



## **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.

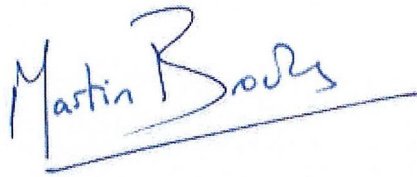
Robust trading in 2021, new grants, careful cost control and a further year of excellent investment returns have ensured that this significant spending uplift has been absorbed with a nominally strengthened Balance Sheet in 2021. We anticipate that 2022 will be more challenging with global headwinds 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 with a long horizontal line extending from the end of the name.

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."

### **Alms 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 Kambersing Rai MM, 7GR, purchased at auction with funds from 7<sup>th</sup> 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 31<sup>st</sup> 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: 7<sup>th</sup> 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 7<sup>th</sup> June 2022



# THE GURKHA MUSEUM TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2021

		<u>Unrestricted funds</u>		<u>2021</u>	<u>2020</u>
		<u>General</u>	<u>Designated</u>	<u>Total</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	Note	£	£	£	£
<b>INCOME FROM:</b>					
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
<b>Total</b>		<b>371,083</b>	<b>16,058</b>	<b>387,141</b>	<b>330,245</b>
<b>EXPENDITURE ON:</b>					
Charitable Activities	6	344,890	110,482	455,372	322,525
Governance Costs	7	59,234	698	59,932	67,478
<b>Total</b>		<b>404,124</b>	<b>111,180</b>	<b>515,304</b>	<b>390,003</b>
		<b>(33,041)</b>	<b>(95,122)</b>	<b>(128,163)</b>	<b>(59,758)</b>
Net gains (losses) on Investments	11	154,560	(9,040)	145,520	77,358
<b>NET INCOME/(EXPENDITURE)</b>	14	<b>121,519</b>	<b>(104,162)</b>	<b>17,357</b>	<b>17,600</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total Funds Brought Forward	14	577,913	1,442,248	2,020,161	2,002,561
Transfer between Funds				0	0
<b>TOTAL FUNDS CARRIED FORWARD</b>	14	<b>699,432</b>	<b>1,338,086</b>	<b>2,037,518</b>	<b>2,020,161</b>

### CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities



# THE GURKHA MUSEUM TRUST

## BALANCE SHEET AT 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	10	9801	579
Investments	11	1,832,727	1,701,842
<b>CURRENT ASSETS</b>			
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
<b>CREDITORS</b>			
Amounts falling due within one year	13	(21,543)	(13,810)
<b>NET CURRENT ASSETS</b>		2,059,061	2,033,971
<b>NET ASSETS</b>		2,037,518	2,020,161
<b>FUNDS</b>			
Unrestricted funds	14		
General funds		699,432	577,913
Designated funds	15	1,338,086	1,442,248
<b>TOTAL FUNDS</b>		2,037,518	2,020,161

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

Signed.....

Name.....

Position.....

18 May 2022

*Martin Brooks*

MARTIN BROOKS

Chairman & Trustee

# **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 £
<b>2. DONATIONS AND LEGACIES</b>				
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
	<b>73,614</b>	<b>12,953</b>	<b>86,567</b>	<b>105,820</b>
<b>3. OTHER TRADING ACTIVITIES</b>				
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
	<b>109,497</b>	<b>0</b>	<b>109,497</b>	<b>71,689</b>
<b>4. GRANTS</b>				
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
	<b>157,246</b>	<b>0</b>	<b>157,246</b>	<b>101,840</b>
<b>5. INVESTMENTS</b>				
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 £
<b>6. CHARITABLE ACTIVITIES</b>				
Support Services	277,569	110,482	388,051	285,215
Trading Costs	67,321	0	67,321	37,310
	<b>344,890</b>	<b>110,482</b>	<b>455,372</b>	<b>322,525</b>

## 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
	<b>59,234</b>	<b>698</b>	<b>59,932</b>	<b>67,478</b>

## 8. TRUSTEE'S REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31<sup>st</sup> 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
	<b>239,770</b>	<b>257,937</b>

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
<b>Depreciation</b>			
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
<b>Net Book Value</b>			
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 £
<b>MARKET VALUE</b>			
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
<b>NET BOOK VALUE</b>			
At 31 December 2021	1,725,134	107,592	1,832,726
At 31 December 2020	1,594,263	107,579	1,701,842
<b>Historical cost of Investments</b>	<b>2021 £</b>	<b>2020 £</b>	
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
	<b>24,425</b>	<b>6,375</b>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Creditors	9,921	301
Social Security and other taxes	8,767	8,467
Accruals and deferred income	2,855	5,042
Other creditors	0	0
	<b>21,543</b>	<b>13,810</b>

### 14. MOVEMENT IN FUNDS

#### Movement in Funds Current Year

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

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

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



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

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

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

## 15. Designated Funds

**Friends of the Museum** £ 161,756

Donations received from Friends of the Museum which are specifically designated for the purpose of replenishing the Museum's 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** £ 176,330

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

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 7<sup>th</sup> 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 2<sup>nd</sup> 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.