

THE FUSILIER MUSEUM LONDON

REPORT AND ACCOUNTS

31 DECEMBER 2023

THE FUSILIER MUSEUM LONDON
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Principal address

City of London Headquarters
The Royal Regiment of Fusiliers
H M Tower of London
London
EC3N 4AB

Trustees

The Trustees who served during the year and up to the date of signing this report were as follows:-

Colonel (Retd) S C Diggins OBE
Colonel B M Gorski MBE
Colonel (Retd) J W Denny MBE
Colonel (Retd) N P Easton QVRM TD
Lieutenant Colonel K Kiddie
Major (Retd) C P Bowes-Crick
Major (Retd) M McCarthy MBE
Captain (Retd) D R Clarke
Captain (Retd) A C Warren
Mr J Rubinstein

Independent Examiner

Azets Audit Services
Athenia House
10-14 Andover Road
Winchester
Hampshire
SO23 7BS

Bankers

Lloyds TSB
72 Fenchurch Street
London
EC3P 3EH

THE FUSILIER MUSEUM LONDON

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their Report and Financial Statement for the year ended 31 December 2023. These have been prepared in accordance with the 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).

The Fusilier Museum London preserves and presents a key element of the nation's military history in the context of its birthplace and home, the historic Royal Palace and Fortress of the Tower of London. It plays a fundamental role in the education of audiences across the capital and the nation, sharing with them the role of the military in City, royal and nationally significant events of the last few centuries.

Structure, Governance and Management

The charity is a Charitable Incorporated Organisation (the CIO) governed according to the constitution dated 10 January 2017. It was established to take forward the work of the Unincorporated Trust registered charity number 261270 (the Trust). The CIO works closely with Historic Royal Palaces (HRP), the Army Heritage staff of the Ministry of Defence (MoD) and the Army Museums Ogilby Trust (AMOT).

All Trustees have an opportunity to attend training sessions on trustee responsibilities provided by British accountancy and legal partnerships. The Trustees are invited to attend the annual AMOT conference to be briefed on Museum best practice and MoD heritage policy. The Trustees meet at least three times a year, if necessary via electronic conference, to receive the reports of the Area Secretary, the Museum Officer and the Independent Examiner, to review financial and development progress and to give necessary direction. The Area Secretary is authorised to conduct the day-to-day operation and development of the Museum, giving guidance and priorities to the Museum Officer. Both work closely with the HRP staff, the regional Museum Development Officers and schools. The Museum Officer directs the work of the volunteers.

The impact of Covid-19 and its financial consequences continued to have an impact throughout 2021. Fundraising for the Museum was severely limited due to the atmosphere of uncertainty. A suitable trustee mix of professional, entrepreneurial skills and experience remains a requirement to meet these challenges.

Objectives and Activities for Public Benefit

The Trust was established for charitable purpose to preserve the memory and related heritage of the Royal Fusiliers, and from 1968 the Royal Regiment of Fusiliers, for the benefit of all; and to advance education by encouraging and promoting the study, knowledge, understanding and appreciation of their deeds. In setting their objectives, and planning their activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. The key aims include:

To ensure all visitors to the Museum and online are provided with a stimulating and rewarding experience.

To encourage young people to learn about the Regiment and its heritage through school visits, community projects and volunteering opportunities.

To enable serving and retired Fusiliers, their families and descendants to remember the courage and sacrifice made by the soldiers of the Regiment and our Armed Forces.

To engage with our local community and widen access to the Museum and to the Regiment's heritage.

THE FUSILIER MUSEUM LONDON

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

To maintain close links with HRP and our sister regimental Museums, to promote our common interests and ensure sustainable working.

To safeguard the quality of the Regimental Collection for future generations.

To ensure the sustainability of the Museum by managing its finances and practising good governance.

Financial Review and Review of Activities

The Fusilier Museum (London) CIO Constitution maintains the power of the previous instruments of purpose to allocate, when resources permit, to the Charity known as the Fusiliers London Fund, The Royal Regiment of Fusiliers, in further pursuit of the objects of the Museum CIO. The full Financial Results are set out on pages 7 to 12 of these financial statements. In the year total expenditure was £138,710 (2022 £106,708) and total income was £132,752 (2022 £90,926) resulting in a deficit of £5,958 (2022 £15,782) for the year.

The impact of Covid-19 continued to have severe impact until July 2021 at which point the Tower of London returned to normal opening. The museum HRP stipend remained suspended as at this time visitor numbers remained at very low levels. Calendar bookings for events in the Museum and Association Room was very sporadic and could not be planned against in terms of income.

The Chair of the Museum changed in October 2021 with the retirement of Brigadier (Retd) RM Wilde CBE and the appointment of Colonel (ret'd) SC Diggins OBE.

A new Museum Officer was appointed in October on a 12-month contract and part time hours basis. The Museum Officer, along with remaining volunteers, were given the priority of formulating a Museum Recovery Plan. Fund raising to support this was still uncertain and further impacted by limits placed on social gathering in the last quarter of the year.

The AMOT LIBOR-funded digitisation project has suffered delays and changed its proposals. Access to digitised WWI archives is now to operate on a centralised basis accessed via AMOT. Unfortunately, this was judged incompatible with the Museum website and catalogue. We face an unresolved dispute with AMOT over access to our digitised archive images. Project intentions appear to have stalled pending the cultural sector's postCovid-19 recovery.

It has not been felt appropriate to revise the over 10 year-old partnership MOU with Tower authorities until both parties have returned to pre Covid-19 operating. Discussions remain focussed upon the consequences of heavy foot-fall, marketing, conservation, wear-&-tear repair and recommendations flowing from the HRP Access Review.

THE FUSILIER MUSEUM LONDON
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Investments and reserves

There is no permanent endowment. Annual income and expenditure were broadly in line preCovid-19 but it may take many months before we can rebuild to this fortunate position, A general appeal for support may be necessary. Day-to-day cash needs are met from a non-interest bearing current account with Lloyds Bank. The reserve is held in the Charities Deposit Fund (CCLA), which is structured to provide a high level of capital security at a competitive rate of interest. The Trustees seek to restore a reserve of not less than six month's income and aspire to a target of £100,000 as suitable to cover routine expenditure and planned commitments. This has been fully justified in the face of Covid-19. Cash balances are discussed at all meetings and a case for longer term investment considered against known budgets and outcomes. COIF offers a suitable range of global funds for such investment, to help maintain the real value of the reserves and generate a higher level of income to support the long-term activities of the trust and the management of the collection. Major expenditure arising from new initiatives or changes in strategy will require targeted fund-raising and held as Restricted Funds.

Statement of Risk Management Policy

Through a regular review procedure, the Trustees assess the major risks to which the charity is exposed; in particular those related to its operations and finances. The Trustees are satisfied that sufficient systems are in place to identify and mitigate exposure to major risk. The operation of the three Trustee Sub-Committees covering Education and Outreach, Commerce and Finance and History and Website has enabled Trustees to exercise greater visibility and involvement in some project areas and make efficient use of limited time. The Museum Officer will be a member and secretary of the London Military Museums Network, which enables skill sharing, the identification of curatorial risk, partnership working and joint funding applications between military museums.

Future Plans

The very significant reduction in Tower visitor numbers and suspension of corporate hospitality demand felt with continuing Covid-19 atmospherics had been the main threat to the Museum's survivability. Maintenance of the Museum's relationship with HRP and making better commercial use of the Museum and Regimental Association room are critical for the Museum's survival.

In pursuit of the Museum's 2018-2021 Forward Plan, in 2021 we expect to:

Ensure the Museum's post-Covid 19 survival by judicious use of reserves and Regimental assistance until HRP foot-fall, corporate hospitality recover and HRP stipend credit is met.

In partnership with HRP, further exploit the commercial potential of Museum space.

Continue to deliver for the Regiment “Outreach and Education” to cadets, schools, youth organisations and Greater London society.

Complete the new catalogue and data cleansing, hopefully incorporating the digitised product of the AMOT LIBOR project.

Complete the suspended revision of the partnership MOU with Tower authorities.

Continue to work with HRP and the Royal Armouries in refinement of the Regimental collection and place in the Tower “core story” as part of the Tower visitor experience.

Identify significant gaps in the uniforms and badge collections.

Continue to support the development of the Royal Fusilier History Society and production of a Royal Fusilier history covering the period 1945 to 1968.

The report and accounts were approved by the trustees on _____ and signed on their behalf by _____

Colonel (Retd) SC Diggins OBE
Chairman

THE FUSILIER MUSEUM LONDON

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FUSILIER MUSEUM FUND

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2023 which are set out on pages 7 to 12.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees 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 charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the 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 charity 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.

Name: Jon Noble

Institute of Chartered Accountants in England & Wales
Azets Audit Services, Athenia House, 10-14 Andover Road, Winchester, Hampshire, SO23 7BS

Date:

THE FUSILIER MUSEUM LONDON

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> | <u>Total</u> |
|---|---------------------|-------------------|--------------|--------------|
| | £ | £ | 2023 £ | 2022 £ |
| INCOME | | | | |
| Incoming resources from raised funds: | | | | |
| Voluntary income | 2,936 | - | 2,936 | 6,247 |
| Grant from Fusiliers Aid Society | 15,000 | - | 15,000 | - |
| Activities for generating funds: | | | | |
| Functions income | 84,084 | - | 84,084 | 58,300 |
| Project Income | - | - | - | - |
| Investment income | 687 | - | 687 | 225 |
| Incoming resources from charitable activities: | | | | |
| Net Penny Press Takings | 15,744 | - | 15,744 | 16,414 |
| Income from Historic Royal Palaces | 14,301 | - | 14,301 | 9,740 |
| | - | - | - | - |
| TOTAL INCOME | 132,752 | - | 132,752 | 90,926 |
| | - | - | - | - |
| EXPENDITURE | | | | |
| Cost of raising funds: | | | | |
| Cost of sales: Functions | 40,206 | - | 40,206 | 30,828 |
| Charitable activities: | | | | |
| Project Expense | - | 497 | 497 | 493 |
| Staff wages | 61,524 | - | 61,524 | 43,111 |
| Website Costs | 5,581 | - | 5,581 | 5,400 |
| Telephone and maintenance | 4,269 | - | 4,269 | 3,869 |
| Support costs | 21,802 | - | 21,802 | 17,213 |
| Depreciation and amortisation | 451 | - | 451 | 614 |
| Independent examiner's fee | 4,380 | - | 4,380 | 5,180 |
| | - | - | - | - |
| TOTAL EXPENDITURE | 138,213 | 497 | 138,710 | 106,708 |
| | - | - | - | - |
| NET EXPENDITURE | (5,461) | (497) | (5,958) | (15,782) |
| Gross transfers between funds | - | - | - | - |
| | - | - | - | - |
| NET MOVEMENT IN FUNDS | (5,461) | (497) | (5,958) | (15,782) |
| FUNDS AT 1 JANUARY | 30,259 | 11,407 | 41,666 | 57,448 |
| FUNDS AT 31 DECEMBER | 24,798 | 10,910 | 35,708 | 41,666 |

THE FUSILIER MUSEUM LONDONBALANCE SHEET AS AT 31 DECEMBER 2023

| | <u>Notes</u> | <u>2023</u> | | <u>2022</u> | |
|--|--------------|---------------|---|---------------|---|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 3 | 638 | | 1,089 | |
| | | <u>638</u> | | <u>1,089</u> | |
| CURRENT ASSETS | | | | | |
| Stock | 4 | 7,661 | | 8,017 | |
| Debtors | 5 | 15,783 | | 13,214 | |
| COIF Charities Deposit Fund | | 13,889 | | 23,201 | |
| Cash at bank and in hand | | 12,410 | | 9,968 | |
| | | <u>49,743</u> | | <u>54,310</u> | |
| | | 50,381 | | 55,399 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 6 | (14,673) | | (13,733) | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>35,708</u> | | <u>41,666</u> | |
| FUNDS | | | | | |
| Unrestricted funds | 7 | 24,798 | | 30,259 | |
| Restricted funds | 7 | 10,910 | | 11,407 | |
| TOTAL CHARITY FUNDS | | <u>35,708</u> | | <u>41,666</u> | |

The accounts were approved and authorised for issue by the Board on
on behalf of the board of trustees:-

and signed

Colonel (Retd) SC Diggins OBE

THE FUSILIER MUSEUM LONDON

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

- a) The accounts have been prepared under the historical cost convention except for investments which have been included at market value, and in accordance with applicable accounting standards and follow the recommendations in “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 (FRS102) (effective 1 January 2019).

- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received.

Income received for the use of the rooms and bar is recognised in the year in which the function took place.

Takings and shop income is recognised when received.

Grants towards the restoration and refurbishment of the Museum have been recognised in the year in which they are receivable.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. Where it is not possible to value the goods or services, such as volunteer time, the accounts do not include them.

- c) Expenditure is recognised on an accruals basis as a liability is incurred and includes attributable VAT which cannot be recovered. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Grants payable are charged in the year in which the offer is conveyed.

Costs of generating funds comprise the costs associated with operating the Bar.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

- d) Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds can only be used for a specified purpose. Restrictions are imposed by the donor or when funds are raised for specified restricted purposes. The notes to the accounts provide further details.

- e) Investments are stated at market value. Unrealised gains and losses on investments are taken directly to the Statement of Financial Activities.

- f) Stock is valued at the lower of cost and net realisable value on a first in first out basis.

THE FUSILIER MUSEUM LONDON

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

- g) Heritage assets held by the CIO but acquired in past accounting periods have not been capitalised in these accounts as sufficient reliable cost information is not available.

2. STAFF COSTS

| | <u>2023</u> | <u>2022</u> |
|----------------------|-------------|-------------|
| | £ | £ |
| Wages | 55,821 | 40,138 |
| Social Security cost | 5,703 | 2,973 |
| | <hr/> | <hr/> |
| | 61,524 | 43,111 |
| | <hr/> | <hr/> |

The average number of employees during the year was as follows:-

| | <u>2023</u> | <u>2022</u> |
|----------------|-------------|-------------|
| Administration | 2 | 2 |
| | <hr/> | <hr/> |

None of the trustees received any remuneration or reimbursement of expenses from the fund during the year.

3. TANGIBLE FIXED ASSETS

| | <u>2023</u> |
|------------------|-------------|
| | £ |
| Cost | |
| 1 January 2023 | 22,910 |
| Additions | - |
| | <hr/> |
| 31 December 2023 | 22,910 |
| | <hr/> |
| Depreciation | |
| 1 January 2023 | 21,821 |
| Charge for year | 451 |
| | <hr/> |
| 31 December 2023 | 22,272 |
| | <hr/> |
| Net book value | |
| 31 December 2023 | 638 |
| | <hr/> |
| Net book value | |
| 31 December 2022 | 1,089 |
| | <hr/> |

THE FUSILIER MUSEUM LONDON

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. STOCKS

| | <u>2023</u> | <u>2022</u> |
|-----|--------------|--------------|
| | £ | £ |
| Bar | 7,661 | 8,017 |
| | <u>7,661</u> | <u>8,017</u> |

5. DEBTORS

| | <u>2023</u> | <u>2022</u> |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Sundry debtors and prepayments | 15,277 | 12,318 |
| Amounts due from Association | 506 | 806 |
| | <u>15,783</u> | <u>13,124</u> |

6. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>2023</u> | <u>2022</u> |
|----------------------------|---------------|---------------|
| | £ | £ |
| Other Creditors | 2,392 | 3,149 |
| Accruals | 6,984 | 8,904 |
| PAYE & NIC | 1,517 | 1,680 |
| Amounts due to London fund | 3,780 | - |
| | <u>14,673</u> | <u>13,733</u> |

THE FUSILIER MUSEUM LONDON

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

7. ANALYSIS OF FUNDS

| | <u>1 January</u> <u>2023</u> | <u>Incoming</u> <u>Resources</u> | <u>Resources</u> <u>Expended</u> | <u>Transfers</u> | <u>31</u> <u>December</u> <u>2023</u> |
|--------------------------------------|---------------------------------|-------------------------------------|-------------------------------------|------------------|---|
| Unrestricted funds | 30,259 | 132,752 | (138,213) | - | 24,798 |
| Restricted funds: Collection move | 11,407 | - | (497) | - | 10,910 |
| | <u>41,666</u> | <u>132,752</u> | <u>(138,710)</u> | <u>-</u> | <u>35,708</u> |

The restricted fund relates to the grants and donations received, and related expenditure, in relation to the ongoing Collection Move project.

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | <u>Fixed Assets</u> £ | <u>Current Assets</u> £ | <u>Current Liabilities</u> £ | <u>Total</u> £ |
|--------------------|--------------------------|----------------------------|---------------------------------|-------------------|
| Unrestricted funds | 638 | 38,833 | (14,673) | 24,798 |
| Restricted funds | - | 10,910 | - | 10,910 |
| | <u>638</u> | <u>49,743</u> | <u>(14,673)</u> | <u>35,708</u> |