |
| Archive & Research | 6,487 | 6,308 |
| Burma Book Project | 8,000 | - |
| Other income | - | 2,077 |
| Gurkha Museum Enterprises trading activities | <u>64,856</u> | <u>-</u> |
| | 139,755 | 128,930 |
| Investment income | | |
| Dividends and interest | 32,229 | 28,994 |
| Charitable activities | | |
| Grants | <u>331,483</u> | <u>203,456</u> |
| Total incoming resources | 576,818 | 415,518 |
| EXPENDITURE | | |
| Charitable activities | | |
| Support Services | 393,804 | 390,470 |
| Trading costs | 48,776 | 61,903 |
| Gurkha Museum Enterprises trading costs | <u>17,158</u> | <u>-</u> |
| | 459,738 | 452,373 |
| Support costs | | |
| Governance costs | | |
| Trustees' expenses | 3,989 | 4,601 |
| Office and Administration | - | 14,656 |
| Friends AGM | 1,630 | 1,180 |
| Proportion of Directors salary | 32,500 | 32,500 |
| Audit & Accountancy | <u>22,357</u> | <u>20,885</u> |
| | 60,476 | 73,822 |

Detailed Statement of Financial Activities
for the Year Ended 31st December 2023

| | 2023 Group £ | 2022 Group £ |
|-------------------------------------------------------------|--------------------|--------------------|
| Total resources expended | <u>520,214</u> | <u>526,195</u> |
| Net income/(expenditure) before gains and losses | 56,604 | (110,677) |
| Realised recognised gains and losses | | |
| Realised gains/(losses) on fixed asset investments | <u>(4,841)</u> | <u>(6,207)</u> |
| Net income/(expenditure) | <u>51,763</u> | <u>(116,884)</u> |

THE GURKHA MUSEUM TRUST

England & Wales - Charity number 1169920

Accounts



The Gurkha Museum Trust

Annual Report and Financial Statement for the Year Ending 31 December 2022

Charity Number 1169920

THE GURKHA MUSEUM TRUST – CHAIRMAN'S STATEMENT 2022

2022 was a decisive and exciting year in getting the Gurkha Museum's modernisation and associated capital fundraising underway and I wanted to highlight three significant milestones in the year.

Firstly, as trailed in last year's Report, we were successful in securing a new Thirty-Year Lease for our premises at Peninsula Barracks from the Defence Infrastructure Organisation (DIO) on behalf of the Ministry of Defence. Then this immediately allowed us to put into effect our ambitious plans. These included a successful Expression of Interest to the National Lottery Heritage Fund (NLHF) and following this by November we were ready with a Phase 1 application for submission to be called forward by NLHF in February 2023. I would like to commend the sheer professionalism and hard work of the Director Dr Daren Bowyer and his executive team supported by Trustee input and Advisers in preparing this significant and complex application.

Thirdly, as a demonstration of the commitment of all members of the Serving Brigade of Gurkhas, we are particularly grateful for the two-year increase in the Service Days Pay Giving Scheme. This has been tremendously helpful in giving us some early fundraising income and is a great demonstrator to potential third-party donors to our Appeal of the personal commitment of all members of the Serving Brigade to this project.

This additional income stream dedicated to our redevelopment has been particularly encouraging as well, given the difficult climate that has adversely affected our investment income portfolio in 2022 as has been the case with most organisations elsewhere. We anticipated last year that 2022 would be a challenging investment year, coinciding with the planned uplift in development expenditure that required higher than usual drawdown. 2022 marked the first time since 2018 that we have seen a reduction in the value of our Balance Sheet at the year end. However, I am pleased to report that there has been some recovery in our portfolio in early 2023 and increasingly we would expect that having pump-primed our redevelopment from our own resources a growing flow of funds from our Capital Appeal in 2023 and beyond will come to the Museum.

This high level of Development work has not constrained the expanding and enhancing of day-to-day activities at the Gurkha Museum, via social media, online, exhibitions and our growing lecture programme. In addition, we have celebrated the two Gurkha anniversaries in 2022 that of the 60th Anniversary of Brunei Revolt as a precursor to the Borneo Confrontation and that of the Falklands War.

Following the death of Field Marshal Sir John Chapple in March 2022, which I reported in last year alongside paying tribute to his enormous contribution to the life and success of the Gurkha Museum, I am very pleased to report that Lieutenant General Sir Peter Duffell KCB CBE MC has kindly agreed to become a Vice Patron of the Gurkha Museum. During the year we welcomed two new Trustees, Major

Ramkumar Rai RGR as an ex officio Trustee in succession to Major Shuresh Thapa MVO RGR who has been posted to Oxford University Officer Training Corps, and at the end of the year Major Michael Barney RGR who is currently OC Gurkha Company at the Infantry Training Centre Catterick. I would like to extend my appreciation to all our Vice Patrons and Trustees for the experience and sure-footed guidance they bring to the Gurkha Museum.

It remains for me to thank the Volunteers, Friends, and Staff of the Gurkha Museum, as well as all Gurkha Regimental Associations, particularly the 2nd and 7th Gurkha Rifles Regimental Associations in 2022, who have supported our activities with gifts and donations. There were two significant senior staff departures in 2022 of Christine Bernáth and Charlie Martin who have moved on to enhanced roles elsewhere and we wish them both well.

Without such wide-ranging support, the Gurkha Museum would not be the leading multi-cap badged Regimental Military Museum it is today.

Martin Brooks

Chairman of the Trustees

THE GURKHA MUSEUM TRUST

REPORT OF THE TRUSTEES FOR THE YEAR END 31 DECEMBER 2022

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2022. They have adopted the provisions of 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

The Gurkha Museum Trust

Registered Charity Number

1169920

Registered Office

The Gurkha Museum
Peninsula Barracks
Romsey Road
Winchester
Hampshire
SO23 8TS

Vice Patrons

Field Marshal Sir John Chapple GCB CBE DL (Deceased March 2022)
Lieutenant General Sir Peter Duffell KCB CBE MC (Appointed October 2022)
Lieutenant General Richard Wardlaw OBE
Colonel D.R. Wood MBE

Chairman of the Trustees

Mr M.R. Brooks MA FRAS

Elected Trustees

Colonel C.M.J. Barnett MBE
Lieutenant General Sir David Bill KCB
Mr J.W. Bulbeck MSCI
Major J.R. Harrop
Mr S. Maslin FCA
Mrs S. Rai
Colonel W.F. Shuttlewood OBE
Major Michael Barney (Elected December 2022)

Ex-Officio Trustees

Colonel D.J. Robinson (Colonel Brigade of Gurkhas)

Major Shuresh Thapa MVO RGR, (Officer Commanding Gurkha Company RMAS) (to August 2022)

Major Ramkumar Rai RGR (Officer Commanding Gurkha Company RMAS) (from September 2022)

Museum Director & Company Secretary

Dr D.G. Bowyer MA MPhil PhD

Accountants

Winchester Bourne Ltd

Sullivan Court

Wessex Park

Colden Common

Winchester

SO21 1WP

Legal Advisor

Mr A.J. Lutley

Springfield

Rookery Hill

Ashtead Park

Ashtead

KT21 1HY

Independent Examiner

Mr P.E.H Wright FCA DChA

Sheen Stickland

Chartered Accountants

7 East Pallant

Chichester

West Sussex

PO19 1TR

Investment Managers

BlackRock Investment Management (UK) Ltd

12 Throgmorton Avenue

London

EC2N 2DL

CCLA

Senator House

85 Queen Victoria St

London

EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Board of Trustees operates under a constitution dated 14 October 2016, as amended by a Resolution dated 26 October 2016, both registered at the Charity Commission under Registered Number 1169920.

Organisational Structure

The Trust is a Charitable Incorporated Organisation run by the Board of Trustees and managed day-to-day by the Museum Director with the support of the Assistant Curator, Head of Fundraising and Marketing and Operations Manager. The Senior Management Team is aided by work of a Digital Officer, Retail, Events and Administrative Assistant and four Museum Assistants, three of whom are ex-Gurkhas.

The Board's work is enhanced by three Committees dedicated to Governance, Investments, and Risk & Audit. These Committees are made up of selected trustees and advisors working to Terms of Reference which are regularly reviewed and enable the Board to give due attention to matters that require consideration. In addition, there is also an informal Collections Advisory Group, which includes specialist advisers as appropriate to provide expertise relating to the Museum's collections. Governance of Project Kaida, the Museum's redevelopment project, is overseen by a Museum Development Board, aided by a Capital Appeal Committee. Both of these comprise both trustees and ad hoc external members.

The Board of Trustees meets at least twice a year to consider proposals presented to them by the committees and to provide strategic direction to the executive.

Appointments

Office holders, elected trustees, and ex-officio trustees are appointed in accordance with the Constitution. The ex-officio trustees represent all ranks of the serving Brigade of Gurkhas.

There were two changes to the composition of the Board of Trustees during the reporting period. Major Ramkumar Rai replaced Major Shuresh Thapa as ex officio trustee, on assuming Command of Gurkha Company Sittang. In December, Major Michael Barney serving with the Royal Gurkha Rifles was elected to the Board, bringing the number of Trustees to eleven.

The dedication, commitment and contribution of all trustees is acknowledged with gratitude. It is especially important to The Gurkha Museum Trust that it remains closely connected to the serving Brigade of Gurkhas and that the views of the serving Brigade are well represented. In this respect, the ex-officio trustees have a particularly significant role to play.

Trustee Induction and Training

Newly elected trustees are briefed by the Chairman on all matters relating to the Trust and receive further insight into the day-to-day workings of the Museum from the Museum Director. They receive copies of the Constitution, the latest sets of Minutes, Annual Report and Financial Statements, Charity Commission guidance on trustee responsibilities, and other documents as deemed appropriate. External training is also offered and undertaken by trustees from time to time.

Staff Changes

In the summer, Assistant Director Christine Bernáth, moved to a new project-based role at the National Army Museum but has subsequently been appointed Regimental and Corps Museums Liaison Officer, so is still very much in touch. Christine's role was changed to that of Operations Manager, which has been filled by Kimberley Matthews, who joined us from a similar position at the Army Flying Museum.

Charlie Martin, Head of Fundraising and Marketing, moved in November to take up a role with the charity arm of her much beloved Southampton Football Club. As well as making a significant improvement to our retail and commercial hire activity, Charlie had made a major contribution to preparation of your bid to NLHF. The role has subsequently been filled (April 2023 by Emma Boryer, an experienced development professional with a military background.)

Chris Manson, part-time Museum Assistant retired and has been replaced by Richard Croydon, a former Household Division musician who was volunteering in a similar role with a neighbouring museum.

Staff Professional Development and Networking

Trustees continue to give high priority to the training and development of staff and to allocate funds accordingly. Staff now have access to a wide range of online training and maximum use is made of this for completion of annual routine and mandatory training such as health & safety subjects and data protection. Personal and professional development needs are identified through the annual appraisal process and individual training and development plans agreed accordingly. Several members of staff undertook training in the collection and curation of Oral History, an area of activity that we expect to grow. Opportunities are provided for staff to meet fellow professionals at such events as the Army Museums Ogilby Trust (AMOT) Annual Conference, National Army Museum Conference and the Museums and Heritage Show.

We believe engagement with our sector and our local community is critical to success. The Assistant Curator is a member of the Steering Committee of South East Museums Development Committee, the Director chairs Hampshire Military Museums Network and the National Army Museum's Southern Army Museums Forum. The Director is also a member of the Winchester Business Strategy Group

and Winchester City Council's Cultural Strategy Development Forum. We play a very supportive role as part of Winchester's Military Museums

Accreditation

The Museum is Accredited by Arts Council England, first being awarded this in 2011 and was successful in its subsequent renewal in 2015 (registration no 1775). Delays to the renewals process as a consequence of the Covid pandemic mean that our accreditation has been extended and we expect to be invited to submit for renewal in the second half of 2023. Appropriate effort has been put into ensuring the Museum's readiness for this.

Fundraising Regulator

The Gurkha Museum continues to be exempt from the Fundraising Regulator Levy as the Charity's spend on generating voluntary income has remained under the threshold of £100,000. However, the Museum registered on a voluntary basis in 2020 and continues to do so.

Risk Management

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Museum's operational performance, including risks to staff and volunteers.
- The Museum's ability to achieve its objects.
- Meeting the expectation of visitors and supporters.
- The Museum's reputation and integrity.
- The Museum's assets.

The Trustees identify and review these risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks in a timely manner. Where possible and appropriate, risks are covered by insurance.

OBJECTIVES AND ACTIVITIES

Objects for Public Benefit

The objects of The Gurkha Museum Trust are stated in the Constitution; "To advance education in particular but not exclusively by the provision of The Gurkha Museum and the preservation and maintenance of the Brigade collection; and to promote the efficiency of the Armed Forces by upholding the traditions and ethos of the Brigade of Gurkhas and perpetuating its deeds."

Aims and Objectives

- Maintain, for posterity, collections and artefacts associated with Britain's Gurkhas and actively provide open public access, and academic research facilities, to promote military scholarships and public education and understanding.
- Encourage visitors of all ages, genders and ethnic identities to visit, or otherwise engage with, the Museum to learn about and enjoy the unique history of Britain's Gurkhas, and to promote and educate the public in the history of Gurkhas and their culture in Nepal.
- Engage with local communities, schools, special interest and disability groups and Nepalese community groups in providing a source of education, information and understanding of the history, culture and religion of Gurkhas and their role in the modern British Army.
- Build partnerships and networks with historical and cultural organisations, and other similar museums, to deliver more efficiently and widely promote the purpose, objectives, and activities of the Museum.
- Provide a heritage focal point for Gurkha units, past and present, and inspire future generations of British and Gurkha officers and soldiers.
- Provide the Army and other government departments with sources of information on historical matters unique to Gurkha service.

Public Benefit Statement

The trustees confirm that they have taken into account the Charity Commission's general guidance on public benefit when reviewing the Charity's aim and objectives and in making decisions.

ACTIVITY AND PLANS

By any standards, 2022 was a demanding but exciting and highly productive year for The Gurkha Museum.

Sadly, however, this report must begin by marking the news, early in the year, of the passing of Field Marshal Sir John Chapple, GCB, CBE (27 May 1931 – 25 March 2022). Sir John was a long-standing, engaged and supportive Vice-Patron of the Museum, and had been a driving force behind the Museum's move and re-development in Winchester in 1990. He will be sadly missed, and we extend our thoughts to his family.

We are, though, delighted to report that Lieutenant General Sir Peter Duffell KCB CBE MC has agreed to become a Vice Patron. General Peter not only enjoyed a

distinguished Army career but is also a noted authority on Gurkha History; his book *Gurkha Odyssey* is a seminal work on the subject.

Looking to the Future

Our ambitious plans for redevelopment of the Gurkha Museum, now entitled Project Kaida¹, took several very significant strides forward during the year. Firstly, in January we received Ralph Applebaum Associates' Visioning Study for the Museum redevelopment. Then, in March, after lengthy discussions and negotiations, we executed a lease agreement with the Defence Infrastructure Organisation (on behalf of the MoD), regularising our position and ending our long-held status as a tenant-at-will. This lease gives us a minimum 30 years tenancy of our current space within 'Short Block' Peninsula Square, Winchester, our home for the last 33 years and will be a significant factor in our ability to raise funds for redevelopment.

These two key developments gave us the confidence to submit to The National Lottery Heritage Fund (NLHF) an Expression of Interest (Eoi) for a major project grant to underpin our plans. This was accepted, allowing us to forge ahead with the work required to make a Phase 1 (Development Funding) application. This significant piece of work required the commissioning of a RIBA Stage 1 (equivalent) Project brief, an Access Audit, Outline Partnership and Engagement Plan and the in-house development of a Business Case and many other necessary supporting documents.

Our application was prepared in time for the November 2022 funding window but, on advice, we deferred to February 23. (Afternote: In June 2023, as this report was being prepared, we received the excellent news that our application had been successful and an NLHF grant for Development Phase funding had been awarded.

Engagement and Activity

Two important anniversaries in Gurkha History were marked in 2022.

In June, we mounted a small temporary exhibition on 7th Duke of Edinburgh's Own Gurkha Rifles participation in the liberation of the Falkland Islands. We took this to the National Memorial Arboretum as part of the Royal British Legion's commemoration event. The exhibition included our 'Voices from the Falklands' podcasts, featuring veterans of the conflict and all but one of which were delivered in Nepali. As we redevelop the Museum, it is our intention both to grow our Oral History archive and to present a greater range of material in Nepali as well as English.

December saw the 60th Anniversary of the Brunei Revolt, in which 2nd King Edward VII's Own Gurkha Rifles (The Sirmoor Rifles) played an instrumental part in restoring order and ensuring Bruneian self-determination in the face of the Indonesian-

¹ Kaida, is a Nepali word (काइदा) meaning the ethos and customs usually associated with the Brigade of Gurkhas

fermented insurrection, that proved to be the overture for the wider Borneo confrontation 1963-66. The Gurkha Museum, with 2nd Gurkhas Regimental

Association marked the occasion by hosting a reunion lunch of 5 British Officer and 18 Gurkha veterans (one of whom, in his mid-90s had flown from Nepal especially for the event). The veterans were invited to share their memories of the events, which were recorded as part of our Oral History project.

Two new events to our calendar – a ‘Burns night with a Twist’, celebrating Gurkha-Scottish links, and a Halloween ‘Museum after Dark’ celebration of ghosts and evil spirits in Nepali culture – proved to be outstanding successes. The centre piece of both was a Nepali bhat (curry) supper. As well as generating significant revenue, both events introduced the Museum to new audiences, many of whom have become regular visitors and even Friends.

We continued to develop our digital offer, expanding our award-winning Gharma Sunnu (Nepali for “to listen at home”) programme and adding Gharma Siknu (“to learn at home”), a series of actor-led animations aimed at children. Gharma Sunnu won its second award – a Cultural Enterprises Award for Digital Innovation.

This output, promoted on our social media feeds, is reaching large and growing audiences; our view count for the series stands at over 65,000 from our primary social media channels of YouTube and Facebook. This has surpassed many of our expectations and is very encouraging for future projects. In addition, we have seen more than 47,000 views on TikTok and 26,000 on Instagram using shortened adaptations of the videos. Smaller curator-led ‘reels’ on TikTok have seen hit counts in the hundreds of thousands. Our success in this field was noted by an invitation to present at the AMOT Annual Conference.

The year’s Summer exhibition was “Off the Battlefield; on the Scene” looking at Gurkha involvement in non-conflict operations – from earthquake relief to anti-poaching and more recent pandemic-related activity. We also touched upon the setting-up and the work of GWT. To tie-in with this, our children’s summer holiday activity included the opportunity to build and programme motorised Lego vehicles in a disaster relief setting.

Acquisitions

Through the year, the Museum continued to acquire a range of objects through both donation and purchase. Objects included a fine example of a WWII-Era Japanese Warrant Officer’s military katana (sword) and two significant medal sets: that of Major General Geoffrey Bruce (donated by his family), including his 1924 Olympic Medal for Alpinism, and that of Sergeant Kambarsing Rai 7GR, including his Military Medal awarded as a member of the short-lived ‘Ferret Force’ during the early stages of the Malayan Emergency (purchased at Auction with the help of 7th Gurkha Rifles Regimental Association). Archive material added included the journals of Colonel J Holy-Hasted and the archive of Major General Derek Horsford CBE DSO & bar, whose

memoirs have been expertly edited on our behalf by Brigadier David Willis, with a view to publication.

To mark the 40th anniversary of the Falkland Islands conflict 7th Gurkha Rifles Regimental Association presented a newly commissioned painting by the distinguished War Artist Michael Alford of the Regiment's approach to Mount William, in the closing battles of that Conflict.

FINANCIAL REVIEW

Admissions and Other Primary Purpose Income

Admissions income at £14,231, was a noticeable improvement on the prior year (£9,243), which had been affected by further Covid-related closure. Nevertheless, it remained below the last pre-pandemic year (2019) figure of £16,585. In part this may be explained by our experiment with two months of free admission, in order to judge the potential benefits on secondary spend and voluntary donation. While secondary spend did indeed see an uptick (c25% in those months), there was insignificant increase in voluntary donation. This is an area in which we will undertake more research and experimentation as Project Kaida develops. In total, Primary Purpose income, at £34,627 was a significant improvement on 2021 (£19,313) due to a large increase in lecture and event income and charges for research activity. The latter reflects a new commercial agreement with the Gurkha Welfare Trust for historical research and imagery licensing.

Trading Income

Although we saw a drop in shop sales, most likely due to postal disruption and an interruption to our internet connectivity at our busiest time, overall trading income saw a small increase due to better than expected gallery hire and event income. Overall Gross Profit Trading was £30,201 (2021 £19,399).

Voluntary Income

Donations and legacy income at £54,138 was disappointingly lower (2021 £86,567) and other grants income was also, as expected, significantly less than in 2021, when we benefited from both central and local government support related to the pandemic.

Friends' subscriptions of £9,093, was a drop from 2021 (£10,280) and we recognise this as an area for further work as we redevelop the Museum.

We were pleased to see the start of grant income specifically for our redevelopment project. Funds totalling £102,950 were received from the Brigade of Gurkhas Education and Welfare Fund as part of a likely two year increase in allocations from the Service Days Pay Giving Scheme, as explained above. This very significant

commitment is reassuring support from the serving Brigade, demonstrating their very firm commitment to our future plans, for which we are enormously grateful

Expenditure

Total Expenditure of £526,197 included £83,653 (primarily consultancy and design fees) on the redevelopment project and drawn against the fund designated for this purpose.

Outturn

Overall outturn, then, was a deficit of £110,680 (before investment gains/losses) reflecting planned additional expenditure required in preparation for the redevelopment project.

INVESTMENTS

Overall, 2022 represented the worst year for markets since 2008, with global equities losing around one-fifth of their value, although for sterling-based investors these losses were substantially reduced, to 8.1%, by the weakening of the pound relative to the dollar and most other currencies.

Once again UK stocks fared better than most global peers, with a positive return of +1.6% for the year as a whole. This was largely due to the prevalence of commodities-related businesses, such as oil and gas producers and mining companies, in the UK-listed index. Other than cash, commodities was the only major asset class to deliver positive returns over the year.

UK government bonds ('gilts') recovered some poise after the trauma of September's fiscal statement, with yields falling back for several weeks and hence, because bond valuations move in the opposite direction to yields, providing positive total returns for investors. However, yields began to climb again in the month of December, paring back returns. Over the year as a whole, bond investors suffered their worst year on record, with negative returns of -25.0%.

A higher yield environment also impacted valuations in other asset classes such as property and infrastructure. This effect accelerated in the final quarter of 2022, resulting in negative total returns from UK commercial property despite relatively strong occupier markets and rental flows.

In order to meet additional liquidity requirements for the Museum the investment committee agreed to withdraw £100,000 in July, which was transferred to our cash reserves.

2022 Investment Performance

The Charity's main Investment Fund decreased by 9.00% and the Friends' Fund was down 17.58% over the year.

RESERVES POLICY

The Trustees have reviewed their reserves policy in the light of the Museum's current development plans and having considered the Charity Commission's guidance

Designated reserves

The Museum has sustained operating deficits for five years and is expected to do so again in 2023. The Museum is investing in modernising the display of its collection and in new fundraising capabilities, but it might be some years before these investments allow the Museum to return to an operating break-even position. The Trustees believe it is important to maintain the current collection in good order to continue its current level of activities such as its outreach programme, particularly to local schools and Gurkha communities, and to develop its digital capability and presence. Accordingly, the Trustees have designated an Investment Fund of £1m to be used to generate income sufficient to fund a further year of operating deficit. The Investment Fund takes account of the recent history of both investment returns and the levels of operating deficits. The Investment Fund is held solely to generate income to fund the deficit during this transitional phase and may not be used for any other purpose without the express prior approval of the trustees.

Further, the trustees believe that the investment in modernising the exhibitions and the new fund-raising capabilities will continue to require a significant level of one-off expenditure in 2023. Accordingly, the Trustees designated a Development Fund to fund this investment. The Development Fund is not available for ongoing expenditure. Draws on the Development Fund may only be made by prior approval of the Risk and Audit Committee and use of the funds for permitted purposes is monitored by the Trustees. In 2022 charges of £83,653 were made against this fund including the final payments for the Visioning Study commissioned in 2021. However, this fund benefited, as noted above, from the initial tranche of payments from the Brigade of Gurkhas, Service Days Pay Giving Scheme. Thus at year end it had grown to stand at £149,747.

In addition, historically, the Friends of the Museum Fund has been designated for the specific purpose of replenishing the Museum's displays and archives. Only relatively small purchases were allocated against this fund in 2022, so that as at 31 Dec 2022 it stood at £131,571.

In total, therefore, as at 31st December 2022 the Museum held designated funds for specific purposes of £1,281,318 which are not available for ongoing expenditure.

Free Reserves

In addition to the above designated reserves, the Trustees also have regard, when assessing the Museum's level of free reserves, to its working capital needs plus a contingency to cover interruptions to its activities (e.g. damage to the building or other events requiring closure over a lengthy period, as came to pass in 2020 and 2021 as a result of the Covid Pandemic). In the light of the uncertainty due to the Pandemic, the Trustees sought to ensure that a minimum of £400,000 was maintained in cash or liquid investments, which is sufficient to cover 12 months of operating expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2015 and FRS 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATION

Signature:



Name:

M.R. Brooks

Appointment:

Chairman of Trustees

Date: 28 June 2023

Independent Examiner's Report to the Trustees of The Gurkha Museum Trust

Independent examiner's report to the trustees of The Gurkha Museum Trust

I report to the charity trustees on my examination of the accounts of The Gurkha Museum Trust (the Trust) for the year ended 31st December 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



P E H Wright FCA DChA

Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: 28 June 2023

THE GURKHA MUSEUM TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2022

| | Note | <u>Unrestricted funds</u> | | 2022 | 2021 |
|---------------------------------------------------------|------|---------------------------|-------------------------|--------------------|--------------------|
| | | General Funds | Designated Funds | Total Funds | Total Funds |
| | | £ | £ | £ | £ |
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | 44,811 | 9,327 | 54,138 | 86,567 |
| Other Trading Activities | 3 | 128,930 | 0 | 128,930 | 109,497 |
| Grants received | 4 | 100,504 | 102,952 | 203,456 | 157,246 |
| Investments | 5 | 24,913 | 4,081 | 28,994 | 33,831 |
| Total | | 299,158 | 116,360 | 415,517 | 387,141 |
| EXPENDITURE ON: | | | | | |
| Charitable Activities | 6 | 352,797 | 99,578 | 452,375 | 455,372 |
| Governance Costs | 7 | 72,643 | 1,180 | 73,822 | 59,932 |
| Total | | 425,440 | 100,758 | 526,197 | 515,304 |
| NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES) | | (126,282) | 15,602 | (110,680) | (128,163) |
| Net gains (losses) on Investments | 11 | (178,923) | (26,684) | (205,607) | 145,520 |
| NET INCOME/(EXPENDITURE) | 14 | (305,205) | (11,081) | (316,287) | 17,357 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total Funds Brought Forward | 14 | 699,432 | 1,338,086 | 2,037,518 | 2,020,161 |
| Transfer between Funds | | 45,882 | (45,882) | 0 | 0 |
| TOTAL FUNDS CARRIED FORWARD | 14 | 440,111 | 1,281,123 | 1,721,233 | 2,037,518 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

THE GURKHA MUSEUM TRUST

BALANCE SHEET AT 31 DECEMBER 2022

| | Note | 2022 £ | 2021 £ |
|-------------------------------------|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible Fixed Assets | 10 | 53,219 | 9,801 |
| Investments | 11 | 1,555,950 | 1,832,727 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 39,358 | 24,425 |
| Stock | | 29,450 | 23,480 |
| Cash at bank and in hand | | 51,298 | 168,629 |
| | | 120,106 | 216,534 |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (8,042) | (21,543) |
| NET CURRENT ASSETS | | 1,729,275 | 2,059,061 |
| NET ASSETS | | 1,721,233 | 2,037,518 |
| FUNDS | | | |
| Unrestricted funds | 14 | | |
| General funds | | 440,111 | 699,432 |
| Designated funds | 15 | 1,281,122 | 1,338,086 |
| TOTAL FUNDS | | 1,721,233 | 2,037,518 |

The financial statements were approved by the Board of Trustees on 28th June 2023
and were signed on its behalf by:

Signed..... Martin Brooks

Name..... MARTIN BROOKS

Position..... CHAIRMAN + TRUSTEE.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Financial Reporting Standard 102 – reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS102. 'The Financial reporting Standard applicable in the UK and Republic of Ireland: The requirements of Section 7 Statement of Cash Flows.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees. In practical terms all funds are used solely for the purpose of maintaining and running The Gurkha Museum and improving the display, artefacts, archives and library. General Funds includes an investment portfolio and this fund is expendable. The interest from the invested income and the dividends is used as the working capital for the day to day operation of the Museum, to include salaries. It is the Trustees' policy to preserve and increase capital for the fund so that the interest is able to make up any funding gap created by the withdrawal of MOD funding. It is the Trustees' aim to build this fund to a sum where the annual income from dividends and interest will be sufficient to replace the withdrawal of all MOD funding. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Allocation and apportionment of costs

Expenditure is analysed between charitable support costs, governance and costs of generating funds. Items, which involve more than one cost category are apportioned as appropriate to the cost categories involved.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Taxation

The charity is exempt from corporation tax on its charitable activities.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going Concern

The Trustees have considered the financial position of the Charity and believe it is currently a going concern. While the Museum is going through this transition phase of investment and development and the outlook following COVID-19 outbreak remains unclear its reserves and cash levels are reviewed regularly during the year by the Risk and Audit Committee and the reserves policy will be reviewed annually by the Trustees. Consequently, the financial statements have been prepared on a going concern basis. The Trustees have explicitly considered the potential impact of the COVID-19 virus and do not expect the fall in the market value of their investments to impact operations going forward in the short to medium term.

Heritage assets

The collections of the Gurkha Museum predominantly consist of donations which are considered heritage assets under the terms of the Statement of Recommended Practice as issued by the Charities Commission. The heritage assets of the Gurkha Museum have been excluded from the balance sheet due to a lack of valuation, as no financial value has historically, or is currently, placed on items donated to the Museum. Furthermore in accordance with the Code of Ethics for Museums, to which the Gurkha Museum must adhere to as an Accredited Museum, the disposal of any collections cannot be made principally for financial reasons.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

| | General £ | Designated £ | 2022 Total £ | 2021 Total £ |
|----------------------------------|---------------|-----------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | | | |
| Friends Subscriptions | 0 | 9,093 | 9,093 | 10,280 |
| Donations | 24,548 | 38 | 24,587 | 69,446 |
| Gift Aid | 556 | 196 | 751 | 4,285 |
| Legacies | 19,707 | 0 | 19,707 | 2,556 |
| | 44,811 | 9,327 | 54,138 | 86,567 |

3. OTHER TRADING ACTIVITIES

| | | | | |
|--------------------|----------------|----------|----------------|----------------|
| Admissions | 14,231 | 0 | 14,231 | 9,243 |
| Shop Sales | 58,170 | 0 | 58,170 | 65,230 |
| Bar Sales | 5,180 | 0 | 5,180 | 6,862 |
| Gallery Hire | 28,876 | 0 | 28,876 | 18,092 |
| Archive & Research | 6,308 | 0 | 6,308 | 422 |
| Lectures | 14,088 | 0 | 14,088 | 9,648 |
| Other Income | 2,077 | 0 | 2,077 | 0 |
| | 128,930 | 0 | 128,930 | 109,497 |

4. GRANTS

| | | | | |
|------------------------|----------------|----------------|----------------|----------------|
| Trusts and Foundations | 0 | 102,952 | 102,952 | 0 |
| Grant in Aid | 38,999 | 0 | 38,999 | 38,999 |
| HQBG Grants | 50,000 | 0 | 50,000 | 50,000 |
| Other Grants | 11,505 | 0 | 11,505 | 68,248 |
| | 100,504 | 102,952 | 203,456 | 157,246 |

5. INVESTMENTS

| | | | | |
|------------------------|--------|-------|--------|--------|
| Dividends and interest | 24,913 | 4,081 | 28,994 | 33,831 |
|------------------------|--------|-------|--------|--------|

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

| | General £ | Designated £ | 2022 Total £ | 2021 Total £ |
|---------------------------------|----------------|-----------------|--------------------|--------------------|
| 6. CHARITABLE ACTIVITIES | | | | |
| Support Services | 290,892 | 99,578 | 390,470 | 388,051 |
| Trading Costs | 61,905 | 0 | 61,905 | 67,321 |
| | 352,797 | 99,578 | 452,375 | 455,372 |

7. GOVERNANCE COSTS

| | | | | |
|----------------------------------------|---------------|--------------|---------------|---------------|
| Office and Administration | 14,656 | 0 | 14,656 | 16,295 |
| Proportion of Director's salary | 32,500 | 0 | 32,500 | 20,625 |
| Friends postage, newsletter & AGM cost | 0 | 1,180 | 1,180 | 698 |
| Trustees expenses and meeting costs | 4,601 | 0 | 4,601 | 2,335 |
| Audit & Accountancy | 20,885 | 0 | 20,885 | 19,979 |
| | 72,643 | 1,180 | 73,823 | 59,932 |

8. TRUSTEE'S REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2022.

Trustee's expenses

Total expenses of £216 were repaid during the year (£21 in 2021).

9. STAFF COSTS

| | 2022 £ | 2021 £ |
|-----------------------|----------------|----------------|
| Wages and Salaries | 240,083 | 213,399 |
| Social Security costs | 19,612 | 16,520 |
| Pension costs | 11,233 | 9,851 |
| | 270,928 | 239,770 |

The average number of persons employed by the charity during the year was as follows:

| 2022 | 2021 |
|------|------|
| 9 | 9 |

The number of employees who received remuneration amounting to between £60,000-£70,000 was one (2021: nil in excess of £60,000).

The key management personnel of the charity received aggregate remuneration of £83,894 (2021: £98,416).

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. TANGIBLE FIXED ASSETS

| | FF&F & Office Equip £ | Other Equip £ | Totals £ |
|-----------------------|-----------------------------|------------------|---------------|
| Cost | | | |
| At 1 January 2022 | 22,757 | 10,647 | 33,404 |
| Additions | 45,882 | 0 | 45,882 |
| Disposals | 0 | 0 | 0 |
| At 31 December 2022 | 68,639 | 10,647 | 79,287 |
| Depreciation | | | |
| At 1 January 2022 | 22,538 | 1,065 | 23,603 |
| Disposals | 0 | 0 | 0 |
| Charge for year | 1,400 | 1,065 | 2,464 |
| At 31 December 2022 | 23,938 | 2,129 | 26,067 |
| Net Book Value | | | |
| At 31 December 2022 | 44,702 | 8,518 | 53,219 |
| At 31 December 2021 | 219 | 9,582 | 9,801 |

11. FIXED ASSET INVESTMENTS

| | Listed Investments £ | Cash and settlements pending £ | Totals £ |
|---------------------------------------|----------------------------|-----------------------------------------|------------------|
| MARKET VALUE | | | |
| At 1 January 2022 | 1,725,134 | 107,592 | 1,832,726 |
| Additions | 27,781 | 1,050 | 28,831 |
| Disposals | (100,000) | 0 | (100,000) |
| Revaluations | (205,607) | 0 | (205,607) |
| At 31 December 2022 | 1,447,308 | 108,641 | 1,555,950 |
| NET BOOK VALUE | | | |
| At 31 December 2022 | 1,447,308 | 108,641 | 1,555,950 |
| At 31 December 2021 | 1,725,134 | 107,592 | 1,832,726 |
| Historical cost of Investments | 2022 | 2021 | |
| | £ | £ | |
| Historical costs | 1,617,288 | 1,718,727 | |

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|--------------------------------|---------------|---------------|
| Prepayments and accrued income | 35,991 | 20,796 |
| Trade Debtors | 3,296 | 3,559 |
| Other Debtors | 70 | 70 |
| | 39,358 | 24,425 |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|---------------------------------|--------------|---------------|
| Trade Creditors | 3,352 | 9,921 |
| Social Security and other taxes | 1,781 | 8,767 |
| Accruals and deferred income | 2,900 | 2,855 |
| Other creditors | 10 | 0 |
| | 8,042 | 21,543 |

14. MOVEMENT IN FUNDS

Movement in Funds

Current Year

| | At 01.01.22 £ | Net movement in fund £ | At 31.12.22 £ |
|---------------------------|---------------------|---------------------------------|---------------------|
| Unrestricted funds | | | |
| General Fund | 699,432 | (259,323) | 440,111 |
| Designated Fund | 1,338,086 | (56,963) | 1,281,122 |
| Total Funds | 2,037,518 | (316,286) | 1,721,233 |

Net movement in funds,
included in the above are as
follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Transfer of funds £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|---------------------------|
| Unrestricted funds | | | | | |
| General Fund | 299,158 | (425,440) | (178,923) | 45,882 | (259,323) |
| Designated Fund | 116,360 | (100,757) | (26,684) | (45,882) | (56,768) |
| Total Funds | 415,517 | (533,313) | (205,607) | 0 | (316,287) |

| Movement in Funds Prior Year | At 01.12.21 £ | Net movement in fund £ | At 31.12.21 £ |
|-----------------------------------------|------------------------------|-------------------------------------------|------------------------------|
| Unrestricted funds | | | |
| General Fund | 577,913 | 121,519 | 699,432 |
| Designated Fund | 1,442,248 | (104,162) | 1,338,086 |
| Total Funds | 2,020,161 | 17,357 | 2,037,518 |

Net movement in funds,
included in the above are as
follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|-------------------------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Unrestricted funds | | | | |
| General Fund | 371,083 | (404,124) | 154,560 | 121,519 |
| Designated Fund | 16,058 | (111,180) | (9,040) | (104,162) |
| Total Funds | 387,141 | (515,304) | 145,520 | 17,357 |

15. Designated Funds

Friends of the Museum **£ 131,571**
Donations received from Friends of the Museum which are specifically designated for the purpose of replenishing the Museums displays and archives.

Investments **£1,000,000**
A designated value to remain invested in order to generate sufficient income from interest and dividends to fund ongoing operational costs.

Development Fund **£ 149,747**
An allocation towards the modernisation of the Museum.
The Development Reserve comprises £250,000 allocated from the General Reserve, against which expenditure to date is £203,205, and £102,952 received from the Services Day's Pay Giving Scheme via The Brigade of Gurkhas Education and Welfare Fund.

The Trustees designated the Investment Fund and Development fund in the light of the plan agreed during 2019 for a major modernisation and refurbishment of the Museum and its displays and the associated investment in additional people and one-off costs related to the fund-raising. Further information is given in the Report of the Trustees.

Total Designated Funds **£1,281,318**

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. RELATED PARTY TRANSACTIONS

The trustees have considered related parties and any relevant transactions. The following information is disclosed:

Trustee Colonel David Robinson is also a trustee of The Brigade of Gurkhas Education and Welfare Fund, from which, grants totalling £152,952 were received during the year. He is also a Trustee of the Gurkha Welfare Trust, from whom income of £6,000 was received for the provision and licensing of imagery; and of the Royal Gurkha Rifles Regimental Trust from whom a grant of £500 was received.

Trustee Mr Jojn Bulbeck is also a Trustee of 7th Duke of Edinburgh's Own Gurkha Rifle Regimental Trust from whom a donation of £8,700 was received towards the purchase of an important medal set. The Trust also gifted to the Museum a painting of the Regiment in action in the Falkland Islands Conflict.

Trustees Colonel William Shuttlewood and Major John Harrop are also Trustees of the 2nd King Edward VII's Own Gurkha Rifles Regimental Trust, from which a donation of £1000 was received.

Trustee Colonel Charles Barnett MBE is married to Mrs L. Barnett, a Consultant at Parker Bullen LLP, a law firm that has charged £468.60 in fees to the Trust in the year for legal work and advice.

THE GURKHA MUSEUM TRUST

England & Wales - Charity number 1169920

Accounts



The Gurkha Museum Trust

**Annual Report and Financial Statement
for the Year Ending 31 December 2021**

Charity Number 1169920

THE GURKHA MUSEUM TRUST – CHAIRMAN'S STATEMENT 2021

Major strategic and operational milestones were achieved by the Gurkha Museum in 2021, despite the second year of the global COVID-19 pandemic and I am pleased to report that towards the year end a more normal museum regime was possible after the extended lockdowns ended. This sets up 2022 to be a decisive and exciting year in launching our Museum appeal and getting our modernisation underway.

One effect of the pandemic has been to accelerate our thinking and innovate rapidly in taking the Gurkha Museum out 'beyond our walls' to the public. So, it is very pleasing to report that our engagement innovations particularly with lectures, exhibitions, podcasts, and retail initiatives have not only brought us new audiences but have also resulted in multiple Awards to the Gurkha Museum including for Digital Innovation in 2021 that have continued into 2022.

The planned uplift in development expenditure that was foreshadowed in our 2019 Annual Report, where we set aside an initial £250,000 in our Reserves, has begun with a Visioning Study for the future of the Museum from the world class museum consultants Ralph Applebaum Associates (RAA) of New York and London that was completed at the end of the year. This is part of an ongoing development and consultation process that continues into 2022 along with our fundraising consultants, before finalising our plans and launching a fundraising appeal.

During 2021 the other key initiative has been directed toward securing a long-term Lease for our premises in Peninsula Barrack from the Ministry of Defence, a pre-requisite of grant giving organisations supporting the Gurkha Museum. Although not achieved in 2021, I am pleased to report that it was finally signed in early 2022.

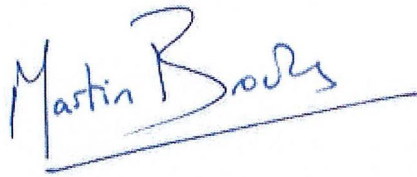
Robust trading in 2021, new grants, careful cost control and a further year of excellent investment returns have ensured that this significant spending uplift has been absorbed with a nominally strengthened Balance Sheet in 2021. We anticipate that 2022 will be more challenging with global headwinds of higher inflation, threats to economic growth from the current geopolitical uncertainty and volatile investment markets. However, prudent planning and risk management, together with robust reserves stand behind the Gurkha Museum.

In achieving this, I would like to pay tribute to and thank the Director, our growing staff team, and our trustees, who have collectively driven our ambitions forward in the year towards our goal to be an inclusive modern military museum fit for the mid 21st Century, connecting modern British society with the remarkable and inspiring story of the Brigade of Gurkhas today and their service to Britain over the last 206 years.

Additionally, we continue to rely in on the support and encouragement of the wider Brigade of Gurkhas family, as well as our Volunteers and Friends. This includes many Regimental Associations including both 2GR and 7GR Regimental Trusts who have been additionally generous in their support of medal purchases on behalf of the Museum. I would like to thank particularly Colonel Jodie Davies MBE, Colonel Brigade of Gurkhas until

November 2021, as one of our two ex officio trustees, whose unfailing support to the Gurkha Museum on behalf of the serving Brigade of Gurkhas throughout the pandemic has been a great source of strength to us. We welcomed Colonel David Robinson as a new trustee on his appointment as Colonel Jodie's successor.

After the end of the reporting year, the very sad news came that Field Marshal Sir John Chapple GCB CBE DL, our Vice Patron, died on the 25th of March 2022. It is impossible to exaggerate the influence, support, and guidance of Field Marshal Sir John, himself a noted historian and collector of military memorabilia, on the development of the Gurkha Museum in Winchester. We have lost a mentor and friend and our deepest sympathies are extended to Lady Chapple and his family.

A handwritten signature in blue ink that reads "Martin Brooks". The signature is written in a cursive style and is underlined with a single horizontal line.

Martin Brooks MA FRAS
Chairman of the Trustees

THE GURKHA MUSEUM TRUST

REPORT OF THE TRUSTEES FOR THE YEAR END 31 DECEMBER 2021

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2021. They have adopted the provisions of 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

The Gurkha Museum Trust

Registered Charity Number

1169920

Registered Office

The Gurkha Museum
Peninsula Barracks
Romsey Road
Winchester
Hampshire
SO23 8TS

Vice Patrons

Field Marshal Sir John Chapple GCB CBE DL
Lieutenant General Richard Wardlaw OBE
Colonel D.R. Wood MBE

Chairman of the Trustees

Mr M.R. Brooks MA FRAS

Elected Trustees

Colonel C.M.J. Barnett MBE
Lieutenant General Sir David Bill KCB
Mr J.W. Bulbeck MSCI
Major J.R. Harrop
Mr S. Maslin FCA
Mrs S. Rai
Colonel W.F. Shuttlewood OBE

Ex-Officio Trustees

Colonel J. Davies MBE, Colonel Brigade of Gurkhas (to November 2021)
Colonel D.J. Robinson (from November 2021)
Major Shuresh Thapa MVO, Officer Commanding Gurkha Company RMAS

Accountants

Winchester Bourne Ltd
Sullivan Court
Wessex Park
Colden Common
Winchester
SO21 1WP

Legal Advisor

Mr A.J. Lutley
Springfield
Rookery Hill
Ashtead Park
Ashtead
KT21 1HY

Independent Examiner

Mr P.E.H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Investment Managers

BlackRock Investment Management (UK) Ltd
12 Throgmorton Avenue
London
EC2N 2DL

CCLA

Senator House
85 Queen Victoria St
London
EC4V 4ET

Museum Director & Secretary to the Board

Dr D.G. Bowyer MA MPhil PhD FRSA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Board of Trustees operates under a constitution dated 14 October 2016, as amended by a Resolution dated 26 October 2016, both registered at the Charity Commission under Registered Number 1169920.

Organisational Structure

The Trust is a Charitable Incorporated Organisation run by the Board of Trustees and managed day-to-day by the Museum Director with the support of the Assistant Director and Head of Fundraising and Marketing. The Senior Management Team is further aided by work of the Collections Officer, a Digital Officer, Retail, Events and Administrative Assistant and four Museum Assistants, three of whom are ex-Gurkhas.

The Board, in turn, is supported by three Committees dedicated to Governance, Investments, and Risk & Audit. These Committees are made up of selected trustees and advisors working to Terms of Reference which are regularly reviewed and enable the Board to give due attention to matters that require consideration. In addition, there is also a Collections Advisory Group, which includes specialist advisers as appropriate and provides expert advice relating to the Museum collections. Two further working groups were agreed in May 2019 and have now been established: the Fundraising Working Group and Museum Development Project Working Group.

The Board of Trustees meets at least three times a year at which they review proposals presented to them by the Committees and steer the management of the Museum. One of three annual Board meetings focuses on the long-term strategic direction of the Museum.

During the reporting period the Board decided to establish a wholly owned trading subsidiary as its trading income approaches the limit of the Small Scale Exemption. Although established, the company will remain dormant while further advice is sought on optimum trading arrangement from both a VAT and Corporation Tax perspective.

Appointments

Office holders, elected trustees, and ex-officio trustees are appointed in accordance with the Constitution. The ex-officio trustees represent all ranks of the serving Brigade of Gurkhas.

There was only one change to the composition of the Board of Trustees during the reporting period, when Colonel Jody Davies MBE, ex-officio trustee as Colonel Brigade of Gurkhas left that role in November and was replaced by Colonel David Robinson.

The dedication, commitment and contribution of all trustees is acknowledged with gratitude. It is especially important to The Gurkha Museum Trust that it remains closely connected to the serving Brigade of Gurkhas and that the views of the serving Brigade are well represented. In this respect, the ex-officio trustees have a particularly significant role to play.

Induction and Training

Newly elected trustees will be briefed by the Chairman on all matters relating to the Trust and will receive further insight into the day-to-day workings of the Museum from the Museum Director. They will receive copies of the Constitution, the latest sets of Minutes, Annual Report and Financial Statements, Charity Commission guidance on trustee responsibilities, and other documents as deemed appropriate. External training is also offered and undertaken by trustees from time to time.

Staff and Professional Development

As the restrictions imposed as a result of the Covid-19 pandemic were eased, the Museum was able to institute and fill two new posts: a Digital Officer and a Retail, Events and Administration Assistant.

Trustees continue to give high priority to the training and development of staff and to allocate funds accordingly. Staff now have access to a wide range of online training and maximum use is made of this for completion of annual routine and mandatory training such as health & safety subjects and data protection. Personal and professional development needs are identified through the annual appraisal process and individual training and development plans agreed accordingly.

Accreditation

The Museum is part-funded by the Ministry of Defence through an annual grant-in-aid, in this reporting period, £38,400 (this is reviewed annually), and must therefore meet certain expectations placed upon it by the Army including the Museum's continued adherence to the Army's heritage strategy and the requirement to remain fully Accredited by Arts Council England. The Museum was first awarded Accreditation by Arts Council England in 2011 and was successful in its subsequent renewal in 2015 (registration no 1775). The next invitation to submit for renewal was expected in the first half of 2020 but due to the pandemic, Arts Council England has announced a delay to renewals, and the Museum's Accredited status has been extended until at least summer 2022. Ensuring the Museum's readiness for this has been a key activity for the last year.

Lease

It has long been an aim of the Museum to have a formal lease agreement in place with the MOD in order to regularise the current 'Tenant at Will' status. Providing this security of tenure is seen by trustees as a fundamental step towards launching a funding campaign for major redevelopment of the Museum. Although very significant progress was made towards achieving this aim during the reporting period, last-minute amendments by the MOD made it impossible to conclude the lease before

the end of the year. (Trustees are pleased to note that the lease was finally agreed and executed in March 2022).

Fundraising Regulator

The Gurkha Museum continues to be exempt from the Fundraising Regulator Levy as the Charity's spend on generating voluntary income has remained under the threshold of £100,000. The Museum registered on a voluntary basis in 2020.

OBJECTIVES AND ACTIVITIES

Objects for Public Benefit

The objects of The Gurkha Museum Trust are stated in the Constitution; "To advance education in particular but not exclusively by the provision of The Gurkha Museum and the preservation and maintenance of the Brigade collection; and to promote the efficiency of the Armed Forces by upholding the traditions and ethos of the Brigade of Gurkhas and perpetuating its deeds."

Aims and Objectives

- Maintain, for posterity, collections and artefacts associated with Britain's Gurkhas and actively provide open public access, and academic research facilities, to promote military scholarships and public education and understanding.
- Encourage visitors of all ages, genders and ethnic identities to visit, or otherwise engage with, the Museum to learn about and enjoy the unique history of Britain's Gurkhas, and to promote and educate the public in the history of Gurkhas and their culture in Nepal.
- Engage with local communities, schools, special interest and disability groups and Nepalese community groups in providing a source of education, information and understanding of the history, culture and religion of Gurkhas and their role in the modern British Army.
- Build partnerships and networks with historical and cultural organisations, and other similar museums, to deliver more efficiently and widely promote the purpose, objectives, and activities of the Museum.
- Provide a heritage focal point for Gurkha units, past and present, and inspire future generations of British and Gurkha officers and soldiers.
- Provide the Army and other government departments with sources of information on historical matters unique to Gurkha service.

Public Benefit Statement

The trustees confirm that they have taken into account the Charity Commission's

general guidance on public benefit when reviewing the Charity's aim and objectives and in making decisions.

ACHIEVEMENTS AND PERFORMANCE

Despite the restrictions imposed by the Covid Pandemic, 2021 was an exciting year for the Gurkha Museum that saw significant enhancements to its public engagement, an award for its innovative digital outreach programme, some interim modernisation and the foundations being laid for its ambitious future redevelopment plans. We were particularly pleased to see that as Covid restrictions lifted, visitor numbers returned rapidly to pre-pandemic levels. With the addition of our online activity this has meant a very significant uplift in our engagement figures.

Enhancements to our Wi-Fi and IT infrastructure not only facilitated highly effective remote working when required by lockdowns, but have left us in a much more resilient and robust position with regard to data security and the use of digital communications for the future. As we look to an enhanced digital offer and global access to our archives and activity, very solid foundations have been laid.

Visitors and Engagement

Our programme of on-line activity, started as a response to the Covid-related closures, has gone from strength-to-strength in its own right, adding significantly not just to the quantity of our engagement but also to its geographic spread. In 2021 we grouped our on-line activities under the brand 'Gharma Sunnu' (Nepali for 'To Listen at home') with sub-brands for lectures, exhibitions, podcasts. Lectures in the series included: *Operation Hellfire*, with Brigadier Christopher Bullock, and *High Risks at Black Four Zero*, with Brigadier Bruce Jackman, both relating experiences as junior officers leading Gurkha soldiers on operations in the Borneo Confrontation; and *Who are the Gurkhas?* by Major General Craig Lawrence. Later in the year, John Mackinlay, Lieutenant Colonel Bob Couldrey and Major General Ray Pett delivered an online version of *Slim Saheb*, a lecture on the life and service of Field Marshal Viscount Slim, having previously delivered this in person twice at the Gurkha Museum and also in London at Clothworkers Hall. The latter was a very successful experiment in running a London event to raise both funds and profile. Gharma Sunnu won us a coveted Winchester Business Excellence award for Digital Innovation.

The *Slim Saheb* lecture augmented our online exhibition *Uncle Bill – Field Marshal Slim and his Leadership Legacy*. Our other online exhibitions for the year were *Khelkud and Chadi* (Nepali for *Sports and Silver*), celebrating Gurkha sporting achievement and *Tales from the Mountains* examining the history of Gurkhas and mountaineering. This was complemented by an evening of supper and lectures on the same subject. A pilot to test the waters of evening events of this nature, it was a resounding success both in raising funds and in attracting a new audience.

Our in-person exhibitions were our main summer exhibition – a physical version of *Khelkud and Chadi* – and, as a contribution to Winchester Fashion Week, a show of bespoke designed menswear inspired by military uniform and Nepalese traditional costume.

In all of this the aim has been to expand our appeal and introduce the inspiring story of Gurkha service to new audiences.

We were also able to resume our regular programme of lecture lunches and were pleased to see attendance numbers revert quickly to pre-pandemic levels.

Our plans for an interim update of the main displays to bring the story up to date, were fully executed during the period with significant assistance from the Queen's Gurkha Engineers, who built a mock-up of a defensive sangar as used in recent operations in Afghanistan and HQ Brigade of Gurkhas who 'set-dressed' the installation for us.

The refurbishment of the McDonald Gallery, our principal multi-function space, has given us a vastly improved facility for lectures and exhibitions, and facilitated a re-display of key art works better to illustrate the history of Gurkha service from early days to recent conflicts. The commercial leverage of this improvement will be a key target for next year but the potential for increased revenue is already being shown.

Our visitor total for 2021 was 8,212, an increase of 137% on the previous year but still lower than normal as a result of Covid closures. Considering that we were forced to close for more than four months, the figure stands up well against the last pre-Covid year, 2019, which saw a visitor total of 10,898 visitors.

Of the 8,212 visitors, 2,133 were visitors we engaged through our digital activities, including four online lectures, one podcast broadcast as part of an online exhibition, and a series of virtual lectures to Gurkhas and their families in Brunei. The online lectures and podcasts were created as part of the Gharma Sunnu programme seeking to increase the museum's reach and engagement beyond those in easy travelling distance of Winchester. Online exhibitions, hosted on our website, were viewed by 17,597 people in 2021. We also introduced a 3D online tour, allowing distant would-be visitors to tour the Museum virtually.

Education and Family Activities

In addition to our programme of public lectures – both in person and on-line – we have been delighted to see a return of school visits and to be able to reintroduce our family activities in school holidays. These well-received events have included Nepalese curry tastings for both adults and children, and arts and crafts activities. Introduced this year was a medal making workshop in which children are asked to think what they might wish to award a medal for and to whom they would award it. They then design and make a medal to take away.

Looking to the future, we have begun conversations with school, local authority and academy trust leaders and curriculum leads so that we can design educational programmes tailored to their needs. A new programme, Gharma Siknu ('To Learn at home') is planned and will include short animated films.

We continue to support both the Army and the general public, answering enquiries and conducting research.

Collections and Acquisitions

Significant accessions in 2021 include:

- The Medal Group of Captain Ramprasad Pun MM, 2/2GR, purchased at auction with funds from the Friends of the Museum and 2 GR Regimental Trust.
- The Medal Group of Jemadar Balandhar Rai, 2/7GR purchased at auction with funds from the Friends of the Museum.
- A photo-board showing QGE activities in Sudan, from 69 Gurkha Field Squadron QGE.
- The papers of Brigadier C.C. 'Guinea' Graham, 10GR, from David Harding.
- An engraved kukri presented to Maj. A..J. Yeomans, from all ranks BGRD 1951, from John Yeomans.
- The Mutiny Medal (w/ Lucknow Clasp) of Sgt A. Delahay, attached to what would become 4GR, purchased at auction with funds from the Friends of the Museum.
- The IGSM 1909 w/ North West Frontier 1920-1931 clasp to Dhobie Nabi, 1/6GR, from Richard Hughes.
- Albums and papers of Maj. General William Beynon, KCIE, CB, DSO, from Maj. T. O'Leary.
- Papers of John Tytler VC, 4GR, from Adam Tytler Edwards.
- An inscribed and mounted shell-piece from the Battle of Dargai, from 2GR Regimental Trust.
- A framed poster of the QGE Covid-19 Response Operations, from 36 Engineer Regiment/QGE.
- 35 x Items relating to Maj Alexander Duncan, including maps, a survival compass and a number of rare badges including the Nazi Indian Legion patch, from Ian Brunton-Reed.
- 18 Medal groups from the estate of Lt. Col Mike Barret, purchased by the museum at a significant discount provided for in Lt Col Barrett's will, with funds from the Friends of the Museum.
- The Medal Group of Lance-Corporal Kambarsing Rai MM, 7GR, purchased at auction with funds from 7th Gurkha Rifles Regimental Association.

The museum has also disposed of some 140 surplus books to the Centre for Army Leadership's Richard Holmes Library.

Supporters

Our donor database gained 320 new names over the course of the year, to 5,840. Of the 320 new names, 59 were new members to our Friend of the Museum scheme. In addition to the donor database, our e-newsletter list continues to increase, and we now send out regular, at least monthly, updates on the shop, events, exhibitions, and online content. This list increased by over 300 names to 1,268 by the end of 2021.

Marketing the Gurkha Museum

In 2021 we invested in our digital marketing and fundraising capabilities through the appointment of our first Digital Officer. Since he started in post in July, we have seen significant increases in followers and engagement across all of our social media channels.

Although primarily a trading initiative, the creation of a branded gin to sell in the shop provided us with fantastic marketing opportunities with the production of eye-catching marketing images and video, which boosted sales on our online shop. The gin quickly became the best seller of 2021, selling out the first batch in just two days.

PLANS FOR FUTURE PERIODS

Exciting progress has been made towards the Gurkha Museum's ambitious plans for a full refurbishment of the Museum in order to create a world class facility for the collection, display, and promotion of the inspiring story of Gurkha service to Britain over more than 200 years. Movement towards closure on a long-term lease agreement with the MOD, gave us the confidence to commission a Visioning Study from the world class museum design consultancy Ralph Applebaum Associates of New York and London. This will form the basis of a bid to the National Lottery Heritage Fund in 2022, which, if successful will underpin a capital appeal.

This bid will include not only a major refurbishment of the physical display of our collections at the Museum in Winchester, but also an extensive plan for educational and outreach activity and the full digitisation of our archive.

As a step towards digitisation, we intend, in the next period, to become fully participating members in the Army Museums Ogilby Trust's (AMOT) national programme for digitising military museum's archives for the period covering the First World War.

Plans for redevelopment of the library into a research and education facility have been drawn up and are being considered either for a stand-alone capital project or for inclusion in the major redevelopment. We have also developed plans to refresh and reorganise our office space, with an open plan layout to facilitate team expansion and collaborative working and to create an additional meeting space to serve both internal needs and offer additional revenue potential.

The Gurkha Museum, its trustees, staff and volunteers take pride in our navigation of the challenges created by the Covid epidemic, and in our institutional adaptability. We have not only survived two very difficult years, but have thrived, innovated, progressed and set ourselves well poised for future development.

RISK MANAGEMENT

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Museum's operational performance, including risks to personnel and volunteers.
- The Museum's ability to achieve its objects.
- Meeting the expectation of visitors and supporters.
- The Museum's reputation and integrity.
- The Museum's assets.

The Trustees identify and review these risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks in a timely manner. Where possible and appropriate, risks are covered by insurance.

FINANCIAL REVIEW

Admissions

Admissions income at £9,243, was an improvement on the prior year (£8,145) despite further Covid-related closures of more than four months, but still well below the last pre-pandemic year (2019) figure of £16,585.

Other trading Income

Other trading income (shop and bar sales, hire of the McDonald Gallery, archive and research fees lecture fees) amounted to £100,254 against a prior year total of £63,544, outstripping even the pre-Covid (2019) figure of £85,378. This was mainly due to significantly increased gallery hire, lecture and shop revenue. In all these areas innovation and investment are paying off.

Voluntary Income

Grant income of £157,246 was more than £50% up on 2020, but included grants made from the Government's Coronavirus Job retention Scheme, Winchester City Council and a significant grant from the Foyle Foundation.

Friends' subscriptions of £10,280 show continued upward progress and we were very pleased to see a further large increase in other donations to £69,446. Gift aid claims, too, have continued to rise.

Expenditure

Total Expenditure of £515,304 was up £125,301 on the prior year, however, £111,180 of this was expenditure from Designated Funds, partly acquisition of artefacts (medals) from the Friends Fund and partly expenditure on renovation consultancy from the fund Designated for this purpose.

Overall outturn, then, was a deficit of £128,163, but when the expenditure from Designated Funds is excluded, close to break even, a notable improvement on prior years and better than planned.

Despite this planned operating deficit, investment performance, summarised below, led, again, to an overall strengthening of the balance Sheet.

INVESTMENTS

Over the course of most of 2021 Investment markets moved higher supported by hopes of rising levels of economic activity especially in the final months of the year and into 2022. However, towards the end of the year this positivity started to wane as inflation rose well above expectations and the recovery came under threat from another wave of Covid infections. Although central banks remained calm, investment markets increasingly took the view that increased interest rates were likely. Despite this sea-change however Equity markets held on to the higher levels but sentiment in fixed income sectors as evidenced in the fall in the value of the Friends' Fund, weakened substantially and prices ended below the best levels.

As a result of the strength in Equity markets, trustees thought it prudent to use the strength in markets to top-slice the IF and withdrew £49,000. This amount was transferred to the GM's cash reserves.

Also in July, the Investment Committee, together with the consent of the broader Trustee body, decided, after much deliberation, to split the IF equally between two managers. As a result, we reduced by approximately half our Blackrock position (£765,000) and re-invested the proceeds into the CCLA COIF Charities Investment Fund. Going forward, this split will provide greater diversification as the GM will have two managers with differing investment processes managing our IF.

2021 Investment Performance

The Charity's main Investment Fund increased by 9.38% (after withdrawal of £49,000) and the Friends' Fund was down 3.69% over the year.

RESERVES POLICY

The Trustees have reviewed their reserves policy in the light of the Museum's current development plans and having considered the Charity Commission's guidance *Charity Financial Reserves*. The aims and objectives of the Museum are set out earlier.

Designated reserves

The Museum has sustained operating deficits for four years and is expected to do so again in 2022. The Museum is investing in modernising the display of its collection and in new fundraising capabilities, but it might be some years before these investments allow the Museum to return to an operating break-even position. The Trustees believe it is important to maintain the current collection in good order to continue its current level of activities such as its outreach programme, particularly to

local schools and Gurkha communities, and to develop its digital capability and presence. Accordingly, the Trustees have designated an Investment Fund of £1m to be used to generate income sufficient to fund a further year of operating deficit. The Investment Fund takes account of the recent history of both investment returns and the levels of operating deficits. The Investment Fund is held solely to generate income to fund the deficit during this transitional phase and may not be used for any other purpose without the express prior approval of the trustees.

Further, the trustees believe that the investment in modernising the exhibitions and the new fund-raising capabilities will continue to require a significant level of one-off expenditure in 2022. Accordingly, the Trustees designated a Development Fund to fund this investment. The Development Fund is not available for ongoing expenditure. Draws on the Development Fund may only be made by prior approval of the Risk and Audit Committee and use of the funds for permitted purposes is monitored by the Trustees. In 2021 charges of £73,670 were made against this fund in part payment for the Visioning Study, leaving a balance of £176,330.

In addition, historically, Friends of the Museum have made donations for the specific purpose of replenishing the Museum's displays and archives and these donations have been allocated to a designated fund for that specific purpose. As at 31 Dec 2021 this fund stood at £161,756.

In total, therefore, as at 31st December 2021 the Museum held designated funds for specific purposes of £1,338,086 which are not available for ongoing expenditure.

Free Reserves

In addition to the above designated reserves, the Trustees also have regard, when assessing the Museum's level of free reserves, to its working capital needs plus a contingency to cover interruptions to its activities (e.g. damage to the building or other events requiring closure over a lengthy period, as came to pass in 2020 and 2021 as a result of the Covid Pandemic). In the light of the uncertainty due to the Pandemic, the Trustees sought to ensure that a minimum of £400,000 was maintained in cash or liquid investments, which is sufficient to cover 12 months of operating expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2015 and FRS 102;

- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATION

Signature:



Name:

M.R. Brooks

Appointment:

Chairman of Trustees

Date: 7th June 2022

Independent Examiner's Report to the Trustees of The Gurkha Museum Trust

I report to the Charity trustees on my examination of the accounts of The Gurkha Museum Trust (the Trust) for the year ended 31st December 2021.

Responsibilities and basis of report

As the Charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



P E H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date 7th June 2022

THE GURKHA MUSEUM TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2021

| | Note | <u>Unrestricted funds</u> | | 2021 | 2020 |
|------------------------------------|------|---------------------------|--------------------------|---------------------|---------------------|
| | | General Funds £ | Designated Funds £ | Total Funds £ | Total Funds £ |
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | 73,614 | 12,953 | 86,567 | 105,820 |
| Other Trading Activities | 3 | 109,497 | 0 | 109,497 | 71,689 |
| Grants received | 4 | 157,246 | 0 | 157,246 | 101,840 |
| Investments | 5 | 30,726 | 3,105 | 33,831 | 50,896 |
| Total | | 371,083 | 16,058 | 387,141 | 330,245 |
| EXPENDITURE ON: | | | | | |
| Charitable Activities | 6 | 344,890 | 110,482 | 455,372 | 322,525 |
| Governance Costs | 7 | 59,234 | 698 | 59,932 | 67,478 |
| Total | | 404,124 | 111,180 | 515,304 | 390,003 |
| | | (33,041) | (95,122) | (128,163) | (59,758) |
| Net gains (losses) on Investments | 11 | 154,560 | (9,040) | 145,520 | 77,358 |
| NET INCOME/(EXPENDITURE) | 14 | 121,519 | (104,162) | 17,357 | 17,600 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total Funds Brought Forward | 14 | 577,913 | 1,442,248 | 2,020,161 | 2,002,561 |
| Transfer between Funds | | | | 0 | 0 |
| TOTAL FUNDS CARRIED FORWARD | 14 | 699,432 | 1,338,086 | 2,037,518 | 2,020,161 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

THE GURKHA MUSEUM TRUST

BALANCE SHEET AT 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|-------------------------------------|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible Fixed Assets | 10 | 9801 | 579 |
| Investments | 11 | 1,832,727 | 1,701,842 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 24,425 | 6,375 |
| Stock | | 23,480 | 28,896 |
| Cash at bank and in hand | | 168,629 | 296,282 |
| | | 216,534 | 331,550 |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (21,543) | (13,810) |
| NET CURRENT ASSETS | | 2,059,061 | 2,033,971 |
| NET ASSETS | | 2,037,518 | 2,020,161 |
| FUNDS | | | |
| Unrestricted funds | 14 | | |
| General funds | | 699,432 | 577,913 |
| Designated funds | 15 | 1,338,086 | 1,442,248 |
| TOTAL FUNDS | | 2,037,518 | 2,020,161 |

The financial statements were approved by the Board of Trustees on
and were signed on its behalf by:

18 May 2022

Signed.....

Name.....

Position.....

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Financial Reporting Standard 102 – reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS102. 'The Financial reporting Standard applicable in the UK and Republic of Ireland: The requirements of Section 7 Statement of Cash Flows.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees. In practical terms all funds are used solely for the purpose of maintaining and running The Gurkha Museum and improving the display, artefacts, archives and library. General Funds includes an investment portfolio and this fund is expendable. The interest from the invested income and the dividends is used as the working capital for the day to day operation of the Museum, to include salaries. It is the Trustees' policy to preserve and increase capital for the fund so that the interest is able to make up any funding gap created by the withdrawal of MOD funding. It is the Trustees' aim to build this fund to a sum where the annual income from dividends and interest will be sufficient to replace the withdrawal of all MOD funding. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Allocation and apportionment of costs

Expenditure is analysed between charitable support costs, governance and costs of generating funds. Items, which involve more than one cost category are apportioned as appropriate to the cost categories involved.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Taxation

The charity is exempt from corporation tax on its charitable activities.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going Concern

The Trustees have considered the financial position of the Charity and believe it is currently a going concern. While the Museum is going through this transition phase of investment and development and the outlook following COVID-19 outbreak remains unclear its reserves and cash levels are reviewed regularly during the year by the Risk and Audit Committee and the reserves policy will be reviewed annually by the Trustees. Consequently, the financial statements have been prepared on a going concern basis. The Trustees have explicitly considered the potential impact of the COVID-19 virus and do not expect the fall in the market value of their investments to impact operations going forward in the short to medium term.

Heritage assets

The collections of the Gurkha Museum predominantly consist of donations which are considered heritage assets under the terms of the Statement of Recommended Practice as issued by the Charities Commission. The heritage assets of the Gurkha Museum have been excluded from the balance sheet due to a lack of valuation, as no financial value has historically, or is currently, placed on items donated to the Museum. Furthermore in accordance with the Code of Ethics for Museums, to which the Gurkha Museum must adhere to as an Accredited Museum, the disposal of any collections cannot be made principally for financial reasons.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

| | General £ | Designated £ | 2021 Total £ | 2020 Total £ |
|------------------------------------|----------------|-----------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | | | |
| Friends Subscriptions | 0 | 10,280 | 10,280 | 9,344 |
| Donations | 69,446 | 0 | 69,446 | 41,850 |
| Gift Aid | 1,612 | 2,673 | 4,285 | 3,698 |
| Legacies | 2,556 | 0 | 2,556 | 50,928 |
| | 73,614 | 12,953 | 86,567 | 105,820 |
| 3. OTHER TRADING ACTIVITIES | | | | |
| Admissions | 9,243 | 0 | 9,243 | 8,145 |
| Shop Sales | 65,230 | 0 | 65,230 | 55,868 |
| Bar Sales | 6,862 | 0 | 6,862 | 2,967 |
| Gallery Hire | 18,092 | 0 | 18,092 | 2,113 |
| Archive & Research | 422 | 0 | 422 | 358 |
| Lectures | 9,648 | 0 | 9,648 | 1,738 |
| Other Income | 0 | 0 | 0 | 500 |
| | 109,497 | 0 | 109,497 | 71,689 |
| 4. GRANTS | | | | |
| Grant in Aid | 38,998 | 0 | 38,998 | 38,769 |
| HQBG Grants | 50,000 | 0 | 50,000 | 50,000 |
| Other Grants | 68,248 | 0 | 68,248 | 13,071 |
| | 157,246 | 0 | 157,246 | 101,840 |
| 5. INVESTMENTS | | | | |
| Dividends and interest | 30,726 | 3,105 | 33,831 | 50,896 |

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

| | General £ | Designated £ | 2021 Total £ | 2020 Total £ |
|---------------------------------|----------------|-----------------|--------------------|--------------------|
| 6. CHARITABLE ACTIVITIES | | | | |
| Support Services | 277,569 | 110,482 | 388,051 | 285,215 |
| Trading Costs | 67,321 | 0 | 67,321 | 37,310 |
| | 344,890 | 110,482 | 455,372 | 322,525 |

7. GOVERNANCE COSTS

| | | | | |
|----------------------------------------|---------------|------------|---------------|---------------|
| Office and Administration | 16,295 | 0 | 16,295 | 14,706 |
| Proportion of Director's salary | 20,625 | 0 | 20,625 | 25,000 |
| Friends postage, newsletter & AGM cost | 0 | 698 | 698 | 1,643 |
| Trustees expenses and meeting costs | 2,335 | 0 | 2,335 | 0 |
| Audit & Accountancy | 19,979 | 0 | 19,979 | 20,898 |
| Legal Fees | 0 | 0 | 0 | 5,231 |
| | 59,234 | 698 | 59,932 | 67,478 |

8. TRUSTEE'S REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2021.

Trustee's expenses

Total expenses of £21.45 were repaid during the year (£0 2020).

9. STAFF COSTS

| | 2021 £ | 2020 £ |
|-----------------------|----------------|----------------|
| Wages and Salaries | 213,399 | 229,960 |
| Social Security costs | 16,520 | 17,202 |
| Pension costs | 9,851 | 10,775 |
| | 239,770 | 257,937 |

The average number of persons employed by the charity during the year was as follows:

| 2021 | 2020 |
|------|------|
| 9 | 8 |

No employees received emoluments in excess of £60,000.

The key management personnel of the charity received aggregate remuneration of £98,416 (2020: £110,151).

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. TANGIBLE FIXED ASSETS

| | FF&F & Office Equip | Other Equip | Totals |
|-----------------------|------------------------|---------------|---------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2021 | 22,757 | 0 | 22,757 |
| Additions | 0 | 10,647 | 10,647 |
| Disposals | 0 | 0 | 0 |
| At 31 December 2021 | 22,757 | 10,647 | 33,404 |
| Depreciation | | | |
| At 1 January 2021 | 22,178 | 0 | 22,178 |
| Disposals | 0 | 0 | 0 |
| Charge for year | 360 | 1,065 | 1,425 |
| At 31 December 2021 | 22,538 | 1,065 | 23,603 |
| Net Book Value | | | |
| At 31 December 2021 | 219 | 9,582 | 9,801 |
| At 31 December 2020 | 579 | 0 | 579 |

11. FIXED ASSET INVESTMENTS

| | Listed Investments | Cash and settlements pending | Totals |
|---------------------------------------|-----------------------|------------------------------------|------------------|
| | £ | £ | £ |
| MARKET VALUE | | | |
| At 1 January 2021 | 1,594,263 | 107,579 | 1,701,842 |
| Additions | 34,351 | 13 | 34,364 |
| Disposals | (49,000) | 0 | (49,000) |
| Revaluations | 145,520 | 0 | 145,520 |
| At 31 December 2021 | 1,725,134 | 107,592 | 1,832,726 |
| NET BOOK VALUE | | | |
| At 31 December 2021 | 1,725,134 | 107,592 | 1,832,726 |
| At 31 December 2020 | 1,594,263 | 107,579 | 1,701,842 |
| Historical cost of Investments | 2021 | 2020 | |
| | £ | £ | |
| Historical costs | 1,718,727 | 1,606,158 | |

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|--------------------------------|---------------|--------------|
| Prepayments and accrued income | 20,796 | 6,151 |
| Trade Debtors | 3,559 | 154 |
| Other Debtors | 70 | 70 |
| | 24,425 | 6,375 |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|---------------------------------|---------------|---------------|
| Trade Creditors | 9,921 | 301 |
| Social Security and other taxes | 8,767 | 8,487 |
| Accruals and deferred income | 2,855 | 5,042 |
| Other creditors | 0 | 0 |
| | 21,543 | 13,810 |

14. MOVEMENT IN FUNDS

Movement in Funds Current Year

| | At 01.01.21 £ | Net movement in fund £ | At 31.12.21 £ |
|---------------------------|---------------------|---------------------------------|---------------------|
| Unrestricted funds | | | |
| General Fund | 577,913 | 121,519 | 699,432 |
| Designated Fund | 1,442,248 | (104,162) | 1,338,086 |
| Total Funds | 2,020,161 | 17,357 | 2,037,518 |

Net movement in funds, included
in the above are as follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement In funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General Fund | 371,083 | (404,124) | 154,560 | 121,519 |
| Designated Fund | 16,058 | (111,180) | (9,040) | (104,162) |
| Total Funds | 387,141 | (515,304) | 145,520 | 17,357 |

| Movement in Funds Prior Year | At 01.12.20 £ | Net movement in fund £ | At 31.12.20 £ |
|-----------------------------------------|------------------------------|-------------------------------------------|------------------------------|
| Unrestricted funds | | | |
| General Fund | 573,740 | 4,173 | 577,913 |
| Designated Fund | 1,428,821 | 13,427 | 1,442,248 |
| Total Funds | 2,002,561 | 17,600 | 2,020,161 |

Net movement in funds, included in the above are as follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|-------------------------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Unrestricted funds | | | | |
| General Fund | 315,288 | (384,006) | 72,891 | 4,173 |
| Designated Fund | 14,957 | (5,997) | 4,467 | 13,427 |
| Total Funds | 330,245 | (390,003) | 77,358 | 17,600 |

15. Designated Funds

Friends of the Museum

Donations received from Friends of the Museum which are specifically designated for the purpose of replenishing the Museum's displays and archives.

£ 161,756

Investments

A designated value to remain invested in order to generate sufficient income from interest and dividends to fund ongoing operational costs.

£1,000,000

Development Fund

An allocation towards the modernisation of the Museum during 2021 and 2022.

£ 176,330

The Trustees designated the Investment Fund and Development fund in the light of the plan agreed during 2019 for a major modernisation and refurbishment of the Museum and its displays and the associated investment in additional people and one-off costs related to the fund-raising. Further information is given in the Report of the Trustees.

Total Designated Funds

£1,338,086

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. RELATED PARTY TRANSACTIONS

The trustees have considered related parties and any relevant transactions. The following information is disclosed:

Trustee Colonel J. Davies MBE and subsequently Colonel D J Robinson are/were also trustees of The Brigade of Gurkhas Education and Welfare Fund, from which, grants totalling £50,000 were received during the year.

Trustee Colonel J. Davies MBE and subsequently Colonel D J Robinson are/were also trustees of The Royal Gurkha Rifles Trust, from which a donation of £500 was received during the year.

Trustee Mr J. Bulbeck is also a trustee of The 7th Duke of Edinburgh's Own Gurkha Rifles Regimental Trust, from which, a donation was received during the year of £8,800.

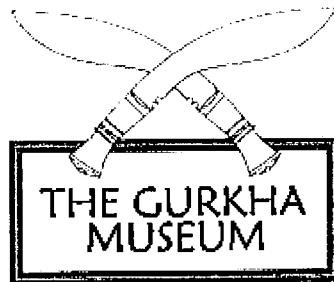
Trustee Colonel W. F Shuttlewood OBE is also a trustee of The 2nd King Edward V11's Own Goorkhas (The Sirmoor Rifles) Regimental Trust, from which, a donation was received during the year of £7,258 were received during the year.

Trustee Colonel C.M.J. Barnett MBE is married Mrs L. Barnett, a Consultant at Parker Bullen LLP, a law firm that has charged £2,421 in fees to the Trust in the year for legal work and advice.

THE GURKHA MUSEUM TRUST

England & Wales - Charity number 1169920

Accounts



The Gurkha Museum Trust

**Annual Report and Financial Statement
for the Year Ending 31 December 2020**

Charity Number 1169920

THE GURKHA MUSEUM TRUST – CHAIRMAN'S STATEMENT 2020

This has been a year like no other as the Covid-19 Pandemic crashed into our lives in early 2020. However, I am pleased to report that The Gurkha Museum rose to the challenge most successfully both in maintaining and developing its objectives and activities, despite lockdown closures that have continued well into 2021. Our ambition for redeveloping and extending the activities of the Museum to enhance the public benefit of the Gurkha Museum in its inclusivity and relevance remain undiminished and indeed have developed further as we learn to live with a Pandemic-affected world.

We have already accelerated our plans for creating a Digital Museum to reach out to a wider public in the UK and beyond and our output of stimulating materials on social media, together with podcast and online lectures, began to rise significantly in 2020 and early 2021 while the Museum was closed.

The operation of the Museum has been underpinned by achieving a better than planned financial out turn, due to precautionary and early cost control immediately we became aware of the potential damage in the first quarter of 2020 that the emerging Pandemic might cause. There was also an unexpected legacy. Here, I would like to pay tribute to the late Mr. Derek Underwood of Birmingham for his extraordinary generosity. Consequently, our operating deficit was reduced from £70,000 in 2019 to just under £60,000 in 2020. In this we also benefitted from the Furlough Scheme during the periods of Museum closure that started on 23 March, for which we are grateful to the Government.

Furthermore, despite a dip in the early part of the year as the Pandemic took hold, our investments, mainly held through the Blackrock Armed Forces Common Investment Fund, showed a gain on the year. As a result, despite the deficit we managed to show a marginal strengthening of our Balance Sheet in the year to £2,020,157 an improvement of just under £20,000 over 2019.

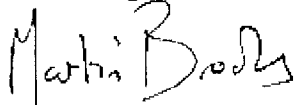
As I mentioned last year, the Trustees have forecast that the Museum will run an operating deficit for several years through our redevelopment plans, before our growing fundraising capacity is expected to reverse that trend.

Our response to the Pandemic has been driven at all times by the principles of safety for all, doing the right thing by our visitors and wider society, good communications and, as outlined above, maintaining the financial health of the Gurkha Museum. In this we have been strongly supported by our many stakeholders including Volunteers, Friends, Donors, the wider Brigade of Gurkhas and the Heritage Branch of the Army.

I would also like to pay tribute to all our staff during this most challenging year. The year included the change of Directors with the planned retirement of Gavin Edgerley-Harris after 27 years at the Gurkha Museum and the arrival at the beginning of October of Dr Daren Bowyer, a former Lieutenant Colonel in the Royal Engineers with subsequent broad-based experience in third sector senior leadership. Gavin's award of an OBE in the New Year Honours was fitting recognition of his many achievements and dedicated service at our

Gurkha Museum. I would also like to thank my fellow Trustees for their contributions and support.

The Pandemic and Lockdowns have stimulated our thinking further in telling the story of Gurkha Heritage and Service and playing a greater part in a Creative and Cultural Country. We look forward to welcoming back old visitors and new ones to the Museum in 2021, as well as creating closer links with our growing digital community.

A handwritten signature in black ink that reads "Martin Brooks". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Martin Brooks
Chairman of the Trustees

THE GURKHA MUSEUM TRUST

REPORT OF THE TRUSTEES FOR THE YEAR END 31 DECEMBER 2020

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2020. They have adopted the provisions of 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

The Gurkha Museum Trust

Registered Charity Number

1169920

Registered Office

The Gurkha Museum
Peninsula Barracks
Romsey Road
Winchester
Hampshire
SO23 8TS

Vice Patrons

Field Marshal Sir John Chapple GCB CBE DL
Lieutenant General Sir Nicholas Pope KCB CBE
Colonel D.R. Wood MBE

Chairman of the Trustees

Mr M.R. Brooks MA

Elected Trustees

Colonel C.M.J. Barnett MBE
Lieutenant General Sir David Bill KCB
Mr J.W. Bulbeck MSCI
Major J.R. Harrop
Mr S. Maslin FCA
Mrs S. Rai
Colonel W.F. Shuttlewood OBE

Ex-Officio Trustees

Colonel J. Davies MBE, Colonel Brigade of Gurkhas
Major Gajendra Angdembe, Officer Commanding Gurkha Company RMAS (to March 2020)

Major Shuresh Thapa MVO, Officer Commanding Gurkha Company RMAS (from March 2020)

Accountants

Winchester Bourne Ltd
Sullivan Court
Wessex Park
Colden Common
Winchester
SO21 1WP

Legal Advisor

Mr A.J. Lutley
Springfield
Rookery Hill
Ashtead Park
Ashtead
KT21 1HY

Independent Examiner

Mr P.E.H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Investment Managers

BlackRock Investment Management (UK) Ltd
12 Throgmorton Avenue
London
EC2N 2DL

Secretary/Museum Director

Mr G.J. Edgerley-Harris (up to October 2020)
Dr D.G. Bowyer MA MPhil PhD FRSA (from October 2020)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Board of Trustees operates under a Constitution dated 14 October 2016, as amended by a Resolution dated 26 October 2016, both registered at the Charity Commission under Registered Number 1169920.

Appointments

Office holders, elected Trustees, and ex-officio Trustees are appointed in accordance with the Constitution. The ex-officio Trustees represent all ranks of the serving Brigade of Gurkhas.

Induction and Training

Newly elected Trustees are briefed by the Chairman on all matters relating to the Trust and receive further insight into the day-to-day workings of the Museum from the Museum Director. They receive copies of the Constitution, the latest sets of Minutes, Annual Report and Financial Statements, Charity Commission guidance on Trustee responsibilities, and other documents as deemed appropriate. External training is also offered and undertaken by Trustees from time to time.

Organisational Structure

The Trust is a Charitable Incorporated Organisation run by the Board of Trustees and managed day-to-day by the Museum Director with the support of the Assistant Director and Head of Fundraising and Marketing. The Senior Management Team is further aided by work of the Collections Officer, and four Museum Assistants, three of whom are ex-Gurkhas.

The Board, in turn, is supported by three Committees dedicated to Governance, Investments, and Risk & Audit. These Committees are made up of selected Trustees and advisors working to Terms of Reference which are regularly reviewed and enable the Board to give due attention to matters that require consideration. In addition, there is also a Collections Advisory Group, which includes specialist advisers as appropriate and provides expert advice relating to the Museum collections. In May 2019, the creation of two further working groups were agreed; the Fundraising Working Group and Museum Development Project Working Group, which were due to be populated in 2020, however due to COVID-19 pandemic the working groups have not yet been developed further.

The Board of Trustees meets at least three times a year at which they review proposals presented to them by the Committees and steer the management of the Museum. One of three annual Board meetings focuses on the long-term strategic direction of the Museum.

Accreditation

The Museum is part-funded by the Ministry of Defence through an annual grant-in-aid of, in this reporting period, £38,769 (this is reviewed annually), and must therefore meet certain expectations placed upon it by the Army including the Museum's continued adherence to the Army's heritage strategy and the requirement to remain fully Accredited by Arts Council England. The Museum was first awarded Accreditation by Arts Council England in 2011 and was successful in its subsequent renewal in 2015 (registration no 1775). The next invitation to submit for renewal was expected in the first half of 2020 but due to the pandemic Arts Council England has announced a delay to renewals, and the Museum's accredited status has been extended until spring 2022. Ensuring the Museum's readiness for this will be a key activity for the coming year.

OBJECTIVES AND ACTIVITIES

Objects for Public Benefit

The objects of The Gurkha Museum Trust are stated in the Constitution; "To advance education in particular but not exclusively by the provision of The Gurkha Museum and the preservation and maintenance of the Brigade collection; and to promote the efficiency of the Armed Forces by upholding the traditions and ethos of the Brigade of Gurkhas and perpetuating its deeds."

Aims and Objectives

- Maintain, for posterity, collections and artefacts associated with Britain's Gurkhas and actively provide open public access, and academic research facilities, to promote military scholarships and public education and understanding.
- Encourage visitors of all ages, genders and ethnic identities to visit, or otherwise engage with, the Museum to learn about and enjoy the unique history of Britain's Gurkhas, and to promote and educate the public in the history of Gurkhas and their culture in Nepal.
- Engage with local communities, schools, special interest and disability groups and Nepalese community groups in providing a source of education, information and understanding of the history, culture and religion of Gurkhas and their role in the modern British Army.
- Build partnerships and networks with historical and cultural organisations, and other similar museums, to deliver more efficiently and widely promote the purpose, objectives, and activities of the Museum.
- Provide a heritage focal point for Gurkha units, past and present, and inspire future generations of British and Gurkha officers and soldiers.
- Provide the Army and other Government Departments with sources of information on historical matters unique to Gurkha service.

Public Benefit Statement

The Trustees confirm that they have taken into account the Charity Commission's general guidance on public benefit when reviewing the Charity's aim and objectives and in making decisions.

ACHIEVEMENTS AND PERFORMANCE

The impact of the Covid-19 Pandemic was, of course, the most significant issue of the reporting period, leading as it did to the legal requirement for the Museum to close to the public for much of the year. This also curtailed our lecture series and much of our education and outreach activity, as well as impacting trading income. Nevertheless, it is a matter of pride for the Trustees and staff that the Museum responded positively and professionally to the challenges, opening when allowed in a manner that ensured the safety of staff and visitors alike, diversifying its activity to ensure continued public and supporter engagement, and carefully stewarding its finances through this challenging period.

Regulatory

The Gurkha Museum continues to be exempt from the Fundraising Regulator Levy as the Charity's spend on generating voluntary income for 2019 has remained under the threshold of £100,000. The Museum registered on a voluntary basis in 2020.

Trustees

There was only one change to the composition of the Board of Trustees during the reporting period, when Major Gajendra Angdembe, Ex-Officio Trustee as Officer Commanding Gurkha Company, The Royal Military Academy Sandhurst, left that role in March and was replaced by Major Shuresh Thapa MVO.

The dedication, commitment and contribution of all Trustees is acknowledged with gratitude. It is especially important to The Gurkha Museum Trust that it remains closely connected to the serving Brigade of Gurkhas and that the views of the serving Brigade are well represented. In this respect, the Ex-officio trustees have a particularly significant role to play.

Director

The Gurkha Museum underwent a change of Director in October 2020, welcoming Dr Daren Bowyer to the role upon the retirement of Gavin Edgerley-Harris after 27 years at the Museum. Mr Edgerley-Harris's long service to the Museum and to Gurkha heritage was acknowledged by his appointment as an Officer of the British Empire (OBE), announced in the New Year's Honours on 31 December 2020.

Staff and Professional Development

A new position of Head of Fundraising and Marketing was established and filled by promotion of the Commercial Manager, Mrs Charlie Martin. Sadly, the impact of the

Covid-19 pandemic led to the termination of the two new posts of Fundraising Assistant and Administrative Assistant.

Staff underwent training and professional development as follows:

| Staff | Training/webinar title | Provider |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------|
| Daren Bowyer | Firearms in Museums | National Army Museum |
| Christine Bernáth | Coronavirus and your charity's finances update | Charity Finance Group |
| | Planning the Post Covid-19 Return to Work | Yellowday Training |
| | Leadership in a time of crisis | Museums Association |
| | New ideas to enhance and support mental health initiatives: Now and in the post-COVID-19 working environment | St John Ambulance |
| | Covid-19: Key legal issues for charities | AiM |
| | Supporting disabled visitors in the post-COVID world | SEMDP |
| | Emergency First Aid at Work | British Red Cross |
| Charlie Martin | Bid Writing Session | SEMDP |
| | AiM Fundraising Forum | AiM |
| | Fundraising After COVID-19: Challenges and Opportunities | Institute of Fundraising |
| | Skilling up on Virtual Fundraising and Events | Institute of Fundraising |
| | Demonstrating Impact | Stronger Kent Communities |
| | Hallmarks at Home – Marketing and communication as we open up | AiM |
| Doug Henderson | Museum Essentials: Working With Collections | Museums Association |
| | Museum Essentials: Working Ethically | Museums Association |
| | Introduction to Medals, Part I: Identification | NAM |
| | Introduction to Medals, Part II: Care | NAM |
| | Introduction to Medals, Part III: Display | NAM |
| | Preparing to reopen: case studies from independent museums | AiM |
| | How do we get through this? Tips for personal resilience from the Network for Resilience in Wales | AiM |
| Digital Access and Inclusion for your visitors: Producing content | SEMDP | |
| Hombahadur Pun | Emergency First Aid at Work | British Red Cross |

Due to the furloughing of the Museum Assistants for the majority of 2020, there was no CPD for these members of staff apart from Hombahadur Pun's Emergency First Aid at Work Course. The Trust is committed to the training and development of its staff and will endeavour to ensure further professional development for the Museum Assistants next year.

Visitors

The biggest single impact of the Covid-Pandemic was the reduction to visitor numbers which, at just 2,730 of all categories, was 26% of the previous year's 10,558. It was especially disappointing to us to lose all of our school visits, although we were able to host 60 pupils jointly as part of Winchester Military Museums contribution to National Science Week, shortly before the first lockdown. In addition,

as part of our programme of support to the Army, we were able to host five military unit visits during the periods we were able to be open.

The period of lockdowns gave staff the opportunity to focus more on our website, social media and online presence. A complete renewal of our website, over the summer, saw a significant uplift in the number of online visitors, including a 458% increase during the month of August when we hosted our first ever online exhibition, focussing on Gurkha service in Burma in World War Two and timed to coincide with national celebrations of the 75th anniversary of VJ day. It remains very important to us that we continue to engage the public and broaden our reach, while required to be physically closed. Our knowledge and understanding of online content and digital engagement developed rapidly through the year and we are poised to grow this area of activity substantially more in 2021.

With the Museum closed and unable to welcome visitors, we turned our attention to the visitors we could engage online through our website and social media channels. More articles and stories were added to the website and subsequently linked from social media. Daily updates to the website and a steady stream of posts on social media kept our audiences engaged and encouraged new visitors. Consequently, we saw an increase of traffic to our website from 22,034 in 2019 to 38,114 in 2020, an uplift of 73%. In August 2020, we changed our usual summer exhibition to an online version, hosted on our website and social media channels. We saw 12,311 users on the website through that month, a 458% increase against the same month in 2019. In view of the success of this exhibition in engaging both existing and new audiences, we produced another online exhibition in November, which saw a 74% increase in users against the same period the previous year during the 11 days it was live. In future, online exhibitions will be a regular part of the output of our digital programming and engagement plans.

Due to the Museum closure, social media was our most vital source of fundraising, communications and engagement throughout 2020. Using Facebook to advertise our first online exhibition in August, contributed to the large increase in traffic. Facebook followers have increased 21% since December 2019, with Twitter up 11%. We continue to develop new audiences on Instagram and have seen a 102% increase (557 people) in our audience on that platform since 2019. Through insights and analysis, we are continuing to learn the content that works best for our followers and what best engages people, in turn informing the communications plan for future years.

Education

As noted above, our educational impact was severely impacted by Covid closures, of both the Museum and of schools, with tight restrictions on their activities even when they were able to open.

Not just our engagement with schools but our adult educational engagement was impacted by Covid with just a single visit, in February 2020, from Romsey Proboscis Club (18 people) and 131 people engaged in outreach visits by the Museum Team.

The Gurkha Museum hosted two lectures on behalf of Winchester Military Museums in January and February before having to cancel the remaining programme for the year: Chris Gale (The Rifles Museum) on "Military Millinery: The Headwear of the Royal Marines" and Elliot Metcalfe (Horsepower Museum) on "Sabres and Shabraques: Equipping the Cavalry in War and Peace."

In addition, one of our own Lecture Curry Lunches was able to take place: Annabel Venning, journalist, author and granddaughter of General Sir Walter Walker gave a talk on her latest book *To War with the Walkers*.

Throughout the year we were able to continue supporting both the Army and the General Public, answering enquiries and conducting research, and enhanced our capability to do this remotely when staff were required to work from home.

Collections and Acquisitions

The significant new acquisitions in 2020 were:

- An unusual 'Parang Kukri' created in Malaya and donated by a former British soldier who acquired it during the Malayan Emergency.
- 3 x rare badges donated by David Harding (2 x Martingale badges of 1st Gurkha Rifles and 3rd Gurkha Rifles, and one car badge of 10th Gurkha Rifles).
- 12 x boxes of archive material and artefacts forming the Mike Barrett Archive, left to the museum by the late Lieutenant Colonel Mike Barrett OBE.
- A portrait of Field Marshal William Slim, presented by Brigadier John Anderson OBE and Lieutenant Colonel Duncan Briggs, President and Chairman respectively of the 6th Gurkha Rifles Regimental Association. This is a copy of the painting presented by the Association to the Royal Gurkha Rifles on their formation.

The Museum also allocated accession numbers to 292 items which had previously been part of the collections but not accessioned. This included the entirety of the Museum's un-accessioned photograph albums and medals, as well as the Ochterlony Collection (the papers of Major General Sir David Ochterlony GCB) and a number of belatedly accessioned archive materials.

The care of the Collections has continued throughout the various periods of closure and have not suffered any detrimental effects during this time.

Responding to Covid-19 and Remaining Engaged

While there can be no doubting the negative impact of the Covid-19 pandemic, the Trust takes pride in its response to the challenges. The Gurkha Museum was among the first museums nationally to reopen when allowed after the initial lockdown. Covid control measures were developed and implemented to facilitate this and the Museum achieved Visit Britain's "We're Good to Go" standard. We subsequently changed hand/headsets on audio items and introduced individual touch styluses for visitors in order to reintroduce interactive displays in a Covid-safe manner.

The new website launched in July 2020 allowed the successful hosting of a first ever online summer exhibition: *Remembered – Gurkhas, VJ Day, and the End of the Second World War* (1-31 August) and a subsequent one: *Unforgotten – A Commemoration of Gurkha Service and Sacrifice* (1-11 November)

Three in-house produced podcasts were released on Spotify.

Many other events planned for the year have been rescheduled for next year and in some cases alternative, online, versions are also in preparation.

We were able again to contribute to the National Army Museum's Indian Regimental Curator's Course in October by Zoom as the physical meeting could not take place.

The redesigned website also enabled us to develop our online trading to compensate for the Museum Shop being physically closed, thus reducing the trading losses we would otherwise have suffered.

Although we had to stand-down our exceptional team of volunteers, we have made sure to remain in touch with phone calls and emails. In the periods we were able to open, two volunteer briefing days were held, on 22 September and 4 November.

New e-newsletters for Friends and online subscribers were developed so that we continued to engage with key stakeholders through the closures.

Other

The Museum was very pleased to win the award for Best Product 2020 by the Association of Cultural Enterprises for its children's *Nepti* toy tiger.

Supporters

Our donor database, which includes Museum Friends, shop customers, event and lecture attendees and those who are subscribed to our newsletter list, now stands at 5,520 names. We have seen our Friends of the Museum increase by 35, 25 of whom subscribed during the period July-December, after our new website was launched giving donors a simpler registration process. We see peaks in Friends' subscriptions during online exhibitions as well as when we send newsletters out to our mailing list of 800. Our shop mailing list stands at 2,662 names who are mailed a seasonal brochure each year. In 2020, during the period September to December, sales from this mailing equated to 68% of the year's shop income. The new website, launched in July, gave us an opportunity to fundraise and recruit donors and supporters, through a simple three-step donation method. In the last six months of 2020 we saw 84 donations amounting to £3,243.06.

Marketing the Gurkha Museum

Although marketing plans for certain areas of Museum activity were forced to be put on hold in 2020, marketing, communications and engagement on our digital channels took a significant step forward. During our first online exhibition in August,

we invested in advertising on Facebook. These adverts were targeted at two separate audiences and analysed for success. A spend of just £800 across both adverts saw 9,347 users coming to the website from Facebook, which is 75% of website users that month. Since then, we have advertised again and using data from the first Facebook adverts, have targeted to a more refined audience seeing continuing success in users to the website and engagement.

Our investment in the new website has been invaluable to our ability to fundraise and engage throughout the year. Since the website launched in mid-July we have seen improvements across all aspects including content, engagement, donations, shop sales and Friends registrations.

Between July and October, during a targeted campaign on social media, we saw our mailing list rise from 107 to 800 people, who now receive regular updates from the Museum every six weeks. These newsletters have been vital for our fundraising and engagement both during the Museum closure and after re-opening. Newsletters are used to advertise online exhibitions, upcoming events, Friends membership and the Museum's online shop.

PLANS FOR FUTURE PERIODS

The Gurkha Museum Trust continues to develop its long-term plans to fully refurbish the Museum to create a world class facility for the collection, display, and promotion of the inspiring story of Gurkha service to the British Crown over more than 200 years. The Covid-19 pandemic has delayed the process but not otherwise substantially altered plans. Indeed, good progress has been made towards the conclusion of a long-term lease agreement with the MOD, which has long been an aim of the Museum in order to regularise the current 'Tenant at Will' status. Trustees see this as a fundamental step towards launching a funding campaign for major redevelopment of the Museum, for which it is a key enabler.

In the next year we aim to continue the expansion of our individual donor and supporter base and, as we create more digital content and enhance our online presence, we expect to reach an ever wider and more diverse audience both nationally and internationally. A range of programmes is planned, inspired by the demands of national lockdowns but with longer term benefit in expanding our audience reach. Podcasts, online exhibitions and virtual lectures under a brand name *Gharma Sunnu* (Nepali for 'to listen at home') will augment our physical activities and events; a virtual tour will be added to the website; and we plan to digitise large parts of the collection, making it accessible to a much wider audience.

The McDonald Gallery, our principal multi-function space will be refurbished to improve facilities for lectures, exhibitions and display of key art works, as well as improving its commercial potential. We will develop plans for refurbishment of the library and implement this when funding allows to improve the facilities available to researchers and increase our capacity for events at the museum.

Opened in the early 1990s, the Museum really only tells the story of Gurkha service to that point with the Falklands conflict being the last major operation fully featured.

Much has happened in the world since then and Brigade of Gurkhas contribution to operations in Iraq and Afghanistan, in particular, must now be told. An interim update, in advance of the major redevelopment, is now planned to rectify this.

To facilitate better remote working, the use of digital communications and the robustness and resilience of our IT provision, improvements are planned to the WiFi provision and data storage will be migrated to cloud based systems.

It is hoped and expected that the next year will see finalisation of the long-term lease for the building, noted above. This confirmation of security of tenure will open the door to wider plans for redevelopment and application to key donors and grant funders.

The Gurkha Museum trust takes pride in its navigation of the challenges created by the Covid epidemic and in its adaptability. It has come through a difficult year in a good state and well poised for future development.

RISK MANAGEMENT

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Museum's operational performance, including risks to personnel and volunteers.
- The Museum's ability to achieve its objects.
- Meeting the expectation of visitors and supporters.
- The Museum's reputation and integrity.
- The Museum's assets.

The Trustees identify and review these risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks in a timely manner. Where possible and appropriate, risks are covered by insurance.

FINANCIAL REVIEW

Admissions

Admissions income at £8,145 was notably reduced by the Covid-related closures, reaching slightly less than 50% of the previous year's figure of £16,585.

Other trading Income

Other trading income (shop and bar sales, hire of the McDonald Gallery, archive and research fees lecture fees) amounted to £63,544 against a prior year total of £85,378 (just less than 75%), which in the circumstances we regard as a very successful result. Shop sales, in particular, at £55,888 against a prior year of £59,829, are testament to the effort put into developing a significantly improved online offer, which then held up well while the Museum was closed. The significant reductions on

previous year, entirely down to the pandemic-enforced closures, were in Gallery Hire (£2,113 in 2020 against £11,230 in 2019, a fall of over 80%), Bar Sales (£2,967 in 2020 against £6,808 in 2019, a fall of 56%) and Lectures (a fall of 75% from £7,025 in 2019 to £1,738 in 2020).

Voluntary Income

Grant income of £101,840 remained close to the 2019 level, but included grants made from the Government's Coronavirus Job retention scheme.

Friends' subscriptions of £9,344 also remained close to level but we were pleased to see an increase in other donations from £28,500 in 2019 to £41,850 in this period. There was also a small uplift in the Gift Aid we were able to claim. Late in the year we were very grateful to receive a bequest of over £50,000 from the estate of the late Mr Derek Underwood, a legator not previously known to us. This most generous bequest brought our total Donations and Legacy income for the period to £105,820, more than double 2019's result.

Expenditure

Total Expenditure came to £390,003, an increase of £15,472 over 2019. This reflects the uplift in the post of Head of Fundraising and Marketing and funding in the early part of the year a new post of fundraising assistant and an administrative assistant, both of which were subsequently discontinued.

Overall outturn, then, was an operating loss of just under £60,000, a £10,000 improvement on the prior year and better than had been planned. Despite this planned operating deficit, the performance of our investments, as summarised below, led to an overall strengthening of the Balance Sheet of £17,600.

INVESTMENTS

The Investment Fund (The Armed Forces Charities Growth & Income Fund Account)

Despite the hiatus brought on by the pandemic, the Investment Fund posted a positive return for the year of 9.08%, markedly outperforming the benchmark's 3.83% performance. Given that the fund was down by over 20.0% at one point this was quite a remarkable turnaround reflecting the key role played by central banks and the unprecedented amounts of liquidity that they injected into the financial system. In addition, Blackrock's asset allocation decisions driven primarily by a significant overweight to US (and in particular mega techs) versus UK equities was a key attributor to performance.

The Friends' Fund (The Charities UK Bond Fund Account)

Over the course of 2020 the CUKBF produced a positive return of 6.65% versus a benchmark return of 6.56%.

RESERVES POLICY

The Trustees have reviewed their reserves policy in the light of the Museum's current development plans and having considered the Charity Commission's guidance *Charity Financial Reserves*. The aims and objectives of the Museum are set out earlier.

Designated Reserves

The Museum has sustained operating deficits for three years and is expected to do so again in 2021. The Museum is investing in modernising the display of its collection and in new fundraising capabilities, but it might be some years before these investments allow the Museum to return to an operating break-even position. The Trustees believe it is important to maintain the current collection in good order to continue its current level of activities such as its outreach programme, particularly to local schools and Gurkha communities, and to develop its digital capability and presence. Accordingly, the Trustees have designated an Investment Fund of £1m to be used to generate income sufficient to fund a further year of operating deficit. The Investment Fund takes account of the recent history of both investment returns and the levels of operating deficits. The Investment Fund is held solely to generate income to fund the deficit during this transitional phase and may not be used for any other purpose without the express prior approval of the trustees.

Further, the trustees believe that the investment in modernising the exhibitions and the new fund-raising capabilities will continue to require a significant level of one-off expenditure in 2021. Accordingly, the Trustees have designated a Development Fund of £250,000 to fund this investment. The Development Fund is not available for ongoing expenditure. Draws on the Development Fund may only be made by prior approval of the Risk and Audit Committee and use of the funds for permitted purposes is monitored by the Trustees.

In addition, historically Friends of the Museum have made donations for the specific purpose of replenishing the Museum's displays and archives and these donations have been allocated to a designated fund for that specific purpose. As at 31 Dec 2020 this fund stood at £192,248.

In total, therefore, as at 31st December 2020 the Museum held designated funds for specific purposes of £1,442,248 which are not available for on-going expenditure.

Free Reserves

In addition to the above designated reserves, the Trustees also have regard, when assessing the Museum's level of free reserves, to its working capital needs plus a contingency to cover interruptions to its activities (e.g. damage to the building or other events requiring closure over a lengthy period, as came to pass in 2020 as a result of the Covid Pandemic). In the light of the uncertainty due to the Pandemic, the Trustees sought to ensure that a minimum of £400,000 was maintained in cash or liquid investments, which is sufficient to cover 12 months of operating expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES


The Trustees are responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2015 and FRS 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATION

Signature: 

Name: M.R. Brooks

Appointment: Chairman of Trustees

Date: 20 May 2021

INDEPENDENT EXAMINERS REPORT

Independent examiner's report to the Trustees of The Gurkha Museum Trust

I report to the Charity Trustees on my examination of the accounts of The Gurkha Museum Trust for the year ended 31st December 2020.

Responsibilities and basis of report

As the Charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').


I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.



P E H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date 20 May 2021

THE GURKHA MUSEUM TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2020

| | Note | Unrestricted funds | | 2020 | 2019 |
|------------------------------------|------|--------------------|------------------|------------------|------------------|
| | | General Funds | Designated Funds | Total Funds | Total Funds |
| | | £ | £ | £ | £ |
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | 94,894 | 10,926 | 105,820 | 49,381 |
| Other Trading Activities | 3 | 71,689 | 0 | 71,689 | 101,836 |
| Grants received | 4 | 101,840 | 0 | 101,840 | 101,316 |
| Investments | 5 | 46,865 | 4,031 | 50,896 | 51,688 |
| Total | | 315,288 | 14,957 | 330,245 | 304,321 |
| EXPENDITURE ON: | | | | | |
| Charitable Activities | 6 | 318,171 | 4,354 | 322,525 | 307,281 |
| Governance Costs | 7 | 65,835 | 1,643 | 67,478 | 67,250 |
| Total | | 384,006 | 5,997 | 390,003 | 374,531 |
| | | (68,718) | 8,960 | (59,758) | (70,210) |
| Net gains (losses) on Investments | 11 | 72,891 | 4,467 | 77,358 | 160,601 |
| NET INCOME/(EXPENDITURE) | 14 | 4,173 | 13,427 | 17,600 | 90,391 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total Funds Brought Forward | 14 | 573,740 | 1,428,821 | 2,002,561 | 1,912,170 |
| Transfer between Funds | | | | 0 | 0 |
| TOTAL FUNDS CARRIED FORWARD | 14 | 577,913 | 1,442,248 | 2,020,161 | 2,002,561 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

THE GURKHA MUSEUM TRUST

BALANCE SHEET AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|-------------------------------------|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible Fixed Assets | 10 | 579 | 939 |
| Investments | 11 | 1,701,842 | 1,718,727 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 6,375 | 10,954 |
| Stock | | 28,896 | 38,960 |
| Cash at bank and in hand | | 296,282 | 251,540 |
| | | 331,550 | 299,454 |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (13,810) | (16,559) |
| NET CURRENT ASSETS | | 2,033,971 | 2,019,120 |
| NET ASSETS | | 2,020,161 | 2,002,561 |
| FUNDS | | | |
| Unrestricted funds | 14 | | |
| General funds | | 577,913 | 573,740 |
| Designated funds | 15 | 1,442,248 | 1,428,821 |
| TOTAL FUNDS | | 2,020,161 | 2,002,561 |

The financial statements were approved by the Board of Trustees on 20 May 2021 and were signed on its behalf by:

Signed Martin Brooks
 Name MARTIN BROOKS
 Position Chairman & Trustee

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Financial Reporting Standard 102 – reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS102. 'The Financial reporting Standard applicable in the UK and Republic of Ireland: The requirements of Section 7 Statement of Cash Flows.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees. In practical terms all funds are used solely for the purpose of maintaining and running The Gurkha Museum and improving the display, artefacts, archives and library. General Funds includes an investment portfolio and this fund is expendable. The interest from the invested income and the dividends is used as the working capital for the day to day operation of the Museum, to include salaries. It is the Trustees' policy to preserve and increase capital for the fund so that the interest is able to make up any funding gap created by the withdrawal of MOD funding. It is the Trustees' aim to build this fund to a sum where the annual income from dividends and interest will be sufficient to replace the withdrawal of all MOD funding. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Allocation and apportionment of costs

Expenditure is analysed between charitable support costs, governance and costs of generating funds. Items, which involve more than one cost category are apportioned as appropriate to the cost categories involved.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Taxation

The charity is exempt from corporation tax on its charitable activities.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going Concern

The Trustees have considered the financial position of the Charity and believe it is currently a going concern. While the Museum is going through this transition phase of investment and development and the outlook following COVID-19 outbreak remains unclear its reserves and cash levels are reviewed regularly during the year by the Risk and Audit Committee and the reserves policy will be reviewed annually by the Trustees. Consequently, the financial statements have been prepared on a going concern basis..

Heritage assets

The collections of the Gurkha Museum predominantly consist of donations which are considered heritage assets under the terms of the Statement of Recommended Practice as issued by the Charities Commission. The heritage assets of the Gurkha Museum have been excluded from the balance sheet due to a lack of valuation, as no financial value has historically, or is currently, placed on items donated to the Museum. Furthermore in accordance with the Code of Ethics for Museums, to which the Gurkha Museum must adhere to as an Accredited Museum, the disposal of any collections cannot be made principally for financial reasons.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

| | General £ | Designated £ | 2020 Total £ | 2019 Total £ |
|------------------------------------|----------------|-----------------|--------------------|--------------------|
| 2. DONATIONS AND LEGACIES | | | | |
| Friends Subscriptions | 0 | 9,344 | 9,344 | 9,693 |
| Donations | 41,850 | 0 | 41,850 | 28,500 |
| Gift Aid | 2,116 | 1,582 | 3,698 | 2,824 |
| Legacies | 50,928 | 0 | 50,928 | 8,364 |
| | 94,894 | 10,926 | 105,820 | 49,381 |
| 3. OTHER TRADING ACTIVITIES | | | | |
| Admissions | 8,145 | 0 | 8,145 | 16,585 |
| Shop Sales | 55,868 | 0 | 55,868 | 59,829 |
| Bar Sales | 2,967 | 0 | 2,967 | 6,808 |
| Gallery Hire | 2,113 | 0 | 2,113 | 11,230 |
| Archive & Research | 358 | 0 | 358 | 459 |
| Lectures | 1,738 | 0 | 1,738 | 7,025 |
| Other Income | 500 | 0 | 500 | 0 |
| | 71,689 | 0 | 71,689 | 101,936 |
| 4. GRANTS | | | | |
| Grant in Aid | 38,769 | 0 | 38,769 | 37,264 |
| HQBG Grants | 50,000 | 0 | 50,000 | 50,277 |
| Other Grants | 13,071 | 0 | 13,071 | 13,775 |
| | 101,840 | 0 | 101,840 | 101,316 |
| 5. INVESTMENTS | | | | |
| Dividends and interest | 46,865 | 4,031 | 50,896 | 51,688 |

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

| | General £ | Designated £ | 2020 Total £ | 2019 Total £ |
|---------------------------------|----------------|-----------------|--------------------|--------------------|
| 6. CHARITABLE ACTIVITIES | | | | |
| Support Services | 280,861 | 4,354 | 285,215 | 263,807 |
| Trading Costs | 37,310 | 0 | 37,310 | 43,474 |
| | 318,171 | 4,354 | 322,525 | 307,281 |

7. GOVERNANCE COSTS

| | | | | |
|-----------------------------------------|---------------|--------------|---------------|---------------|
| Office and Administration | 14,706 | 0 | 14,706 | 13,717 |
| Proportion of Director's salary | 25,000 | 0 | 25,000 | 25,000 |
| Friends postage, newsletter & AGM costs | 0 | 1,643 | 1,643 | 2,498 |
| Trustees expenses and meeting costs | 0 | 0 | 0 | 1,872 |
| Audit & Accountancy | 20,898 | 0 | 20,898 | 20,495 |
| Legal Fees | 5,231 | 0 | 5,231 | 3,668 |
| | 65,835 | 1,643 | 67,478 | 67,250 |

8. TRUSTEE'S REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020.

Trustee's expenses

Total expenses of £0 were repaid during the year (£284 2019).

9. STAFF COSTS

| | 2020 £ | 2019 £ |
|-----------------------|----------------|----------------|
| Wages and Salaries | 229,960 | 181,076 |
| Social Security costs | 17,202 | 14,890 |
| Pension costs | 10,775 | 9,301 |
| | 257,937 | 215,267 |

The average number of persons employed by the charity during the year was as follows:

| 2020 | 2019 |
|------|------|
| 8 | 8 |

No employees received emoluments in excess of £60,000.

The key management personnel of the charity received aggregate remuneration of £110,151 (2019: £93,942).

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE FIXED ASSETS

| | FF&F & Office Equip | Other Equip | Totals |
|-----------------------|------------------------|-------------|---------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2019 | 22,757 | 0 | 22,757 |
| Additions | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| At 31 December 2020 | 22,757 | 0 | 22,757 |
| Depreciation | | | |
| At 1 January 2019 | 21,818 | 0 | 21,818 |
| Disposals | 0 | 0 | 0 |
| Charge for year | 360 | 0 | 360 |
| At 31 December 2020 | 22,178 | 0 | 22,178 |
| Net Book Value | | | |
| At 31 December 2020 | 579 | 0 | 579 |
| At 31 December 2019 | 939 | 0 | 939 |

11. FIXED ASSET INVESTMENTS

| | Listed Investments £ | Cash and settlements pending £ | Totals £ |
|---------------------------------------|----------------------------|-----------------------------------------|------------------|
| MARKET VALUE | | | |
| At 1 January 2019 | 1,466,747 | 251,980 | 1,718,727 |
| Additions | 50,158 | 599 | 50,757 |
| Disposals | 0 | (145,000) | (145,000) |
| Revaluations | 77,358 | 0 | 77,358 |
| At 31 December 2020 | 1,594,263 | 107,579 | 1,701,842 |
| NET BOOK VALUE | | | |
| At 31 December 2020 | 1,594,263 | 107,579 | 1,701,842 |
| At 31 December 2019 | 1,466,747 | 251,980 | 1,718,727 |
| Historical cost of Investments | 2020 | 2019 | |
| | £ | £ | |
| Historical costs | 1,606,158 | 1,700,401 | |

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|--------------------------------|--------------|---------------|
| Prepayments and accrued income | 6,151 | 9,846 |
| Trade Debtors | 154 | 1,038 |
| Other Debtors | 70 | 70 |
| | 6,375 | 10,954 |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|---------------------------------|---------------|---------------|
| Trade Creditors | 301 | 6,640 |
| Social Security and other taxes | 8,467 | 6,819 |
| Accruals and deferred income | 5,042 | 3,100 |
| Other creditors | 0 | 0 |
| | 13,810 | 16,559 |

14. MOVEMENT IN FUNDS

Movement in Funds Current Year

| | At 01.12.20 £ | Net movement in fund £ | At 31.12.20 £ |
|---------------------------|---------------------|---------------------------------|---------------------|
| Unrestricted funds | | | |
| General Fund | 573,740 | 4,173 | 577,913 |
| Designated Fund | 1,428,821 | 13,427 | 1,442,248 |
| Total Funds | 2,002,561 | 17,600 | 2,020,161 |

Net movement in funds, included
in the above are as follows:

| | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General Fund | 315,288 | (384,006) | 72,891 | 4,173 |
| Designated Fund | 14,957 | (5,997) | 4,467 | 13,427 |
| Total Funds | 330,245 | (390,003) | 77,358 | 17,600 |

| Movement in Funds Prior Year | At 01.12.19 £ | Net movement in fund £ | At 31.12.19 £ |
|-----------------------------------------|------------------------------|-------------------------------------------|------------------------------|
| Unrestricted funds | | | |
| General Fund | 1,743,663 | (1,169,923) | 573,740 |
| Designated Fund | 168,507 | 1,260,314 | 1,428,821 |
| Total Funds | 1,912,171 | 90,391 | 2,002,561 |

Net movement in funds, included
in the above are as follows:

| | Transfer between funds £ | Incoming Resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|-----------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Unrestricted funds | | | | | |
| General Fund | (1,250,000) | 282,492 | (360,483) | 158,068 | (1,169,923) |
| Designated Fund | 1,250,000 | 21,829 | (14,048) | 2,533 | 1,260,314 |
| Total Funds | 0 | 304,321 | (374,531) | 160,601 | 90,391 |

15. Designated Funds

Friends of the Museum

Donations received from Friends of the Museum which are specifically designated for the purpose of replenishing the Museums displays and archives.

£ 192,248

Investments

A designated value to remain invested in order to generate sufficient income from interest and dividends to fund ongoing operational costs.

£1,000,000

Development Fund

An allocation towards the modernisation of the Museum during 2021 and 2022.

£ 250,000

The Trustees designated the Investment Fund and Development fund in the light of the plan agreed during 2019 for a major modernisation and refurbishment of the Museum and its displays and the associated investment in additional people and one-off costs related to the fund-raising. Further information is given in the Report of the Trustees.

Total Designated Funds

£1,442,248

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. RELATED PARTY TRANSACTIONS

The trustees have considered related parties and any relevant transactions. The following information is disclosed:

Trustee Colonel J. Davies MBE is also a trustee of The Brigade of Gurkhas Education and Welfare Fund, from which, grants totalling £50,000 were received during the year.

Trustee Mr J. Bulbeck is also a trustee of The 7th Duke of Edinburgh's Own Gurkha Rifles Regimental Trust, from which, a donation was received during the year of £5,000.

Trustee Colonel W. F Shuttlewood OBE is also a trustee of The 2nd King Edward V11's Own Goorkhas (The Sirmoor Rifles) Regimental Trust, from which, a donation was received during the year of £1,250 were received during the year.

Trustee Colonel C.M.J. Barnett MBE is married to Mrs L. Barnett, a Consultant at Parker Bullen LLP, a law firm that has charged £6277 in fees to the Trust in the year for legal work and advice.