



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 Kaide, 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

		<u>Unrestricted funds</u>		2022	2021
		General	Designated	Total	Total
		Funds	Funds	Funds	Funds
		£	£	£	£
INCOME FROM:	Note				
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.....


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	73,822	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.