

THE NATIONAL ARMY MUSEUM

England & Wales · Charity number 237902

Details

Other names N A M

Status Registered

Legal form Other

Registered 1964-11-10

Register [View on the Charity Commission register](#)

Contact

Address National Army Museum
Royal Hospital Road
Chelsea
London
SW3 4HT

Phone 02078812401

Email info@nam.ac.uk

Website www.nam.ac.uk

Activities

Objects: FOR THE PURPOSE OF COLLECTING, PRESERVING AND EXHIBITING OBJECTS AND RECORDS RELATING TO THE HISTORY AND TRADITIONS OF OUR ARMY.

Activities: To interpret and communicate the objects in the Museum's care in ways which inspire, provide enjoyment and provoke questions from the NAM's users. By so doing show the impact of the British Army on the making of Britain from the Middle Ages to the present day and on the role of Britain in the world.

Classification

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

Geography

- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|--------------|-----------|
| 2025-03-31 | £9,590,000 | £10,509,000 | £114,819,000 | 102 |
| 2024-03-31 | £8,137,000 | £8,828,000 | £114,896,000 | 100 |
| 2023-03-31 | £7,867,000 | £7,021,000 | £115,110,000 | 89 |
| 2022-03-31 | £7,798,000 | £2,653,000 | £112,387,000 | 84 |
| 2021-03-31 | £7,229,000 | £7,687,000 | £106,282,000 | 91 |

Trustees

| Name | Role | Appointed |
|----------------------------------|-------|------------|
| SIR SIMON MAYALL | Chair | 2017-11-23 |
| Christopher Finney | | 2023-11-08 |
| Dr James Naylor | | 2025-07-29 |
| Dr PAUL SCHREIER | | 2017-11-23 |
| LORD ANDREW ROBERTS OF BELGRAVIA | | 2020-11-04 |
| Lt General Sir George Norton | | 2021-11-01 |
| Neil Johnson | | 2023-06-28 |
| Paul Davies | | 2023-11-08 |
| Professor Ali Ansari | | 2022-11-16 |
| Professor Helen Parr | | 2024-11-13 |
| Sue Mckenzie | | 2022-11-16 |
| Timothy Cooke | | 2022-11-16 |

Linked charities

- THE LEINSTER REGIMENT MUSEUM FUND (237902-1)
- LAWSON BEQUEST (237902-2)
- MIDDLESEX REGIMENT MEMORABILIA FUND (237902-3)
- INDIAN DIVISION MEMORIAL FUND (237902-4)

THE NATIONAL ARMY MUSEUM

England & Wales - Charity number 237902

Accounts

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
31ST MARCH 2025

Presented to Parliament pursuant to the Royal Charter (relating to National Army Museum, 1960)

Ordered by the House of Commons to be printed on 18th November 2025

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

| CONTENTS | PAGE |
|--|-------------|
| Trustees Report and Report of Council | |
| Reference and Administrative Information | 2 |
| Performance Report | |
| Overview | 3 |
| Performance Analysis | 9 |
| Accountability Report | |
| Corporate Governance Report | 42 |
| Statement of Trustees and Accounting Officer's Responsibilities | 44 |
| Governance Statement | 45 |
| Remuneration and Staff Report | 54 |
| Parliamentary Accountability and Audit Report | 62 |
| The Report of the Comptroller and Auditor General to the Houses of Parliament | 63 |
| Consolidated Statement of Financial Activities | 68 |
| Consolidated Balance Sheet | 69 |
| Consolidated Cash Flow Statement | 70 |
| Notes to the Financial Statements | 71 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Introduction

The accounts of the National Army Museum (NAM) are presented for the financial year ended 31st March 2025. The accounts are prepared in accordance with a direction given by H.M. Treasury in accordance with Article 14 of the National Army Museum Royal Charter 1960 and law applicable to charities in England and Wales.

The NAM is a charity registered with the Charity Commission (reference no. 237902).

Address and principal office of the Museum

National Army Museum, Royal Hospital Road, Chelsea, London, SW3 4HT.

Professional Advisers

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Legal

Charles Russell Speechlys LLP
5 Fleet Place
LONDON
EC4M 7RD

Investment Managers

Brewin Dolphin
12 Smithfield Street
LONDON
EC1A 9LA

Auditors

National Army Museum

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
LONDON
SW1W 9SP

National Army Museum Trading Limited (NAMTL)

Hillier Hopkins LLP
Radius House
51 Clarendon Road
WATFORD
Herts
WD17 1HP

Internal Auditors

Azets Audit Services Limited
Regis House
45 King William Street
London
EC4R 9AN

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

PERFORMANCE REPORT

OVERVIEW

Background Information

The National Army Museum (NAM) is an Executive Non-Departmental Public Body (ENDPB) established by Royal Charter in 1960. Its primary objective is to collect, preserve, and exhibit objects and records pertaining to the Regular and Auxiliary forces of the British Army and the Commonwealth. Furthermore, the Museum fosters research into the historical and cultural heritage of these forces.

Devolved status was granted to the NAM under the auspices of the National Heritage Act 1983. The annual Grant-in-Aid (GiA), administered through the Ministry of Defence (MoD), is overseen by the Director of the Museum, who serves as Accounting Officer on behalf of the governing body, the Council of the National Army Museum. The Trustees of the Museum are collectively known as Council members.

Social Investment and Public Benefit

The Council of the Museum acknowledges its responsibilities in relation to social investment and public benefit. The Museum adheres to its charitable objectives and the guidance provided by the Charity Commission, particularly PB1, PB2, and PB3. The subsequent sections of the consolidated accounts of the NAM Group demonstrate the commitment to investment and the compliance with the Charity Commission's guidance.

Charitable Objectives and Activities

The National Army Museum's objectives are defined in its Royal Charter, which was initially granted in 1960 and most recently amended in 2009. The preamble of the charter states that the National Army Museum was established "for the purpose of collecting, preserving, and exhibiting objects and records relating to the history of Our Army so that the achievements, history, and traditions of Our Army should be better made known." Additionally, the objectives require the Museum to "collect, collate, and publish information relating to and carry out research into the history and traditions of Our Army" further, "to encourage research into the accumulation and dissemination of information and knowledge bearing on the history and traditions of Our Army and all matters connected therewith."

'Our Army' is defined by Her Late Majesty The Queen in Council as including 'the Standing Army, Militia, Yeomanry, Volunteers, Territorial Army of the British Islands, Territorial Army and Volunteer Reserve of the United Kingdom, Our Predecessors' Army in India, and the Armies of the East India Company and the Land Forces of Our Army and Our Predecessors' possessions beyond the seas.'

The current Strategic Plan was agreed upon by the NAM Council in 2018 and reviewed in 2024. This plan serves as the basis for the Museum's future Business Plans. The Strategic Plan has a single overarching aim: to establish the conditions for sustainability and growth in the 2019-28 period and beyond. Furthermore, the Museum reviewed its Mission and Core Values and introduced a series of values and outputs.

Our Purpose

The Museum's Purpose is to be the national home of the history and heritage of the Army.

Our Vision

To share the history and heritage of our soldiers and their service in the Army, across the globe and down the centuries. Through our collections we explore the history of the Army from its origins to the present day.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Our Mission

To engage and inspire everyone with the stories of our soldiers and how their service shape our world; past, present and future.

Values

The Museum's values are:

- **Integrity.** We build integrity by fostering trust with each other and with our audiences by sharing an account of history which is accurate, accessible and authentic;
- **Teamwork.** We collaborate as a team towards a common goal, creating a culture where colleagues feel valued. We each make a contribution to the Museum's success;
- **Respect.** We treat our collections with care and respect to enable us to tell the stories of soldiers. We treat both those inside and outside of our organisation respectfully;
- **Empathy.** We are empathetic towards our colleagues, our visitors, our Army and our collections. We don't judge our history we seek to understand it within the context of its time. We communicate with empathy to understand what our audiences need and how they'll connect to the story;
- **Inclusivity.** We create a place where everyone feels they can bring their best to work, grow and thrive. All colleagues feel fully included in the structure and our working practices. Our visitors feel included and valued as they explore the history and heritage of our Army.

The Museum's Strategic Plan has five key objectives supported by the annual Business Plans. These objectives are:

- Strategic Objective 1: - Audience Development and Communications.
- Strategic Objective 2: - Collections Access.
- Strategic Objective 3: - Research, Learning and Programmes
- Strategic Objective 4: - Partnerships and Networks
- Strategic Objective 5: - Income Generation

Outputs

The Museum's Sponsor Department, Ministry of Defence (MoD), provides Grant-in-Aid for three primary objectives. Firstly, it aims to engage and inspire the public with the narrative of Our Army. Secondly, the MoD anticipates that the National Army Museum (NAM) will support the education and research of individuals of all ages with an interest in British military history. Lastly, the MoD regards NAM as a platform where the historical origins of the Army's values and ethos are elucidated through historical accounts and the narratives of those who have served. NAM effectively fulfils these objectives and aligns with the Army's requirements by delivering the following four outputs:

- **Output 1:** A National museum, providing free access to the public in Chelsea, that tells the authentic story of our soldiers and the armies in which they have served. This will be achieved by creating memorable, relevant and accessible activities aligned to audience need in order to maximise audiences and generate footfall;

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2025

- **Output 2:** A National museum, dedicated to collecting objects and archives and to researching the history and heritage of the Army and making it accessible to the public. This will be achieved by growing research and establishing NAM, nationally and internationally, as the first choice for the history and life of the British Army;
- **Output 3:** An institution dedicated to supporting the UK's network of Regimental and Corps military museums and partnering internationally where there is shared history. This will be achieved by continuing the excellent training and mentoring programme not only for the Regimental and Corps Museums but across the sector both nationally and internationally.
- **Output 4:** Digital resources that provide UK and global audiences with accessible and authoritative histories of our soldiers and their armies.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Achievements, Strategic Objectives and Performance for the Year

Chelsea

The Museum at Chelsea, as the focal point of the “outward-facing” Museum initiative, continues to be the centre of attention for the NAM Council and the Senior Leadership Team (SLT) in an effort to augment visitor numbers and visitor-related revenue. This has been facilitated by the ongoing popularity of the renowned programme of temporary exhibitions, Friday Insight (lecture program), evening lectures, talks, and book launches.

Following the suspension of projects during the pandemic, the Museum has consistently endeavoured to bolster the volunteer cohort in specific projects. The Museum acknowledges the invaluable contribution of volunteers to the operations of NAM and was subsequently recognised with the “Investing in Volunteers” award in January 2024.

The Museum Learning Department has once again received the Sandford Award in 2024. This prestigious accolade serves as a quality indicator for heritage learning and validates heritage organisations of all sizes, both local and national, across the United Kingdom (including the Channel Islands and Isle of Man), that offer formal learning programs that align with the relevant curriculum of their respective home countries. Recognition is also extended to informal learning initiatives such as family programs and self-guided provision.

During this reporting period, the Museum successfully concluded the “takedown” of the highly successful temporary exhibition titled “Foe to Friend: The British Army in Germany since 1945”. The set dressing from this exhibition has been directed to the Regimental Museum community, and items from the exhibition’s collections are currently undergoing preparation for future display and inclusion in the ‘Conflict in Europe’ gallery. This gallery re-opened with the *Myth and Reality* exhibition in the summer of 2025.

Stevenage

During this period, the primary focus for the staff at Stevenage has been the preparation of collections for both permanent and temporary exhibitions. Additionally, the moving of collections from the ‘Foe to Friend’ exhibition back into storage is underway, with items destined for relocation into the ‘Conflict in Europe’ gallery being prepared for redisplay.

Work has been coordinated across all types of objects, ranging from delicate textiles to the restoration of large objects, including a mountain howitzer artillery piece. The recent establishment changes, with an increase in staff at Stevenage, have enabled more curatorial staff to work more directly with collections.

The conservation team has also been strengthened, allowing the Museum to undertake more work directly on its own collections. This has been supplemented by a maternity cover post.

Key Financial Risks and Reserves

The risks to the Museum are regularly reviewed by the Senior Leadership Team (SLT) and the Performance, Audit & Risk Assurance Committee (PARA). As previously throughout the period of this report, the main identified risks are:

- Grant in Aid level - NAM’s dependency on Grant in Aid funding from the Sponsor Department - Currently the Museum is in receipt of “flat” GiA from the Sponsor and this would appear to be the on-going situation while there is a continuation of additional pressures on Sponsor Department’s budget. The continued non-inflation link to GiA means that in order to provide the continuity of its plans in the five-year Strategic Plan, NAM is required to continue to grow development funding;

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

- Commercial Income - While the commercial income has seen an increase, this is mainly due to commercial/corporate hire including birthday parties and more recently retail income picking up. However, and countering this, the Museum has seen a “drop off” in the previously successful soft play area. Anecdotally, the demographic in the local area has changed and the previous clients of the area are no longer around.

In accordance with the guidance provided by the Charity Commission, as outlined in its publication titled “Charity Reserves: Building Resilience,” the Museum has undertaken a comprehensive review of its Reserves Policy. This review was undertaken to align the policy with the requirements of the Charity SORP 2015. The revised policy acknowledges the financial implications of closure, encompassing external contracts, local authority rates, utilities, and staff salaries, including redundancy costs for staff not compensated through the Ministry of Defence (MoD). The policy assumes that staff currently receiving comparable pay and conditions to those of the Civil Service and currently paid through the MoD will continue to receive funding until closure by the Sponsor Department. This includes the responsibility for any potential redundancy costs.

The assessment indicates that this revised policy, coupled with a heightened emphasis on paid-for and hosted visits and events, as well as increased visibility of the donation tap system, will facilitate the Museum’s pursuit of its target of £1,000,000 of unrestricted reserves.

The NAM Council believes that this Reserves Policy, once the value is increased to the target figure, will provide the Museum with sufficient financial stability and the means to meet its charitable objectives and operational expenditure for a minimum of three months should GiA be withdrawn or materially reduced.

Current Reserves Position

Restricted

NAM currently holds a Restricted Reserve, excluding land and buildings and heritage assets, of £1,050,000 (2023-24: £683,000) to support specific elements of acquisition, care or display of collections or specific projects supporting educational, research or outreach activity.

Unrestricted

The current cash and cash equivalent value of Unrestricted Reserves shows a surplus of £74,000 (2023-24: £530,000), a reduction of £456,000 over the year.

Oversight

The Council of NAM, via its PARA Committee, reviews the level of funds in both Restricted and Unrestricted Reserves three times a year. The Policy is reviewed annually at the Council's autumn meeting, prior to the Business Plan for the following year being finalised. The Museum regularly utilises non-public income to increase the amount held in investments with Brewin Dolphin.

The Director, as Accounting Officer, has the delegated authority to utilise both Unrestricted and Restricted Reserves within his delegated financial limits. Any expenditure beyond these limits is to be referred to NAM Council for confirmation.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Assessment of Going Concern

The National Army Museum is believed by the Director (acting as Accounting Officer), the National Army Museum Council and the Senior Leadership Team to be a going concern for the foreseeable future. This is evidenced by:

- The support it has received historically and continues to receive with its allocation of GiA. NAM has received confirmation of its Grant-in-Aid allocation of £7,628,000 for 2025-26.
- The Museum having an ongoing written commitment of support from the Sponsor Department for 2026-27.
- The recent meeting on 26 February 2025 with the Army Head of Finance further confirmed the support contained in the Financial Framework document between the Sponsor Department and NAM. This document is the agreement between both parties on the Strategic Priorities for the following five years with a status review in five years (2028).
- Projections of the Museum's trading arm (NAMTL) budget going forward for 2025-26 show a projected profit of £458,539 which is, in-turn, paid to NAM as part of the covenant agreement.
- The NAM Group budget for 2025-26 shows a projected Group Surplus of £150,828.
- The Independent Public Body Review of the Service Museums 2023 (formerly known as Triennial Review) recognises the Service Museum's support of the heritage objectives of the MoD and recommends their retention as ENDPBs/NDPBs. The review further also identifies "that there is no immediate economic value for any MOD service museum to cease their operations".

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

PERFORMANCE ANALYSIS

Strategic Objective 1:

Audience Development and Communications

In this year's programme, sustainability was a central focus. For the first time, our renowned programme of familiar favourites and novel experiences was delivered on a cost-neutral basis. Although in-person audiences were robust, digital viewership for talks and discussions maintained consistent engagement, particularly through YouTube. Overall, over 11,000 individuals attended in-person events at the Museum, while more than 26,000 engaged with talks and discussions online.

1.1 Public Programme and Special Events

Our programme of weekly expert talks is the longest-running public series on British military history in the world. It continues to provide a showcase for both established and new voices in the field. This year, speakers ranged from PhD students giving their first public lectures to experienced academics and bestselling popular history authors.

The Museum's core programme delivered 83 events, of which 47 were 'Friday Insight' lectures. Along with talks on famous battles such as Ulundi, Saratoga and Waterloo, more unusual topics included the Jewish Brigade, the impact of the American Civil War in Britain, and the curious tale of the 'Minden Cannonball'. The First and Second World Wars continued to prove popular, but more recent history also attracted audiences, including discussions on the conflicts in Bosnia and Afghanistan.

To celebrate the transfer of the Army Football Association Archive to the Museum, a series of seminars was hosted in partnership with the Football and War Network, exploring the relationship between the Army and the beautiful game. The Museum also hosted a successful weekend of events in collaboration with the Kohima Educational Trust, featuring keynote speakers Robert Lyman, James Holland and Fergal Keane. The third annual Siborne Lecture, organised in partnership with the Royal United Services Institute (RUSI), explored the legacy of the Napoleonic Wars.

Small-group practical workshops, delivered in partnership with military makers such as Hand and Lock and Pooley Sword, encouraged visitors to try their hand at practical skills and traditional craft techniques, while the Museum again hosted a series of lively and popular dances, including a Scottish Cèilidh, a D-Day Dance, and a festive Jingle-Bell Jive. Museum Members were treated to several special experiences, including a behind-the-scenes tour of Hand and Lock and a visit to the Royal Military Academy, Sandhurst.

The sixth Chelsea History Festival marked the formal launch of the Chelsea Heritage Quarter partnership between the Museum and neighbouring Royal Hospital, Chelsea Physic Garden and Cadogan. The Festival continued to see growing numbers, with over 10,000 visitors to ticketed talks, free family activities and musical performances across four sites on Royal Hospital Road.

Community Engagement programming included further expansion of the Museum's British Sign Language tours, along with the launch of a new monthly coffee morning seeking to combat loneliness and social isolation. The Museum worked with the Royal Hospital to launch Reminiscence Workshops, drawing on objects in the collection to support activities for Chelsea Pensioners living with dementia.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

1.2 Membership Programme

Membership was successfully maintained this year through the implementation of novel programme enhancements that provided enhanced benefits and rewards to our members. Members participated in exclusive tours of esteemed locations such as Sandhurst and Hand and Lock embroiderers, as well as benefitting from complimentary tickets to select Chelsea History Festival events. Notably, the inaugural edition of a novel event was held within the Director's Showcase, which was fully sponsored by one of the Members.

1.3 Army Engagement

The Museum has continued its effort in being a key location for Defence Attaches. Defence Attaches from across the world visit the Museum on a once every two-month basis utilising the Museum as a networking space in which Defence Attaches from all visiting militaries can engage with each other across the globe. They then go on a tour and engage with the Museum's collection. The Museum is also a key feature on the course for outgoing Defence Attaches from the UK by utilising the Museum and its staff as a key focus for how the British Army's history has shaped the globe and how, as they go off around the world, they might engage their host nation's own military. These defence networks help build consistent relationships that will utilise the Museum as a Central London location and an outstanding resource of history and heritage.

The Museum has helped the Army to continue to connect with its heritage in some key locations, and those areas where there is high level defence engagement. This year the Museum has collaborated with the Royal College of Defence Studies (RCDS) to provide a new hang at their location in Belgrave Square. The Museum has led the work to include partners from the National Museum of the Royal Navy (NMRN) and the RAF Museum (RAFM) to represent works across the defence domains.

NAM has also played host to a vast array of military organisations, task forces, units and charities. These visits include executive boards of the Army chaired by the Chief of General Staff. The Museum continues to engage further with the Army and has hosted over 2,800 service visitors. These numbers include 58 groups of serving Army personnel, including the Army Training Regiment, Pirbright, and the Gurkha Company from Catterick. Each group was given an introduction to the Museum, while gallery staff were available to answer questions and welcome visitors.

1.4 External Collaboration

NAM expanded our partnership work to leverage the power of collaboration to enhance our reach and impact with audiences. Sixteen different groups and organisations helped us to deliver talks, workshops, and creative sessions, from the RUSI to the Dresden Trust and the Museum of Military History, Berlin. We partnered with the military uniform makers Gieves and Hawke, and Hand and Lock, as well as the Historic Royal Palaces and the Poppy Factory. We also worked with Army and Veteran communities, from the Korean Veterans Association to the War Widows Association, and the Women's Royal Army Corps Association. For schools, children and young people our learning team partnered with Kids in Museums, Arts Award, ARTiculation with the National Gallery and the National Saturday Club in order to enhance our offer and increase opportunities for young learners.

1.5 Schools

For the reporting year 2024-25 the onsite formal visits rose to 10,127 (2023-24, 9,211). Despite the increased uptake for the onsite workshops, the virtual workshops have grown in popularity with 7,754 attendees (2023-24 5,625). The Learning Team continue to research new opportunities and develop content for schools. In 2024-25 the learning offer for older pupils was enhanced by creating two new KS5 study days for A-Level history students. These were 'Warfare through Time' and 'The British Empire in the World Wars'. Continuing with the successful launch of the work experience programme for year 10 and year 12 pupils, the Learning Team has sought to ensure that young people who are at risk of becoming Not in Education, Employment or Training (NEET) have been provided with participation opportunities through the Get Ahead scheme run by the Education Development Trust.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025



KS2 pupils take part in a workshop called ‘Poppies to Remember’

1.6 Marketing Operations

In 2024/25 the Museum completed the final stage of the brand refresh work begun in 2022/23. The result has been a brand refresh exercise for the overall NAM brand, streamlining and upgrading the look and feel of the NAM’s onsite signage and external marketing. The Museum’s vision was brought to life in partnership with the design agency.

This brand work was used to create assets for major marketing campaigns for Easter 2024, Summer 2024, Autumn 2024 and February 2025. These campaigns targeted families and adults in London and the South East, up to a 40-minute travel window from the Museum’s nearest major station at Victoria, London. Using the NAM bespoke audience segmentation, the 2024/25 strategy sought to keep the core audience segments of Historians and Identifiers informed about our work, and target paid digital and out of home marketing to Generalists and Transactors to grow footfall and onsite spend.

This focussed work saw fantastic results compared to campaigns in the 2023/24 year. Strong visitor figures seen in the Easter holidays and May half term following paid for digital family marketing campaigns. May half-term saw a 51% increase for onsite spend compared to 2023.

The summer campaign saw a major out of home advertising presence for the Museum including Train card panels, Rail sheets on Southern & Southeastern lines, Underground sheets across central London, Bus super sides, and Playcentre/Leisure Centre digital sheets. Compared to the summer period in 2023, when we saw retail sales of £13,907 and family workshop attendance of 652, 2024 saw £19,497 in onsite retail spend and 968 attendees at family workshops. A major leaflet distribution campaign went extremely well, and suppliers reported a 20% higher than target leaflet uptake on transport routes into London from the South East and train and tube stations coming into Chelsea.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025



Examples of new design assets as part of the Museum brand refresh in 2024



Leaflet distributed as part of a successful Summer 2024 distribution campaign

A final highlight of the marketing year was the February 2025 half term campaign. This saw 1,074 take part in onsite family workshops and activities, compared to 359 in 2024. More activities were available to attend than in 2024, but the huge increase illustrates the positive impact marketing had in attracting families to the activities being run.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

1.7 Chelsea Heritage Quarter

In July 2024, the official launch of the new Chelsea Heritage Quarter (CHQ) occurred, marking a collaborative partnership between the National Army Museum, Royal Hospital Chelsea, Chelsea Physic Garden, and Cadogan. This initiative builds upon the five years of successful collaboration between the partners during the annual Chelsea History Festival, which was held in 2024 for its sixth year.

The CHQ's primary objective is to provide year-round joint programming across the partner sites, including community initiatives supported by The Royal Borough of Kensington and Chelsea. Furthermore, it will serve as a destination marketing strategy to enhance visitor footfall to the Royal Hospital Road and promote awareness among local Londoners, day-trippers, groups, and international tourists.

This development presents a promising future for the Museum and its location in the heart of Chelsea.



**Directors of the Chelsea Heritage Quarter partners
at the launch for the CHQ in July 2024**

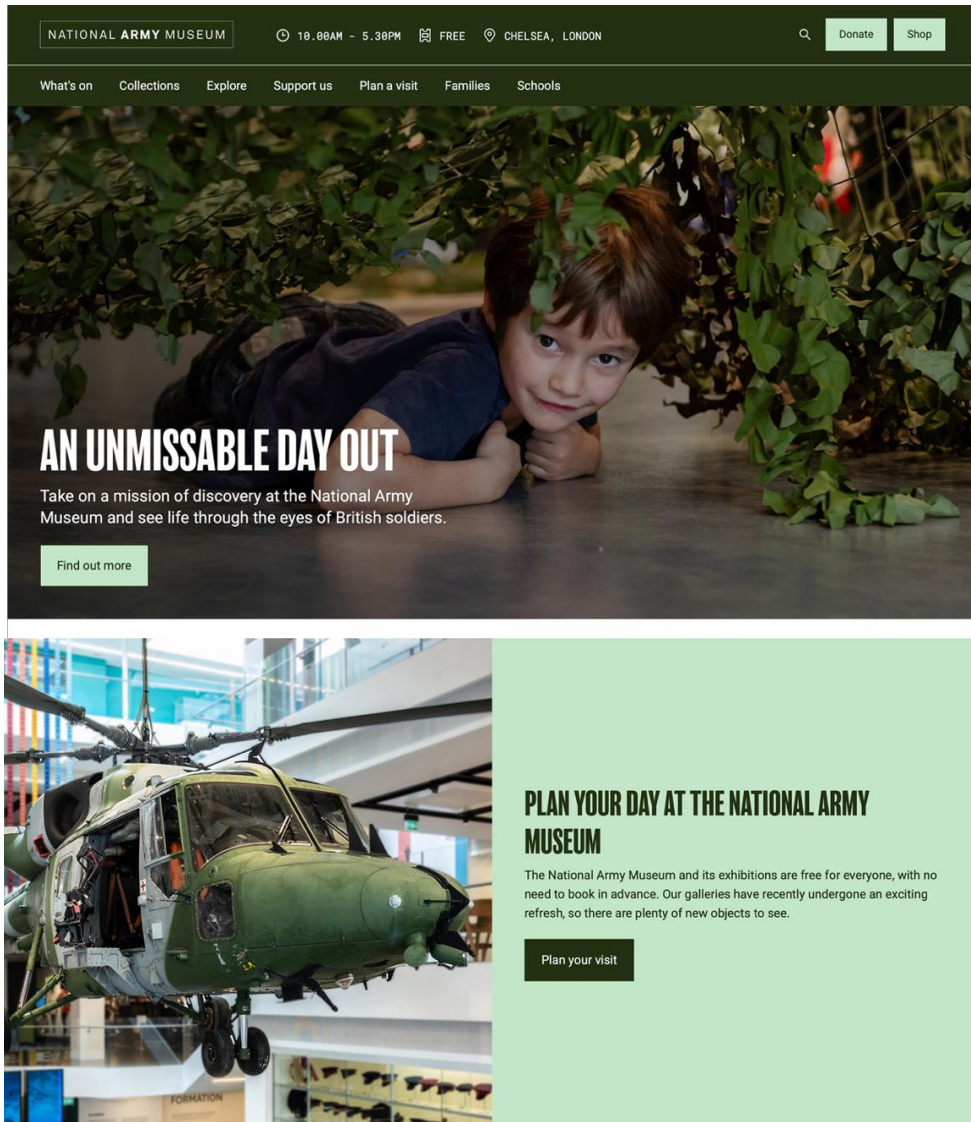
1.8 Digital Outreach

Following new data privacy laws introduced in 2024, all users of the Museum website are now explicitly asked their permission for their personal data to be collected, used and stored. The result of which is that the majority of users reject this request and NAM can no longer capture how visitors behave and what pages they visit on our website. Our website figures for 2024/25 are 1,581,454, compared to 3,671,732, showing the direct impact of data privacy laws.

The final part of the Museum brand refresh was to roll out the new brand across the NAM website. This work began in Autumn 2024 and was completed in March 2025. The new-look website was also supported by additional work undertaken to continue to keep it functional and working for the best user experience.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Positive indicators of website performance are visible in annual research the Museum commissions as part of a consortium on London attractions. Of the visitors surveyed throughout the 2024/25 year, 23% cited the website as their main source for finding out about the Museum, compared to 19% in 2023/24 and 2022/23. This shows continued positive improvement and the Museum maintaining its position as a top resource, and relevant and trusted source for Army history and fact checking.



Example of the digital brand refresh,
a major piece of work completed for the website in March 2025

Digital advertising remains an effective and cost-efficient component of our campaigns. Our audience segmentation model has been strategically employed to target and engage key audience segments more precisely. Paid digital advertising is particularly focused on attracting Generalist and family audiences who may not be familiar with the Museum but are seeking a cultural outing. These audiences cannot be effectively reached through the Museum's owned digital channels, making investment in this area crucial for sustaining web traffic growth and enhancing the Museum's reputation as a visitor destination.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Digital outreach for the reopening of ‘Soldier’, the final permanent exhibition space to be completed as part of the gallery refresh, was integrated with outreach for the annual Chelsea History Festival. Digital and social media advertisements, and email marketing partnerships, contributed to the highest visitor figure ever recorded for the Festival, surpassing 10,546 attendees, which is approximately 500 more than in 2023. The marketing campaign for this event was managed by the Museum’s in-house marketing team and concentrated on digital channels. Engagement with online and social media advertisements was highly successful, with a conversion rate that was 221% higher than the benchmark figure set in 2019-20. This indicates that the online users targeted by the advertisements were a relevant audience with a strong interest in learning more about the Festival and purchasing tickets.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Strategic Objective 2:

Collections and Access

As the custodian of a National Collection of objects and archives that represent the Army's history and heritage, maintaining and developing our reputation for excellence is paramount. We will ensure the renewal of our status as both a nationally accredited museum and an accredited archive and will continually seek to improve our care, understanding, and access to the collection. As part of a comprehensive review of our storage facilities, we will develop a long-term solution that considers future pressures on public finances and the needs of the Army and the regimental and corps collections.

The Museum is diligently working to enhance its physical and digital galleries, ensuring that it consistently delivers an exceptional visitor experience. The staff will continue to rotate object displays and refine its permanent galleries, while simultaneously improving online access to its extensive collection, all in alignment with the Museum's overarching narrative.

2.1 Gallery Refreshment Programme

The permanent gallery's five-year refreshment programme was nearly completed at the end of this reporting period. The Soldier Gallery, which showcases the experiences and values of soldiers in their own words, was reopened in April. This refreshment programme provided the Museum with the opportunity to rotate some of the displayed collections while simultaneously updating interactive technology. The enhanced interpretation now reflects the increased diversity and opportunities available to individuals who join the Army. As the Museum's most popular gallery, it was closed during the refreshment works. This presented an opportunity to address certain maintenance issues. Visitor feedback since re-opening has been overwhelmingly positive.



One of the many new displays in Soldier Gallery

2.2 Special Exhibition Gallery

During this reporting period, the extended display of the 'Foe to Friend' exhibition was removed, facilitating the reconfiguration of the entire temporary display space within the Special Exhibition gallery. In the spirit of repurposing and recycling redundant displays, any not required by the Museum were offered to, and collected by, the Regimental Museum community. The reconfigured Special Exhibition gallery has been developed for the exhibition "Myth and Reality: Military Art in the Age of Queen Victoria," which opened on 1st July 2025.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

2.3 Focus Gallery

Following the removal of the ‘Shakespeare and War’ exhibition, the Focus gallery underwent a reconfiguration to accommodate larger temporary exhibitions. This expansion of the gallery enabled the Museum to collaborate with Soldier Magazine. As a result of this partnership, the Museum transformed the gallery into a cinematic experience that chronicled pivotal moments in the history of Soldier Magazine. The magazine’s journalists have meticulously documented every conflict and development within the British Army over the past eight decades, creating a comprehensive and visually rich collection. Soldier Magazine’s inception was endorsed by Field Marshal Montgomery and, throughout its history, it has served as a platform for serving personnel, disseminating crucial information, and providing a voice for those in the military. The film provided an opportunity to showcase various eras, particularly at a time when social media and digital production techniques are undergoing transformative changes in their publishing and content strategies.



Soldier Magazine Exhibition

Over the past several years, the Museum has demonstrated a remarkable ability to rapidly curate smaller “pop-up” exhibitions and displays that effectively narrate pertinent historical events. In this pursuit, the Museum has successfully curated several smaller displays, including:

- For D-Day, the Museum collaborated with Blind Veterans UK to showcase portraits of D-Day veterans against the backdrop of the regions they fought in. These compelling images, captured by photographer Richard Cannon, were unveiled at the National Army Museum and accompanied by the veterans’ experiences in their own words. The significance of preserving these stories was underscored when two of the veterans passed away shortly after the exhibition.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2025

- “In Their Own Words” was exhibited in the Atrium at the National Army Museum (NAM) prior to its tour of Yorkshire and the Tower of London. Each banner in the series of six showcases a soldier from a distinct century, whose accounts and artefacts are housed in our collections. Curated by Justin Saddington, this pop-up display establishes a connection between visitors and NAM’s collections by presenting personal narratives and written accounts.

2.4 Our Younger Audience

In support of the gallery refreshment programme, the Museum also sought to provide additional resources for our younger audience. To enhance our offerings for this segment of our visitors, the Museum installed a “stamper trail” throughout the permanent galleries. This trail serves as a family activity, encouraging interaction across the Museum. A booklet poses questions about the Army and our collections, and each stamp awarded for completing the trail depicts an object or aspect of our collections.



One of the Stamper Trail Stands

2.5 Archives and Library

Work has progressed on enhancing access to the archive and library collections, with a particular focus on archive collections pertaining to the Victorian era, including the correspondence of prominent military figures such as Lord Robert Baden-Powell, Major William Hodson, and General Sir Ian Hamilton, as well as the military historian Professor Henry Spenser Wilkinson. The library collection has benefited from work on the special collection of antiquarian and rare books, particularly in identifying the security and rarity of these collections. The collections continue to develop, and this period witnessed the transfer of two family collections: those of the Buckle/Butterworth family and the Staveley family. The latter was celebrated by an event held at the Museum, which brought together elements of the Staveley family for the first time. The archive and library collections have been featured in numerous exhibitions in support of the Museum’s public programming, notably a series of events related to the Army Football Association, which showcased the archive collection which was deposited at the Museum in 2023.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025



Display of Section of the recently donated Staveley Family Archive

Additionally, the archive collection was the focus of a new online exhibition titled “In Their Own Words”. This exhibition comprises a combination of narratives, oral histories, and portraits published on the Museum’s website. The exhibition narrates the stories of individual officers and men and women who served with the British Army, as evidenced by the diaries, letters, papers, and recordings found within the Museum’s archive.

2.6 Templer Study Centre (renamed as Reader Services)

The Templer Study Centre (TSC), the Museum’s research facility, experienced a notable surge in visits, reaching 1,230. The Centre has consistently received positive feedback regarding its services and the accessibility of resources. In addition to regular reviews of reference materials displayed on open shelves, visitors are informed of the availability of family history online sources at the Centre.

The TSC facilitated group visits that encompassed individuals from various backgrounds, including overseas visitors, senior Army personnel and royalty from the United Kingdom, postgraduate students, and army groups. Two study days were conducted at the Centre, utilising archive and library materials. These sessions were also designed to provide work experience opportunities for students.

The Centre continues to host international interns through the CAPA: Global Education Network scheme and has maintained direct communication with the Brigham Young University. The Centre has received invaluable support from two volunteers from the First Aid Nursing Yeomanry and five volunteers working in the stores at Stevenage.

The Museum has an active Enquiry Service and during this period it received 4,116 enquiries and processed 337 image requests.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

2.7 Collections Centre, Stevenage

Stevenage has maintained its commitment to public engagement by facilitating pre-booked visits with the Collection Division team, which provided access to 451 collection objects for study.

The Museum is actively working to enhance storage and access to the Collection and Archives, and its documentation and research prioritisation programme continues. Recognising the challenges posed by time constraints and limited storage space at Stevenage, the Museum is reviewing its holdings and future requirements to establish a long-term solution. This approach will consider future pressures on public finances and the needs of the Army, Regimental, and Corps collections.

To preserve and uphold its reputation for excellence, the Museum's ambition is to retain both its Accredited Museum and Accredited Archive status. NAM is currently undergoing a review of its accreditation for both the Museum and Archives, with expected endorsement due in the summer/autumn of 2025.

2.8 External Academic Support

The work of the National Army Museum was supported by expert speakers from 28 different institutions including the Royal Military Academy Sandhurst, as well as many universities across the UK including Birmingham, Bristol, Cambridge, City London, Edinburgh, Essex, Hull, Kent, King's College London, Leeds, Liverpool, Liverpool John Moores, London School of Economics, Newcastle, Northumbria, Nottingham Trent, Oxford, Reading, Royal Holloway, Sussex, University College London, Wolverhampton, and York St John.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Strategic Objective 3:

Research, Learning and Programmes

The Museum's mission to engage our audiences with the Army's history and heritage has never been more pertinent. The Museum will continue to expand its role as a national authority by investing in research and knowledge creation, empowering our staff to conduct innovative research inspired by our collections, and establishing enduring research partnerships.

We will engage our onsite and online audiences through research through public events and our learning and family programmes, placing audiences at the centre of our activities. We will ensure that visitors of all ages, backgrounds, and knowledge levels can participate in inspiring and enriching activities. We will provide a sector-leading platform for specialist research while developing new audiences by focussing on the positive impact of our mission and values on our local community, people, and places across the United Kingdom and beyond.

3.1 Research Outputs

National Army Museum staff and Postdoctoral Fellows published new scholarship in a wide range of different formats and channels, including peer-reviewed articles and book reviews in academic journals. A notable highlight was the publication of a collection of essays co-edited by Museum historian Dr Matilda Greig: *Napoleonic Objects and Their Afterlives: Art, Culture and Heritage, 1821-present* (Bloomsbury). Postdoctoral fellow Dr Eamonn O'Keeffe's research into British military music, drawing on Museum collections, was published in *The Historical Journal* and subsequently received coverage in major national print and broadcast media.

The Museum's research environment continued to develop through the establishment of seminars and workshops providing opportunities for research-active staff and postdoctoral fellows to share scholarship, skills, and knowledge. Staff from across the Museum engaged public audiences and shared their expertise through the Museum's programme, as well as at other institutions, and through broadcast media and podcasts. Staff contributed invited papers at several academic conferences, speaking about both historical and heritage issues. A new initiative to support professional development in the education sector saw curators and historians providing specialist talks online to history teachers working with Key Stage 3-5 pupils.

Digital outputs were a key means of surfacing new research. *In Their Own Words: Stories from the Archive* drew on documents and books held by the Museum to showcase remarkable individuals. Another major digital project, *Endgame 1945*, highlighted the range of the Army's roles across the world before and after VE and VJ Day, drawing extensively on Museum collections. This included a monthly digest of major historical events, richly illustrated by contemporary photographs and quotations.

3.2 Academic Partnerships

The Museum was proud to host the annual congress of ICOMAM – the International Committee for Museums and Collections of Arms and Military History. Working in close partnership with the Royal Armouries, Museum staff organised a major gathering of experts from across the world, with attendees from as far afield as Canada and South Korea, Sweden and Saudi Arabia. Museum researchers participated as speakers and panel chairs for a two-day conference, which was followed by a Study Tour of several military heritage institutions across the UK. The last time the event was held in London, in 1963, the Museum was still located at Sandhurst.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025



Attendees at the ICOMAM Congress

3.3 Army Research Partnerships

The Museum continued to collaborate with the Royal Military Academy Sandhurst (RMAS). Several RMAS researchers presented their work through the Museum's public programme, showcasing scholarship in military history and related fields. NAM curators also contributed to the edited collection *Organising Warfighting*, edited by RMAS experts.

3.4 Grants and Fellowship Scheme

As in previous years, the Museum partnered with the Society of Army Historical Research (AHR) to support a programme of prizes and grants encouraging research into the history and traditions of Our Army, including the well-established Templar Medal and the Chapple Prize, rewarding an author's first book.

Museum staff have contributed to the Arts and Humanities Research Council's peer review panel and the Society of Army Historical Research. Fellowships have been elected at the Institute of Historical Research, the Royal Historical Society and a visiting professorship at the University of Greenwich. Members of staff have collaborated with historians at the Royal Military Academy Sandhurst in *Orchestrating Warfighting: A History of the British Army's Corps and Divisions at War since 1914* (Routledge, 2025) edited by Tim Bean, Edward Flint, James Kitchen and Paul Latawski.

The Museum's fellowship scheme expanded with a new PhD scholarship based at the University of Greenwich, focusing on the Indian Army in the early 20th century, the PhD covers Indian officers and soldiers during the First World War and the interwar period based on the Punjab registers and the Museum's photograph and art collections. This project is co-supervised by the Museum's curatorial lead, Dr Alan Jeffreys, in partnership with King's College London. The Museum also supported a post-doctoral researcher attached to a major project analysing personnel records from the Second World War.

3.5 War Graves Research

Specialist research continued to be provided on behalf of the Army to support the MOD's Joint Casualty and Compassionate Centre to assess cases of potential non-commemoration. Cases dating from both the First and Second World War were investigated, many relating to the Western Front. Several rededications took place thanks to this historical research, many of which were attended by the families of those who died while serving their country but who were not previously identified.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

3.6 Collections Development

The Museum continues to respond to every offer of donations of collections material which it is offered, as these form the majority of material entering the collections. Offers are considered in line with the Collections Development Policy (CDP) to avoid duplication, or material that would find a more suitable home in another collection. In addition to unsolicited offers, all major sales and specialist auctions continue to be monitored. Activity at auctions remains strong, although with a limited budget, in some cases success is not always guaranteed.

In the last year, as part of the Museum's contemporary collecting, NAM has commissioned freelance photographer Toby Wilkinson to document soldiers at Bovington, specifically in the training of the new AJAX and BOXER armoured vehicles. The images, which will eventually form part of the permanent collection, highlight elements of soldiers' training not often captured.

The Museum has also conducted a survey of military vehicles held in public collections. This census has revealed over 800 vehicles. The results of the census will help the Museum consider acquisition of large objects as the Army re-capitalises, and show areas where vehicle types are poorly represented, as well as areas where there is duplication. This research will assist the NAM and other similar Museums in their collecting activity both to identify gaps in collections and to minimise duplication. This knowledge will also allow the Museum to assess its long-term storage requirements.

Curatorial staff have acted as expert advisors on export licensing for the Arts Council, the V&A purchase fund and collaborated with the Arts Council, the Money and Medals Network, the Royal Armouries and other institutions.

3.7 Collections Management and Care

The Museum Standards and Care team continues to provide high standards of documentation, care and management of the Museum's collections. This year focus has driven work towards improving documentation in line with the Documentation Plan and over 45,000 items had their locations confirmed and 21,868 items have been audited. Significant work has been undertaken to improve historic backlogs and focused projects around the Sealed Pattern collection, Medal audit and restorage of heavy racking have contributed to this.

The Standards and Care team have, working with the Technical Services team and other museum stakeholders, progressed the installation of a new Collections Management System (CMS). The documentation staff supported this procurement with data cleaning and mapping of information; this has included the cleaning of 31,000 production names. This project is delayed from its original estimated completion date, but the Museum felt it was better to ensure that the data and supporting documentation was correct rather than move across onto the new system and find unforeseen issues. The scheduled completion is now Autumn 2025.

Significant work has been undertaken by the team to prepare objects and artworks for the upcoming exhibitions on 'Myth and Reality' and 'Burma'. This included the painstaking task of taking a Howitzer field gun back to its original colour with the support of volunteers.

The team have continued to support the volunteer programme by managing, dependent on specific work projects, between eight and ten volunteers on a range of work streams during this reporting period. The Team as part of the Museum's remit to support the Regimental Museum community, have contributed towards the Regimental Museum Training by providing bite-sized training on a range of different collections care and hazards areas including asbestos, disposals and edged weapons.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

3.8 Notable Acquisitions

The Purchase Grant has consistently provided the Museum with opportunities to expand its collections through a dedicated funding stream for the acquisition of research-related and nationally significant items that encompass the entirety of British Army heritage. Since April 2024, the Museum has successfully purchased and acquired 70 individual items, including:

- **Archives:** An early nominal roll of 1661 for the Volunteer Restoration Militia, assembled in Norfolk at the request of Charles II by Horatio Townsend, 1st Viscount Townsend, a Norfolk MP who supported the King and played a pivotal role in the Restoration of the Monarchy.
- **Cumberland Society Gold Medal for Field Marshal Sir George Howard:** This gold medal was acquired at auction and is the sole known example with provenance. Once prepared, this will be displayed in the Formation Gallery.

Donations: The Museum received donations of art, photographs, and diaries from Major General Cecil Toovey. Toovey was an Indian Army officer who served in East Africa during World War II, subsequently becoming Deputy Adjutant General from 1941 to 1943 and Commander Rawalpindi District until his retirement in 1947. His art and photographs are fully catalogued and digitised on the Museum's website. Since April 2025, The Museum's art collection was further enriched by the donation of a portrait featuring the Duke of Marlborough and Colonel John Armstrong his chief engineer.



The Duke of Marlborough and Colonel John Armstrong

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Strategic Objective 4:

Partnerships and Networks

Enable and Support Networks of Military Museums and Heritage Organisations, in the UK

The Museum continues to assume a prominent position in establishing military museum networks and partnerships locally, nationally, and internationally. Throughout the United Kingdom, we provide ongoing support to a community of over 140 Regimental and Corps Museums. This support is bolstered by our established framework, which encompasses extensive training programmes, a comprehensive advisory service, and the convening of regional museum networks. As previously mentioned, the Chelsea Heritage Quarter is actively contributing to NAM's profile in local communities, thereby facilitating enhanced outreach and provision for diverse audience groups, including younger and older individuals. This collaboration provides an enhanced platform to showcase the nation's rich military heritage.

4.1 Regimental Museums Training Programme

The NAM continues to support the network as part of its pastoral care remit, funding all Museums memberships of the Association of Independent Museums (AIM). Over the course of this year Regimental and Corps Museums applied for, and, received grants in excess of £23,000 from AIM. This is clearly of huge benefit to the sector.

The Museum is the sector lead for the training of Regimental and Corps Museums and has stepped up its training programme. This year it has provided additional training and further 'bitesize' training sessions which have proven extremely popular, and attendance continues to expand with approaching 500 curatorial staff, volunteers and trustees. Taught sessions, both online and in person, now exceed 30. The training support that the NAM offers to the sector is vitally important and, as can be seen by the increased attendance and expanding offer, is seen as a vital and irreplaceable support to the network. As always, this programme is offered free of charge to Regimental and Corps Museums (although additional attendees from non-Regimental Museums are charged a nominal fee to cover administration cost).

Examples of training run this year include

- Regimental Curators' Course (x2, 5-day course)
- Modes (CMS) training, beginners, advanced, advance + and administrator (x12)
- Radiation safety in museums (x2) one in Scotland
- Introduction to communications
- Public records
- Army 101 (x2)
- Imperial legacies
- Hazards in collections
- Managing our information (archives training)
- Governance training for Trustees
- Introduction to museum learning
- Firearms training (x2)
- Disposals training
- Data protection in Museums
- Emergency conservation
- Emergency planning (with Harwells)
- Quarantine conservation (bitesize)
- Asbestos legislation and conservation (bitesize)

Additional 'bitesize' training has been added into the programme for next year.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

The Museum serves as host for the Regimental Museum Conference. This year's conference, held in the spring, was well attended with figures breaking all previous records. Multiple speakers, including Head of Arms and Services, who took the opportunity to address the network.



Regimental Curator's Course Spring 2025

4.2 Advisory and Advocacy Service

At this year's Army Heritage Committee meeting (chaired by the Deputy Chief of the General Staff) NAM was tasked with two extremely important initiatives:

- Assist MOD Arms and Services (via Heritage branch) to overhaul the gifting process from MOD to Regimental Museums. Sample selections of Museums have been contacted, requests received and processed by the NAM to Heritage branch and the first tranche of gifted/loaned material was delivered in June 2025. This is an extremely important piece of work as making the Museums relevant to the modern Army is key to the MOD's Museum strategy and this is difficult to achieve without access to modern uniform, weapons and equipment
- A review of the current Army Heritage policy on reduction of MOD financial support to the Museum sector by 2030 (colloquially referred to as the Bourne May review). The NAM team have been asked to present a recommendation paper, at the next Army Heritage Committee meeting in September 25 on the current plan. The team will undertake visits to all twelve affected Museums and interview additional key stakeholders such as the DIO, Heritage Branch, AMOT and present evidence to allow the Heritage Committee to make a good decision in support of the Museums

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

4.3 Networks

The Regional and subject specialist networks, convened by the NAM, continue to thrive. This year, all regional networks have enjoyed a full meeting schedule, and this is the first post pandemic year where this has been the case. Both the London and Southern Army Museums networks are now returned to full activity. These networks provide useful opportunities for regional Museums to work together and offer mutual support, as well as giving them direct access to the NAM, MOD heritage branch and the Arts Council. The NAM's team endeavours to attend all meetings in person.

The current established networks include:

- Association of Scottish Military Museums
- Northern Military Museum's Network
- Eastern Military Museum's Association
- Wales and West Army Museum's Network
- London Military Museum's Network
- Southern Army Museum's Network
- Corps Museum's Network

4.4 International Partnerships

This year NAM has continued to welcome senior visitors from foreign and allied powers, with multiple visits from Saudi Arabia, India, Pakistan, Poland and many others. The ICOMAM conference, held at the Museum and organised by this team in conjunction with the Research team and the Royal Armouries, proved a great success and facilitated the forging of links with the Italian, Swedish and Netherlands War Museums.

India remains the key partner under the umbrella of the British Indian Military Heritage Partnership and the annual Military Curators Course was once again held in Delhi in November. This year the team were able to further support the United Services Institute of Delhi, by taking part in the second Regional Military History festival (a weekend conference attended by senior Service Chiefs and the Deputy Defence Minister).

This year has also seen a further increase in the NAM's co-operation with the Defence establishment in London, in addition to meeting spaces provided and heritage meetings attended, NAM has partnered with both the Global Defence Network and the consolidation studies course to provide a regular briefing for British Defence Attaches and Advisors about to take up their positions and a regular ceremony of welcome for incoming foreign defence staff taking up positions in the UK. Both of these briefings are set to continue. As an outgrowth of this service several attaches have been assisted with copies of collections material for use in their respective embassies.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Strategic Objective 5:

Income Generation

Build greater Financial Resilience, Organisational Efficiency and Sustainability (Primary Enabling Objective). The Museum is supported by a grant-in-aid that covers the operational costs of the institution. This grant includes a fixed amount to support the acquisition of collections that further enhance the narrative. However, the Museum's grant has experienced a decline in real terms, despite remaining "flat" on paper. This is against the backdrop of increased costs in all areas of the Museum's operations. The Museum acknowledges that it is currently operating in an era of pressure on public finances. Therefore, NAM is striving to achieve greater financial independence and sustainability. Our ultimate objective is to grow and maintain commercial activity and fundraising activity. To achieve this, we are harnessing the energy and creativity of staff across the Museum to secure grants from public sources such as trusts and foundations, as well as private funding from corporate bodies and major donors

5.1 Fundraising

Greater focus on and capacity for external fundraising resulted in an increase of 258% to £731,000 in donated income compared to the previous financial year. This included a major sponsorship contribution towards exhibition costs, funding for new and expanding public programmes at the Museum, and grants that have enabled new initiatives and partnerships with external bodies. Among the grants secured were contributions from the Veterans Foundation and the Art Fund. An upgrade of the Museum's tap-to-donate system also resulted in increased on-site donations.

The Museum continues to grow its Patrons scheme, with a successful programme of dinners, events and annual battlefield tour. In addition to an increase in Patron numbers, the NAM has been fortunate in securing additional support from some of its Patrons through both restricted and unrestricted charitable donations to fund the Museum's work.

The Museum is further developing its strategic lines of development, these are the sustainment and continuous development of our corporate functions of information technology and management, finance, human resources, communications, facilities and outsourced contracted support.

5.2 Trading

Overall trading income was £1,165,000 compared to £678,000 in the previous year. Growth was largely attributable to £400,000 received from the provision of consultancy services together with increased income across retail, venue hire and catering commission.

Retail income enjoyed a good uplift during this period, generating an income of £144K, compared to £131K in the previous year. The year-on-year positive growth trajectory is a result of the continued investment, both time and money, in product range development. The past year saw the continued introduction of product lines, inspired by the Museum's collections; including a refreshed and updated postcard and print range and bespoke branded pick up range; this together with a visually engaging shop floor layout has supported revenue growth.

Children's Birthday delivered income of £152K, which was a slight decrease on the previous year's £153K. Birthdays saw an overall decrease in the number of parties delivered, from 120 in 2023-24 to 108 in 2024-25. However, with a slow start to the first half of the year, the second half of the year performed strongly, with 70 parties delivered, against a budgeted 57 parties for Q3 and Q4. 'Paid uplifts' for room upgrades continued strongly, achieving a total of 41 upgrades against a budgeted 35 upgrades, for the year. The birthday party offer continues to receive positive client feedback, with many returning for a 2nd and 3rd year and birthday party guests choosing to host their child's birthday party at the National Army Museum as a direct result of having attended a birthday party as a guest.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Play Base saw a drop in income, delivering income of £148K compared to £153K for the previous year. The annual Play Base visitor survey results, for the past year, were very positive, with visitors rating their overall experience in Play Base as 9.2 stars out of 10 and customer service in Play Base as 9.5 stars out of 10. Despite overall customer satisfaction, Play Base continues to be impacted by seasonal and sessional fluctuation, and there has been a year on year marked drop in the Monday to Friday Play Base visitor numbers. Paid for targeted marketing continues, together with ticketing demographic analysis, which is showing that whilst the same top 5 postcode bookers remains unchanged since pre-Covid, booking numbers in these postcode areas, have dropped.

Venue hires for both corporate and connected group hire saw a significant increase during this period with £121K, of income compared to £86K for 2023-24. This growth was attributable to an increased and targeted investment in marketing spend and a sales focused approach; resulting in a wider audience reach, increased enquires and higher conversion rate. Following a lengthy application process, the National Army Museum became a member of Unique Venues of London, a coveted platform, which has further supported our brand recognition and growth. The past year saw the return of repeat large scale hires, together with new clients, as a result of the targeted approach.

5.3 IT Systems

During this reporting period, the Technical Services team has been closely engaged with the efforts to migrate the Museum's Collections data to a new, off-the-shelf database product. The team has also begun development of a suite of in-house services to support the shift to a realigned Museum data architecture.

Working closely with the exhibition teams, the team have successfully supported the completion of the gallery refinement project and the development of new temporary exhibitions. The deployment of new AV control systems has also initiated the next phase of upgrades to the Museum's digital exhibit platforms.

With several high-profile cyber security incidents affecting other institutions in the sector, the team has taken steps to ensure the Museum's systems are hardened against cyber-attack whilst plotting future work to mitigate against the threats we face in this area.

Our use of best-of-breed, industry-standard software platforms continues to deliver both stability and value for money across a wide range of museum operations. Our services offer new and innovative ways of improving productivity and deliver wide-ranging opportunities for expanding the Museum's reach into new, exciting areas. Our cloud-centric systems architecture ensures comprehensive interoperability between systems and ensures all users benefit from the world's foremost technology innovators.

The team continues to deliver valuable support for all aspects of the Museum's work by empowering the wider workforce in using technology effectively, helping to develop skills across the organisation and offering guidance on the use of our expanding digital toolkit.

5.4 Data Protection

The protection of customer data is paramount to the Museum's operations. This is monitored as a regular item on the PARA Committee's agenda and is the responsibility of the Museum's Information Asset Group. Training on privacy and data handling is mandatory for all staff, contractors, and volunteers, supplemented by additional induction training on information management and data protection for all new starters.

An incident involving data is defined as a loss, unauthorised disclosure, or insecure disposal of information. During this period, there were eight incidents of data breaches; all were assessed using the Information Commissioner's assessment tool and deemed minor. The appropriate follow-up actions were taken, including reporting to the Museum's PARA Committee. Breaches were documented, affected data subjects were informed, and appropriate training was undertaken where necessary.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

5.5 People

The Museum has recently implemented a restructuring to align its operations more effectively with its Strategic and Business Plans. This transformation aims to enhance operational efficiency and ensure financial sustainability. As part of this transformation, the Senior Leadership Team has been reconfigured to ensure continuity for senior staff members nearing retirement.

5.6 Fraud

The Museum has collaborated with the Ministry of Defence's Fraud Defence Team to develop a Fraud Risk Matrix with a Heat Map, which undergoes regular review. The most recent review was conducted in January 2024. Initially scheduled for another review in January 2025, circumstances, including leave, workloads, and consultation with the Senior Leadership Team at the Museum, have prompted a postponement. The Museum is currently classified as Low/Medium risk, and there were no reported instances of fraud during this period.

As part of their induction, all staff members are required to complete compulsory Fraud and Bribery Training, which is revisited annually. At the time of writing this report, all staff members had completed their annual fraud training. Fraud is an agenda item that is reported on at the scheduled PARA Committee meetings.

5.7 Health and Safety (H&S)

The Museum maintains its commitment to ensuring compliance with all health and safety procedures by all staff, volunteers, and contractors. Incidents are infrequent and promptly reported to the PARA Committee as a standing agenda item. Notably, there have been no significant accidents during the reporting period, requiring them to be reported under RIDDOR to the Health and Safety Executive.

5.8 Fire Safety

Regular fire safety training, encompassing both theoretical aspects through the Museum's e-learning portal and practical exercises, is conducted at the Museum. The local fire brigade regularly visits the Museum to familiarise all new members of the "watch" about the building's layout and the potential hazards associated with the items stored within.

5.9 Emergency Planning

The Museum maintains an Emergency Plan that undergoes regular testing by the Emergency Planning Committee through desktop studies. Any issues raised and requiring attention have been addressed, and training has been implemented, particularly for new staff, to enhance their knowledge and skills in handling hazardous materials, such as those found in our collections containing asbestos and radioactive material.

However, the Committee has decided to transition from theoretical scenarios to practical ones in the future.

5.10 Environmental Policy & Sustainability Report

The Council and staff at the Museum recognise the need to operate in a sustainable manner and has established a Sustainability Committee which looks specifically at these matters. The Committee's role is to advise on sustainability and environmental issues across the Museum's estate, its operations, and activities. The Committee will monitor these developments, ensuring the National Army Museum meets the aims and objectives contained within the environmental policy.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

5.10.1 Environmental Policy & Sustainability Report

On completion of the redevelopment in 2017, the National Army Museum, Chelsea was awarded a Very Good BREEAM rating in design and construction. Building on this, the Museum has several initiatives in place to help maintain and further promote a more sustainable and environmentally aware institution which includes energy and utility conservation systems, a responsible recycling and waste management programme and conscientious use of environmentally friendly cleaning products.

5.10.2 Environmental Policy Statement & Aims

The Museum is committed to improving sustainability across all our activities and estate. Our goal is to strive to be a more environmentally friendly organisation year on year.

The Museum's Sustainability Committee has agreed and set clear short, medium and long-term objectives to reduce the negative effects of our activities, make informed improvements to sustainability across all sites, and limit our emissions to assist in reducing the impact on Global Climate Change. It is the responsibility of the Committee to monitor performance against these targets.

5.10.3 Performance Report for the period 1 April 2024 – 31 March 2025

Introduction

Since the last period of reporting, the Museum has continued with its aims and objectives to become a more sustainable organisation. The Museum also continues to achieve its sustainability goals through its commitment to improving the sustainability of its day-to-day operations and by pursuing its aims and objectives. Progress is monitored via a tracker and is reported quarterly to the Council of National Army Museum.

Carbon Emissions

Overview

The Museum has made great progress calculating its carbon emissions and continues to use the period April 2019 – March 2020 as a baseline. To achieve this, the Museum has developed a carbon emissions tracker to calculate and report its carbon emissions as accurately as possible within the parameters of the available data. The data which is available in this period's performance report and is reported in tonnes of CO₂e and expressed to two decimal places.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Methodology

The data relates to Scope 1, 2, 3 emissions from across the Museum estate, the National Army Museum, Chelsea and the National Army Museum, Stevenage (this includes both sites).

When determining the organisational boundary, the Museum has decided not to include in its Scope 3 reporting, emissions from contractors and partners which provide contracted services on behalf of the Museum.

For consistency all data has been converted into kgCO₂e using the UK Government GHG Conversion Factors for Company Reporting published annually by the Department for Business, Energy, & Industrial Strategy and the Department for Environment, Food and Rural Affairs.

| Scope 1 Emissions | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (Benchmark year) |
|--|---------------------------------|---------|---------|---------|---------------------|-----------------------------|
| Non-financial indicators (tonnes CO ₂ e) | Gas (Statutory Combustion) | 217.98 | 168.13 | 162.32 | 221.08 | 250.89 |
| | Fugitive Emissions | 50.17 | 5.67 | 29.13 | 333.89 ¹ | - |
| | Business Travel (Owned Vehicle) | 1.35 | 1.75 | 1.86 | 0.69 | 1.98 |
| | Total | 269.50 | 175.55 | 193.31 | 555.66 | 252.87 |

| Scope 2 Emissions | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|--|---------------------|---------|---------|---------|---------|-----------------------------|
| Non-financial indicators (tonnes CO ₂ e) | Electricity (total) | 274.04 | 328.27 | 309.34 | 336.58 | 433.49 |

¹ The 2021-22 figure is unusually high due to loss of F-Gas from an air conditioning unit in Stevenage and the installation of a new freezer which required filling with refrigerant.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

| Scope 3 Emissions | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|---|--|----------------|----------------|----------------|----------------|---|
| Non-financial indicators (tonnes CO ² e) | Transmission and Distribution – Electricity | 24.22 | 28.40 | 25.30 | 29.78 | 36.80 |
| | Business Travel – Air | 3.70 | 2.78 | 2.66 | 0.75 | 1.76 |
| | Business Travel – Land | 4.60 | 4.67 | 1.83 | 1.02 | 2.44 |
| | Freighted Goods (Transport of Exhibits) | 0.12 | 0.26 | 1.08 | 0.13 | - |
| | Waste Disposal | 0.17 | 0.80 | 2.66 | 0.93 | 1.49 |
| | Water Supply | 0.53 | 0.53 | 0.42 | 0.37 | 1.44 |
| | Total | 33.34 | 37.44 | 33.95 | 32.98 | 43.93 |

| Total GHG emissions & Intensity Ratio | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|--|----------------|----------------|----------------|----------------|---|
| Net Emissions (tonnes CO ² e) | 576.88 | 541.26 | 539.59 | 625.23 | 730.29 |
| Total annual visitors (tonnes CO ² e) | 0.003 | 0.003 | 0.003 | 0.084 | 0.003 |
| Full-time staff equivalent (tonnes CO ² e) | 6.60 | 6.14 | 6.30 | 8.24 | 8.82 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

| Energy Consumption | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|---|---------------------------|----------------|----------------|----------------|----------------|---|
| Energy Consumption (thousand kWh) | Gas | 1,191,797 | 934,097 | 901,768 | 1,207,032 | 1,364,636 |
| | Electricity | 1,323,562 | 1,585,282 | 1,599,663 | 1,585,187 | 1,695,979 |
| | Total | 2,515,359 | 2,519,379 | 2,501,431 | 2,792,219 | 3,060,615 |
| Financial Indicators (£) | Total Energy Costs (£) | 301,787 | 303,158 | 289,841 | 252,843 | 277,718 |

The Museum currently monitors and records its consumption of electricity & gas on a monthly basis.

The Museum is committed to procuring renewable energy where practical. Electricity supply at National Army Museum, Chelsea is currently subject to Renewable Obligation.

The Museum is continuing to look at options to increase, where and within possible budgetary constraints, the proportion of energy consumption from renewable sources such as solar and wind.

All lighting in the office, meeting rooms and stairwells are triggered by movement sensors with a set run time. Office and meeting room lights are sensitive to ambient lux levels.

Gallery lighting is LED and utilises sensors to reduce consumption. Lights automatically dim when not required. Back of House lights are similarly controlled. The majority bulk of Chelsea lighting excluding necessary security elements within public areas is timed to be turned off at 1800hrs daily.

Further new LED lighting has been installed partially at NAM Stevenage and Chelsea, with the intention to continue with further replacements year on year, within budgetary constraints.

| Water Consumption² | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|--------------------------------------|----------------|----------------|----------------|----------------|---|
| Non-financial indicators (m3) | 2,975 | 2,975 | 2,830 | 2,490 | 4,179 |
| Financial Indicators (£) | 8,114 | 8,114 | 7,230 | 12,627 | 9,064 |

The Museum currently implements a daily flushing program as part of its building maintenance program. This is necessary function to minimise the risk of Legionella for the protection of staff and the public but has disrupted attempts to reduce consumption and waste.

² Water Consumption is an estimate based on data provided by the water company.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Waste Management and Recycling

| Waste Generated | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|---|---------------------------------|---------|---------|---------|---------|-----------------------------|
| Non-Financial indicators (metric tonnes) | General Waste (waste to energy) | 12.91 | 20.72 | 20.10 | 14.70 | 27.40 |
| | Recycled | 10.49 | 13.60 | 20.23 | 15.32 | 27.60 |
| | WEEE | - | - | 0.02 | 0.50 | - |
| | Paper | 1.35 | 1.23 | 10.27 | 8.61 | 9.11 |
| | Construction*** | 4.15 | 3.56 | 48.00 | 40.00 | 64.00 |
| | Hazardous | 0.18 | 0.48 | 0.36 | 0.92 | 0.00 |
| | Metal | 0.97 | 1.24 | 0.98 | 1.89 | 2.54 |
| | Acrylic | 0.61 | 0.32 | 0.19 | - | - |
| | Terracycling | 0.03 | 0.02 | N/A | N/A | N/A |
| | Total Waste | 30.69 | 41.17 | 100.15 | 81.94 | 130.65 |
| Waste Generated | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
| Financial indicators (£) | General Waste (waste to energy) | 3,323 | 4,037 | 5,166* | 3,734* | 6,414* |
| | Recycled | 4,009 | 3,140 | 3,444* | 2,489* | 4,607* |
| | WEEE | - | - | - | - | - |
| | Paper | 1,169 | 1,399 | 3,047 | 2,335 | 1,876 |
| | Construction | 1,520 | 1,500 | 2,503 | 2,060 | 2,940 |
| | Hazardous | 719 | 936 | 991 | 2,367 | - |
| | Metal** | (61) | (88) | (9) | (318) | (255) |
| | Acrylic | 454 | 336 | 224 | - | - |
| | Terracycling | 862 | 267 | N/A | N/A | N/A |
| | Total Waste | 11,995 | 11,527 | 15,366 | 12,667 | 15,582 |
| * From 2019 to 2023, the costs for General Waste (waste to energy) & Recycling are estimates based on a 60/40 ratio. From the 2023/24 year, the financial indicators are based on actual costs. | | | | | | |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

** The cost of metals waste is negative due to income received from recycling.

*** For the 2023-2024 year onwards, skip exchange invoicing and weight returns have been used to provide the weight totals. Previously, the construction waste has been an estimate and was calculated by multiplying the maximum load weight of 16-yard skips with the relevant conversion factor.

Alongside regular collections of general waste and recycling, the Museum has dedicated streams for the recycling of metals, confidential, acrylic, batteries, nitrile gloves, crisp & sweet packaging and hazardous waste and operates a Zero to Landfill policy.

General waste is sent to energy recovery & mixed recycling is collected at all sites. The Museum has in place effective metal recycling. All WEEE & hazardous waste is safely stored, removed, and disposed of by licensed and experienced contractors.

The Museum café is operated by a third-party contractor at National Army Museum, Chelsea who are responsible for the recycling of food waste and cooking oil. As this is outside the Museum's organisational boundary, data has not been included above.

Food waste from the staff kitchen is included in the General Waste but a dedicated food waste stream will be introduced in 2025/26.

| Paper Use | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|--|-------------|----------------|----------------|----------------|----------------|---|
| Non-Financial indicators (A4 & A3 reams) | Total | 150 | 190 | 305 | 80 | 345 |
| | % reduction | 57 | 45 | 12 | 77 | - |
| Financial indicators (£) | Total cost | 908 | 1,368 | 2,414 | 471 | 1,215 |

| Transport/Travel | | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2019-20 (benchmark year) |
|-------------------------------------|--|----------------|----------------|----------------|----------------|---|
| Non-financial indicators (miles) | Distance by train | 24,201 | 19,672 | 28,546 | 12,360 | 27,300 |
| | Distance by plane | 19,928 | 9,112 | 9,966 | 2,374 | 5,604 |
| | Distance by car | 11,390 | 13,156 | 745 | 1,201 | 2,168 |
| | Distance by Owned Vehicle | 4,045 | 4,284 | 6,607 | 2,459 | 7,059 |
| | Total distance travelled (Miles) | 59,564 | 46,224 | 45,864 | 18,394 | 42,131 |
| Financial Indicators (£) | Total Cost | 32,501 | 26,416 | 43,663 | 21,506 | 46,303 |

The above are estimated figures for transport used by staff and are based on work related journeys only. They do not include day to day transport from private homes to either of the Museum sites.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

The distance by car mileage for the 2023/24 year shows a significant increase from previous reporting years. The data has been pulled calculated in a more comprehensive format and it is believed this is a better reflection of actual miles travelled. The 2024/25 year mileage has been calculated in the same way.

The Museum recognises that emissions from travel are a large contributor to climate change and the pollution of air. Therefore, the Museum has set out incentives to encourage the use of bicycles and electric vehicles.

The Museum continues to offer a Cycle to Work Scheme to all staff to encourage use of bicycles to travel to and from work.

The Chelsea Museum, by its very location is within the ULEZ zone which is deemed as both an offset by the Mayor of London to CO2 emissions and an enticement to reduce vehicle traffic.

There are seven Electric Vehicle Charging Points across the Museum Estate making use of the available OZEV Workplace Charging Scheme grants. These are available for Staff and Contractor use.

Subject to funding, the Museum lease vehicle will be changed to a zero-emission electric vehicle in the 2025/26 year.

5.10.4 Mitigating Climate Change: Working Towards Net Zero by 2050

Progress against headline-target

The Museum has not set an official Net Zero target but is currently working on calculating an achievable Net Zero target date which will be achieved prior to 2050. Achieving Net Zero will be possible with investment on building systems which decrease reliance on non-renewable energy sources e.g. photovoltaic panels combined with a procurement strategy which focuses on utilising renewable energy from suppliers which the Museum is already making steps towards.

Progress against sub-targets

1. The Museum achieved the Government Fleet Commitment for 25% of the car fleet to be ULEV by 31 December 2022 and is on target to achieve 100% of the Government car and van fleet to be fully zero emission by 31 December 2027.
2. The Museum promotes the use of public transport for domestic travel to help reduce the emissions from domestic business flights and reports the distance travelled by international business flights above.

Climate Change Adaption

Climate Change undeniably poses a threat to the wellbeing and health of people and the planet. The impacts of rising global temperatures, increasingly extreme and unpredictable weather patterns, and diminishing resources, present significant challenges to overcome for Museums across the world.

The Museum recognises it must first assess the risk to the NAM estate, assets and operations and set out a programme of goals to mitigate the significant threats presented by climate change.

As such, NAM is developing a new sustainability strategy which will encompass a more targeted and focused approach to the specific risks facing the Museum. The strategy will identify key areas of risk to the NAM estate and operations, present a clearly defined forward sustainability action plan, and appoint working groups to achieve its goals and objectives.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Progress will be monitored by the Environmental Committee and the National Army Museum Council.

Auxiliary Items

Training

All staff receive environmental awareness training as part of their staff induction and refresher training through the Museum's e-learning platform is provided at regular intervals.

Paper/Cardboard

The Museum continues to minimise the use of paper in the office environment. Staff are encouraged to only print essential items.

All paper & delivery packaging is recycled and collected as part of the Museum's Mixed Recycling stream.

Sensitive documentation is collected and recycled through an appointed contractor.

Equipment & Supplies

The Museum continues to be committed to using environmentally friendly products and endeavours to explore all options to repair equipment rather than purchasing new.

Materials from broken equipment continues to be recycled (where possible) through the Museum's approved contractors.

Contractors and Suppliers

As part of its tender processes, the Museum requires all suppliers to ensure that all materials are sourced from sustainable sources wherever possible and evidence of this is required to be submitted as part of any bid and is reviewed by the respective appointed tender board.

As part of the tender process all suppliers are required to provide evidence of an environmental policy.

The appointed Museum café contractor continues to source locally produced food.

Maintenance and Cleaning

All sites are subject to a regular Planned and Preventative Maintenance Schedule to maximise plant efficiency and minimise consumption of energy.

A Building Management System (BMS) is used to efficiently monitor & control environmental conditions, with lighting, heating and cooling systems on a time scheduling.

The Museum continues to offer a Cycle to Work Scheme to all staff to encourage use of bicycles to travel to and from work.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Financial Review

Consolidated Results for the Year Ended 31st March 2025

Total incoming resources for the Museum in 2024-25 amounted to £9,590,000 (2023-24 - £8,137,000). The principal funding source of the Museum is Grant-in-Aid funding received from the Ministry of Defence. In 2024-25 this was £7,628,000 (2023-24 - £7,181,000).

Total resources expended amounted to £10,509,000 (2023-24 - £8,828,000). Resources expended for 2024-25 includes £690,000 for the write off of heritage assets whilst 2023-24 included a credit of £780,000 in respect of a rates refund received relating to prior years.

After adjustment for the revaluation of the Museum's leasehold property and other recognised gains and losses, the net movement in funds for the year showed a decrease of £77,000 (2023-24 – decrease of £214,000).

The Museum's net assets as at 31st March 2025 amounted to £114,819,000 (31st March 2024 - £114,896,000).

Changes in Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 7 to the accounts. During the year, the Museum spent £231,000 on additions to tangible fixed assets.

Future Plans

As the Museum looks forward to December 2026 our future business plan for 2026/27 will be focused around four major strands of activity. The first will be what is called Project Oscar, the development of a new below ground gallery on the site of the existing carpark and the creation of a new public green space above the new gallery. It is anticipated that construction of this new gallery, pending planning approval from the Royal Borough of Kensington and Chelsea, will commence in the spring of 2026 with completion due in the spring of 2029. This major infrastructure project represents a generational and transformational opportunity for the National Army Museum. It will consume a great deal of leadership and staff capacity of the team at the Museum in the coming year. This will include a significant fundraising effort for the fitting out of the new gallery.

The second major strand of activity will be the sustaining of our exciting Exhibition and Public programmes which will include a new major exhibition to follow on from Myth and Reality: Military Art in the Age of Queen Victoria. The next major exhibition for the Museum which will open during 2026 will be on the evolution of Army uniforms. Our major exhibitions will continue to be complemented with a series of smaller exhibitions in the Focus Gallery. Alongside our exhibitions, the Museum will continue to develop and grow its Public Programme and its digital engagement work. This will include greater access to our Collection on-line, enabled through a new Collection Management System which will be introduced in December 2025.

Our third strand of work will be the continued development of the Chelsea Heritage Quarter, anticipated to become a separate Charitable entity with a permanent team in 2025, with our partners the Chelsea Physic Garden and the Royal Hospital Chelsea. The partners of the Chelsea Heritage Quarter will build a joint public programme with, better joint marketing and the continued growth of our flagship Chelsea History Festival which will be in its seventh year in 2025.

Our fourth area of work will be focussed on doing ever more to support the Army better engage with wider society and internationally. We will do this in three ways. Firstly, we will continue to grow our work in support of the wider national Regimental and Corps Museum network. This will include a review of current Army Policy on Grant in Aid to Regimental and Corps Museums. Secondly, we will make the National Army Museum available to the Army for engagement events with audiences ranging from cadets and young people to specific specialist stakeholders and to the defence industry. Thirdly we will support the Army in its international engagement activity in Chelsea, in the Indian Army Memorial Room at the Royal Military Academy Sandhurst and through our work overseas with various international partnerships and projects.

To enable these four strands of activity to flourish the Museum will continue to control and where possible reduce its costs in order to get the most out of its Grant in Aid. In parallel with this the Museum will increase its fund raising and commercial

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

activities to supplement our resources. A key part of this will be to develop an attractive corporate partnership scheme that will both support the Museum and the wider UK prosperity agenda and where possible wider defence transformation.

Performance Analysis (Financial year 2024-25 against 2023-24)

Summarised below is the performance of the Museum against some key performance indicators over the last year.

| | | 2024-25 | 2023-24 | Variance |
|--|---|--------------|-------------|----------|
| Audiences | Play Base includes eligible children and accompanying adult supervision | 42,248 | 54,490 | (22%) |
| | School visits (physical/virtual) | 10,127/7,754 | 9,211/5,625 | 10/38% |
| | TSC visitors | 1,230 | 1,127 | 9% |
| | General visitors | 136,734 | 122,602 | 12% |
| | Total footfall | 178,982 | 177,092 | 1% |
| | Digital footfall | 1,581,454 | 3,671,732 | (57%) * |
| | Online: collections | 43% | 13% | 30% |
| | Online: what's on/stories | 48.5% | 87% | (39%) |
| | Members/Patrons | 259/51 | 412/39 | 37/31% |
| | New blended KPI (average star rating) | 4.50 | 4.59 | (2%) |
| Collections | Enquiries | 4,116 | 4,262 | (3%) |
| | Objects photographed | 4,882 | 2,106 | 132% |
| | Objects published online | 2,395 | 685 | 250% |
| | Accessions (archives and objects) | 254 | 255 | 0% |
| People | FTE | 87.4 | 88.1 | (1%) |
| | Active Volunteers and other early career placements | 170 | 38 | 347% |
| | Turnover | 11.7% | 26% | (55%) |
| Finance (Consolidated Group Accounts) | Income | £9,590,000 | £8,137,000 | 18% |
| | Expenditure including depreciation | £10,509,000 | £8,828,000 | 19% |
| | Surplus/(Deficit) (before gains and losses) | £(919,000) | £(691,000) | (33%) |
| | Donations | £731,000 | £204,000 | 258% |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

| | | 2024-25 | 2023-24 | Variance |
|-------|-----------------------|------------|----------|----------|
| NAMTL | Venue Hire | £120,639 | £86,376 | 40% |
| | Other Revenue | £899,296 | £479,305 | 88% |
| | Total Revenue | £1,019,935 | £565,681 | 80% |
| | Expenditure | £815,751 | £523,723 | 56% |
| | Net Profit before tax | £204,184 | £41,958 | 387% |

- * Digital footfall – the following factors have led to a drop in traffic:
- Cookie content management, whereby NAM can only count visits where the user has opted in;
 - The growing impact of AI on traffic originating from search engines



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

13th November 2025



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL
National Army Museum

13th November 2025

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTOR'S REPORT

Members of Council

At a Privy Council Meeting on 8th July 2009, Her Late Majesty The Queen approved amendments to the Royal Charter of the National Army Museum. In line with para 7(2) of the amended Royal Charter, vacancies in the Membership occurring after the coming into effect of the amended Royal Charter are filled by persons nominated by the Council and approved by the Army Board. Para 8(1) of the amended Royal Charter states that the Chairman of the Council of the National Army Museum shall be nominated by the Council from among its Members and shall hold office (unless he or she shall earlier resign) for the residue of the period for which he or she has been appointed a Member. The relevant clause relating to the appointment of Members of Council is as follows: "7(1) The Membership of the Council shall be such number of persons as the Council shall from time to time determine being not more than twelve nor fewer than five".

The Council has chosen to subscribe to the principles of the Commissioner for Public Appointments Code of Practice for Public Appointments Procedures. In particular, Members of the Council have affirmed their commitment to the Principles of Public Life as published in the Nolan Report and subsequently in the Upholding Standards in Public Life Final Report.

Register of Interests

A Register of Interests is maintained for Members of Council. This may be inspected on request at the Museum by prior appointment with the Director. No matters are noted in this Register which have given rise to specific conflicts with regard to Council's management responsibilities. In this period no such interests were declared.

Members of Council

Members of the NAM Council who served during the reporting period were as follows:

Lieutenant General Sir Simon Mayall KBE CB (Chair)
Lieutenant General Sir George Norton KCVO CBE (Deputy Chair)
Mrs Judith Donovan CBE resigned from Council November 2024
Professor the Lord Andrew Roberts of Belgravia
Dr Paul Schreier
Mrs Sabine Vandembroucke resigned from Council November 2024
Professor Ali Ansari
Mr Timothy Cooke OBE
Ms Sue Mackenzie
Mr Paul Davies
Mr Neil Johnson OBE
Mr Chris Finney GC
Dr Katie Best joined Council November 2024 resigned from Council March 2025
Professor Helen Parr joined Council November 2024

In addition to The Council there were two honorary advisors on respectively legal matters and financial matters:

Mr Richard Hughes
Ms Angela Marshall

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Organisation Structure and Decision-Making Process

The overall direction and operation of the NAM is vested in the Council of the Museum. The Council of the National Army Museum by Royal Charter consists of up to twelve Members who serve for an initial period of three years from the date of their nomination. The Members with the agreement of the Chairman and Council can extend their tenure by an additional three years.

The NAM Council has established a number of committees for specific purposes and to ensure the effective conduct of and oversight of Museum business.

Collections & Research Committee

Performance, Audit & Risk Assurance Committee

People and Appointments Committee

Development Committee

Enterprise Committee/NAMTL Board

The full Council has approved the terms of reference of each of these committees and, where it is practical, members do not sit on more than two committees.

The day-to-day operations are controlled by the Director of NAM with the assistance of the Senior Leadership Team (SLT). The following were the members of the SLT during the year:

| | |
|--------------------------------------|---|
| Brigadier Justin Maciejewski DSO MBE | Director and Accounting Officer |
| Mr Mike O'Connor OBE | Deputy Director |
| Mr Ian Maine | Assistant Director (Collections and Programmes) |
| Ms Teresa Scott | Assistant Director (Human Resources) |
| Ms Helen Kibblewhite | Assistant Director (Operations) |
| Dr Glyn Pryor | Assistant Director Strategy and Development |
| Ms Nikki Elvin | Assistant Director Audience and Engagement |

Regular meetings of the SMT take place, together with meetings involving Team Leads of departments and subject specialists, to ensure the smooth running of the NAM, with reference to the Museum's Mission Statement and Purpose, Strategic Plan, Business Plan. The SLT and Team Leads met in the latter part of 2024 to formalise ideas for the 2025/26 Business Plan which was approved by NAM Council at their March 2025 meeting. The Museum's Risk Matrix which is regularly updated, is used by the Museum's Internal Auditors as a basis for the annual internal audit selection. The Museum is also subject to visits and receives advice from the MoD Fraud office who maintain a Fraud Risk Register and heat map across the MoD. The Museum is recognised as low risk.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

STATEMENT OF TRUSTEES AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Royal Charter relating to the National Army Museum 1960 and law applicable to charities in England and Wales, the Council, as Trustees, is required to prepare financial statements for each financial year which give a true and fair view of the National Army Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements, that give a true and fair view, the Accounting Officer and Council are required to:

- Observe the accounts direction issued by the Secretary of State in compliance with Charity Law, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards and statements of recommended practice as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures 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.

Under law applicable to charities in England and Wales, the Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable the Council to ensure that the financial statements comply with the applicable law. The Council is 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.

The Trustees and Accounting Officer confirm that, as far as they are aware, there is no relevant audit information of which the Museum's auditor is unaware, and that all steps have been taken to make themselves aware of relevant audit information and to make this available to the Museum's auditors.

The Trustees and Accounting Officer confirm that the annual report and accounts as a whole are fair, balanced and understandable and that they take responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

The Secretary of State has appointed the Director, the senior full time Museum official, as the Accounting Officer for the National Army Museum. Their relevant responsibilities as Accounting Officer, including their responsibility for the propriety and regularity of Parliamentary funded (Grant-in-Aid) finances for which they are answerable, for the keeping of proper records and safeguarding of the National Army Museum's assets are set out in the Non-Departmental Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

GOVERNANCE STATEMENT

This Governance Statement sets out the arrangements for the governance of the NAM, including the governing trustee body - NAM Council and the Council Committees and the Members (Council Members). It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chairman of the NAM Council and the Accounting Officer. The arrangements and systems for governance that have been in place for the year under review and up to the date of the approval of these Consolidated Financial Statement annual report and financial statements.

Relationship with the Sponsor Department

The three primary service Museums, operating as Arms-Length Bodies, were the subject of a recent independent review conducted by the Sponsor Department. This review, conducted under Cabinet Office direction, aimed to provide assurance to the public, Ministers, and the Principal Accounting Officer that the Museums “remain essential and indispensable.” Additionally, it evaluated whether there are more efficient and effective alternatives to deliver the Government’s objectives, including merging the body, closing it, or integrating its functions back into the Sponsor Department. The review of all three Museums concluded that the institutions were “useful and necessary” in providing a service to the Sponsor Department and were to continue receiving its support.

The Governance Framework

The National Army Museum (NAM) is a registered charity with the Charity Commission (registration number 237902). It is governed in accordance with its Royal Charter, originally issued in April 1960 and subsequently amended in July 2009.

While NAM being a national museum as defined in the National Heritage Act 1983 Schedule 2, is an Executive Non-Departmental Public Body (ENDPB) is obliged to comply with the financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. The NAM also has a Financial Framework document in place dated March 2024 that defines the jointly agreed arrangements between the NAM and its Sponsor Department, the Ministry of Defence, relating to the receipt of Grant-in-Aid and the conditions for its expenditure. Additionally, the NAM complies with applicable government functional standards.

The NAM Council and the Committee Structure

The National Army Museum is governed by the NAM Council. The Charities Act 2011 mandates that Council Members exercise proper stewardship over the Museum and ensure the safekeeping of its collections.

The Director of the Museum, as the Accounting Officer accountable to Parliament for the day-to-day management of the Museum, as outlined in Chapter 3 of Managing Public Money, is responsible for overseeing the Museum’s financial affairs. The Accounting Officer has received comprehensive induction and access to all records, enabling them to thoroughly assess the Governance and Financial Statements of the Museum.

Council Members are appointed by the NAM Council and approved by the Army Board. Their terms of office are three years, with the option for a subsequent term of equivalent duration. The NAM Council may appoint nominated external members to serve on specific committees, complementing the expertise and independence of the main Council Members.

Comprehensive minutes of all NAM Council and Committee meetings are maintained and recorded in the Council’s agenda. Copies of these minutes are publicly available on the NAM website.

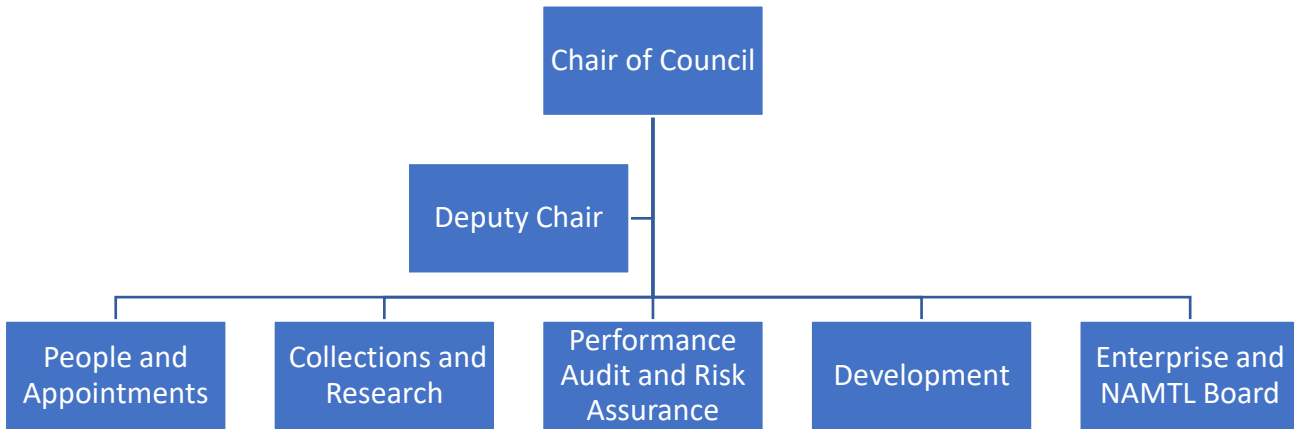
Council Members undergo induction training under the guidance of the Director and are encouraged to gain practical experience in the Museum’s operations through committee assignments, where they are supported by the Museum’s divisional Assistant Directors. Additionally, all Council Members receive annual trustee training from the Museum’s legal advisors and receive a briefing from the Sponsor Department regarding the relationship between the Department and the NAM.

The NAM Council held four meetings during 2024-25. Three in person and one in Zoom, although the preference of Council and Committees is for meetings to be held “in person” the Council recognises that this is not always practical.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

However to ensure that Council business is maintained in a timely manner the use of remote meetings utilising Zoom has shown that it is a useful means of holding efficient meetings when due to other commitments not all Council members can be present

NAM Council Structure



| Post | Name | Attendance |
|--|--|------------|
| Chair | Lieutenant General Sir Simon Mayall KBE CB | 3/4 |
| Deputy Chair | Lieutenant General Sir George Norton KCVO CBE | 3/4 |
| Members | Professor Ali Ansari | 3/4 |
| | Mr Timothy Cooke OBE | 3/4 |
| | Mr Paul Davies | 3/4 |
| | Mrs Judith Donovan CBE resigned from Council November 2024 | 3/3 |
| | Mr Chris Finney GC | 3/4 |
| | Mr Neil Johnson OBE | 2/4 |
| | Ms Sue MacKenzie | 3/4 |
| | Professor The Lord Andrew Roberts of Belgravia | 3/4 |
| | Dr Paul Schreier | 3/4 |
| | Mrs Sabine Vandenbroucke resigned from Council November 2024 | 3/3 |
| Dr Katie Best joined Council November 2024 resigned March 2025 | 2/2 | |
| Professor Helen Parr joined Council November 2024 | 2/2 | |

Attendance represents the number of meetings attended compared to the number of meetings held whilst a member.

Register of Interests

A register of Members' relevant interests is maintained for all meetings of Council and Committees. It is brought to the attention at the outset of the Council and Committee meetings. Members are reminded by the Chair that they are required to declare the fact that if they have an interest, pecuniary or otherwise, in any matter being considered by the Council. In this period no such interests were declared. Thus, no members of Council have precluded themselves from any meetings.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Recruitment, Appointment and Training of Council Members

In order to carry on with the oversight of the Museum’s affairs, the Council continues to recruit replacement members to ensure that those members who resign due to time restriction on their tenure are suitably replaced. New Members of Council are sought through national channels with applicants being interviewed by members of Council assisted, where appropriate, by external assessors. The Museum follows OCPA guidelines in the selection of candidates for appointments to the Council. Potential successful candidates are then approved by the Army Board prior to taking up their appointment.

During this reporting period, the Council saw two members resign as “time served” and one member resign due to external commitments. To ensure that Council could fulfil its role as a governing body, two new members of Council were approved by the Army Board and now sit on Council as full voting members. The third vacancy is awaiting approval. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of Senior Leadership Team. Annually, the Council members receive a briefing from the Sponsor Department on the relationship with the Museum and from the Museum’s legal advisors, a briefing on the Charity SORP. The training during this period was undertaken in November 2024.

NAM Council Committees

The Committees are listed below together with the number of meetings held annually, the membership and number of meeting attended by the member. The full Council has, where required, approved the Terms of Reference of each of these Committees. Wherever practical it is Council’s wish that members do not sit on more than two committees.

Performance, Audit & Risk Assurance Committee

During 2024-25 the Performance, Audit & Risk Assurance (PARA) Committee had three meetings. The Committee members and their attendance at the meetings are listed below:

| Post | Name | Attendance |
|-----------------|--|-------------------|
| Chair | Mrs Sabine Vandenbroucke resigned November 2024 | 2/2 |
| | Mr Paul Davies appointed Chair February 2025 | 3/3 |
| Members | Ms Sue Mackenzie | 3/3 |
| | Mr Timothy Cooke OBE | 2/3 |
| | Dr Katie Best joined November 2024 and resigned March 2025 | 1/1 |
| External member | Mrs Angela Marshall | 3/3 |

The Committee scrutinised the draft Annual Accounts for 2023-24 and recommended them to be approved by NAM Council in November 2024. They reviewed the reports produced by the Internal Auditors. Additionally, at their November meeting, they were briefed on the Performance Awards to staff in relation to the previous reporting period. The Committee were also briefed by the Director on the need to reforecast the approved budget and cash flow due to circumstances beyond the control of the Museum i.e. Sponsor Department annual pay settlement, the cost-of-living award by Central Government and the London Living Wage. The Committee reviewed the abridged version of the Risk Matrix at each meeting where high risks to the Museum operations were discussed.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Collections & Research Committee

This Committee held two meetings during 2024-25. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Attendance |
|-------------|--|-------------------|
| Chair | Lieutenant General Sir George Norton KCVO CBE | 2/2 |
| Members | Professor Ali Ansari | 1/2 |
| | Professor Helen Parr | 2/2 |
| | Mr Chris Horner | 1/2 |
| | Professor William Philpott resigned April 2024 | 1/1 |

The Committee received an update of the purchase of the Collections Management System, reviewed the development of research activity and collections development. They reviewed the purchases for the collection from the Purchase Grant and also approved a number of collections disposals.

People and Appointments Committee

This held two meetings during 2024-25 where they discussed the Director's salary and remuneration in accordance with the SCS scheme. They were briefed by the Director and Assistant Director (Human Resources) on the pay award and performance pay award. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Attendance |
|-------------|---|-------------------|
| Chair | Lieutenant General Sir Simon Mayall KBE CB | 1/2 |
| Members | Mrs Sabine Vandembroucke resigned November 2024 | 2/2 |
| | Mr Neil Johnson OBE | 1/2 |

Research and Development Committee

This held three meetings during 2024-25. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Attendance |
|-------------|---|-------------------|
| Chair | Dr Paul Schreier | 3/3 |
| Members | Professor Ali Ansari | 1/3 |
| | Mrs Judith Donovan CBE resigned November 2024 | 2/2 |
| | Mr Timothy Cooke OBE | 1/3 |
| | Professor Helen Parr | 3/3 |
| | Mr Guy Perricone external member | 3/3 |

The Committee refocused its plans and revised its fundraising focus to coincide with the launch of and financial support for the NAM Institute, and a corporate funded strategy in line with the Chelsea History Quarter. They discussed the Donor Acceptance Policy and Draft Legacy Policy. The Committee also agreed to renaming the Committee to the Development Policy.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Enterprise Committee

This Committee fulfils two functions: as both the Board of NAMTL, the Museum's registered trading company, and in addition beyond its legal duties as a Company Board, the Committee also acts as an advisory body to the NAM Council on corporate communications and marketing campaigns in support of the Museum as well as its programme and commercial income generation opportunities. The Enterprise Committee has no executive powers.

Members of the Committee are also NAMTL Board directors with the exception of Mr Chris Finney GC and Ms Katie Best. As NAMTL Board and as Enterprise Committee, it held three meetings.

| Post | Name | Attendance |
|---------------|--|-------------------|
| Chair | Mrs Judith Donovan CBE resigned November 2024 | 2/2 |
| | Mr Chris Finney GC appointed Chair from November 2024 | 3/3 |
| Board Members | Mr Jonathan Webb | 3/3 |
| | Dr James Naylor | 3/3 |
| | Mr Matthew Hayes | 3/3 |
| | Mrs Angela Marshall | 3/3 |
| | Ms Katie Best joined November 2024 and resigned March 2025 | 2/2 |

This Committee reviews the performance and outcomes of the trading arm. As a committee of NAM Council, it provides advice and guidance on marketing and communications of the Museum.

NAM Council Members' Performance.

The principal achievements of the Museum during the year are highlighted elsewhere in the Financial Statements, NAM Council Minutes and Business Plan. The Director attends meetings of the Army Heritage Committee where he reports to the Sponsor Department on the plans of the Museum. Additionally, meetings were held with the Sponsor Department including Director Army Resources and the Chief Accountant Army Resources. These meetings are reported to the full NAM Council. The Head of Arms and Services, Home Command is invited to attend NAM Council meetings to update the Council on matters affecting the Museum and to receive assurance on governance and the use of GiA.

NAM Council minutes are circulated to all Council Members with routine papers for all Council meetings. Committee chairs brief all NAM Council meetings and highlight any matters of particular concern.

There is a wide range of information and data (financial and otherwise) routinely available to Council Members, including management accounts. The Director works closely with the Deputy Director and the Head of Finance to refine the financial information supplied to Council. Members are satisfied that the information is available both on time and in a format that enables the Members to exercise proper oversight of the Museum.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Review of Risk Management and Internal Control Systems

Risk Management

A Risk Management Statement has been drawn up with reference to the HM Treasury Publication - Risk Management Assessment Framework (2009), Management of Risk in Government 2017 and JSP 462 (Mar 2019).

The NAM Council confirms that the Risk Management Systems in place for this reporting period affirms that in all situations where MOD Grant-in-Aid is concerned, the appetite for risk is conservative. The need to pay the staff, fund the provision of utilities, ensure compliance with Health & Safety at Work and other legislation/mandatory requirements and curate the Collections leaves no room for the assumption of more extreme risks. In all other instances, Council's risk assessment is made on a case-by-case basis, and is reviewed by Council at its periodic meetings, having regard to the NAM's Strategic Plan, Business Plan and investment and other professional advice taken by Council and the Director as Accounting Officer, who reports to Council.

The NAM assesses its risks under the following categories:

- a. Governance;
- b. Finance;
- c. Building;
- d. Security;
- e. Employment;
- f. Collections.

The Museum's Risk Matrix is maintained under the review of the PARA Committee and focuses on the key risks posed to the Museum. These risks are assessed in terms of likelihood of occurrence and their potential impact. Appropriate mitigation activity is identified and recorded.

The Museum's Risk Matrix is used as a basis for adjudging the risks associated with the operations of the Museum and as a guide for the Internal Auditors to select internal audit topics. Risks are reviewed by the Senior Leadership Team (SLT) and updated accordingly taking on board any recommendations from previous Internal Audit reports. The two greater risks during this period of reporting were the possibility no matter how remote, of the withdrawal or lessening of Grant in Aid funding and the recovery of non-public finances via the Museum's trading arm. It is recognised that because of the pandemic, there has been a noticeable decrease in visitors to NAM and indeed the majority of "London centric" museums. NAM during this reporting period has seen a steady increase in visitor numbers and the signs are that at the end of next reporting period that visitor numbers will be back to at least pre pandemic levels.

The PARA Committee regularly receives updates on the highest risks on the Risk Matrix at their quarterly meetings and are fully involved with the Internal Auditors in selecting the internal audit topics. The Committee usually selects areas for audit each year which include the Tri-Service major museum thematic audit. These audits can provide sufficient assurance to the PARA Committee and ultimately NAM Council.

Governance – The NAM Council feels that is appropriately established with the correct skill sets required to advise, guide and challenge the executive to ensure that the Museum is operated in accordance with its Royal Charter and the objects of the charity. The "timed bound" resignations of Council members and subsequent recruitment continue the assurance.

Finance – A framework contained within the Financial Procedures Manual which lays down the procedures and systems that all staff employed at the NAM must sign up to ensure that financial controls are in place to reduce wasted

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

expenditure and produce value for money. Access to the Museum's accountancy system is restricted to the role of the individual. Levels of access are password protected which expire and must be renewed every thirty days. There is a clear line of responsibility for the authorisation of purchase orders and all staff as part of their induction receive a briefing on financial matters by the Deputy Director. Staff are also required to carry out regular training on the Bribery Act, Data Protection Act and copies of these policies can be found on the NAM Intranet and as part of the induction procedure and Staff Handbook.

Additionally, the Team Leaders are issued with Management Accounts on a monthly basis with the SLT reviewing budgets and cost centres quarterly to ensure that the spend profile is maintained and any anomalies are accounted for.

Building – The Museum premises at Chelsea were redeveloped in 2017 these works which included major structural alterations and the installation of plant which maintains the correct climatic conditions for the protection of the collections, staff and visitors.

Security – The Museum has both 24/7 physical and digital alarm systems in place for the protection of the collections, staff and visitors from loss, damage and injury. The Museum has a policy of risk assessing the security installation particularly when carrying out work on galleries and, where necessary, installing additional CCTV systems. All alarm systems are fully maintained and monitored 24/7 off site. The Museum works closely with the local police and counter terrorism teams and regularly carries out appropriate training. Additionally, NAM regularly receives updates from the National Museum Security Group.

Employment – NAM is an equal opportunities employer, and its policy is not to discriminate against its staff during recruitment, selection and employment. All staff receive equal opportunities for appropriate training helping them identify discriminatory acts or practices or acts of harassment or bullying. Remuneration for all members of staff follows MoD pay grades with the exception of some members of the front of house teams who are paid London Living Wage. The Museum is committed to equal pay in employment and job evaluations are carried out for all posts. Terms of Employment, benefits and facilities are reviewed from time to time to ensure that there is no unlawful discrimination.

Collections – The Museum, as an accredited Museum, complies with all recommendations of the accreditation awarding body. Collections are collected, located and maintained in line with these standards which are overseen and regularly audited by the Collections Care and Standards Team with the Collections Research Committee who authorise any substantial disposals. The same processes are followed for Archive Accreditation. Review of the Museum's Accreditation status will take place in the summer of 2025. The Museum has tendered for a replacement of the in-house Collections Management System (CMS) and work is in hand transferring data to the new system.

Internal Auditors

The Museum's Internal Auditors are AZETS. They work to the Public Sector Internal Audit Standards and provide an independent opinion on the matters subject to review through the internal audit programme. They also work across the three service Museums to provide a "joined up service" that will measure, where possible, each Museum to achieve best practice.

The Museum has a Risk Matrix to support its management of risk in the normal operations of the Museum. This Risk Matrix is used to identify the work to be undertaken by the internal auditors. Council's PARA Committee signs off the work programme and the same committee receives the internal auditors report at its end of year meeting.

The risks contained in the Risk Matrix have also been taken into account in the development of the Museum's strategic direction (through a process of cross-referencing between the specific risks and the principal strategic objectives) thereby mitigating some or all of those risks. During this reporting period, the Internal Auditors reported on the previous year's internal audit reports and additionally looked at:

Public Relations and Marketing – Substantial Assurance

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Cyber Security Policy Review – Substantial Improvement Required

Compliance with Policies and Procedures – Reasonable Assurance

GDPR – Reasonable Assurance

Where appropriate the necessary procedures have been implemented to address the recommendations made.

The overall Internal Audit Opinion for 2024-25 is that the work provides reasonable assurance, and that some improvements are required to enhance the adequacy and effectiveness of the controls. Follow up actions which were not completed this period will be assessed by AZETS.

External Auditors

The external auditor of the Museum is the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The accounts are consolidated with the accounts of the NAM's trading subsidiary (NAMTL) which are audited by Hillier Hopkins LLP. The NAO is invited to attend the regular meetings of the PARA Committee which includes the "end of year" presentation of the Consolidated Financial Statements where the NAO discusses their findings with the Committee.

Information Risk Management

The NAM's Information Asset Ownership group comprises of the Senior Information Risk Officer (SIRO) and Information Asset Owners (IAO) from across the Museum's divisions. The group ensures that the Museum's Information Assurance Policy, Data Protection Act and Freedom of Information Act Legislation is complied with. The group meets regularly and discusses the management of information held by the NAM.

All staff are required as part of their induction to carry out online training in accordance with the National Archives directives. Information Sharing Agreements are in place with bodies that share NAM information.

Any information issues that arise are handled by the appropriate IAOs and referred to the group where necessary. Any incident of data loss or mishandling is handled in accordance with the Information Commissioner's guidance and reported to his office as required.

Whistleblowing

The Museum has a whistleblowing policy in place available to all staff and contained in the Staff Handbook. Whistleblowing is a standard agenda item for the Performance Audit and Risk Assurance Committee reporting to NAM Council. The agreed procedure for Whistleblowing is to the Chairman and/or the NAO. No whistleblowing incidents or reports were noted during this reporting period.

Statement of Assurance

The Accounting Officer has responsibility, on behalf of the full NAM Council, for the overall effectiveness of the Museum's governance arrangements and their compliance with Corporate Governance in Central Government Departments Code of Practice 2024 so far as this may be seen to apply to an 'Arms-Length Body' (as defined in *Managing Public Money*).

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Auditors

These accounts are audited by the NAO on behalf of the Comptroller and Auditor General in accordance with current legislation and the Museum's Royal Charter. No non-audit services are provided to the Museum by the auditor.

The cost of the audit of the Museum and its trading company for 2024-25 is £59,725 (2023-24: £52,075) of which £49,950 (2023-24: £43,600) relates to the audit of the Museum and £9,775 (2023-24: £8,475) to the audit of NAMTL.

So far as the Accounting Officer (AO) and Council Members are aware, there is no relevant audit information of which the Museum's auditors are unaware. Furthermore, the AO and Council Members have taken all the necessary steps to make sure they are aware of any relevant information and to establish that the Museum's auditors are also aware of that information.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Director of the Museum is employed by the Council of the National Army Museum on terms and conditions that are similar to MOD senior civil servants. He holds an open-ended appointment and his salary is set on an annual basis by the Remuneration and Appointments Committee of Council by reference to the recommendations of the Senior Salaries Review Body. He is the only senior civil service staff or equivalent employee of the Museum.

Other members of the SLT are also employed on terms and conditions similar to MOD civil servants. Staff salaries are set by the Museum's Human Resources Department by reference to strict MOD guidelines and approved by the Director.

The NAM operates a performance appraisal review (PAR) system, which broadly follows the guidelines of the MOD civilian system. The marking system is based on agreed aims and objectives between the Line Manager (LM) and the member of staff. Dependent on direction from MOD on whether it is paying performance awards for the year, the SLT meet and assigns a value to marks in line with the MOD levels of award. The findings of the Group are then passed to the PA&RA Committee for a further check before being passed to the Council for approval.

Salary and Pension Entitlements (Subject to audit)

The salary and pension entitlements for the year of the SLT of the Museum were as follows (with comparative salary disclosures for 2023/24). Full Year Equivalent (FYE) amounts are also disclosed where the individual was not part of the SLT for the full period.

| | Salary (£'000) | | Performance Pay (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (£'000) | | Total remuneration (£'000) | |
|---|----------------|----------------------|-------------------------|-------------------|------------------------------------|---------|--------------------------|---------|----------------------------|---------|
| | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 |
| Justin Maciejewski <i>Director</i> | 160-165 | 155-160 | 10-15 ¹ | 5-10 ¹ | - | - | - | - | 170-175 | 165-170 |
| Mike O'Connor <i>Deputy Director</i> | 80-85 | 75-80 | - | - | - | - | 60 | 48 | 140-145 | 125-130 |
| Teresa Scott <i>Assistant Director – Human Resources</i> | 75-80 | 75-80 | 0-5 | 0-5 | - | - | 31 | 15 | 110-115 | 90-95 |
| Ian Maine <i>Assistant Director – Collections</i> | 75-80 | 75-80 | 0-5 | 0-5 | - | - | - | - | 75-80 | 75-80 |
| Dawn Watkins <i>Assistant Director – Enterprise (to 12 January 2024)</i> | - | 65-70 (FYE 75-80) | - | - | - | - | - | - | - | 65-70 |
| Helen Kibblewhite <i>Assistant Director – Operations</i> | 70-75 | 15-20 (FYE 70-75) | 0-5 | - | - | - | - | - | 70-75 | 15-20 |
| Glyn Prysor <i>Assistant Director – Research and Programmes</i> | 70-75 | 5-10 (FYE 70-75) | 0-5 | - | - | - | - | - | 75-80 | 5-10 |
| Nicola Elvin <i>Assistant Director – Audiences & Communications (from 1st April 2024)</i> | 70-75 | N/A | 0-5 | N/A | - | N/A | - | N/A | 75-80 | N/A |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

| | Accrued pension at pension age as at 31 March 2025 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31 March 2025 | CETV at 31 March 2024 | Real increase in CETV ² | Employers' contribution to NEST pension or personal |
|---|---|--|-----------------------|-----------------------|------------------------------------|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £ (nearest £100) |
| Justin Maciejewski <i>Director</i> | - | - | - | - | - | 16,200 ¹ |
| Mike O'Connor <i>Deputy Director</i> | 35-40 | 2.5-5 | 516 | 502 | 18 | - |
| Teresa Scott <i>Assistant Director – Human Resources</i> | 25-30 plus a lump sum of 70-75 | 0-2.5 plus a lump sum of 0-2.5 | 614 | 568 | 20 | - |
| Ian Maine <i>Assistant Director – Collections and Programmes</i> | - | - | - | - | - | 5,500 |
| Dawn Watkins <i>Assistant Director – Enterprise (to 12 January 2024)</i> | - | - | - | - | - | - |
| Helen Kibblewhite <i>Assistant Director – Operations</i> | - | - | - | - | - | 5,200 |
| Glyn Prysor <i>Assistant Director – Research and Programmes</i> | - | - | - | - | - | 5,300 |
| Nicola Elvin <i>Assistant Director – Audiences & Communications (from 1st April 2024)</i> | - | - | - | - | - | 5,300 |

None of the above received any benefits in kind during the year (2023/24 £Nil).

No members of the Council received any remuneration during the year (2023/24 £Nil). During the year reimbursements were made to members of the Council totalling £2,800 (2023/24 £2,999) for travel and subsistence and £8,948 (2023/24 £4,412) for Trustee meeting costs.

¹Justin Maciejewski's performance pay was paid as an additional employer contribution to his personal pension. To avoid duplication this payment is not included in the employers' pension contribution amounts above.

²Taking account of inflation, the CETV funded by the employer has decreased in real terms for one of the SLT.

Salary

“Salary” includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Performance Pay

Performance pay relates to bonuses on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2024-25 relate to performance in 2023-24 and the comparative bonuses reported in 2023-24 relate to the performance in 2022-23.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Pension Benefits

Pension benefits are provided through the Principal Civil Service Pension Schemes (PCSPS) in respect of two members of the SLT. This scheme is an unfunded multi-employer defined benefits scheme but the NAM is unable to identify its share in respect of the SLT of the underlying assets and liabilities. A full actuarial valuation is carried out periodically. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

Other members of the SLT receive pension benefits through membership of the National Employment Savings Trust (NEST) or employer contributions to their own personal pension plan. These contributions are at the same rate as those for all members of staff not eligible to join the PCSPS.

Principal Civil Service Pension Scheme (PCSPS)

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS) which has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year and pensions payable are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha between 1 June 2015 and 1 February 2022.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages). Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Cash Equivalent Transfer Values and Real increase in CETV

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax. The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31st March 2025. HM Treasury published updated guidance on 27th April 2023; this guidance was used to calculate the 2024-25 CETV figures.

Compensation for loss of office (Subject to audit)

No amounts were paid in respect of compensation for loss of office to any of the Leadership Team for the current or preceding year.

Fair pay disclosure (Subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the remuneration of the organisation's workforce.

The following percentage changes applied to remuneration at the National Army Museum:

| | 2024/25 | 2023/24 |
|-----------------------|---------|---------|
| | % | % |
| Salary: | | |
| Highest paid director | 3.2 | 6.0 |
| Staff Average | 7.6 | 1.6 |
| Performance pay: | | |
| Highest paid director | 66.7 | - |
| Staff Average | 55.5 | (24.7) |

The movement in director's performance pay is in line with the increase from Senior Civil Service guidance. For employees, the increase is due to the number of employees eligible for the performance pay who had been in employment for more than one year compared to the previous year.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

The remuneration ratios in the Museum are shown below. These represent the banded mid-point pay of the highest paid director as a multiple of the 25th percentile, Median and 75th percentile pay rates based on full time equivalent remuneration for all staff.

| | 25th Percentile Pay Ratio | Median Pay Ratio | 75th Percentile Pay Ratio | | |
|----------|------------------------------|---------------------|------------------------------|--|--|
| 2024/25 | 5.5 | 5.0 | 4.0 | | |
| 2023/24 | 5.9 | 5.1 | 4.1 | | |
| % change | -6.8% | -2.0% | -2.4% | | |

| | 25th Percentile | | Median | | 75th Percentile | |
|----------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|
| | Total Remuneration | Salary Only | Total Remuneration | Salary Only | Total Remuneration | Salary Only |
| 2024/25 | £31,617 | £31,617 | £34,636 | £34,042 | £43,051 | £42,394 |
| 2023/24 | £28,251 | £28,251 | £33,035 | £32,527 | £40,390 | £39,668 |
| % change | 11.9% | 11.9% | 4.8% | 4.7% | 6.6% | 6.9% |

The mid-point of the banded remuneration of the highest-paid director was £172,500 (2023-24: £167,500). No employees received remuneration in excess of the highest-paid director. Remuneration ranged from £25,643 to £172,500 (2023-24: £23,302 to £167,500).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. No staff received any benefits in kind in 2024-25 or 2023-24. It does not include severance payments, employer pension contributions and the cash equivalent transfer-value of pensions.

Staff pay awards and performance pay are limited by guidance issued by the Museum's sponsor department. Percentage changes are affected by the level of these awards coupled with changes in the staff mix at NAM. Changes in remuneration ratios result from the percentage pay rise for the highest-paid director being below that applicable for the majority of the staff.

Staff Report

Staff costs and staff numbers (Subject to audit)

| | 2024/25 £'000 | 2023/24 £'000 |
|------------------------------|------------------|------------------|
| Staff costs comprise: | | |
| Wages and salaries | 3,526 | 3,483 |
| Social security costs | 360 | 362 |
| Pension costs | 400 | 374 |
| Redundancy costs | - | - |
| Temporary staff | 975 | 800 |
| | 5,261 | 5,019 |

Excluding the Director and members of the SLT, one employee (2023-24 one employee) received remuneration for 2024-25, excluding pension contributions, in the band £60,000 - £65,000. No further employees received remuneration greater than £60,000.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

The average number of senior management and staff based on headcount was:

| | 2024/25 | 2023/24 |
|-------------|------------|------------|
| Collections | 59 | 45 |
| Curatorial | 16 | 24 |
| Education | 5 | 12 |
| Publicity | 5 | 6 |
| Trading | 14 | 13 |
| Fundraising | 3 | - |
| | <u>102</u> | <u>100</u> |

| | 2024/25 | 2023/24 |
|------------------|------------|------------|
| Male Employees | 36 | 33 |
| Female Employees | 66 | 67 |
| | <u>102</u> | <u>100</u> |

| | 2024/25 | 2023/24 |
|-----------|------------|------------|
| Part Time | 29 | 26 |
| Full Time | 73 | 74 |
| | <u>102</u> | <u>100</u> |

7 (2023-24: 4) of the staff are employed on short term contracts.

The staff turnover for the year represented 16.00% of the total workforce (2023-24: 26.00%).

Consultancy and off-payroll arrangements

NAM has engaged no individuals during the year under short term arrangements that could be seen to be similar to those envisaged by HM Treasury Guidance on off-payroll arrangements (2024: no individuals). Total expenditure for other consultancy services in the year was £7,097 (2024: £1,200). All individuals whose remuneration is disclosed in the Remuneration and Staff Report are on payroll.

Sickness and Absence data

The NAM employed 98 (87 FTE) staff at 31 March 2025 and monitored sick absence as part of its commitment in promoting the health, safety and welfare of all members of staff. Information collated from the Department of Human Resources is available to the Museum's Senior Leadership Team who are responsible for identifying potential risks arising from any patterns that may occur, and to the Appointments & People Committee of NAM Council.

During 2024-2025, sickness absence was calculated at 7.9 days per employee (4.5 days Self-Certified and 3.4 days Doctors Certified) compared with 5.1 days per employee (3.5 days Self-Certified and 1.6 days Doctors Certified) the previous year. Covid days of absence were 70 days in 2024-25 versus 42 days in 2023-2024. There were 772.5 days lost to sick absence compared to 517 days lost in 2023-2024.

A policy on the management of attendance is in place to promote arrangements for dealing with sickness absence in a manner, which is fair and sensitive to staff, as well as minimising the effect of absences on operational requirements.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

The NAM has a Wellbeing Policy and Committee in place and a number of training Mental Health First Aiders. Managers have also been trained to raise awareness of mental health and wellbeing.

Equality, Diversity & Access

The NAM is an Equal Opportunities Employer and has a dedicated Safeguarding, Access and Inclusion Committee which meets quarterly.

The NAM is committed to providing a working environment in which members of staff are able to realise their full potential and contribute to the Museum's success.

The NAM will also take all reasonable steps to provide a work environment in which all workers are treated with respect and dignity and that is free of harassment. In order to create conditions, in which this goal can be realised, the NAM is committed to identifying and eliminating barriers, discriminatory practices, procedures, and attitudes throughout the Museum. Members of staff are expected and required to support this commitment, assisting in its realisation in all possible ways.

It is the NAM's policy not to discriminate against its workers on the basis of their gender, sexual orientation, marital or civil partnership status, any gender reassignment, disability, race, religion or belief, colour, nationality, ethnic or national origin, disability or age, pregnancy or trade union membership or employment status. The NAM will not condone any form of harassment, whether engaged in by workers or by third parties such as clients, customers, contractors and suppliers. Our workers and applicants for employment shall not be disadvantaged by any policies or conditions of service, which cannot be justified as necessary for operational purposes.

The NAM shall, at all times, work within legislative requirements as well as promoting best practice, and is committed to the development of a diverse workforce. The Museum has issued an Equal Opportunities Policy, and undertakes equal opportunities monitoring and training.

Employee Consultation and Involvement

The Director and Senior Leadership Team consult with the staff through the NAM's Staff/Management Forum, which was set up to encourage increased levels of communication and consultation across the whole of the Museum, and in shifting to a different and more progressive, delivery-focussed culture of working, exchanging views and ideas, discussing problems and planning for the future.

Communication and involvement with the staff is also maintained through various committees/groups, which include committee and groups, Team Synchronisation, regular Departmental and Divisional meetings, one-to-ones, monthly staff briefings and internal memoranda including a dedicated intranet for information sharing.

Employer Pensions

For 2024-25 employers' pension contributions for the Museum of £186,000 were payable to the PCSPS (2023-24 £182,000) at rates based on salary bands as follows:

| | | | |
|------------|---|-------------------|--------|
| Band one | - | £23,000 and under | 28.97% |
| Band two | - | £23,001 - £45,500 | 28.97% |
| Band three | - | £45,501 - £77,000 | 28.97% |
| Band four | - | £77,001 and over | 28.97% |

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

Members of staff not eligible to join the PCSPS are automatically enrolled in the National Employment Savings Trust (NEST) with employer pension contributions of 7 per cent. Total employer contributions in this regard were £214,000 (2023-24 £192,000).

Civil service and other compensation schemes – exit packages (Subject to audit)

There were no approved exit packages during the year (2024: none). There were no special severance packages for 2024/25 or 2023/24.

Trade Union Facility Time

| | 2024/25 | 2023/24 |
|---|----------------|----------------|
| Table 1 | | |
| Number of employees who were relevant union officials during the period | - | - |
| Table 2 | | |
| Percentage of time | | |
| 0% | - | - |
| 1-50% | - | - |
| 51-99% | - | - |
| 100% | - | - |
| Table 3 | | |
| Total cost of facility time | £ - | £ - |
| Total pay bill | £4,286,000 | £4,219,000 |
| Percentage of the total pay bill spent on facility time | 0% | 0% |
| Table 4 | | |
| Time spent on paid trade union activities as a percentage of total paid facility time | 0% | 0% |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2025

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of Expenditure (Subject to Audit)

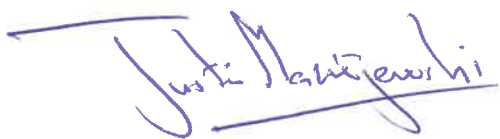
NAM has no remote contingent liabilities that require notification to HM Treasury.

There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosure that have not been reported elsewhere in these financial statements.

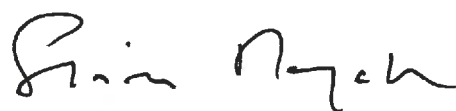
Long-term expenditure trends

Expenditure over the last five financial years as reported in the financial statements is summarised as follows:

| | 2024/25 | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 |
|---|---------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 5,261 | 5,019 | 4,114 | 4,044 | 4,199 |
| Premises costs | 1,223 | 407 | 1,106 | 888 | 1,028 |
| Collection maintenance | 398 | 498 | 696 | 542 | 530 |
| Events and promotion | 446 | 553 | 324 | 398 | 270 |
| Depreciation and (profit)/ loss on disposal | 1,294 | 1,257 | 1,206 | 884 | 970 |
| Write off of heritage assets | 690 | - | - | - | - |
| Impairment and impairment reversal | - | - | (1,327) | (4,898) | - |
| Administration and other | 1,197 | 1,094 | 902 | 795 | 690 |
| | <u>10,509</u> | <u>8,828</u> | <u>7,021</u> | <u>2,653</u> | <u>7,687</u> |



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

13th November 2025

National Army Museum
13th November 2025

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2025

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the National Army Museum and its Group for the year ended 31 March 2025 under the Charities Act 2011 and under the Royal Charter relating to the National Army Museum 1960.

The financial statements comprise: the National Army Museum and its Group's:

- Consolidated and Charity Balance Sheet as at 31 March 2025;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the National Army Museum and its Group's affairs as at 31 March 2025 and its net income/(expenditure) for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the National Army Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2025

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Army Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Army Museum and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Trustees' Report and Report of Council but does not include the financial statements and my auditor's report thereafter. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Royal Charter relating to the National Army Museum 1960.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Trustees' Report and Report of Council subject to audit have been properly prepared in accordance with HM Treasury directions made under the Royal Charter relating to the National Army Museum 1960; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Army Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2025

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the National Army Museum and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Trustees' Report and Report of Council subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by legislation have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board of Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees and Accounting Officer's Responsibilities, the Board of Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Army Museum and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder;
- preparing the Trustees' Report and Report of Council, which includes the Remuneration and Staff Report, in accordance with the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder; and
- assessing the National Army Museum and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with section 151 of the Charities Act 2011 and the Royal Charter relating to the National Army Museum 1960.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2025

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud I:

- considered the nature of the sector, control environment and operational performance including the design of the National Army Museum and its Group's accounting policies.
- inquired of management, the National Army Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Army Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Army Museum and its Group's controls relating to the National Army Museum and its Group's compliance with the Charities Act 2011, Royal Charter relating to the National Army Museum 1960, and Managing Public Money;
- inquired of management, the National Army Museum's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including relevant component audit teams regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Army Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the National Army Museum and its Group's framework of authority and other legal and regulatory frameworks in which the National Army Museum and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Army Museum and its Group. The key laws and regulations I considered in this context included, The Charities Act 2011, the Royal Charter relating to the National Army Museum 1960, Managing Public Money, employment law and tax Legislation.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2025

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Performance, Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- In addressing the risk of fraud in revenue recognition, I assessed the recognition of income in line with the accounting framework and undertook procedures to test the completeness of income.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including relevant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies
Comptroller and Auditor General

Date: 14 November 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

NATIONAL ARMY MUSEUM
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2025

| | NOTE | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2024/25 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2023/24 £'000 |
|---|----------|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | | | | | | |
| Grant-in-Aid | | 6,929 | 699 | 7,628 | 6,931 | 250 | 7,181 |
| Other | | 400 | 331 | 731 | 56 | 148 | 204 |
| | | <u>7,329</u> | <u>1,030</u> | <u>8,359</u> | <u>6,987</u> | <u>398</u> | <u>7,385</u> |
| Trading activities | 3 | 1,123 | 42 | 1,165 | 636 | 42 | 678 |
| Investments | | 4 | 22 | 26 | 1 | 14 | 15 |
| | | <u>8,456</u> | <u>1,094</u> | <u>9,550</u> | <u>7,624</u> | <u>454</u> | <u>8,078</u> |
| Other | 3 | 40 | - | 40 | 59 | - | 59 |
| TOTAL | | <u>8,496</u> | <u>1,094</u> | <u>9,590</u> | <u>7,683</u> | <u>454</u> | <u>8,137</u> |
| Expenditure on: | | | | | | | |
| Raising funds | 4 | 1,581 | 123 | 1,704 | 1,056 | 118 | 1,174 |
| Charitable activities | 4 | 7,552 | 1,253 | 8,805 | 6,576 | 1,078 | 7,654 |
| TOTAL | | <u>9,133</u> | <u>1,376</u> | <u>10,509</u> | <u>7,632</u> | <u>1,196</u> | <u>8,828</u> |
| Operating surplus/(deficit) | | (637) | (282) | (919) | 51 | (742) | (691) |
| Net gains/(losses) on investments | 9 | - | 7 | 7 | - | 34 | 34 |
| Net income/(expenditure) | | (637) | (275) | (912) | 51 | (708) | (657) |
| Transfers between funds | | (152) | 152 | - | (270) | 270 | - |
| Other recognised gains/(losses): | | | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 70 | 765 | 835 | 103 | 340 | 443 |
| Net movement in funds | | (719) | 642 | (77) | (116) | (98) | (214) |
| RECONCILIATION OF FUNDS | | | | | | | |
| Total funds brought forward | | 64,964 | 49,932 | 114,896 | 65,080 | 50,030 | 115,110 |
| Total funds carried forward | | <u>64,245</u> | <u>50,574</u> | <u>114,819</u> | <u>64,964</u> | <u>49,932</u> | <u>114,896</u> |

None of the Museum's activities were acquired or discontinued during the year. All of the Museum's recognised gains and losses for the year are included above.

The Statement of Financial Activities for the Charity alone is detailed in note 2 to the financial statements.

The notes on pages 71 to 91 form a fundamental part of these financial statements.

NATIONAL ARMY MUSEUM
CONSOLIDATED AND CHARITY BALANCE SHEET
YEAR ENDED 31ST MARCH 2025

| NOTE | 2025 | | | | 2024 | | | |
|--|-------|----------------|----------------|---------|----------------|---------|----------------|---------|
| | Group | | Charity | | Group | | Charity | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | | | | |
| Intangible assets | 6 | 135 | 135 | | 72 | | 72 | |
| Tangible assets | 7 | 45,612 | 45,611 | | 45,813 | | 45,812 | |
| Heritage assets | 8 | 67,880 | 67,880 | | 68,230 | | 68,230 | |
| Investments | 9 | 497 | 547 | | 468 | | 518 | |
| | | | 114,124 | 114,173 | | 114,583 | | 114,632 |
| CURRENT ASSETS | | | | | | | | |
| Stocks | | 56 | - | | 57 | | - | |
| Debtors | 10 | 1,052 | 1,214 | | 338 | | 425 | |
| Cash at bank and in hand | 11 | 448 | 223 | | 772 | | 625 | |
| | | 1,556 | 1,437 | | 1,167 | | 1,050 | |
| CURRENT LIABILITIES | | | | | | | | |
| CREDITORS: | | | | | | | | |
| Amounts falling due within one year | | | | | | | | |
| | 12 | (861) | (791) | | (854) | | (786) | |
| NET CURRENT ASSETS/ (LIABILITIES) | | | 695 | 646 | | 313 | | 264 |
| TOTAL NET ASSETS | | <u>114,819</u> | <u>114,819</u> | | <u>114,896</u> | | <u>114,896</u> | |
| RESERVES | | | | | | | | |
| Unrestricted Funds | | 63,452 | 63,452 | | 64,241 | | 64,241 | |
| Unrestricted Revaluation | | 793 | 793 | | 723 | | 723 | |
| Total Unrestricted Funds | 13 | <u>64,245</u> | <u>64,245</u> | | <u>64,964</u> | | <u>64,964</u> | |
| Restricted Funds | | 45,064 | 45,064 | | 45,187 | | 45,187 | |
| Restricted Revaluation | | 5,510 | 5,510 | | 4,745 | | 4,745 | |
| Total Restricted Funds | 13 | <u>50,574</u> | <u>50,574</u> | | <u>49,932</u> | | <u>49,932</u> | |
| | 14 | <u>114,819</u> | <u>114,819</u> | | <u>114,896</u> | | <u>114,896</u> | |

The financial statements were approved by the Council on 13th November 2025 and signed on its behalf by:



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
 DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
 CHAIRMAN, ON BEHALF OF COUNCIL

The notes on pages 71 to 91 form a fundamental part of these financial statements.

NATIONAL ARMY MUSEUM
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2025

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2024/25 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2023/24 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Cash flows from operating activities: | | | | | | |
| Net cash provided by/(used in) operating activities | (287) | 489 | 202 | (16) | 685 | 669 |
| Cash flows from investing activities: | | | | | | |
| Purchase of intangible assets | (90) | - | (90) | (85) | - | (85) |
| Purchase of tangible assets | (79) | (152) | (231) | (42) | (270) | (312) |
| Proceeds from sale of tangible assets | - | - | - | - | - | - |
| Purchase of heritage assets | - | (185) | (185) | - | (69) | (69) |
| Purchase of fixed asset investments | - | (20) | (20) | - | (25) | (25) |
| Net cash provided by/(used in) investing activities | (169) | (357) | (526) | (127) | (364) | (491) |
| Cash flows from financing activities: | | | | | | |
| Repayments of borrowing | - | - | - | - | - | - |
| Net cash provided by/(used in) financing activities | - | - | - | - | - | - |
| Change in cash and cash equivalents in the reporting period | (456) | 132 | (324) | (143) | 321 | 178 |
| Cash and cash equivalents at the beginning of the reporting period | 530 | 242 | 772 | 673 | (79) | 594 |
| Cash and cash equivalents at the end of the reporting period | 74 | 374 | 448 | 530 | 242 | 772 |

An analysis of cash and cash equivalents together with an analysis of changes in net debt is given in note 11 of the financial statements.

Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2024/25 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2023/24 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (637) | (275) | (912) | 51 | (708) | (657) |
| Adjustments for: | | | | | | |
| Depreciation charges | 304 | 982 | 1,286 | 295 | 961 | 1,256 |
| Loss/(profit) on the disposal of tangible assets | 8 | - | 8 | 1 | - | 1 |
| Interest payable | - | - | - | - | - | - |
| Net dividends reinvested | - | (2) | (2) | - | (7) | (7) |
| Impairment and impairment reversal | - | - | - | - | - | - |
| Transfer of quoted investments to fixed assets | - | - | - | - | - | - |
| Donated heritage assets | (155) | - | (155) | - | (78) | (78) |
| Write off of heritage assets | 690 | - | 690 | - | - | - |
| Transfer between funds | (152) | 152 | - | (270) | 270 | - |
| (Increase)/decrease in stocks | 1 | - | 1 | (26) | - | (26) |
| (Increase)/decrease in debtors | (348) | (366) | (714) | (12) | 281 | 269 |
| Increase/ (decrease) in creditors | 2 | 5 | 7 | (55) | - | (55) |
| Net unrealised investment loss/(gains) | - | (7) | (7) | - | (34) | (34) |
| Net cash provided by/(used in) operating activities | (287) | 489 | 202 | (16) | 685 | 669 |

The notes on pages 71 to 91 form a fundamental part of these financial statements.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) – (Charities SORP (FRS 102)) and guidance issued by H.M. Treasury in that the Financial Reporting Manual is applied insofar as it does not contradict the Statement of Recommended Practice.

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

(b) Basis of Consolidation

Consolidated financial statements have been prepared in respect of the charity and its wholly owned subsidiary, National Army Museum Trading Limited (“NAMTL”) (Company Number: 06707366).

The Consolidated Statement of Financial Activities and Balance Sheet include the results and net assets of NAMTL on a line by line basis.

The financial statements of NAMTL used in consolidation are those for the period ended 31 March 2025.

(c) Going Concern

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Museum’s needs. We have considered a period of at least twelve months from the date of approval of the financial statements. The assumption relies on the continuation of Ministry of Defence funding at a similar level for the foreseeable future. The Museum has received confirmation of funding for 2025-26 together with an ongoing commitment and letter of support from its Sponsor Department for the period to March 2026. In order to ensure financial stability NAM Council has reviewed and approved budgets and cash flows through to March 2027.

(d) Incoming Resources

Incoming resources are included gross without the deduction of expenditure.

(e) Donations and Legacies

Grant-in-Aid is recorded on a received basis.

Grant-in-Aid is a payment by a public sector funder to finance part of NAM’s operations in support of NAM’s overall activities. Except where Grant-in-Aid has been awarded for a specific purpose such as the purchase of exhibits or redevelopment of NAM it is regarded as an unrestricted fund as it relates to the general operations of NAM without significant restrictions being placed on how the funds can be spent.

Other revenue grants are credited to incoming resources on the earlier of the date of receipt or when they are receivable, unless they relate to a grant for expenditure in future accounting periods, in which case they are deferred.

Grants for the purchase of fixed and heritage assets are credited to a restricted fund within incoming resources when receivable.

The Museum derives other income from donations, legacies, gifts and monies placed in donation boxes in the Museum. The income is recognised in the statement of financial activities where there is evidence of entitlement, receipt is probable and its amount can be measured reliably. Donated services and facilities are included as income based on management’s judgement of their market value.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

(f) Expenditure on Charitable activities

NAM has allocated its expenditure on charitable activities to the following areas of activity:

Collections costs are those incurred in acquiring and preserving objects and records relating to the British Army for the education, inspiration and enjoyment of the present generation and its successors, together with the presentation of the Museum's collections to its users.

Curatorial costs are those incurred in the research and interpretation of the Museum's collections to its users, including dealing with enquiries from the general public.

Education costs are those incurred in engaging and educating the general public, including children, in historic and contemporary issues relating to the British Army.

Publicity costs are those costs that are incurred in promotion of the Museum, specific exhibitions and in support of the off site activities of the NAM.

(g) Allocation of support and governance costs

Support and governance costs are those functions that assist NAM but do not directly undertake either Charitable or Fundraising activities. These costs include general administration, finance, personnel and governance costs which support NAM's activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. Costs not directly attributable to a specific category have been allocated based on the cost of staff time incurred.

(h) Pensions Cost

Long serving Museum staff, are covered by the provisions of the Principal Civil Service Pension Scheme ("PCSPS"), which provides benefits based on final pensionable pay. The pensions cost charged to the Statement of Financial Activities is represented by the contributions payable under the PCSPS to the Cabinet Office at rates determined from time to time by the Government Actuary's Department. PCSPS is a multi-employer scheme and NAM is unable to identify its share of any pension liability. Those staff not covered by the PCSPS are also entitled and are paid contributions to National Employment Savings' Trust or personal pension policies.

(i) Taxation

As a Registered Charity, the National Army Museum's charitable status has been recognised by HM Revenue & Customs. Non-recoverable Value Added Tax (VAT) arising from expenditure is charged to the statement of financial activities. All expenditure including capital expenditure is stated net of any recoverable VAT. VAT is then reclaimed from HM Revenue & Customs in accordance with section 33 of the VAT Act 1994.

All of the income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. All of the taxable profits of the trading subsidiary are distributed to the Charity under Gift Aid. The Corporation Tax liability of the trading subsidiary for the period ending 31 March 2025 was £42 (2024: £43).

Deferred tax is recognised on any tax losses in the trading subsidiary to the extent that it is probable that these will be recovered against future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

(j) Intangible Fixed Assets and Amortisation

Intangible fixed assets represent the investment by NAM in a collections management system to manage and improve relationships with customers and to generate income in future years. They are stated at cost less accumulated amortisation.

They reflect website development costs including software licences and other directly attributable costs where future economic benefits are expected to flow that can be reliably measured.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

Amortisation is charged yearly on a straight-line basis over the estimated useful life. These assets are only capitalised where they relate to a specific project that meets this criteria with a budget exceeding £20,000 and an individual cost exceeding £1,000.

Intangible assets under construction are not amortised until completion of the project.

Given the nature of these costs and projects NAM has determined that the maximum estimated useful life of these assets cannot exceed 5 years. NAM undertakes regular impairment reviews of intangible fixed assets to ensure that the carrying value is not materially overstated.

(k) Tangible Fixed Assets and Depreciation

Fixed assets are stated at their estimated current cost. For land and buildings this estimate is based on independent professional valuations obtained every five years, updated in the intervening years by the application of appropriate government issued indices provided by the Ministry of Defence. The land and buildings were professionally revalued at 31st March 2022 (see note 7). For other assets, the estimate is based on historic cost updated thereafter by the application of these indices. Fixed assets with a cost of less than £1,000 are not capitalised.

Any revaluations are recorded as other recognised gains and losses in the Statement of Financial Activities and reflected in revaluation reserves except where they relate to the reversal of previous impairment provisions.

Depreciation is provided on all tangible fixed assets on a straight-line basis over their estimated useful lives. These were principally:

| | |
|------------------------------|-------------|
| Leasehold Buildings | 52 years |
| Fit-out of Buildings | 43 years |
| Plant and Machinery | 27 years |
| Short Leasehold Improvements | 41 years |
| Computer Equipment | 5-10 years |
| Fixtures and Fittings | 10-20 years |

The remaining useful lives for leasehold buildings, fit-out of buildings and plant and machinery have been based on those advised as part of the 2022 property revaluation.

Expenditure on permanent exhibitions is capitalised in accordance with this policy whilst all expenditure on temporary exhibitions is written off as the expenditure is incurred.

The Museum continuously reviews its fixed assets to ensure they do not fall below recoverable amounts. Any asset that falls below its recoverable amount is adjusted to reflect the fall in value or is disposed of.

(l) Heritage Assets

(i) Valuation and Management

Heritage assets are recorded at the deemed cost carrying value established at 31st March 2010 adjusted for the cost of additions and the value of disposals since this date and any impairments in respect of material elements of the collection.

NAM conducts annual reviews of its heritage assets for any impairment to the collection. No impairments were identified for the current or preceding year.

Donated assets are included based on internal estimates by the relevant curator using their experience and judgement and by reference to third parties, if considered appropriate.

Heritage assets comprise of approximately one million items. For the 2010 valuation the Collection was divided into two categories. The first category comprised Victoria Crosses, George Crosses, field marshals' batons, oil paintings and other high-value items of fine and decorative art, coatees, rare books, oral history interviews, sound discs and film records. These were valued by expert members of staff, some of them with the assistance of former colleagues. The valuations of the historic military vehicles part of the collection is supported by a third-party valuation of the historic military vehicles made in 2008-9 by Julian Shoolheifer Limited (Fine Art Valuers) PO Box 186, Saffron Walden, CB10 9AY.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

The remainder of the Collection was valued by expert members of staff on the basis of auction realisations, knowledge of their specialist areas and inflation-adjusted prices paid for exhibits purchased by the Museum.

The valuation of heritage assets only reflects those assets which have been fully accessioned into the collection and recorded on the Museum's collections database. Work is ongoing to see whether it is practicable to ascribe a value to assets where this information is not currently available.

Heritage asset additions are only capitalised in the financial statements where their value is greater than £5,000 though all asset acquisitions are recorded in the Museum's collections database.

(ii) Depreciation

Depreciation is not provided on historic heritage assets due to the fact that they have an indefinite life. The carrying value of individual items are reviewed annually and written down where required.

(iii) Preservation Costs and Management

Expenditure which, in the Council's view, is required to preserve or clearly prevent further deterioration of individual collection items is written off and recognised in the Statement of Financial Activities when it is incurred.

(iv) Acquisitions and Disposals

The Museum's collecting activities are subject to the availability of objects and financial resources with every effort made to achieve a balanced collection in terms of both geography and chronology. The Acquisition and Disposals Policy also takes into account the needs of other museums.

By definition, the Museum has a long-term purpose and maintains a permanent Collection in relation to its stated objectives. The Council accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items from the Museum's Collection.

Final approval for the disposal of a heritage asset rests with the Acquisition and Disposal Committee and this authority is devolved from the Museum's Trustees, the Council of the NAM. A curator recommends the object for disposal and relevant paperwork is counter-signed by the head of department concerned and the Assistant Director (Collections).

A copy of the Museum's Full Acquisition & Disposal Policy is available on its website.

(m) Investments

Investments are included at their market value as at the year-end. Gains or losses arising from disposals of fixed asset investments, together with unrealised gains and losses are included in the statement of financial activities.

(n) Stocks

Stocks which represent goods for resale are stated at the lower of cost or net realisable value.

(o) Debtors

Debtors are stated at the amount expected to be received by the museum, being the amount it will receive from a debt or the amount it has paid in advance for goods or services.

(p) Cash and cash equivalents

Cash and cash equivalents represent cash held in bank accounts with no other near cash investments being held by the Museum.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

(q) Liabilities

Where expenditure has been incurred but remains unpaid at the year-end a liability is recorded by the Museum. Where amounts have not been invoiced an estimate is made of the amount to be accrued and included as a liability.

(r) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

All Museum leases are currently operating leases, except for the long leasehold land and building of the NAM Museum in Chelsea, which is capitalised under tangible fixed assets on the Balance Sheet and where the present value of minimum lease payments is not material over the life of the lease.

(s) Financial Instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, investments, trade debtors, trade creditors, and accrued expenses. The fair value of these items approximates their carrying value due to their short-term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

(t) Restricted and unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor, details of restricted funds are given in note 13 of the financial statements. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

Unrestricted funds are donations and other incoming resources received or generated for the Museum's charitable purposes.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

2. Statement of Financial Activities for the Charity alone

| | Unrestricted Funds | Restricted Funds | Total Funds 2024/25 | Unrestricted Funds | Restricted Funds | Total Funds 2023/24 |
|---|-----------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | | |
| Donations and legacies | | | | | | |
| Grant-in-Aid | 6,929 | 699 | 7,628 | 6,931 | 250 | 7,181 |
| Other | 400 | 331 | 731 | 56 | 148 | 204 |
| | <u>7,329</u> | <u>1,030</u> | <u>8,359</u> | <u>6,987</u> | <u>398</u> | <u>7,385</u> |
| Trading activities | 103 | 42 | 145 | 69 | 42 | 111 |
| Investments | - | 22 | 22 | 1 | 14 | 15 |
| Gift aid from subsidiary undertaking | 204 | - | 204 | 42 | - | 42 |
| | <u>7,636</u> | <u>1,094</u> | <u>8,730</u> | <u>7,099</u> | <u>454</u> | <u>7,553</u> |
| Other | 40 | - | 40 | 59 | - | 59 |
| TOTAL | <u>7,676</u> | <u>1,094</u> | <u>8,770</u> | <u>7,158</u> | <u>454</u> | <u>7,612</u> |
| Expenditure on: | | | | | | |
| Raising funds | 506 | 123 | 629 | 566 | 118 | 684 |
| Charitable activities | 7,807 | 1,253 | 9,060 | 6,541 | 1,078 | 7,619 |
| TOTAL | <u>8,313</u> | <u>1,376</u> | <u>9,689</u> | <u>7,107</u> | <u>1,196</u> | <u>8,303</u> |
| Operating surplus/(deficit) | (637) | (282) | (919) | 51 | (742) | (691) |
| Net gains/(losses) on investments | - | 7 | 7 | - | 34 | 34 |
| Net income/(expenditure) | <u>(637)</u> | <u>(275)</u> | <u>(912)</u> | <u>51</u> | <u>(708)</u> | <u>(657)</u> |
| Transfers between funds | (152) | 152 | - | (270) | 270 | - |
| Other recognised gains/(losses): | | | | | | |
| Gains/(losses) on revaluation of fixed assets | 70 | 765 | 835 | 103 | 340 | 443 |
| Net movement in funds | <u>(719)</u> | <u>642</u> | <u>(77)</u> | <u>(116)</u> | <u>(98)</u> | <u>(214)</u> |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | 64,964 | 49,932 | 114,896 | 65,080 | 50,030 | 115,110 |
| Total funds carried forward | <u><u>64,245</u></u> | <u><u>50,574</u></u> | <u><u>114,819</u></u> | <u><u>64,964</u></u> | <u><u>49,932</u></u> | <u><u>114,896</u></u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

3. Income and endowments

| | Unrestricted Funds | Restricted Funds | Total Funds 2024/25 | Unrestricted Funds | Restricted Funds | Total Funds 2023/24 |
|---|-----------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| (a) Donations and legacies comprise: | | | | | | |
| Grant-in-Aid: | | | | | | |
| -Operating | 6,929 | 569 | 7,498 | 6,931 | 120 | 7,051 |
| -Exhibits | - | 130 | 130 | - | 130 | 130 |
| | <u>6,929</u> | <u>699</u> | <u>7,628</u> | <u>6,931</u> | <u>250</u> | <u>7,181</u> |
| Other restricted donations | | | | | | |
| - Donated heritage assets | - | 155 | 155 | - | 78 | 78 |
| - Donations for purchase of heritage assets | - | 57 | 57 | - | - | - |
| - Grant towards display cases | - | - | - | - | 16 | 16 |
| - Research fellowship | - | 115 | 115 | - | 38 | 38 |
| - Other projects | - | 4 | 4 | - | 16 | 16 |
| | <u>-</u> | <u>331</u> | <u>331</u> | <u>-</u> | <u>148</u> | <u>148</u> |
| Other unrestricted donations | 400 | - | 400 | 56 | - | 56 |
| | <u>400</u> | <u>-</u> | <u>400</u> | <u>56</u> | <u>-</u> | <u>56</u> |
| Total other donations | 400 | 331 | 731 | 56 | 148 | 204 |
| Total donations and legacies | <u>7,329</u> | <u>1,030</u> | <u>8,359</u> | <u>6,987</u> | <u>398</u> | <u>7,385</u> |
| (b) Trading income comprises | | | | | | |
| - Shop sales | 144 | - | 144 | 131 | - | 131 |
| - Play Base and childrens parties | 300 | - | 300 | 306 | - | 306 |
| - Exhibitions | 103 | 42 | 145 | 69 | 42 | 111 |
| - Room hire | 121 | - | 121 | 86 | - | 86 |
| - Catering commission | 52 | - | 52 | 41 | - | 41 |
| - Consultancy | 400 | - | 400 | - | - | - |
| - Other | 3 | - | 3 | 3 | - | 3 |
| | <u>1,123</u> | <u>42</u> | <u>1,165</u> | <u>636</u> | <u>42</u> | <u>678</u> |
| Taxation on NAMTL profit | - | - | - | - | - | - |
| | <u>1,123</u> | <u>42</u> | <u>1,165</u> | <u>636</u> | <u>42</u> | <u>678</u> |
| (c) Other operating income comprises | | | | | | |
| - Membership income | 39 | - | 39 | 37 | - | 37 |
| - Interest on rates refund | - | - | - | 21 | - | 21 |
| - Other | 1 | - | 1 | 1 | - | 1 |
| | <u>40</u> | <u>-</u> | <u>40</u> | <u>59</u> | <u>-</u> | <u>59</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

4. Expenditure

(i) Year ended 31st March 2025

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total |
|--|----------------|--------------------|----------------|
| | £'000 | £'000 | 2024/25 |
| | | | £'000 |
| Staff costs | 506 | 135 | 641 |
| Premises costs | 104 | 25 | 129 |
| Cost of sales | 409 | - | 409 |
| Subsidiary overheads | 16 | - | 16 |
| Collections maintenance | - | 8 | 8 |
| Depreciation and (profit)/loss on disposal | 109 | 27 | 136 |
| General administration costs | 36 | 28 | 64 |
| Consultancy | 1 | 1 | 2 |
| Insurance and professional fees | 17 | 4 | 21 |
| Support costs | 137 | 25 | 162 |
| Governance | 98 | 18 | 116 |
| | <u>1,433</u> | <u>271</u> | <u>1,704</u> |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total |
|--|--------------------|-------------------|------------------|------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | 2024/25 |
| | | | | | £'000 |
| Staff costs | 2,201 | 719 | 383 | 324 | 3,627 |
| Premises costs | 459 | 249 | 114 | 77 | 899 |
| Collections maintenance | 390 | - | - | - | 390 |
| Event costs | 30 | - | 44 | - | 74 |
| Promotion costs | - | - | - | 372 | 372 |
| Write off of heritage assets | 690 | - | - | - | 690 |
| Depreciation and (profit)/loss on disposal | 486 | 263 | 120 | 82 | 951 |
| General administration costs | 163 | 87 | 40 | 27 | 317 |
| Consultancy | 4 | 2 | 1 | 1 | 8 |
| Insurance and professional fees | 77 | 42 | 19 | 13 | 151 |
| Support costs | 433 | 155 | 82 | 102 | 772 |
| Governance costs | 311 | 111 | 59 | 73 | 554 |
| | <u>5,244</u> | <u>1,628</u> | <u>862</u> | <u>1,071</u> | <u>8,805</u> |

(c) Governance and support costs comprise:

| | Finance | Human Resources | Information Technology | Total Support | Governance |
|--|----------------|------------------------|-------------------------------|----------------------|-------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 261 | 193 | 161 | 615 | 378 |
| Premises costs | 53 | 40 | 30 | 123 | 72 |
| Depreciation and (profit)/loss on disposal | 56 | 42 | 32 | 130 | 77 |
| General administration costs | 19 | 14 | 10 | 43 | 25 |
| External audit | - | - | - | - | 60 |
| Internal audit | - | - | - | - | 20 |
| Consultancy | 1 | 1 | - | 2 | - |
| Insurance and professional fees | 9 | 7 | 5 | 21 | 26 |
| Trustees expenses and meeting costs | - | - | - | - | 12 |
| | <u>399</u> | <u>297</u> | <u>238</u> | <u>934</u> | <u>670</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

(ii) Year ended 31st March 2024

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total 2023/24 |
|--|---------|-------------|------------------|
| | £'000 | £'000 | £'000 |
| Staff costs | 474 | 91 | 565 |
| Premises costs | 6 | 2 | 8 |
| Cost of sales | 157 | - | 157 |
| Subsidiary overheads | 19 | - | 19 |
| Collections maintenance | - | 7 | 7 |
| Depreciation and (profit)/loss on disposal | 103 | 26 | 129 |
| General administration costs | 36 | 41 | 77 |
| Consultancy | 2 | - | 2 |
| Insurance and professional fees | 28 | 7 | 35 |
| Support costs | 82 | 18 | 100 |
| Governance | 62 | 13 | 75 |
| | 969 | 205 | 1,174 |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total 2023/24 |
|--|-------------|------------|-----------|-----------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 1,910 | 932 | 464 | 281 | 3,587 |
| Premises costs | 359 | 15 | 8 | 5 | 387 |
| Collections maintenance | 491 | - | - | - | 491 |
| Event costs | 18 | - | 120 | - | 138 |
| Promotion costs | - | - | - | 415 | 415 |
| Depreciation and (profit)/loss on disposal | 460 | 250 | 129 | 83 | 922 |
| General administration costs | 156 | 82 | 42 | 29 | 309 |
| Consultancy | 8 | 4 | 2 | 1 | 15 |
| Insurance and professional fees | 124 | 67 | 35 | 23 | 249 |
| Support costs | 351 | 134 | 80 | 83 | 648 |
| Governance costs | 267 | 102 | 61 | 63 | 493 |
| | 4,144 | 1,586 | 941 | 983 | 7,654 |

(c) Governance and support costs comprise:

| | Finance | Human Resources | Information Technology | Total Support | Governance |
|--|---------|--------------------|---------------------------|------------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 196 | 201 | 150 | 547 | 320 |
| Premises costs | 3 | 3 | 2 | 8 | 5 |
| Depreciation and (profit)/loss on disposal | 46 | 45 | 29 | 120 | 86 |
| General administration costs | 15 | 14 | 9 | 38 | 29 |
| External audit | - | - | - | - | 52 |
| Internal audit | - | - | - | - | 17 |
| Consultancy | 1 | 1 | - | 2 | 10 |
| Insurance and professional fees | 13 | 12 | 8 | 33 | 42 |
| Trustees expenses and meeting costs | - | - | - | - | 7 |
| | 274 | 276 | 198 | 748 | 568 |

Premises costs for 2023/24 were reduced by £780,000 as a result of a rates refund relating to the period 1st April 2010 to 31st March 2023.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

Governance and support costs in respect of staff, premises, depreciation and administration have been allocated based on the estimated time spent by staff on these activities and the cost of these staff. Other costs have been allocated based on the amounts invoiced for these services.

Trustees' expenses of £2,800 (2024: £2,999) relate to travel expenses reimbursed for 5 trustees (2024 - 7 trustees). In addition, NAM incurred £8,948 (2024: £4,412) in relation to Trustee meeting costs.

5. Total expenditure is stated after charging the following items:

| | Unrestricted Funds | Restricted Funds | Total 2024/25 | Unrestricted Funds | Restricted Funds | Total 2023/24 |
|-------------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Auditors' remuneration | | | | | | |
| - audit services | 60 | - | 60 | 52 | - | 52 |
| Staff costs | | | | | | |
| - wages and salaries | 3,526 | - | 3,526 | 3,483 | - | 3,483 |
| - social security costs | 360 | - | 360 | 362 | - | 362 |
| - pension costs | 400 | - | 400 | 374 | - | 374 |
| - redundancy costs | - | - | - | - | - | - |
| - temporary staff | 975 | - | 975 | 800 | - | 800 |
| | <u>5,261</u> | <u>-</u> | <u>5,261</u> | <u>5,019</u> | <u>-</u> | <u>5,019</u> |
| Operating lease costs | | | | | | |
| - land and buildings | 284 | - | 284 | 284 | - | 284 |
| - other | 11 | - | 11 | 11 | - | 11 |
| | <u>295</u> | <u>-</u> | <u>295</u> | <u>295</u> | <u>-</u> | <u>295</u> |

The external audit fee for the Charity was £49,950 (2024: £43,600). During the year NAM did not contract any non-audit services from its external auditor, the National Audit Office (NAO).

The external audit fee for the subsidiary NAMTL was £9,775 (2024: £8,475). No non-audit services were provided by the auditor of NAMTL.

There were no approved exit packages during the year (2024: none). There were no special severance packages for 2024/25 or 2023/24.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

6. Intangible Fixed Assets

| | Assets Under Development | Website Development | Total |
|------------------------------|-------------------------------------|--------------------------------|--------------|
| <u>GROUP</u> | £'000 | £'000 | £'000 |
| <u>VALUATION</u> | | | |
| At commencement of year | 20 | 65 | 85 |
| Additions at cost | 18 | 72 | 90 |
| Disposals | - | - | - |
| At end of year | 38 | 137 | 175 |
| <u>AMORTISATION</u> | | | |
| At commencement of year | - | 13 | 13 |
| Charge for year | - | 27 | 27 |
| Disposals | - | - | - |
| At end of year | - | 40 | 40 |
| <u>NET BOOK VALUE</u> | | | |
| At 31 March 2025 | 38 | 97 | 135 |
| At 31 March 2024 | 20 | 52 | 72 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

7. Tangible Fixed Assets

| GROUP | Long Leasehold Land and Buildings | Short Leasehold Improvements | Computer Equipment | Fixtures & Fittings | Total |
|------------------------------|--|---|-------------------------------|------------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>VALUATION</u> | | | | | |
| At commencement of year | 46,195 | 902 | 554 | 2,335 | 49,986 |
| Additions at cost | 152 | - | 16 | 63 | 231 |
| On revaluation | 765 | 21 | 26 | 23 | 835 |
| Disposals | - | - | (14) | (100) | (114) |
| At end of year | 47,112 | 923 | 582 | 2,321 | 50,938 |
| <u>DEPRECIATION</u> | | | | | |
| At commencement of year | 1,882 | 257 | 452 | 1,582 | 4,173 |
| Charge for year | 963 | 22 | 56 | 168 | 1,209 |
| On revaluation | 19 | - | 18 | 13 | 50 |
| Disposals | - | - | (13) | (93) | (106) |
| At end of year | 2,864 | 279 | 513 | 1,670 | 5,326 |
| <u>NET BOOK VALUE</u> | | | | | |
| At 31 March 2025 | 44,248 | 644 | 69 | 651 | 45,612 |
| At 31 March 2024 | 44,313 | 645 | 102 | 753 | 45,813 |

All fixed assets are owned by the Charity with the exception of £2,000 of fixtures and fittings owned by National Army Museum Trading Limited with a net book value of £890 (2024: £1,000).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

Included in long leasehold land and buildings is a sum of £8,890,000 (2023/24: £8,890,000) for land, which has not been depreciated.

The long leasehold property known as the National Army Museum was valued as at 31 March 2022 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), as well as FRS102, the Charities SORP and guidance issued by HM Treasury. The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method. The valuation is reported under the special assumption to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

The valuation apportioned as at 31 March 2022 for the total land and buildings was as follows:

| | |
|------------------------|---------------|
| | £'000 |
| Land | 9,352 |
| Structure of buildings | 16,930 |
| Fit-out of buildings | 5,579 |
| Plant and machinery | 10,226 |
| | <u>42,087</u> |

The Museum is housed in a purpose-built property in Chelsea on land owned by the Royal Hospital Chelsea, the lease is for 999 years at a peppercorn rent of one guinea per annum. The lease restricts the use of the building to that of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Late Majesty and her predecessors etc. All material tangible fixed assets are used in Direct Charitable Activities.

8. Heritage Assets

(a) Carrying value

| | Museum Collection £'000 |
|---------------------------------|--|
| At commencement of year | 68,230 |
| Additions | 340 |
| Disposals | - |
| Written off | (690) |
| At end of year | <u>67,880</u> |
| Net Book Value at 31 March 2025 | <u>67,880</u> |
| Net Book Value at 31 March 2024 | <u>68,230</u> |

| | 2025 £'000 | 2024 £'000 |
|---------------------------------------|-----------------------|-----------------------|
| The carrying value comprises: | | |
| Exhibits | 35,258 | 35,823 |
| Fine and decorative arts | 20,884 | 20,682 |
| Archives, photographs, film and sound | 10,585 | 10,572 |
| Printed books | 1,153 | 1,153 |
| | <u>67,880</u> | <u>68,230</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

(b) Five year financial summary of heritage asset transactions

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>Additions</u> | | | | | |
| Purchases | 185 | 69 | 112 | 391 | 145 |
| Donations | 155 | 78 | - | 36 | 40 |
| Total Additions | <u>340</u> | <u>147</u> | <u>112</u> | <u>427</u> | <u>185</u> |
| <u>Disposals</u> | | | | | |
| Sales Proceeds | - | - | - | - | 26 |
| Carrying Value | - | - | - | - | (70) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(44)</u> |
| Write offs | (690) | - | - | - | - |
| | <u>(690)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(c) Grant Received

During the year the Museum received grants towards the purchase of items for its collection of £130,000 (2024 - £130,000) as part of its Grant-in-Aid funding. These grants were used to fund the purchase of heritage assets noted above with any unspent grants being carried forward to fund future acquisitions.

9. Fixed Asset Investments

| | Group | Charity | Group | Charity |
|--|--------------|----------------|--------------|----------------|
| | 2025 | 2025 | 2024 | 2024 |
| | £'000 | £'000 | £'000 | £'000 |
| Investment in subsidiary undertaking (note 9a and 9b) | - | 50 | - | 50 |
| <u>Quoted investments (note 9c)</u> | | | | |
| Market value at beginning of year | 468 | 468 | 402 | 402 |
| Add: acquisitions at cost | 20 | 20 | 25 | 25 |
| Dividends reinvested net of management fees | 2 | 2 | 7 | 7 |
| Net unrealised investment (loss)/gains | 7 | 7 | 34 | 34 |
| Market value at end of year | <u>497</u> | <u>497</u> | <u>468</u> | <u>468</u> |
| Total unlisted investments | <u>497</u> | <u>547</u> | <u>468</u> | <u>518</u> |

9a. Investment in Subsidiary Undertaking

The investment of £50,000 in subsidiary undertakings represents the charity's interest in 100% of the issued share capital of National Army Museum Trading Limited which is incorporated in England and Wales and operates a souvenir shop and other trading activities for the Museum. The company's aggregate capital and reserves were as follows:

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

The assets and liabilities of the subsidiary were:

| | 2025 | 2024 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Fixed assets | 1 | 1 |
| Current assets | 373 | 217 |
| Creditors: amounts falling due within one year | (324) | (157) |
| Creditors: amounts falling due after more than one year | - | (11) |
| | 50 | 50 |
| | 50 | 50 |
| | 2025 | 2024 |
| | £'000 | £'000 |
| Share capital | 50 | 50 |
| Surplus/(deficit) retained in subsidiary | - | - |
| | 50 | 50 |
| | 50 | 50 |

The issued share capital of National Army Museum Trading Limited is £50,000 (2024: £50,000).

A summary of the Company's trading results is shown in note 9b. Audited accounts will be filed with the Registrar of Companies.

9b. Income from Trading Company

The Consolidated Statement of Financial Activities includes the result of the trading subsidiary as follows:

National Army Museum Trading Limited

| | 2025 | 2024 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Turnover | 1,020 | 566 |
| Cost of sales and administrative expenses | (820) | (525) |
| Other Operating income | 4 | 1 |
| Net profit/(loss) before taxation | 204 | 42 |
| Taxation | - | - |
| Net profit/(loss) after taxation | 204 | 42 |

9c. Quoted Investments

Quoted investments represent a portfolio managed by Brewin Dolphin Limited. The historic cost of these investments was £462,000 (2024 - £442,000). The quoted investments represent surplus cash that has been invested with the aim of achieving additional income for the Museum.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

10. Debtors

| | Group 2025 £'000 | Charity 2025 £'000 | Group 2024 £'000 | Charity 2024 £'000 |
|--|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Trade debtors | 61 | 4 | 23 | 11 |
| VAT debtor | 172 | 192 | 75 | 92 |
| Prepayments and accrued income | 564 | 559 | 220 | 219 |
| Amounts due from subsidiary undertaking | - | 11 | - | 41 |
| Gift aid due from subsidiary undertaking | - | 204 | - | 42 |
| Other debtors | 255 | 244 | 20 | 20 |
| | <u>1,052</u> | <u>1,214</u> | <u>338</u> | <u>425</u> |

Amounts due from subsidiary undertaking includes an unsecured loan to NAMTL of £11,000 (2024: £36,000). The loan is repayable over 5 years and carries interest at 1% per annum. Included in the amount due is £Nil (2024: £11,000) repayable after more than one year.

11. Cash and Cash Equivalents

| | Group 2025 £'000 | Charity 2025 £'000 | Group 2024 £'000 | Charity 2024 £'000 |
|--------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Cash at bank and in hand | 448 | 223 | 772 | 625 |
| | <u>448</u> | <u>223</u> | <u>772</u> | <u>625</u> |

Analysis of changes in net debt

| | At start of year £'000 | Cash-flows £'000 | At end of year £'000 |
|------|---------------------------------------|-----------------------------|-------------------------------------|
| Cash | 772 | (324) | 448 |
| | <u>772</u> | <u>(324)</u> | <u>448</u> |

12. Creditors: Amounts falling due within one year

| | Group 2025 £'000 | Charity 2025 £'000 | Group 2024 £'000 | Charity 2024 £'000 |
|---------------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Trade creditors | 406 | 400 | 198 | 187 |
| Accruals and deferred income | 455 | 371 | 656 | 599 |
| Amounts due to subsidiary undertaking | - | 20 | - | - |
| | <u>861</u> | <u>791</u> | <u>854</u> | <u>786</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

13. Funds Analysis

| | Balance 1 April 23 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 24 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 25 |
|---|-----------------------|--------------|----------------|--------------|---------------------|------------------------|--------------|-----------------|--------------|---------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| RESTRICTED FUNDS | | | | | | | | | | | |
| NAM Land and Buildings | 40,259 | - | (961) | 270 | - | 39,568 | - | (982) | 152 | - | 38,738 |
| NAM Land and Buildings revaluation | 4,405 | - | - | - | 340 | 4,745 | - | - | - | 765 | 5,510 |
| Restricted Heritage Assets | 4,789 | 78 | - | 69 | - | 4,936 | 212 | - | 128 | - | 5,276 |
| Grant-in-Aid exhibits reserve | 18 | 130 | - | (69) | - | 79 | 130 | - | (128) | - | 81 |
| Grant-in-Aid operations reserve | - | 120 | (120) | - | - | - | 569 | (203) | - | - | 366 |
| Funds for upkeep and maintenance of specific parts of NAM collection | 523 | 14 | - | - | 34 | 571 | 22 | - | - | 7 | 600 |
| Funds received for specific NAM projects | 36 | 70 | (73) | - | - | 33 | 119 | (149) | - | - | 3 |
| Chelsea History Festival sponsorship | - | 42 | (42) | - | - | - | 42 | (42) | - | - | - |
| | <u>50,030</u> | <u>454</u> | <u>(1,196)</u> | <u>270</u> | <u>374</u> | <u>49,932</u> | <u>1,094</u> | <u>(1,376)</u> | <u>152</u> | <u>772</u> | <u>50,574</u> |
| UNRESTRICTED FUNDS | | | | | | | | | | | |
| Unrestricted funds | 64,460 | 7,683 | (7,632) | (270) | - | 64,241 | 8,496 | (9,133) | (152) | - | 63,452 |
| Unrestricted funds revaluation | 620 | - | - | - | 103 | 723 | - | - | - | 70 | 793 |
| | <u>65,080</u> | <u>7,683</u> | <u>(7,632)</u> | <u>(270)</u> | <u>103</u> | <u>64,964</u> | <u>8,496</u> | <u>(9,133)</u> | <u>(152)</u> | <u>70</u> | <u>64,245</u> |
| TOTAL FUNDS | <u>115,110</u> | <u>8,137</u> | <u>(8,828)</u> | <u>-</u> | <u>477</u> | <u>114,896</u> | <u>9,590</u> | <u>(10,509)</u> | <u>-</u> | <u>842</u> | <u>114,819</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

The NAM Land and Buildings Fund represents the net book value of its Long Leasehold Land and Buildings. These assets were funded entirely by public donations in the period leading up to and after the acquisition of the lease and the building of the Museum in 1967. Under the terms of NAM's lease of the land and buildings they can only be used for the purposes of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Late Majesty and her predecessors and hence their classification as a restricted fund.

The NAM Land and Buildings revaluation reserve (Restricted Funds) represents the result of revaluations subsequent to initial recognition. As at 31 March 2025 this includes part of the revaluation gains on Long Leasehold Buildings, being the excess of the revaluation gains over previous impairment charges for the asset (NAM Museum Building in Chelsea). Revaluations of the building have resulted in previous charges for impairment being reversed and accrued for as credits to expenditure in the Statement of Financial Activities, in accordance with the Charities SORP (FRS 102).

Transfers between funds relate to capital expenditure on Long Leasehold Land and Buildings which have been funded from unrestricted funds in respect of this restricted asset.

Restricted Heritage Assets represent those assets acquired by NAM from restricted donations including the annual exhibits Grant-in-Aid.

The Grant-in-Aid exhibits reserve relates to specific Grant-in-Aid received for the purchase of heritage assets which remains unspent at the end of the financial year.

The Grant-in-Aid restricted operations reserve relates to specific Grant-in-Aid received to support NAM's work with the Commonwealth War Graves Commission and scholarship research activities and for marketing and information technology costs. £366,000 of this income was unspent at the end of the financial year with the expenditure committed in the current financial year.

Funds for the upkeep and maintenance of specific parts of the NAM Collection relate to amounts transferred to NAM towards the upkeep and maintenance of various items of the Collection when these items were transferred or bequeathed to NAM which remained unspent at the end of the financial year.

Funds received for specific NAM projects relates to donations and sponsorships received for specified purposes and events. At 31 March 2025 there was £Nil (2024: £17,000) of unspent funds in relation to donations received for fellowship research, £Nil (2024: £16,000) for display cases and £3,000 for Community Showcases.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

14. Analysis of Group Net Assets Between Funds

| | Unrestricted Funds | Restricted Funds | Total 2025 | Unrestricted Funds | Restricted Funds | Total 2024 |
|-------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Intangible fixed assets | 135 | - | 135 | 72 | - | 72 |
| Tangible fixed assets | 1,364 | 44,248 | 45,612 | 1,500 | 44,313 | 45,813 |
| Heritage fixed assets | 62,604 | 5,276 | 67,880 | 63,294 | 4,936 | 68,230 |
| Fixed asset investments | - | 497 | 497 | - | 468 | 468 |
| Other net assets | 142 | 553 | 695 | 98 | 215 | 313 |
| | <u>64,245</u> | <u>50,574</u> | <u>114,819</u> | <u>64,964</u> | <u>49,932</u> | <u>114,896</u> |

The above net assets include Revaluation Reserves of:

| | 2025 £'000 | 2024 £'000 |
|------------------------------|---------------|---------------|
| Tangible fixed assets | | |
| Unrestricted | 793 | 723 |
| Restricted | <u>5,510</u> | <u>4,745</u> |
| | <u>6,303</u> | <u>5,468</u> |

The restricted revaluation reserve relates to revaluations of the Long Leasehold Land and Buildings.

15. Operating Lease Commitments

At 31 March 2025, the Museum had total future minimum commitments under non-cancellable operating leases as follows:

| | 2025 | | 2024 | |
|--------------------------------|-----------------------|-----------|-----------------------|-----------|
| | £'000 | £'000 | £'000 | £'000 |
| | Land and buildings | Other | Land and buildings | Other |
| Due within one year | 284 | 15 | 284 | 14 |
| Due between one and five years | 1,040 | 13 | 1,071 | 20 |
| Due after five years | 441 | 1 | 693 | - |
| | <u>1,765</u> | <u>29</u> | <u>2,048</u> | <u>34</u> |

The land and buildings lease commitment relates to the Museum's short leasehold property in Stevenage.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

16. Related Party Transactions

National Army Museum Trading Limited

The relationship to NAMTL is disclosed in note 9a together with summary financial information, and the balances due with NAMTL at the year end are disclosed in note 10. Three Members of Council also acted as directors of National Army Museum Trading Limited during the year.

National Army Museum Development Trust

The National Army Museum Development Trust (“the Trust”) is a registered charity, number 278939, connected with the Museum.

The funds of the Trust may be applied, at the discretion of the Trust’s trustees, to further the charitable purposes of the Museum or other charitable purposes or institutions. The trustees may not, unless they see special reason, make a payment to the Museum without specifying the particular purpose for which it is to be used, being a purpose for which public funds are not expected to be available. During the year the Trust donated £20,750 (2024: £12,800) to the Museum to assist in meeting the costs of a research fellowship (£10,000) and towards the purchase of medals (£10,750).

The net assets of the Trust at 31 December 2024, its most recent financial year end, were £683,103 (31 December 2023 £627,247). The control and administration of these funds remains, at all times, the full responsibility of the Trust’s trustees.

NAM does not consider itself to have significant influence over the Trust and as a result it is not considered an associate for these financial statements.

Ministry of Defence

The National Army Museum is classified for administrative purposes by the Ministry of Defence (“the MOD”) as an Executive Non-Departmental Public Body (ENDPB) which it sponsors. The MOD is regarded as a related party. Grant-in-Aid funding from the MOD is separately disclosed in note 3 of the Financial Statements.

Director

During the year there was a donation of £10,000 by one of the directors of the Museum. This has been classified as a restricted donation to be used for the acquisition of a Cumberland Gold Medal.

17. Capital Commitments

| | 2025 | 2024 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Authorised and contracted for at 31st March 2025 | 172 | 300 |
| Authorised at 31st March 2025 but not contracted for | - | - |

18. Contingent Asset

The Museum has a potential future asset as a result of a historical transaction. NAM Council are fully aware of this probable asset and have approved the action being taken in this regard.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2025

19. Post Balance Sheet Events

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the auditors' report was signed by the Comptroller and Auditor General.

THE NATIONAL ARMY MUSEUM

England & Wales - Charity number 237902

Accounts



NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2024

NATIONAL
ARMY
MUSEUM

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2024

Presented to Parliament with reference to the Royal Charter (relating to National Army Museum, 1960)

Ordered by the House of Commons to be printed on 19th November 2024



© Crown copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3>

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned. This publication is available at <https://www.gov.uk/government/publications>

Any enquiries regarding this publication should be sent to us at info@nam.ac.uk.

ISBN: 978-0-901721-53-2

Printed in the UK on behalf of the Controller of His Majesty's Stationery Office

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

| CONTENTS | PAGE |
|--|-------------|
| Trustees Report and Report of Council | |
| Reference and Administrative Information | 2 |
| Performance Report | |
| Overview | 3 |
| Performance Analysis | 7 |
| Accountability Report | |
| Corporate Governance Report | 36 |
| Statement of Trustees and Accounting Officer's Responsibilities | 38 |
| Governance Statement | 39 |
| Remuneration and Staff Report | 47 |
| Parliamentary Accountability and Audit Report | 54 |
| | |
| The Report of the Comptroller and Auditor General to the Houses of Parliament | 56 |
| | |
| Consolidated Statement of Financial Activities | 61 |
| | |
| Consolidated Balance Sheet | 62 |
| | |
| Consolidated Cash Flow Statement | 63 |
| | |
| Notes to the Financial Statements | 64 |

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Introduction

The accounts of the National Army Museum (NAM) are presented for the financial year ended 31st March 2024. The accounts are prepared in accordance with a direction given by H.M. Treasury in accordance with Article 14 of the National Army Museum Royal Charter 1960 and law applicable to charities in England and Wales.

The NAM is a charity registered with the Charity Commission (reference no. 237902).

Address and principal office of the Museum

National Army Museum, Royal Hospital Road, Chelsea, London, SW3 4HT.

Professional Advisers

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Auditors

National Army Museum

The Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
LONDON
SW1W 9SP

National Army Museum Trading Limited (NAMTL)

Hillier Hopkins LLP
Radius House
51 Clarendon Road
WATFORD
Herts
WD 17 1HP

Internal Auditors until 29 January 2024

RSM Risk Assurance Services LLP
Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

New Internal Auditors appointed 30 January 2024

Azets Audit Services Limited
Regis House
45 King William Street
London
EC4R 9AN

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

PERFORMANCE REPORT

OVERVIEW

Background Information

The National Army Museum (NAM) is an Executive Non-Departmental Public Body (ENDPB) which was established by Royal Charter in 1960 to collect, preserve, and exhibit objects and records relating to the Regular and Auxiliary forces of the British Army and of the Commonwealth, and to encourage research into their history and traditions. Devolved status was accorded to the Museum under the terms of the National Heritage Act 1983. The annual Grant-in-Aid (GiA), made through the Ministry of Defence (MoD), is administered by the Director of the Museum as Accounting Officer on behalf of the governing body, the Council of the National Army Museum. The Trustees of the Museum are known as Council members.

Social Investment and Public Benefit

The Council of the Museum recognises its responsibilities with regard to social investment and public benefit. The Museum pays due regard to its charitable objects and to the Charity Commission guidance, and in particular PB1, PB2 and PB3. The following sections of these accounts show that commitment to the investment and how the Charity Commission guidance has been complied with.

Charitable Objectives and Activities

The National Army Museum's objectives are defined in its Royal Charter which was, first granted in 1960. Its preamble states that the National Army Museum was established "for the purpose of collecting, preserving and exhibiting objects and records relating to the history of Our Army so that the achievements, history and traditions of Our Army should be better made known". Additionally, the objectives require the Museum to "collect, collate and publish information relating to, and carry out research into, the history and traditions of Our Army". Further, "to encourage research into the accumulation and dissemination of information and knowledge bearing on the history and traditions of Our Army and all matters connected therewith".

'Our Army' is defined as including 'the Standing Army, Militia, Yeomanry, Volunteers, Territorial Army of the British Islands, Territorial Army and Volunteer Reserve of the United Kingdom, Our Predecessors' Army in India and the Armies of the East India Company and the Land Forces of Our and Our Predecessors' possessions beyond the seas'.

The current Strategic Plan was agreed by the NAM Council in 2018 and reviewed in 2023. It is used by the Museum as the basis for future Business Plans. The Strategic Plan has a single overarching aim, to set the conditions for sustainability and growth in 2019-28 and beyond. In addition, the Museum reviewed its Mission and Core Values as well as introducing a series of values and outputs:

Our Purpose

The Museum's Purpose is to be the national home of the history and heritage of the Army.

Our Vision

To share the history and heritage of our soldiers and their service in the Army, across the globe and down the centuries. Through our collections we explore the history of the Army from its origins to the present day.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Our Mission

To engage and inspire everyone with the stories of our soldiers and how their service shapes our world; past, present and future.

Values

The Museum's values are *Integrity, Teamwork, Respect, Empathy, Inclusivity*.

The Museum's Strategic Plans

The current Strategic Plan, supported by the annual Business Plan, has five key Objectives:

- Strategic Objective 1: - Connect the public to the story of Our Army.
- Strategic Objective 2: - Become the leading authority on the history of Our Army.
- Strategic Objective 3: - Safeguard and make accessible our collections and expertise to the widest possible audience. This will be achieved by incremental refreshment across the permanent galleries and temporary exhibitions and providing increased access to the stored collections and archives.
- Strategic Objective 4: - Enable and support networks of Regimental and Corps Museums and similar heritage organisations in the UK.
- Strategic Objective 5: - Build greater financial resilience organisational efficiency and sustainability. (Primary Enabling Objective)

Outputs

The Museum's Sponsor Department, MoD, provides Grant-in-Aid for three reasons. Firstly, to engage and inspire the public with the story of Our Army. Secondly, it expects NAM to support the education and research of those no matter what age, with an interest in British military history. Finally, it views NAM as a place where the historical provenance of the Army's values and ethos are explained using history and the stories of those that have served. NAM fulfils these objectives and meets the Army's needs by providing the following four outputs:

- **Output 1:** A National museum, providing free access to the public in Chelsea, that tells the authentic story of our soldiers and the armies in which they have served. This will be achieved by creating memorable, relevant and accessible activities, aligned to audience need, in order to maximise audiences and generate footfall;
- **Output 2:** A National museum, dedicated to collecting objects and archives and to researching the history and heritage of the Army and making it accessible to the public. This will be achieved by growing research and establishing NAM, nationally and internationally, as the first choice for the history and life of the British Army;
- **Output 3:** An institution dedicated to supporting the UK's network of Regimental and Corps military museums and partnering internationally where there is shared history. This will be achieved by continuing the excellent training and mentoring programme not only for the Regimental and Corps Museums but across the sector both nationally and internationally;
- **Output 4:** Digital resources that provide UK and global audiences with accessible and authoritative histories of our soldiers and their armies.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Achievements, Strategic Objectives and Performance for the Year

Chelsea

The continued refreshment of the Museum at Chelsea as the centre of the “outward facing” Museum continued to be the focus of attention for the Senior Leadership Team (SLT) in an effort to increase visitor numbers and visitor related income. This has been helped by the continuation of the programme of temporary exhibitions, Friday Insight (lecture programme) evening lectures and talks and book launches.

After the cessation of projects during the pandemic, the Museum has consistently worked to build up the cohort of volunteers in specific projects. The Museum recognises the valuable contribution of volunteers in the operations of NAM and was awarded with the “Investing in Volunteers” recognition in January 2024.

Supplementing the gallery refreshment activity and due to demand from both serving and ex-serving service personnel, and feedback from visitors, the temporary exhibition space continues to feature ‘Foe to Friend: The British Army in Germany since 1945’. This exhibition covers the Cold War story, showcasing the Army in Germany (British Army on the Rhine) post World War 2 up to the drawdown from Germany in the 1990s.

Stevenage

The work of the collections staff based at Stevenage has been as busy as ever, with a strong focus on the conservation and installation programmes associated with exhibition schedules. Work across all types of objects have been co-ordinated ranging from assessing and improving information and photography on the coats and felted hats to catering equipment and food rations. Staff have been improving access and location of the collection through concentrated projects on auditing and restorage to improve space. Staff have also been at work in data cleaning and mapping information ahead of a new collections management system.

Key Financial Risks and Reserves

The risks to the Museum are regularly reviewed by the SLT and the Performance, Audit & Risk Assurance Committee (PARA). The main identified risk was the sustained recovery from the consequences and aftermath of Covid-19 and its effect on NAM’s commercial income. The Museum has seen an uptick in commercial income, but this is mainly due to commercial/corporate hire including birthday parties and entry into its soft play area. As was reported last year the Museum’s retail operations were a concern to the SLT however the reorganisation and refocussing of NAMTL towards the end of the period has seen the seeds of recovery bearing fruit. The NAMTL board are currently working on measures to increase retail income.

The recent Service Museum’s Review recognised NAM’s dependency on Grant-in-Aid funding from the Sponsor Department and continuation of this while also supporting the potential need for capital funding. The review did identify the need for closer cooperation between the three main service museums in order to take advantage of the joint procurement of services to reduce costs.

The Museum again reviewed its Reserves Policy in accordance with guidance from the Charity Commission as detailed in its publication 'Charity Reserves: Building Resilience' and to meet the requirements of SORP 2015 (FRS 102). This policy recognises the cost of closure, including external contracts, local authority rates, utilities, staff salaries (including redundancy costs for those staff not paid via MoD). This policy assumes that those staff currently on analogous terms to Civil Service pay and conditions and currently paid through MoD would continue to be funded through to closure by the Sponsor Department, this would include the liability for any redundancy costs. It is assessed that this, along with the greater emphasis on paid for and hosted visits and events along with greater visibility of the tap to donate system, will allow the Museum to achieve its target of £1,000,000 of unrestricted reserves.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

It is the NAM Council's view that this Reserves Policy, once the value is raised to the target figure, will provide the Museum with adequate financial stability and the means for it to meet its charitable objectives and operational expenditure for at least three months.

Current Position

Restricted Reserves

NAM currently holds a Restricted Reserve, excluding land and buildings and heritage assets, of £683,000 (2022-23: £577,000) to support specific elements of acquisition, care or display of collections or specific projects supporting educational, research or outreach activity.

Unrestricted Reserves

The current cash and cash equivalent value of Unrestricted Reserves shows a surplus of £530,000 (2022-23: £673,000), a reduction of £143,000 over the year.

Oversight

The Council of NAM, via its PARA Committee, reviews the level of funds in both Restricted and Unrestricted Reserves three times a year. The Policy is reviewed annually at the Council's autumn meeting, prior to the Business Plan for the following year being finalised. The Museum regularly utilises non-public income to increase the amount held in investments with Brewin Dolphin.

Delegated Authority to utilise Reserves

The Director as Accounting Officer has the delegated authority to utilise both Unrestricted and Restricted Reserves within his delegated financial limits. Any expenditure beyond these limits is to be referred to NAM Council for confirmation.

Assessment of Going Concern

The National Army Museum is believed by the Director (acting as Accounting Officer), the National Army Museum Council and the SLT to be a going concern for the foreseeable future. This is evidenced by:

- The support it has received historically and continues to receive with its allocation of GiA. NAM has received confirmation of its Grant-in-Aid allocation of £7,181,000 for 2024-25.
- The Museum having an ongoing written commitment of support from the Sponsor Department for 2025-26 issued on 3 May 2024.
- Further evidence of support is contained in the recently signed (with effect 1 April 2024) Financial Framework document between the Sponsor Department and NAM. This document is the agreement between both parties on the Strategic Priorities for the following five years with a status review in five years (2028). The document has been laid in the libraries of both Houses of Parliament and made available to members of the public.
- The Independent Public Body Review of the Service Museums 2023 (formerly known as Triennial Review) recognises the Service Museum's support of the heritage objectives of the MoD and recommends their retention as ENDPBs/NDPBs. The review further also identifies "that there is no immediate economic value for any MOD service museum to cease their operations".

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

PERFORMANCE ANALYSIS

Strategic Objective 1:

Connect the British Public to the Story of Our Army

The Museum views that informing and exciting our audiences through events and public engagement has always been at the heart of how the National Army Museum has delivered its objectives in the Royal Charter Mission. This year has seen a modest but steady return of in-person audiences for both well-established and new formats and activities. Our aim is to curate a sustainable and enduring core programme, while retaining the ability to be innovative and creative, responding to opportunities when they arise.

1.1 Public Programme and Special Events

Overall, there were 114 Public Programme and Special Event Activities, 47 of which, were the Friday Insight Programme, during this reporting period. Our in-person attendance grew by 25%, with digital attendance remaining consistent. Overall, our portfolio of public events drew over 13,200 attendees in-person, while around 10,000 attended online. Adult group visits accounted for over 2,000 visitors, including many Army and Veteran groups.

Our longstanding programme of weekly Friday lunchtime talks continues to provide a platform for established and early-career researchers, as well as showcasing new projects and partnerships. The varied topics reflected the range of the Museum's narrative and our rich collections, from Cromwell's "generalship" in the Civil War, to post-1945 challenges, including the Berlin Airlift, the Korean War, and the Falklands conflict.

Our Membership programme continued to offer a deeper level of engagement for enthusiastic supporters of the Museum. Nine exclusive events saw around 150 Members attending, while many more took advantage of discounts on ticketed public events. Our magazine, *Muster*, saw two editions providing a behind-the-scenes insight into the Museum's work.

Many events connected with new audiences and saw visitors engaging with us for the first time. A particular highlight was a packed house to hear the Rolling Stone Bill Wyman speak about his wartime childhood.



Bill Wyman speaking about 'Billy in the Wars' with Dr Glyn Pryor

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The Museum continued to expand its new series of film screenings and expert conversations about the Army on Screen, most recently focussing on the iconic films of Zulu, 1917, The Life and Death of Colonel Blimp, and Ridley Scott's divisive take on the blockbuster film Napoleon.

On a lighter theme, the Museum was again the scene of music and mirth during three sell-out sessions including a new Scottish Cèilidh alongside our perennial crowd-pleaser the D-Day Dance.



Ceilidh Dance at the National Army Museum

1.2 Chelsea History Festival

The Museum participated in the fifth annual Chelsea History Festival in partnership with the neighbouring Royal Hospital Chelsea and the Chelsea Physic Garden. The programme had a total of 82 activities with an in-person attendance of 8,109 across the festival period. As in the previous years, the programme consisted of a series of book talks and discussions, musical performances and a vibrant programme of family activities from living history to stalls and crafts. It also sought to act as a place to pause and reflect on our past. The growth of 'History Street', the interactive event on Burtons Court, engaged visitors, in particular local communities, bringing history to life with living historians, serving military units and local cultural organisations.

1.3 Army Engagement

The Museum has helped the Army to continue to connect with its heritage in some key locations and those areas where there is high level defence engagement. This year we have collaborated with the Royal College of Defence Studies (RCDS) to provide a new hang at their location in Belgrave Square. The Museum has led the work to include partners from the National Museum of the Royal Navy (NMRN) and the RAF Museum (RAFM) to represent works across the defence domains.

1.4 External Collaboration

We expanded our partnership work to leverage the power of collaboration to enhance our reach and impact with audiences. Sixteen different groups and organisations helped us to deliver talks, workshops, and creative sessions, from the Royal United Services Institution to the Dresden Trust and the Museum of Military History, Berlin. We partnered with the military uniform makers Gieves and Hawkes, and Hand and Lock, as well as the Historic Royal Palaces and

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

the Poppy Factory. We also worked with Army and Veteran communities, from the Korean Veterans Association to the War Widows Association, and the Women's Royal Army Corps Association

1.5 Schools

For the reporting year 2023-24 the onsite formal visits rose to 9,211 (2022-23, 9,169). Despite the increased uptake for the onsite workshops, the virtual workshops have remained popular with 5,625 attendees (2022-23 4,002). The Learning Team continue to create and publish learning resources for schools. In April 2023, the team launched a free online film with accompanying resources on the British Army liberation of Bergen-Belsen concentration camp in 1945. The film has had more than 100,000 views and is one of the most popular resources produced by the Museum. Additionally, the learning team has begun hosting work experience placements for year 10 and year 12 pupils.



KS4 pupils take part in a history workshop called 'World at War: Soldiers of Empire'

1.6 Membership Programme

The Membership Programme continued to grow with member-only events and day visits. These included the Honourable Artillery Company, showcasing the incredible work of the military, as well as a visit to the Poppy Factory to explore the history behind the Remembrance poppies.

The Museum, taking onboard some legacy comments from long serving members, sourced a new payment provider, improving the ease of payments for new and renewing members.

1.7 Digital Outreach

It has been another positive year for website engagement, with the Museum achieving website visits for the year of 3,671,732, compared to 3,285,743 for 2022-23, which represents a 12% increase on last year's figure. This shows continued positive improvement and the Museum maintaining its position as a top resource, and relevant and trusted source for Army history and fact checking.

Digital advertising continues to be a useful and cost-effective part of our media campaigns and has seen our audience segmentation model being utilised to target and attract key audience segments more directly. Paid digital advertising is focussed on attracting more generalist audiences, who may not know about the Museum, but are looking for a cultural day out and to learn something new. These audiences cannot be reached with the Museum's owned digital channels, so spend in this area is vital to continue to increase web traffic and raise the profile of the Museum as a visitor attraction. The focus of these campaigns was largely to drive awareness of the Museum and convert as many of those as possible to plan a physical visit to the Museum.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

1.8 Marketing Operations

The Museum continues to build back its marketing and communications work after a halt of all marketing activities during Covid recovery in 2022. The first major outdoor advertising brand campaign was undertaken in April 2023 to coincide with the opening of the refreshed 'Conflict in Europe' gallery. For the first time since 2017, new Museum creative designs could be seen at sites across London, including major landmark poster sites at London Victoria, the nearest main railway station to the Museum. This campaign included marketing of the newly refreshed 'Conflict in Europe' gallery. It included targeted digital marketing activity and a local leaflet drop, all to begin to rebuild local community and footfall awareness of the Museum in line with an audience strategy being developed by the new Communications team.



One of the landmark poster sites at London Victoria Station in April 2023

To start building the grassroots of the Chelsea Heritage Quarter and increase engagement with local supporter, Cadogan, the Museum took part in the annual Chelsea in Bloom competition for the first time in May 2023. The installation was a huge success, increasing footfall, café spend and winning the 2023 Innovation Award.



WO2 Johnson Beharry VC with the Museum's Chelsea in Bloom exhibit in May 2023

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The Communications Team focussed efforts in the summer to build an effective campaign for the 2023 Chelsea History Festival, seeing the most tickets ever sold in the festival's 5-year history. Work was also done to promote the opening of the refreshed 'Army at Home' gallery in September, and the temporary exhibition 'Shakespeare and War', in October.

The 2023-24 financial year continued to see improvements in visitor figures and public awareness of the Museum, with a marketing campaign for February half-term 2024 seeing a 40% increase in onsite spend and 10% more attendees to the Museum's free family workshops compared to the same period in 2023. Looking forward, the Museum will continue to focus on paid campaigns targeting generalists with a view to increase awareness of the Museum, conversion to visiting and then to encourage onsite spend as part of their visit.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Strategic Objective 2:

Becoming the Leading Authority on the History of Our Army

Our long-term plan is to establish the National Army Museum as a centre of research excellence, an ambition which was highlighted as a priority in the recent Service Museums Review (formerly the ‘Triennial Review’). New infrastructure and processes were established to strengthen our research culture, including a Research Register for staff outputs, and a Collections Research Group bringing together research-active staff across several departments to provide a forum for collaboration and peer support.

Activity for this year can be grouped into the following areas.

2.1 People

The Museum recognised that post Covid-19 there was an opportunity to incrementally refocus its staff organisation to better meet the needs of the Strategic and Business plans going forward. Elsewhere in this report are highlighted the reorganisation of the SLT and reporting chains via the SLT.

Experts from the National Army Museum were supplemented by speakers from 28 different institutions including the Royal Military Academy Sandhurst, as well as many universities across the UK including Birmingham, Bristol, Cambridge, City of London, Edinburgh, Essex, Hull, Kent, King’s College London, Leeds, Liverpool, Liverpool John Moores, London School of Economics, Newcastle, Northumbria, Nottingham Trent, Oxford, Reading, Royal Holloway, Sussex, University College London, Wolverhampton, and York St John.

2.2 Archives

During this period, work continued to improve knowledge and awareness about the archive and library collections, and to provide improved access to the NAM’s research collections. Progress has included the papers of Lord Roberts, the Royal Army Education Corps, and MOD Establishment Tables. A significant donation to the archive has been the papers of the First Aid Nursing Yeomanry (FANY), and the Museum is working with volunteers from the FANY to provide access to the collection, including possible future digitisation. Significant other acquisitions and donations to the archive collections range from the papers of the Army Football Association, an order book from the Seven Years War, papers of Adjutant during the Peninsular War, and correspondence of the Worshipful Company of Founders covering the support given to men of the London Irish Rifles, 1940-1946.

2.3 Research Outputs

National Army Museum staff and Postdoctoral Fellows published new scholarship in a wide range of different formats and channels. This included books, peer-reviewed articles and book reviews in academic journals, from specialist military history publications such as the *Journal of the Society for Army Historical Research* and the *British Journal for Military History*, to mainstream academic outlets such as *History* and *Historical Research*. Staff contributed invited papers at several academic conferences, with settings ranging from Oxford and York to Salzburg and Lisbon. Public history continues to be a key activity for the Museum. Staff have engaged public audiences and shared their expertise through the Museum’s own programmes, and in other institutions and venues, as well as contributing to a range of broadcast media including podcasts. Museum staff also played an active role in the wider research community, by contributing to the Arts and Humanities Research Council’s Peer Review panel, the editorial board of the *British Journal for Military History*, and as Associate Fellows of the Institute of Historical Research.

2.4 Academic Partnerships

Research was a key driver of partnership working, with outcomes for the Museum’s programme and wider benefits. It also contributed to the Museum’s international collaborations, creating opportunities such as a joint event with the

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Dresden Trust exploring and celebrating the Anglo-German relationship. The Museum hosted the annual AGM and Templer Prize ceremony for the Society for Army Historical Research, as well as the annual Denis Showalter Lecture, the flagship public event of the International Society for First World War Studies. Several funding applications were submitted in tandem with academic partners. One successful bid resulted in an award from the University of Essex Enterprise and Knowledge Exchange Fund to enable a project exploring Colchester's identity as a garrison town.

2.5 Army Research Partnerships

The Museum continued to develop its collaboration with the Royal Military Academy Sandhurst (RMAS). The Centre for Army Leadership hosted its annual conference in Chelsea, and a joint CAL-NAM Essay Prize was organised and awarded by experts at both institutions. Several RMAS researchers presented their work through the Museum's public programme, showcasing scholarship in military history and related fields. A more formal partnership is in preparation, with the intention of forming a research institute to enhance and amplify expertise across the Army's academic research environment.

2.6 Grants and Fellowship Scheme

The Museum partnered with the Society of Army Historical Research to support its programme of prizes and grants which encourage research into the history and traditions of Our Army. In addition, the Museum's own postdoctoral fellowship scheme expanded with a new appointment at the University of Birmingham. National Army Museum Fellow Dr Eamonn O'Keeffe was awarded the 2023 André Corvisier Prize from the International Commission of Military History (ICMH), which is awarded to the best PhD thesis in military history completed in the past calendar year, as well as the Pollard Prize for the best presentation at an Institute for Historical Research (IHR) seminar

2.7 War Graves Research

Specialist research continued to be provided on behalf of the Army to support the Ministry of Defence's Joint Casualty and Compassionate Centre to assess cases of potential non-commemoration. Cases dating from both the First and Second World War were investigated, many relating to the Western Front. Several rededications took place thanks to this historical research, many of which were attended by the families of those who died while serving their country but who were not previously identified.

2.8 Regimental and Corps Museums

The National Army Museum Regimental Museums Liaison team has continued face-to-face and hybrid engagement with the Regimental and Corps Museums. Further details of their excellent work is fully highlighted under Strategic Objective 4.

2.9 Templer Study Centre

Visits to the Templer Study Centre (TSC) have continued to increase. The Centre attracted a total of 1,127 users. The Museum answered 2,015 enquiries. This figure although down on previous numbers reflects the addition of online resources provided by the Museum allowing enquirers to find answers to their questions directly. A selection of Army Lists and reference materials have been made available on the open shelves of the TSC to improve the research offer and support users in their studies.

Favourable feedback for the Museum's study centre continues to reflect improved engagement with stakeholders including a steady stream of group visits and participation in learning programmes. The team continues to host overseas placements from the CAPA: Global Education Network scheme, as well as increased engagement with London universities, hosting two history student placements, while the 'secondment' programme for our front of house team provides additional skills and experience through the support of larger projects.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Strategic Objective 3:

Safeguard, and make accessible, our collections, and expertise, to the widest possible audience

During the period, NAM carried out a phased refresh in the main permanent galleries. This was a planned undertaking post the 2017 redevelopment, taking into consideration the care and rotation of the Collections and visitor feedback. Once the refreshment programme of the permanent galleries is completed, they will provide a coherent understanding of our Army allowing us to engage a wide range of visitors through layered interpretation.

3.1 Gallery Refreshment Programme

The permanent gallery refreshment scheme continued with the opening of the ‘Army at Home’ and ‘Conflict in Europe’ galleries in 2023. The galleries have enabled us to highlight soldiers’ values and the contributions made by regiments from the Commonwealth. Work has commenced to refresh the Soldier Gallery, which examines the experiences and values of soldiers in their own words. Whilst prepared in this reporting period, the gallery will re-open to the public in the Autumn of 2024. Further, the Museum’s Audience testing, which indicates a demand for more family-focussed content, has led to the development of a family stamper trail throughout the galleries for younger audiences which will take place during the latter part of 2024.



Entrance to ‘Conflict in Europe’ Gallery

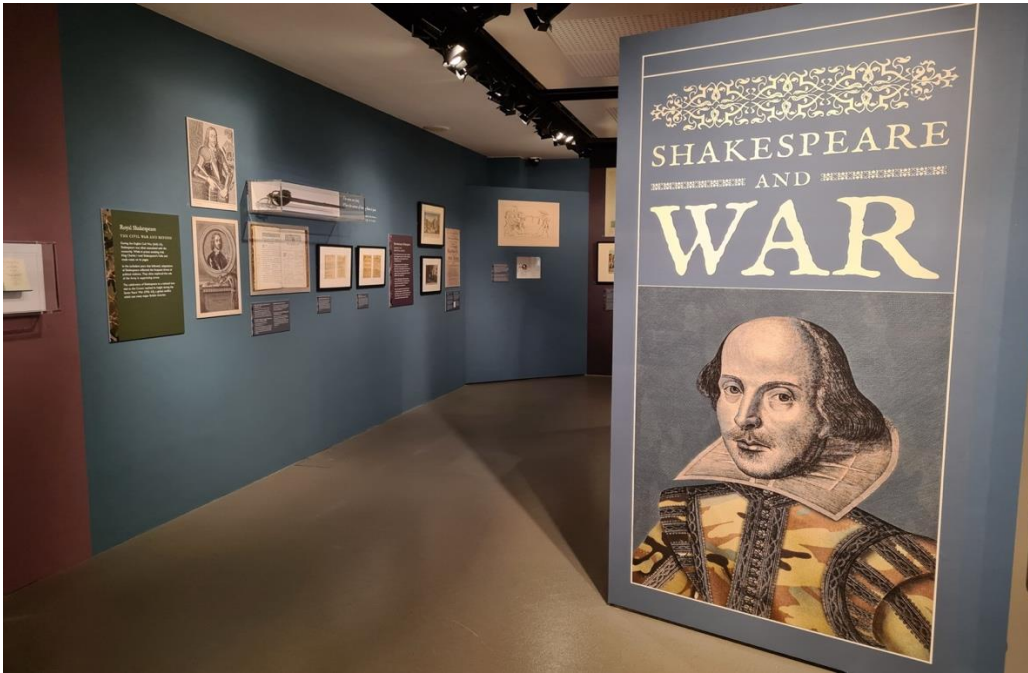
3.2 Focus Gallery

Supplementing the gallery refreshment activity, the Museum has continued its temporary exhibition programme during this period by continuing (due to feedback from visitors) the ‘Foe to Friend’ exhibition which showcases the Army in Germany (British Army on the Rhine) post World War 2 up to the drawdown from Germany in the 1990s.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024



Shakespeare and War exhibition in Focus

The temporary exhibition ‘Shakespeare and War’ was opened during this period in collaboration with Kings College, London, which connected the public to our Army. Through an innovative, academic narrative this exhibition explored how Shakespeare has been used to recruit, ridicule opponents and sustain morale across the centuries. It was partially funded by Kings College London and provided the opportunity to exploit an academic partnership for mutual benefit. The exhibition explored historical changes to the Army and its enduring legacy whilst also capitalising on the press around the Bard’s 400th birthday.

Several smaller exhibitions were also created.

Remembrance and its values have also been a theme in our displays. In November we collaborated with the University of Liverpool to display the War Widows quilt which accompanied an event and explored the impact of losing a serving loved one. In March, as part of a new partnership with the Army Dependents Trust (ADT) and the Army Central Fund (ACF) we also displayed the Army Roll of Honour books on the 4th floor which list all those who have died in the service of their country since 1948.

In May, the Museum also marked the accession to the throne by His Majesty King Charles III with a display of coronation medals, documents and imagery charting the involvement of our soldiers at Coronations, and the unique role of the monarch as Commander-in-Chief of the British Army.

3.3 Museum Foyer Displays

The Ukraine exhibition featured in the Foyer at NAM before touring regimental museum locations around the country. This exhibition was curated by Dr Daniel Cowling one of the Museum’s historians. Utilising the in-house academic expertise, it detailed how the roots of conflict were laid after the Crimean War and the current support given, in many forms, by the Army.

As part of our contemporary collecting activity, we commissioned and displayed a bust of a current soldier as a companion piece to the Tommy sculpture from the First World War. The bust by Ian Wolter can be seen on the 4th floor. As part of the research undertaken during this project, we now believe that the original Tommy Sculpture was created by the famous sculptor Charles Sargeant Jagger (1885-1934).

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

3.4 Collections Centre, Stevenage

Stevenage has continued to facilitate visits for the public with the Collection Division team hosting 22 pre-booked visits where 332 collection objects were made available for study.

3.5 Collections Development

The Museum continues to respond to every offer received for the donations of collections material, as these form the majority of material entering the collections. Offers are considered in line with the Collections Development Policy (CDP) to avoid duplication, or material that would find a more suitable home in another collection. In addition to unsolicited offers, all major sales and specialist auctions continue to be monitored. Activity at auction remains strong, though in some cases success is not always guaranteed.

The Museum has also conducted a survey of military vehicles held in public collections. This census has revealed over 800 vehicles. It will help the Museum consider acquisition of large objects as the Army re-capitalises, and show areas where vehicle types are poorly represented, as well as areas where there is duplication. Both of these factors will help inform not only future collecting activity, but also longer-term storage requirements.

Transfers which have been received from the Army this year have included modern firearms. These have filled gaps in the Museum collection, and the opportunity has also been taken to bid for firearms for Regimental and Corps Museums, which have then been passed on, subject to suitable licences being held.

3.6 Collections Management and Care

The Museum Standards and Care team continues to provide high standards of documentation, care and management of the Museum's collections. This year focus has driven work towards improving documentation in line with the Documentation Plan and over 10,000 items had their locations confirmed and 26,728 items have been audited. Significant work has been undertaken to improve historic backlogs and focused projects around the Sealed Pattern collection have contributed to this. The team also worked to ensure all objects in the collection have an appropriate value to support the valuation of heritage assets in the balance sheet.

The Standards and Care team, working with the Technical Services team and other museum stakeholders, tendered for a new Collections Management System (CMS). The documentation staff supported this procurement with data cleaning and mapping of information.

Significant work has been undertaken by the team to prepare, display and install objects for the At Home Gallery. The team's focus is currently on delivering support to the Operation Refine project by retrieving and assessing items, plus the conservation and documentation of items for the upcoming Soldier Gallery which opens in Autumn 2024.

The team have continued to support the volunteer programme by recruiting over 10 volunteers to a range of projects this year and have contributed towards the Regimental Museum Training sessions by introducing an "Introduction to Conservation" day at Stevenage.

3.7 Notable Acquisitions

The archives collections have acquired through auctions a number of early archives from the 17th and 18th Centuries. The earliest is a bound parchment book, 'Muster Book of the King's Army, 1641', inscribed to Sir Jacob Astley and dated 5 March 1641. Jacob, first Baron Astley of Reading, was a Royalist army officer, (1579-1652) and this muster book provides details of the army of King Charles I prior to the Civil War.

In addition to this a very early and rare bound volume, bearing the armorial binding of Charles Montagu, 1st Earl of Halifax (1661-1715) and First Lord of the Treasury in 1714, documents the establishment of guards, garrisons and land forces as they existed on 1 April 1692. At the same auction the Museum also acquired a bound order book, in an

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

unidentified hand, but possibly that of Sir Frederick Evelyn, Elliot's Light Horse (15th Light Dragoons), covering the period 6 February to 20 May 1761, recording standing orders, movements and instructions for an unidentified regiment during the Seven Years War. A partnership with the National Portrait Gallery (NPG) was established to secure an extremely rare oil on canvas by Philip de Laszlo, depicting two Indian Cavalry officers in 1916. The partnership secured funding from both the National Heritage Memorial Fund (NHMF) and the Art Fund to help meet the purchase price of £650,000. Despite the signing of a contract to secure the work with the vendor, it was sold to a private buyer, before the contract could be completed. Written representations have been made to the Department for Culture, Media and Sport (DCMS) to try and prevent this happening in the future.

3.8 Collections Audit

The Collections Standards and Care Team, based primarily at the Reserve Collection storage site in Stevenage, have been heavily engaged over this period in removing collections from display and preparing collections for the new exhibition displays. Simultaneously the team have been carrying out their audit work in preparation for the transfer of data to the new Collections Management System which is due to be rolled out late 2024.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Strategic Objective 4:

Enable and Support Networks of Military Museums and Heritage Organisations, in the UK

4.1 Support to Regimental and Corps (R + C) Museums

This year the NAM's Regimental and Corps Museum Liaison Team has added more new training for Regimental Museums, has increased the accessibility of that training by making more of it available online and has pioneered new forms of training by adding 'bitesize' programmes. These are one-to-two-hour training sessions, exclusively online and covering important practical topics in easily digestible, punchy workshops. At the other end of the scale, Masterclass training has been provided on more niche topics. With the number of taught sessions now exceeding thirty per year, the NAM is unquestionably the sector leader in the provision of specialist training to R+C Museums and is seen as a key ally to those museums offering support and advice, as well as crisis response in the event of an emergency, all of which is offered free of charge.

Training courses provided by the team this year include:

- Regimental Curators' Course (x2, 5-day course)
- Modes (CMS) training, beginners and advanced (x6)
- Radiation safety in museums (x2)
- Introduction to communications
- Public records
- Army 101 (x2)
- Imperial legacies
- Hazards in collections
- Managing our information (archives training)
- Governance training for Curators
- Governance training for Trustees
- Writing a fundraising strategy
- Introduction to museum learning
- Introduction to conservation
- Firearms training (x3)
- Fundraising
- VC Masterclass

Feedback from attendees is invariably extremely positive with attendance for the training continuing to increase necessitating additional courses to be provided due to oversubscription.

4.2 Advisory and Advocacy Service

The ongoing work of the Advisory and Advocacy Service sees the team receiving and processing the many requests for advice and assistance from the network. To assist with this work, NAM's weekly bulletin or e-newsletter has now become a vital element in the teams communication with the network. Not only does it advertise the training and event programmes and offer out NAM disposals, cases, plinths and touring exhibitions, it also offers the Regimental Museums the opportunity to communicate their own events and offers to their fellow museums. Visits to Regimental Museums by the Team continue apace with at least four visits out per month, NAM continues via its own funding to provide membership for all R+C Museums to the Association of Independent Museums (AIM).

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

As part of this service, the NAM's annual Regimental and Corps Museums conference, now in its eighth year, is provided every April. It has become the must attend event for all Regimental Museums with presentations by key stakeholders including MOD Heritage branch. This year's conference again broke attendance records. Finally, the team continues to represent the NAM at the MOD heritage committees and panels, providing both advice to the Sponsor Department and representing and advocating for the R+C museums network.

4.3 Networks

The regional and specialist subject networks, convened and supported by the NAM, continue to meet and interact up to four times per year. The networks provide useful opportunities for regional museums to work together and offer mutual support, as well as giving them direct access to the NAM, MOD heritage branch and the Arts Council. NAM's team endeavours to attend all meetings in person. While most of the networks go from strength to strength, it has become clear that two have lost ground since the pandemic, with a reduced meeting schedule. The NAM's team has undertaken to give more focus and support to these networks to bring them back to their pre 2020 positions.

The current established networks include:

- Association of Scottish Military Museums
- Northern Military Museums Network
- Eastern Military Museums Association
- Wales and West Army Museums Network
- London Military Museums Network
- Southern Army Museums Network
- Corps Museums Network

In addition to these networks, there are also the Royal Anglian Heritage Association, The Royal Armoured Corps Network and the Airborne Forces Museums Network. These networks are also supported by the NAM but are not convened by or initially set up by NAM.

This year the NAM, in partnership with the Imperial War Museum and the Tank Museum, has founded a National Military Vehicles Register, with the ambition of locating and logging all military vehicles within the national collection, in the hope of safeguarding and preserving this important piece of our military heritage. The first stage (surveying and logging all vehicles in Regimental and Corps Museums) has been completed.

The NAM continues to view these networks as an important part of the Museum's work, a great opportunity for consortia fundraising efforts and key to maintaining the MOD's regional footprint.

4.4 International Partnerships

This year NAM has continued to welcome senior visitors from foreign and allied powers, with multiple visits from Saudi Arabia, India, Pakistan, Poland and many others.

This year has also seen a marked increase in the NAM's co-operation with the Defence establishment in London. In addition to meeting spaces provided and heritage meetings attended, NAM has partnered with both the Global Defence Network and the consolidation studies course to provide a regular briefing for British Defence Attaches and Advisors about to take up their positions and a regular ceremony of welcome for incoming foreign defence staff taking up positions in the UK. Going forward both of these briefings will continue.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

India remains a key partner under the umbrella of the British Indian Military Heritage Partnership and the annual Military Curators Course was once again held in Delhi in November. This year the team were able to further support the United Services Institute (USI) of Delhi by taking part in their first Regional Military History festival (a weekend conference attended by all three Service Chiefs and the Defence Minister). In addition, the NAM and the USI collaborated on a temporary exhibition on the British Indian Army of the First World War, hosted in Chelsea from August to November. As well as being open to the public, this exhibition was attended by several senior British and Indian Officers including the serving Chief of the Army Staff, General Pande.



Chief of the Indian Army General Staff meets the Museum's Chairman Lt Gen Sir Simon Mayall

As well as undertaking project work with Hungary and Poland, NAM staff have attended project meetings in Poland, France and Hungary

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Strategic Objective 5:

Build greater Financial Resilience, Organisational Efficiency and Sustainability (Primary Enabling Objective)

5.1 Fundraising

Future financial resilience will depend on a step change in the Museum's ability to raise funds through philanthropy, public sector grants, corporate sponsorship, and donations. With limited internal capacity, the priority during this period was to recruit a small team to focus on these aspects of the Museum's work and support colleagues in achieving external income associated with their areas of professional responsibility. Donations were secured to support a research scholarship, sponsorship income for the Chelsea History Festival was renewed, and the annual Patrons programme included the Director's Battlefield Tour to Crete, which resulted in additional donations from the group.

The target for 2023-24 was to match the level of 2022-23. Unrestricted donation income totalled £56,000, an increase over the previous year's figure of £20,000. In addition, restricted donations excluding donated heritage assets were £70,000 (2023: £28,000).

The Museum is committed to good fundraising practice and has in place policies and procedures to ensure that all fundraising activity is carried out ethically, which is overseen by the Research and Development Committee. No complaints have been received by the Museum about fundraising activities carried out by the charity, or someone on behalf of the charity.

5.2 Trading

Overall trading income saw an uplift to £678K which compares to £599K in the previous year.

Play Base was the largest source of income during this period, generating an income of £153K. However, after 6 years of being open to the public with only necessary maintenance being carried out and to ensure the facility continues to maintain a safe and engaging space for our younger visitors, the Museum made the decision to carry out a major refresh of Play Base. This work entailed full closure for a period of two weeks in January 2024. This closure had a negative impact on income with this falling £6k on 2022-23. However, this drop in income still allowed the facility to match the pre-pandemic figure of £153k.

The popular children's Birthday Party offer was the next largest contributor to income, increasing income to £153K compared to £131K in the previous year. This uplift was a result of price increases for the package, an increase in parties delivered, from 97 parties in 2022-23 to 120 parties in 2023-24 and from an increase in the number of "paid for uplifts" applied to the packages.

Retail income increased this year, with overall income of £131K, compared to the previous year £100K. This was largely due to increased investment, in both time and money. A refreshed merchandise range was launched, with money spent on range planning, sourcing product and ordering. A stabilised and engaged retail team rather than the employment of agency staff also meant a more focused and knowledgeable sales approach.

Venue hire for both corporate and private hire saw a modest increase, with income of £86K across 73 hires as compared to £85k in 2022-23. The lack of appreciable growth was in part due to no Christmas or end of year party hire, compared to 4 hires in 2022-23, which brought an income of £18k.

5.3 IT Systems

During this reporting period, the Technical Services team has continued to refine both customer-facing and back-of-house services to assist in the realignment of the Museum's broader mission.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Working closely with the exhibition teams on the ongoing update of the in-venue customer experience, the team has successfully refreshed AV exhibits across both permanent and temporary exhibitions, as well as initiating the research and development of new content delivery and control systems.

The team has deployed robust payment and subscription services to better support the Museum's membership and patrons offering and ensuring financial transactions are trustworthy and secure. These services form the foundations for new retail systems currently under development.

During this period the team has also been heavily engaged in procurement, utilising the Government Procurement platform, of a new Collections Management System. Following extensive internal stakeholder discussion around the requirements and specification, vendors were invited to submit proposals in an open tender process. Tender proposals were received offering a wide variety of approaches and a successful vendor was subsequently selected. Work is now underway to migrate existing data and deploy the service.

Our use of best-of-breed, industry standard software platforms continue to deliver both stability and value for money across a wide range of museum operations. Our services offer new and innovative ways of improving productivity and deliver wide-ranging opportunities for expanding the Museum's reach into new, exciting areas. Our cloud-centric systems architecture ensures comprehensive interoperability between systems and ensures all users benefit from the world's foremost technology innovators.

The team continues to deliver valuable support for all aspects of the Museum's work by empowering the wider workforce in using technology effectively, helping to develop skills across the organisation and offering guidance in the use of our expanding digital toolkit.

5.4 Data Protection

Data protection is always at the forefront of the Museum's operations, and this is a standing item on the PARA Committee agenda. Staff carry out regular training on data handling based on the online software training and this is supplemented by regular meetings of the Information Asset Group which identifies issues and best practice. Regular training for new joiners and existing staff on data protection is coordinated with continued data cleansing work on the Museum's systems. There were six incidents of data breaches; all were assessed using the ICO assessment tool and deemed minor with appropriate actions taken, including notifications to data subjects and full documentation. An incident is defined as a loss, unauthorised disclosure, or insecure disposal of information. Recent penetration testing did not identify major issues.

5.5 Fraud

The Museum, working with the MoD Fraud Defence Team, has produced a Fraud Risk Matrix with Heat Map which is regularly reviewed. The last review was carried out in January 2024. The Museum is currently classed as Low/Medium risk. There were no known instances of fraud during this period. Staff carry out compulsory Fraud and Bribery Training as part of their induction which is revisited annually. Fraud is an agenda item which is reported on at the scheduled PARA Committee meetings.

5.6 Health and Safety (H&S)

The Museum continues to ensure that all staff, volunteers and contractors comply with the H&S procedures in place. Accidents are few and regularly reported to the PARA Committee as a standing agenda item. There have been no major accidents during the period of this report and no necessity to report any RIDDOR incidents to the Health and Safety Executive.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

5.7 Fire Safety

Fire safety training both theory, via the Museum's e-learning portal, and practical, are carried out regularly at the Museum. The Museum has regular visits from the local fire brigade where they acquaint all new members of the "watch" on the layout of the building and the potential hazards of the items stored within.

5.8 Emergency Planning

The Museum has its Emergency Plan which is regularly tested. Items requiring attention have all been closed and training for new starters has been implemented, especially with regard to working with hazardous materials e.g. collections containing asbestos and radioactive material. The Emergency Plan procedures were also examined as part of the H&S internal audit, which found no major shortfalls.

5.9 Environmental Policy & Sustainability Report

The Council and staff at the Museum recognise the need to operate in a sustainable manner and have established a committee which looks specifically at these matters. The committee's role is to advise on sustainability and environmental issues across the Museum's estate, its operations, and activities. The committee will monitor these developments, ensuring the National Army Museum meets the aims and objectives contained within the environmental policy.

5.9.1 Background

When the Museum undertook its redevelopment in 2015-17, within consideration of the design was the need to ensure that it met the current Building Information Modelling standards at that time. On completion of the redevelopment in 2017, the National Army Museum, Chelsea was awarded a Very Good BREEAM rating in design and construction.

The Museum has several initiatives in place to help maintain and further promote a more sustainable and environmentally aware institution which includes energy and utility conservation systems, a responsible recycling and waste management programme and conscientious use of environmentally friendly cleaning products.

5.9.2 Environmental Policy Statement & Aims

The Museum is due, in 2024, to review its Environmental Policy which sets out the ongoing commitment to improving sustainability across all our activities and estate. Our goal is to strive to be a more environmentally friendly organisation year on year.

The strategy contained within the current policy has been developed and approved by the Sustainability Committee and sets out clear objectives over a 3-year period to reduce the negative effects of our activities, make informed improvements to sustainability across all sites, and limit our emissions to assist in reducing the impact on Global Climate Change.

Alongside the policy, a series of broad aims inform specific, measurable, objectives. It is the responsibility of the Environmental Committee to monitor performance against these targets.

The National Army Museum has committed to the following policy statement:

1. As a minimum standard, ensure full compliance with relevant UK environmental legislation and other regulations;
2. Implement sustainable operational practices and solutions that will help achieve our long-term target of minimising our carbon footprint;

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

3. Train employees and maintain staff awareness on this Policy and environmental matters relating to both the Museum, its activities and wider environmental matters;
4. The Museum is committed to the prevention of pollution, including monitoring discharges and emissions into air, land and water to ensure they do not exceed consent limits;
5. Develop efficient waste management and recycling procedures throughout the Museum, monitor waste generation and recycling rates, follow the Waste Hierarchy, and progressively improve the use of recyclable and recycled materials;
6. Reduce the consumption of fossil fuels by reducing loads, by using renewable energy wherever possible or practicable, by improving the energy efficiency of lighting, power, heating and ventilation systems, and by the environmentally sensitive design of new and refurbished buildings;
7. Establish and maintain systematic procedures for monitoring energy consumption and associated carbon emissions across all sites;
8. Invest in a rolling programme of energy saving measures and commit to cost-effective energy efficiency projects across the Museum;
9. Avoid the unnecessary use of hazardous substances and processes, and take all reasonable steps to prevent damage to the public or the environment where such activities are essential;
10. Ensure product, material and environmental sustainability are considered in the design and construction of our exhibitions and galleries, trying wherever practicable to reuse material, use recyclable materials and reduce waste generation. Sustainability has also been a key factor in the gallery refinement programme and to support this the Museum offers free display furniture for future exhibits and re-cycling materials to regimental partners or NAMTL;
11. Provide improved, sustainable, and more accessible facilities and services to encourage staff, volunteers and the public to walk, cycle and use public transport or low emission vehicles and reduce the impact from exhibitions and collections transport;
12. Maintain and conserve the Museum's estate to protect natural habitats and provide an environment that is of benefit to staff, the public and the local community;
13. Promote a purchasing policy that will give preference to those products and services that cause the least harm to the environment;
14. Collaborate with appropriate external organisations to improve our understanding of environmental problems and their solutions;
15. Evaluate the environmental policy of contractors through the procurement process. Ensure contractors observe good environmental practice when working on Museum premises and work with them to improve environmental performance;
16. Encourage suppliers and contractors, through appropriate specifications, to develop and supply environmentally preferable goods and services;

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

17. Give full consideration to the impact on the environment before committing capital expenditure or entering into any new venture or project;
18. Periodically review this policy and the Museum's environmental management performance and monitor progress against objectives and targets to ensure continual improvement.

5.9.3 Performance Report for the period 1 April 2023 – 31 March 2024

Introduction

Since the last period of reporting, the Museum has continued with its aims and objectives to become a more sustainable organisation. It has been promising to note both the take up and improvements on previously set initiatives and projects including, for example, the installation of electric car charging points across the Museum estate, the introduction of new waste streams for recycling, efforts to reduce energy consumption and improve efficiency, and a rigorous effort to consolidate data from various sources for emission reporting. Promoting the use of video links, i.e. Teams/Zoom wherever possible to reduce the requirement for 3rd parties and colleagues to travel and when such is required to actively promote use of public transport / car sharing.

The Museum also continues to achieve its sustainability goals through its commitment to improving the sustainability of its day-to-day operations and by pursuing its policy aim and objectives. Progress is monitored via a tracker and is reported quarterly to the Council of National Army Museum.

Carbon Emissions

Overview

The Museum has made great progress calculating its carbon emissions, using the period April 2019 – March 2020 as a baseline. To achieve this, the Museum has developed a carbon emissions tracker to calculate and report its carbon emissions as accurately as possible within the parameters of the available data. The data which is available in this period's performance report and is reported in tonnes of CO₂e and expressed to two decimal places.

Methodology

The data relates to Scope 1, 2, 3 emissions from across the Museum estate, the National Army Museum, Chelsea and the National Army Museum, Stevenage (this includes both sites).

When determining the organisational boundary, the Museum has decided not to include in its Scope 3 reporting, emissions from contractors and partners which provide contracted services on behalf of the Museum.

For consistency all data has been converted into kgCO₂e using the UK Government GHG Conversion Factors for Company Reporting published annually by the Department for Business, Energy, & Industrial Strategy and the Department for Environment, Food and Rural Affairs.

Other resources include the *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance* (March 2019) and the *Sustainability Reporting Guidance: 2023-24* published by HM Treasury.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

| Scope 1 Emissions | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 (Benchmark year) |
|--|---------------------------------|---------|---------|---------------------|---------|-----------------------------|
| Non-financial indicators (tonnes CO2e) | Gas (Statutory Combustion) | 168.13 | 162.32 | 221.08 | 234.09 | 250.89 |
| | Fugitive Emissions | 5.67 | 29.13 | 333.89 ² | 2.80 | 0 |
| | Business Travel (Owned Vehicle) | 1.75 | 1.86 | 0.69 | 0.69 | 1.98 |
| | Total | 175.55 | 193.31 | 555.66 | 237.58 | 252.87 |

| Scope 2 Emissions | | | | | | |
|--|---------------------|--------|--------|--------|--------|--------|
| Non-financial indicators (tonnes CO2e) | Electricity (total) | 328.27 | 309.34 | 336.58 | 337.06 | 433.49 |

| Scope 3 Emissions | | | | | | |
|---|---|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| Non-financial indicators (tonnes CO2e) ¹ | Transmission and Distribution – Electricity | 28.40 | 25.30 | 29.78 | 28.98 | 36.80 |
| | Business Travel - Air | 2.78 | 1.95 2.66 | 0.46 0.75 | 0 0 | 1.10 1.76 |
| | Business Travel - Land | 4.67 | 1.21 1.83 | 0.76 1.02 | 0.55 0.62 | 1.75 2.44 |
| | Freighted Goods (Transport of Exhibits) | 0.26 | 1.08 | 0.13 | 0.34 | 0 |

¹ Recalculation of baseline and prior years data (previously reported figures are shown crossed out).

² The 2021-22 figure is unusually high due to loss of F-Gas from an air conditioning unit in Stevenage and the installation of a new freezer which required filling with refrigerant.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

| Scope 3 Emissions (continued) | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 (Benchmark year) |
|---|--------------------|---------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Waste Disposal | 0.74 | 2.66 | 0.93 | 0.56 | 1.49 |
| | Water Supply | 0.53 | 0.42 | 0.37 | 1.00 | 1.44 |
| | Total ¹ | 37.38 | 32.62 33.95 | 32.43 32.98 | 31.43 31.50 | 42.58 43.93 |
| Total GHG emissions & Intensity Ratio | | | | | | |
| Net Emissions (tonnes CO ₂ e) ¹ | | 541.20 | 538.26 539.59 | 624.68 625.23 | 606.09 606.16 | 728.94 730.29 |
| Total annual visitors (tonnes CO ₂ e) | | 0.003 | 0.003 | 0.084 | 0.052 | 0.003 |
| Full-time staff equivalent (tonnes CO ₂ e) ¹ | | 6.14 | 6.28 6.30 | 8.24 | 8.22 | 8.82 |

| Energy Consumption | | | | | | |
|--------------------------------------|------------------------|-----------|-----------|-----------|-----------|-----------|
| Energy Consumption (thousand kWh) | Gas | 934,097 | 901,768 | 1,207,032 | 1,273,106 | 1,364,636 |
| | Electricity | 1,585,282 | 1,599,663 | 1,585,187 | 1,445,735 | 1,695,979 |
| | Total | 2,519,379 | 2,501,431 | 2,792,219 | 2,718,841 | 3,060,615 |
| Financial Indicators(£) | Total Energy Costs (£) | 303,158 | 289,841 | 252,843 | 261,899 | 277,718 |

The Museum currently monitors and records its consumption of electricity & gas on a monthly basis.

The Museum is committed to procuring renewable energy where practical. Electricity supply at National Army Museum, Chelsea is currently subject to Renewable Obligation.

The Museum will look at options to increase, where possible, the proportion of energy consumption from renewable sources such as solar and wind.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

All lighting in the office, meeting rooms and stairwells are triggered by movement sensors with a set run time. Office and meeting room lights are sensitive to ambient lux levels.

Gallery lighting are LED and utilise sensors to reduce consumption. Lights automatically dim when not required. Back of House lights are similarly controlled. The majority of Chelsea lighting, excluding necessary security elements within public areas, is timed to be turned off at 1800hrs daily.

New LED lighting has been installed partially at NAM Stevenage and Chelsea, with the intention of further replacements year on year, within budgetary constraints.

| Water Consumption³ | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 (benchmark year) |
|--------------------------------------|----------------|----------------|----------------|----------------|---|
| Non-financial indicators (m3) | 2,975 | 2,830 | 2,490 | 2,914 | 4,179 |
| Financial Indicators (£) | 8,114 | 7,230 | 12,627 | 31,729 | 9,064 |

The Museum currently implements a daily flushing program as part of its building maintenance program. This is a necessary function to minimise the risk of Legionella for the protection of staff and the public but has disrupted attempts to reduce consumption and waste.

³ Water Consumption is an estimate based on data provided by the water company.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Waste Management and Recycling

| Waste Generated | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 (benchmark year) |
|--|---------------------------------|----------------|----------------|----------------|----------------|---|
| Non – Financial indicators (metric tonnes) | General Waste (waste to energy) | 21.10 | 20.10 | 14.70 | 7.88 | 27.40 |
| | Recycled | 10.34 | 20.23 | 15.32 | 7.88 | 27.60 |
| | WEEE | 0.00 | 0.02 | 0.50 | 0.00 | 0.00 |
| | Paper | 1.23 | 10.27 | 8.61 | 8.94 | 9.11 |
| | Construction*** | 3.56 | 48.00 | 40.00 | 40.00 | 64.00 |
| | Hazardous | 0.48 | 0.36 | 0.92 | 0.00 | 0.00 |
| | Metal | 1.24 | 0.98 | 1.89 | 0.00 | 2.54 |
| | Acrylic | 0.32 | 0.19 | 0.00 | 0.00 | 0.00 |
| | Terracycling | 0.02 | N/A | N/A | N/A | N/A |
| | Total Waste | 38.29 | 100.15 | 81.94 | 64.70 | 130.65 |
| Financial indicators (£) | General Waste (waste to energy) | 4,037 | 5,166* | 3,734* | 1,967* | 6,414* |
| | Recycled | 3,140 | 3,444* | 2,489* | 1,311* | 4,607* |
| | WEEE | 0 | 0 | 0 | 0 | 0 |
| | Paper | 1,399 | 3,047 | 2,335 | 2,266 | 1,876 |
| | Construction | 1,500 | 2,503 | 2,060 | 2,060 | 2,940 |
| | Hazardous | 936 | 991 | 2,367 | 0 | 0 |
| | Metal** | 0 | 0 | 0 | 0 | 0 |
| | Acrylic | 336 | 224 | 0 | 0 | 0 |
| | Terracycling | 267 | N/A | N/A | N/A | N/A |
| | Total Waste | 11,615 | 15,375 | 12,985 | 7,604 | 15,837 |

* Costs for General Waste (waste to energy) & Recycling are estimates based on a 60/40 ratio for these periods.

** The cost of metals waste is negative due to income received from recycling.

Alongside regular collections of general waste and recycling, the Museum has dedicated streams for the recycling of metals, confidential, acrylic, batteries, nitrile gloves, crisp & sweet packaging and hazardous waste and operates a Zero to Landfill policy.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

General waste is sent to energy recovery and mixed recycling is collected at all sites. The Museum has in place effective metal recycling. All WEEE and hazardous waste is safely stored, removed, and disposed of by licensed and experienced contractors.

The Museum café is operated by a third-party contractor at National Army Museum, Chelsea who are responsible for the recycling of food waste and cooking oil. As this is outside the Museum's organisational boundary, data has not been included above.

Food waste produced by the Museum's café is currently collected in a separate waste stream to the General Waste. In addition, the café subscribes to the Too Good to Go app for the disposal of certain food items. Food waste from the staff kitchen is included in the General Waste.

*** For 2023-2024, skip exchange invoicing and weight returns have been used to provide the weight totals. Previously, the construction waste has been an estimate and was calculated by multiplying the maximum load weight of 16-yard skips with the relevant conversion factor.

| Paper Use | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 (benchmark year) |
|--|-------------|---------|---------|---------|---------|-----------------------------|
| Non-Financial indicators (A4 reams) | Total | 190 | 305 | 80 | 45 | 345 |
| | % reduction | 45 | 12 | 77 | 87 | - |
| Financial indicators (£) | Total cost | 1,368 | 2,414 | 471 | 127 | 1,215 |

| Transport/Travel | | | | | | |
|----------------------------------|----------------------------------|--------|--------|--------|--------|--------|
| Non-financial indicators (miles) | Distance by train | 19,672 | 28,546 | 12,360 | 2,726 | 27,300 |
| | Distance by plane | 9,112 | 9,966 | 2,374 | 0 | 5,604 |
| | Distance by car | 13,156 | 745 | 1,201 | 1,692 | 2,168 |
| | Distance by Owned Vehicle | 4,284 | 6,607 | 2,459 | 2,519 | 7,059 |
| | Total distance travelled (Miles) | 46,224 | 45,864 | 18,394 | 6,937 | 42,131 |
| Financial Indicators (£) | Total Cost | 26,416 | 43,663 | 21,506 | 11,767 | 46,303 |

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The above are estimated figures for transport used by staff and are based on work related journeys only. They do not include day to day transport from private homes to either of the Museum's sites.

The distance by car mileage for the 2023/24 year shows a significant increase from previous reporting years. The data has been calculated in a more comprehensive format and it is believed this is a better reflection of actual miles travelled.

The Museum recognises that emissions from travel are a large contributor to climate change and the pollution of air. Therefore, the Museum has set out incentives to encourage the use of bicycles and electric vehicles.

The Museum continues to offer a Cycle to Work Scheme to all staff to encourage use of bicycles to travel to and from work.

The Chelsea Museum, by its very location, is within the ULEZ zone which is deemed as both an offset by the Mayor of London to CO2 emissions and an enticement to reduce vehicle traffic.

There are seven Electric Vehicle Charging Points across the Museum Estate making use of the available OZEV Workplace Charging Scheme grants. These are available for Staff and Contractor use.

Subject to funding, the Museum lease vehicle will be changed to a zero-emission electric vehicle.

5.9.4 Mitigating Climate Change: Working Towards Net Zero by 2050

Progress against headline-target

The Museum has not set an official Net Zero target but is currently working on calculating an achievable Net Zero target date which will be achieved prior to 2050. Achieving Net Zero will be possible with investment on building systems which decrease reliance on non-renewable energy sources e.g. photovoltaic panels combined with a procurement strategy which focuses on utilising renewable energy from suppliers which the Museum is already making steps towards.

Progress against sub-targets

1. The Museum achieved the Government Fleet Commitment for 25% of the car fleet to be ULEV by 31 December 2022 and is on target to achieve 100% of the Government car and van fleet to be fully zero emission by 31 December 2027.
2. The Museum promotes the use of public transport for domestic travel to help reduce the emissions from domestic business flights and reports the distance travelled by international business flights above.

Climate Change Adoption

Climate Change undeniably poses a threat to the wellbeing and health of people and the planet. The impacts of rising global temperatures, increasingly extreme and unpredictable weather patterns, and diminishing resources, present significant challenges to overcome for Museums across the world.

The Museum recognises it must first assess the risk to the NAM estate, assets and operations and set out a programme of goals to mitigate the significant threats presented by climate change.

As such, NAM is developing a new sustainability strategy which will encompass a more targeted and focused approach to the specific risks facing the Museum. The strategy will identify key areas of risk to the NAM estate and operations, present a clearly defined forward sustainability action plan, and appoint working groups to achieve its goals and objectives.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Progress will be monitored by the Environmental Committee and the National Army Museum Council.

Auxiliary Items

Training

All staff receive environmental awareness training as part of their staff induction and refresher training through the Museum's e-learning platform is provided at regular intervals.

Paper/Cardboard

The Museum continues to minimise the use of paper in the office environment. Staff are encouraged to only print essential items.

All paper and delivery packaging is recycled and collected as part of the Museum's Mixed Recycling stream.

Sensitive documentation is collected and recycled through an appointed contractor.

Equipment and Supplies

The Museum continues to be committed to using environmentally friendly products and endeavours to explore all options to repair equipment rather than purchasing new.

Materials from broken equipment continues to be recycled (where possible) through the Museum's approved contractors.

Contractors and Suppliers

As part of its tender processes, the Museum requires all suppliers to ensure that all materials are sourced from sustainable sources wherever possible and evidence of this is required to be submitted as part of any bid and is reviewed by the respective appointed tender board.

As part of the tender process all suppliers are required to provide evidence of an environmental policy.

The appointed Museum café contractor continues to source locally produced food.

Maintenance and Cleaning

All sites are subject to a regular Planned and Preventative Maintenance Schedule to maximise plant efficiency and minimise consumption of energy.

A Building Management System (BMS) is used to efficiently monitor & control environmental conditions, with lighting, heating and cooling systems on a time scheduling.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Financial Review

Consolidated Results for the Year Ended 31st March 2024

Total incoming resources for the Museum in 2023-24 amounted to £8,137,000 (2022-23 - £7,867,000). The principal funding source of the Museum is Grant-in-Aid funding received from the Ministry of Defence. In 2023-24 this was £7,181,000 (2022-23 - £7,186,000).

Total resources expended amounted to £8,828,000 (2022-23 - £7,021,000). Resources expended for the year is net of a credit of £780,000 in respect of a rates refund received relating to prior years. Resources expended for 2022-23 included a credit for the reversal of previous impairment provisions of £1,327,000.

After adjustment for the revaluation of the Museum's leasehold property and other recognised gains and losses, the net movement in funds for the year showed a decrease of £214,000 (2022-23 – increase of £2,723,000).

The Museum's net assets as at 31st March 2024 amounted to £114,896,000 (31st March 2023 - £115,110,000).

Changes in Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 7 to the accounts. During the year, the Museum spent £312,000 on additions to tangible fixed assets.

Future Plans

The research and popularity surveys carried out on the 'Foe to Friend' exhibition and the smaller Focus exhibitions indicated a need to increase the size of the smaller Focus Gallery. The better reconfiguration of this space will allow NAM to limit the costs on the movement of gallery walls to suit the size of the exhibition to be installed. Once completed, the Focus Gallery space will be increased from 50m² to approximately 150m² with a corresponding reduction in size of the large space.

With the completion of the refinement of the galleries in September 2024, with the Soldier Gallery being the last of these due to be completed, the Museum will concentrate on its Temporary Exhibition programme. Once the transformation has been completed, the Museum will open the Victorian Art exhibition which will include several paintings from the Lady Butler catalogue along with loan art from the royal collection.

Working with stakeholders, including the Royal Borough of Kensington and Chelsea and Cadogan Estates, the Chelsea Heritage Quarter will be fully established with the Chelsea History Festival as its centrepiece.

The Museum will work with the Royal Hospital Chelsea to achieve closer collaboration which will include joint tours of both establishments.

The procured Collections Management System, offering greater access for stakeholders to see the collections, will be fully run out in 2024.

NAM is currently investigating without prejudice the possibility of future expansion of the current Chelsea site to provide greater access to the collections and meet the requirements and comments of our audiences. We are also working with the other service Museums on opportunities for significant joint development projects.

Fundraising/development will continue to be an essential priority of the Museum Council to meet its aim of a minimum of £1million unrestricted reserves, working with external bodies e.g. RMAS to develop the NAM Institute and working to become an Independent Research Organisation to unlock potential additional funding streams.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Targets and Key Performance Indicators

Summarised below is the performance of the Museum against some key performance indicators over the last year.

| | | 2023-24 | 2022-23 | Variance |
|--|---------------------------------------|-------------|-------------|----------|
| Audiences | Play Base | 54,490 | 54,720 | 0% |
| | School visits (physical/virtual) | 9,211/5,625 | 9,169/4,002 | 0/41% |
| | TSC visitors | 1,127 | 643 | 75% |
| | General visitors | 122,602 | 101,715 | 21% |
| | Total footfall | 177,092 | 166,247 | 7% |
| | Digital footfall | 3,671,732 | 3,285,743 | 12% |
| | Online: collections | 13% | 13% | 0% |
| | Online: what's on/stories | 87% | 85% | 2% |
| | | | | |
| | Members (Patrons) | 412/(39) | 411/(37) | 0/(5%) |
| | New blended KPI (average star rating) | 4.59 | 4.48 | 2% |
| Trip Advisor rating Note: This will, from 2024/25, be absorbed in the blended KPI for Audiences | 80% | 79% | 1% | |

| | | | | |
|-------------|-----------------------------------|-------|-------|-------|
| Collections | Enquiries | 4,262 | 3,778 | 13% |
| | Objects photographed | 2,106 | 2,989 | (30%) |
| | Objects published online | 685 | 1,946 | (65%) |
| | Accessions (archives and objects) | 255 | 195 | 31% |

| | | | | |
|--------|----------------------|------|-------|------|
| People | Full Time Equivalent | 88.1 | 85.6 | 3% |
| | Volunteers (active) | 38 | 27 | 41% |
| | Turnover | 26% | 27.7% | (6%) |


| | | | | |
|---------------------------------------|---|------------|------------|--------|
| Finance (Consolidated Group Accounts) | Income | £8,137,000 | £7,867,000 | 3% |
| | Expenditure including depreciation | £8,828,000 | £7,021,000 | 26% |
| | Surplus/(Deficit) (before gains and losses) | £(691,000) | £846,000 | (182%) |
| | Donations | £204,000 | £48,000 | 325% |

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

| | | 2023-24 | 2022-23 | Variance |
|-------|-----------------------|----------|----------|----------|
| NAMTL | Venue Hire | £86,376 | £85,109 | 1% |
| | Other Revenue | £479,305 | £432,018 | 11% |
| | Total Revenue | £565,681 | £517,127 | 10% |
| | Expenditure | £523,723 | £380,897 | 38% |
| | Net Profit before tax | £41,958 | £136,230 | (69%) |



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

13th November 2024

National Army Museum
13th November 2024

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTOR'S REPORT

Members of Council

At a Privy Council Meeting on 8th July 2009, Her Late Majesty The Queen approved amendments to the Royal Charter of the National Army Museum. In line with para 7(2) of the amended Royal Charter, vacancies in the Membership occurring after the coming into effect of the amended Royal Charter are filled by persons nominated by the Council and approved by the Army Board. Para 8(1) of the amended Royal Charter states that the Chairman of the Council of the National Army Museum shall be nominated by the Council from among its Members and shall hold office (unless he or she shall earlier resign) for the residue of the period for which he or she has been appointed a Member. The relevant clause relating to the appointment of Members of Council is as follows: "7(1) The Membership of the Council shall be such number of persons as the Council shall from time to time determine being not more than twelve nor fewer than five".

The Council has chosen to subscribe to the principles of the Commissioner for Public Appointments Code of Practice for Public Appointments Procedures. In particular, Members of the Council have affirmed their commitment to the Principles of Public Life.

Register of Interests

A Register of Interests is maintained for Members of Council. This may be inspected on request at the Museum by prior appointment with the Director. No matters are noted in this Register which have given rise to specific conflicts with regard to Council's management responsibilities. In this period no such interests were declared.

Members of Council

Members of Council who served during the reporting period were as follows:

Lieutenant General Sir Simon Mayall KBE CB (Chair)
Lieutenant General Sir George Norton KCVO CBE (Deputy Chair)
Dr Jonathan Boff (resigned from Council due to time served November 2023)
Mrs Judith Donovan CBE
Mr Guy Perricone (resigned from Council due to time served November 2023)
Professor the Lord Andrew Roberts of Belgravia
Dr Paul Schreier
Mrs Sabine Vandenbroucke
Professor Ali Ansari
Mr Timothy Cooke OBE
Ms Sue MacKenzie
Mr Paul Davies (joined Council June 2023)
Mr Neil Johnson (joined Council June 2023)
Mr Chris Finney GC (joined Council November 2023)

In addition to The Council there were two honorary advisors:

Mr Richard Hughes – Honorary Advisor on legal matters
Mr Chris Horner – Member Advisory Group Representative and member of Collections Research Committee

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Recruitment, Appointment and Training of Council Members

The Council recruited additional replacement members throughout this period to ensure cover for those members who resigned due to time restriction on their tenure. New Members of Council are sought through national channels with applicants being interviewed by members of Council. The Museum follows OCPA guidelines in the appointments which are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff.

Organisation Structure and Decision-Making Process

The overall direction and operation of the NAM is vested in the Council of the Museum. The Council of the National Army Museum by Royal Charter consists of up to twelve Members who serve for an initial period of three years from the date of their nomination. The Members, with the agreement of the Chairman and Council, can extend their tenure by an additional three years.

The NAM Council has established a number of committees for specific purposes and to ensure the effective conduct of, and oversight of, Museum business.

Collections & Research Committee

Performance, Audit & Risk Assurance Committee

People and Appointments Committee

Development Committee

Enterprise Committee/NAMTL Board

The full Council has approved the terms of reference of each of these committees and, where it is practical, members do not sit on more than two committees.

The day-to-day operations are controlled by the Director of NAM with the assistance of the Senior Leadership Team (SLT). The following were the members of the SLT during the year:

| | |
|--|---|
| Brigadier Justin Maciejewski DSO MBE | Director and Accounting Officer |
| Mr Mike O'Connor OBE | Deputy Director |
| Mr Ian Maine | Assistant Director (Collections and Programmes) |
| Ms Teresa Scott | Assistant Director (Human Resources) |
| Ms Helen Kibblewhite from 2 January 2024 | Assistant Director (Operations) |
| Dr Glyn Prysor from 1 March 2024 | Assistant Director (Research and Programmes) |
| Ms Dawn Watkins (NAMTL) to 12 January 2024 | Assistant Director (Enterprise) |

At the latter part of 2023 and early 2024 the Museum undertook a re-organisation with the alignment of the SLT to better meet the needs of the revised Strategic and Business Plans. Regular meetings of the SLT take place, together with meetings involving heads of department and subject specialists, to ensure the smooth running of the NAM, with reference to the Museum's Mission Statement and Purpose, Strategic Plan, Business Plan and the Museum's Risk Management Policy & Risk Matrix. The Risk Matrix, which is regularly updated, is used as the basis of Internal Audit. The Museum is also subject to visits and receives advice from the MoD Fraud office who maintain a Fraud Risk Register and heat map across the MoD. The Museum is recognised as low risk.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Royal Charter relating to the National Army Museum 1960 and law applicable to charities in England and Wales, the Council, as Trustees, is required to prepare financial statements for each financial year which give a true and fair view of the National Army Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements, that give a true and fair view, the Accounting Officer and Council are required to:

- Observe the accounts direction issued by the Secretary of State in compliance with Charity Law, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards and statements of recommended practice as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures 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.

Under law applicable to charities in England and Wales, the Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable the Council to ensure that the financial statements comply with the applicable law. The Council is 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.

The Trustees and Accounting Officer confirm that, as far as they are aware, there is no relevant audit information of which the Museum's auditor is unaware, and that all steps have been taken to make themselves aware of relevant audit information and to make this available to the Museum's auditors.

The Trustees and Accounting Officer confirm that the annual report and accounts as a whole are fair, balanced and understandable and that they take responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

The Secretary of State has appointed the Director, the senior full time Museum official, as the Accounting Officer for the National Army Museum. Their relevant responsibilities as Accounting Officer, including their responsibility for the propriety and regularity of Parliamentary funded (Grant-in-Aid) finances for which they are answerable, for the keeping of proper records and safeguarding of the National Army Museum's assets are set out in the Non-Departmental Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

GOVERNANCE STATEMENT

This Governance Statement sets out the arrangements for the governance of the NAM, including the Council (Trustee body) and Committee structure for the Members. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chairman of the NAM Council and Accounting Officer. The arrangements and systems for governance have been in place for the year under review and up to the date of the approval of the annual report and financial statements.

Relationship with the Sponsor Department

The three main service Museums as Arms-Length Bodies were the subject of an independent review carried out by the Sponsor Department. The review carried out under Cabinet Office direction was to provide assurance to the public, Ministers and the Principal Accounting Officer that the Museums “remain useful and necessary”. It also assessed whether there are more efficient and effective alternatives to deliver the Government’s objectives including merging the body, closing the body or bringing its functions back into the Sponsor Department. The outcome of the review of all three Museums was that the institutions were “useful and necessary” in providing a service to the Sponsor Department and were to remain with the support of the Sponsor.

The Governance Framework

The NAM is a charity registered with the Charity Commission (registration number 237902) governed in accordance with its Royal Charter originally issued in April 1960 and subsequent amendments, the latest being in July 2009.

The Museum is a national museum as defined in the National Heritage Act 1983 Schedule 2 and Executive Non-Departmental Public Body (ENDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place dated May 2018, that defines the arrangements between the Museum and its Sponsor Department - the Ministry of Defence, relating to the receipt of Grant-in-Aid and the conditions for its expenditure. This document has recently been updated effective 1 April 2024. The Museum also complies with applicable government functional standards.

The NAM Council and the Committee Structure

The NAM is governed by the NAM Council. The Charities Act 2011 requires the Council Members to exercise proper stewardship over the Museum and to take care of its collections.

The Director of the Museum, as the Accounting Officer, is responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money. The Accounting Officer has received full induction and access to all records to satisfy themselves on the Governance and the Financial Statements of the Museum.

Council Members are appointed by the NAM Council and approved by the Army Board. They are appointed for a term of three years and can be appointed for a further term of equivalent length. The NAM Council may appoint nominated external members to serve on specific committees to supplement the experience of main Council Members. The nominated external members offer a level of expertise and independence that the Council members may not have.

Full minutes of all NAM Council and Committee meetings are maintained and the attendance of Council Members are recorded therein. Copies of NAM Council minutes are published on the NAM website.

The NAM Council Members receive induction training under the direction of the Director and are encouraged to familiarise themselves with the Museum’s operations through work in committees where they are supported by the Museum’s divisional Assistant Directors. Additionally, all Members of Council received annual trustee training from the Museum’s legal advisors and receive a briefing from the Sponsor Department on the relationship with the Department.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The NAM Council met for four meetings during 2023-24. Although the preference of Council and Committees is for meetings to be held “in person” the Council recognises that this is not always practical. However, lessons learnt from the Covid-19 pandemic have shown the use of Zoom to be a useful means of holding efficient meetings when, due to other commitments, not all Council members can be present.

| Post | Name | Attendance |
|--------------|--|------------|
| Chair | Lieutenant General Sir Simon Mayall KBE CB | 4/4 |
| Deputy Chair | Lieutenant General Sir George Norton KCVO CBE | 3/4 |
| Members | Professor Ali Ansari | 3/4 |
| | Dr Jonathan Boff resigned due to time served November 2023 | 3/3 |
| | Mr Timothy Cooke OBE | 3/4 |
| | Mr Paul Davies joined June 2023 | 3/4 |
| | Mrs Judith Donovan CBE | 3/4 |
| | Mr Chris Finney GC joined November 2023 | 2/2 |
| | Mr Neil Johnson joined June 2023 | 4/4 |
| | Ms Sue MacKenzie | 2/4 |
| | Mr Guy Perricone resigned due to time served November 2023 | 3/3 |
| | Professor The Lord Andrew Roberts of Belgravia | 2/4 |
| | Dr Paul Schreier | 3/4 |
| | Mrs Sabine Vandenbroucke | 3/4 |

Attendance represents the number of meetings attended compared to the number of meetings held whilst a member.

Register of Interests

A register of Members' relevant interests is maintained for all meetings of Council and Committees. It is brought to the attention at the outset of the meeting. Members are required to declare the fact if they have an interest, pecuniary or otherwise, in any matter being considered by the Council. In this period no such interests were declared.

NAM Council Committees

The Committees are listed below with their membership and attendance at meetings.

The full Council has, where required, approved the terms of reference of each of these committees and, wherever practical, members do not sit on more than two committees.

Recruitment, Appointment and Training of Council Members

New members of Council are sought through national channels with applicants being interviewed by members of Council assisted by external assessors. Appointments are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff. The Trustees received a briefing from the Sponsor Department on the relationship with the Museum and from the Museum's legal advisors on the Charity SORP in November 2022.

Performance, Audit & Risk Assurance Committee

During 2023-24 the Performance, Audit & Risk Assurance (PARA) Committee had three planned meetings. The Committee members and their attendance at the meetings are listed below:

| Post | Name | Attendance |
|---------|---|------------|
| Chair | Mrs Sabine Vandenbroucke | 3/3 |
| Members | Mr Robin Grimston resigned due to time served after June 2023 meeting | 1/1 |
| | Ms Sue MacKenzie joined Committee October 2023 | 2/2 |
| | Mr Paul Davies joined Committee October 2023 | 2/2 |

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

| | |
|---|-----|
| Mr Guy Perricone resigned due to time served after October 2023 meeting | 2/2 |
| Mrs Angela Marshall joined Committee October 2023 | 2/2 |
| Mr Timothy Cooke OBE joined Committee March 2024 | 1/1 |

The Committee scrutinised the draft Annual Accounts for 2022-23 and recommended them to be approved by NAM Council in November 2023. They selected the Internal Audit topics and reviewed the reports produced by the Internal Auditors. Additionally, at their November meeting, they were briefed on the Performance Awards for the previous reporting period, which were in line with MoD guidance. The Committee were also briefed by the Director on the need to reforecast the approved budget and cash flow due to circumstances beyond the control of the Museum i.e. pay settlement and Cost of Living Award by Central Government. The Committee reviews the abridged version of the Risk Matrix at each meeting where high risks to the Museum operations are discussed.

Collections & Research Committee

This Committee held two planned meetings during 2023-24. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Attendance |
|---------|---|------------|
| Chair | Lieutenant General Sir George Norton KCVO CBE | 2/2 |
| Members | Professor Ali Ansari joined Committee June 2023 | 1/2 |
| | Dr Jonathan Boff | 2/2 |
| | Mr Timothy Cooke OBE joined Committee June 2023 resigned September 2023 | 1/1 |
| | Mr Chris Horner joined Committee June 2023 | 1/2 |
| | Professor William Philpott | 1/2 |

The Committee reviewed the development of research activity and collections development. They also approved a number of collections disposals.

People and Appointments Committee

This held two planned meetings during 2023-24 where they discussed staffing matters, the Director's salary and remuneration in accordance with the SCS scheme. They were briefed by the Director and Assistant Director (Human Resources) on the pay award and performance pay award. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Attendance |
|---------|---|------------|
| Chair | Lieutenant General Sir Simon Mayall KBE CB | 2/2 |
| Members | Mrs Sabine Vandenbroucke | 2/2 |
| | Mr Neil Johnson joined Committee April 2023 | 2/2 |

Research and Development Committee

This held three meetings during 2023-24. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Attendance |
|---------|--|------------|
| Chair | Dr Paul Schreier | 3/3 |
| Members | Professor Ali Ansari joined Committee May 2023 | 3/3 |
| | Mrs Judith Donovan CBE | 3/3 |
| | Mr Guy Perricone | 3/3 |
| | Mr Timothy Cooke OBE | 2/3 |

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The Committee refocussed its plans and revised its fundraising focus to coincide with the launch of and financial support for the NAM Institute, and a corporate funded strategy in line with the Chelsea History Quarter.

Enterprise Committee

This Committee fulfils two functions: as both the Board of NAMTL, the legally registered company, and in addition beyond its legal duties as a Company Board, as an advisory body to the NAM Council on corporate communications and marketing campaigns in support of the Museum as well as its programme and commercial income generation opportunities. The Enterprise Committee has no executive powers.

Members of the Committee are also NAMTL Board directors with the exception of Mr Chris Finney GC. It held three meetings during 2023-24.

| Post | Name | Attendance |
|---------------|--|-------------------|
| Chair | Mrs Judith Donovan CBE | 3/3 |
| Board Members | Mr Jonathan Webb | 3/3 |
| | Dr James Naylor | 3/3 |
| | Mr Chris Finney GC joined Committee June 2023 | 3/3 |
| | Mr Matthew Hayes | 2/3 |
| | Mr Robin Grimston resigned due to time served after October 2023 meeting | 2/2 |
| | Mrs Angela Marshall joined Committee October 2023 | 1/2 |

This Committee reviews the performance and outcomes of the trading arm. As a committee of NAM Council it provides advice and guidance on marketing and communications of the Museum.

NAM Council Members' Performance.

The principal achievements of the Museum during the year are highlighted elsewhere in the Annual Report, NAM Council Minutes and Business Plan. The Director attends meetings of the Army Heritage Committee where he reports to the Sponsor Department on the plans of the Museum. Additionally, meetings were held with the Sponsor Department including Director Army Resources and the Chief Accountant Army Resources. These meetings are reported to the full NAM Council. Army Home Command are invited to attend NAM Council meetings to update the Council on matters affecting the Museum and to receive assurance on governance and the use of GiA.

NAM Council minutes are circulated to all Council Members with routine papers for all Council meetings. Committee chairs brief all NAM Council meetings and highlight any matters of particular concern.

NAM Council members received annual briefings from the Sponsor Department and from NAM's legal advisors on Charity Law appertaining to NAM.

There is a wide range of information and data (financial and otherwise) routinely available to Council Members, including management accounts. The Director works closely with the Deputy Director and the Head of Finance to refine the financial information supplied to Council. Members are satisfied that the information is available both on time and in a format that enables the Members to exercise proper oversight of the Museum.

Review of Risk Management and Internal Control Systems

Risk Management

A Risk Management Statement has been drawn up with reference to the HM Treasury Publication - Risk Management Assessment Framework (2009), JSP 462 (April 2017) Financial Management and Charging Policy Manual, and the Cabinet Office & HM Treasury publication, *Your Delivery Strategy* (September 2001).

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The NAM Council confirms that the Risk Management Systems in place for this reporting period (2023-24) affirms that in all situations where MOD Grant-in-Aid is concerned, the appetite for risk is conservative. The need to pay the staff, fund the provision of utilities, ensure compliance with Health & Safety at Work and other legislation/mandatory requirements and curate the Collections leaves no room for the assumption of more extreme risks. In all other instances Council's risk assessment is made on a case-by-case basis, and is reviewed by Council at its periodic meetings, having regard to the NAM's Strategic Plan, Business Plan and investment and other professional advice taken by Council and the Director as Accounting Officer, who reports to Council.

The NAM assesses its risks under the following categories:

- a. Governance;
- b. Finance;
- c. Building;
- d. Security;
- e. Employment;
- f. Collections.

The Museum's Risk Matrix is maintained under the guidance of the PARA Committee and focuses on the key risks posed to the Museum. These risks are assessed in terms of likelihood of occurrence and their potential impact. Appropriate mitigation activity is identified and recorded.

The Museum's Risk Matrix is used as a basis for adjudging the risks associated with the operations of the Museum and as a guide for the Internal Auditors to select internal audit topics. Risks are reviewed by the SLT and updated accordingly taking on board any recommendations from previous Internal Audit reports. The two greater risks during this period of reporting were the possibility, no matter how remote, of the withdrawal or lessening of Grant-in-Aid funding and the recovery of non-public finances via the Museum's trading arm. It is recognised that because of the pandemic, there has been a noticeable decrease in visitors to NAM and indeed the majority of "London centric" museums. NAM, during this reporting period, has seen a steady increase in visitor numbers and the signs are that, at the end of next reporting period, visitor numbers will be back to at least pre-pandemic levels.

The PARA Committee regularly receives updates on the highest risks on the Risk Matrix at their quarterly meetings and are fully involved with the Internal Auditors in selecting the internal audit topics. The Committee usually selects areas for audit each year which include the Tri-Service major museum thematic audit. These audits can provide sufficient assurance to the PARA Committee and ultimately NAM Council.

Governance – The NAM Council feels that it is appropriately established with the correct skill sets required to advise, guide and challenge the executive to ensure that the Museum is operated in accordance with its Royal Charter and the objects of the charity. The "timed bound" resignations of Council members and subsequent recruitment continue the assurance.

Finance – A framework contained within the Financial Procedures Manual was approved by the PARA Committee in October 2023. This document lays down the procedures and systems that all staff employed at the NAM must sign up to in order to ensure that financial controls are in place to reduce wasted expenditure and produce value for money. Access to the Museum's accountancy system is restricted to the role of the individual. Levels of access are password protected which expire and must be renewed every thirty days. There is a clear line of responsibility for the authorisation of purchase orders and all staff as part of their induction receive a briefing on financial matters by the Deputy Director. Staff are also required to carry out regular training on the Bribery Act, Data Protection Act and copies of these policies can be found on the NAM Intranet and as part of the induction procedure and Staff Handbook. Additionally, the Team

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Leaders are issued with Management Accounts on a monthly basis with the SLT reviewing budgets and cost centres quarterly to ensure that the spend profile is maintained and any anomalies are accounted for.

Building – The Museum premises at Chelsea was redeveloped in 2017 which included major structural alterations and the installation of plant which maintains the correct climatic conditions for the protection of the collections, staff and visitors. The Museum tendered for and replaced its contracted maintenance providers during the period. They ensure that the building and plant are maintained to the correct levels.

Security – The Museum has both 24/7 physical and digital alarm systems in place for the protection of the collections, staff and visitors from loss, damage and injury. All alarm systems are fully maintained and monitored 24/7 off site. The Museum works closely with the local police and counter terrorism teams and regularly carries out appropriate training.

Employment – NAM is an equal opportunities employer, and its policy is not to discriminate against its staff during recruitment, selection and employment. All staff receive equal opportunities for appropriate training helping them identify discriminatory acts or practices or acts of harassment or bullying. Remuneration for all members of staff follows MoD pay grades with the exception of some members of the front of house teams who are paid London Living Wage. The Museum is committed to equal pay in employment and job evaluations are carried out for all posts. Terms of Employment, benefits and facilities are reviewed from time to time to ensure that there is no unlawful discrimination.

Collections – The Museum, as an accredited Museum, complies with all recommendations of the accreditation awarding body. Collections are collected, located and maintained in line with these standards which are overseen and regularly audited by the Collections Care and Standards Team with the Collections Research Committee who authorise any substantial disposals. The same processes are followed for Archive Accreditation. Review of the Museum's Accreditation status will take place in 2024-25.

Internal Auditors

The Museum, during this period, as part of the joint tender process with the National Museum of the Royal Navy and the RAF Museum, tendered for new Internal Auditors. The result of this was that AZETS were appointed the new Internal Auditors for the three main service museums in January 2024 taking over from the current internal auditors, RSM Risk Assurance Services LLP (RSM), who were appointed in October 2019 as part of the previous joint tender process. RSM, and now AZETS, work to the Public Sector Internal Audit Standards and provide an independent opinion on the matters subject to review through the internal audit programme. They will also work across the three service Museums to provide a “joined up service” that will measure, where possible, each Museum to achieve best practice.

The Museum has a Risk Matrix to support its management of risk in the normal operations of the Museum. This Risk Matrix is used to identify the work to be undertaken by the internal auditors. Council's PARA Committee signs off the work programme and the same committee receives the internal auditors report at its end of year meeting.

The risks contained in the Risk Matrix have also been taken into account in the development of the Museum's strategic direction (through a process of cross-referencing between the specific risks and the principal strategic objectives) thereby mitigating some or all of those risks. During this reporting period, the Internal Auditors reported on the previous year's internal audit reports and additionally looked at:

Recruitment – Partial Assurance and Payroll – Substantial Assurance

Risk Management – Reasonable Assurance

Governance – Reasonable Assurance

Visitor Experience – Reasonable Assurance

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The necessary procedures have been implemented to address the recommendations made.

The overall Internal Audit Opinion for 2023-24 is that the work provides moderate assurance, and that some improvements are required to enhance the adequacy and effectiveness of the controls. Follow up actions which were not completed this period will be assessed by AZETS.

External Auditors

The external auditor of the Museum is the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The accounts are consolidated with the accounts of the NAM's trading subsidiary (NAMTL) which are audited by Hillier Hopkins LLP who were at the request of the NAMTL Board, appointed in December 2022. The NAO is invited to attend the regular meetings of the PARA Committee which includes the "end of year" presentation of the Consolidated Financial Statements where the NAO discusses their findings with the Committee.

Information Risk Management

The NAM's Information Asset Ownership group comprises of the Senior Information Risk Officer (SIRO) and Information Asset Owners (IAO) from across the Museum's divisions. The group ensures that the Museum's Information Assurance Policy, Data Protection Act and Freedom of Information Act Legislation is complied with. The group meets regularly and discusses the management of information held by the NAM.

All staff are required as part of their induction to carry out online training in accordance with the National Archives directives. Information Sharing Agreements are in place with bodies that share NAM information.

Any information issues that arise are handled by the appropriate IAOs and referred to the group where necessary. Any incident of data loss or mishandling is handled in accordance with the Information Commissioner's guidance and reported to his office as required.

There were during this reporting period five incidents of data breaches. These were self-assessed in accordance with the Information Commissioners' guidance and graded low. The Information Asset Group addressed the findings and the necessary remedial action was put in place.

Whistleblowing

The Museum has a whistleblowing policy which is briefed to staff on induction and contained in the Staff Handbook. Whistleblowing is a standard agenda item for the Performance Audit and Risk Assurance Committee reporting to NAM Council. The agreed procedure for whistleblowing is to the Chairman and/or the NAO. No whistleblowing incidents or reports were noted during this reporting period.

Statement of Assurance

The Accounting Officer has responsibility, on behalf of the full NAM Council, for the overall effectiveness of the Museum's governance arrangements and their compliance with Corporate Governance in Central Government Departments Code of Practice 2017 so far as this may be seen to apply to an 'Arms-Length Body' (as defined in *Managing Public Money*).

Auditors

These accounts are audited by the NAO on behalf of the Comptroller and Auditor General in accordance with current legislation and the Museum's Royal Charter. No non-audit services are provided to the Museum by the auditor.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The cost of the audit of the Museum and its trading company for 2023-24 is £52,075 (2022-23: £43,375) of which £43,600 (2022-23: £37,400) relates to the audit of the Museum and £8,475 (2022-23: £5,975) to the audit of NAMTL.

So far as the Accounting Officer (AO) and Council Members are aware, there is no relevant audit information of which the Museum's auditors are unaware. Furthermore, the AO and Council Members have taken all the necessary steps to make sure they are aware of any relevant information and to establish that the Museum's auditors are also aware of that information.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Director of the Museum is employed by the Council of the National Army Museum on terms and conditions that are similar to MOD senior civil servants. He holds an open-ended appointment and his salary is set on an annual basis by the Remuneration and Appointments Committee of Council by reference to the recommendations of the Senior Salaries Review Body. He is the only senior civil service staff or equivalent employee of the Museum.

Other members of the SLT are also employed on terms and conditions similar to MOD civil servants. Staff salaries are set by the Museum's Human Resources Department by reference to strict MOD guidelines and approved by the Director.

The NAM operates a performance appraisal review (PAR) system, which broadly follows the guidelines of the MOD civilian system. The marking system is based on agreed aims and objectives between the Line Manager (LM) and the member of staff. Dependent on direction from MOD on whether it is paying performance awards for the year, the SLT meet and assigns a value to marks in line with the MOD levels of award. The findings of the Group are then passed to the PA&RA Committee for a further check before being passed to the Council for approval.

Salary and Pension Entitlements (Subject to audit)

The salary and pension entitlements for the year of the SLT of the Museum as detailed on page 37 were as follows (with comparative salary disclosures for 2022/23). Full Year Equivalent (FYE) amounts are also disclosed where the individual was not part of the SLT for the full period.

| | Salary (£'000) | | Performance Pay (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (£'000) | | Total remuneration (£'000) | |
|--|----------------------|---------|-------------------------|---------|------------------------------------|---------|--------------------------|---------|----------------------------|---------|
| | 2023/24 | 2022/23 | 2023/24 | 2022/23 | 2023/24 | 2022/23 | 2023/24 | 2022/23 | 2023/24 | 2022/23 |
| Justin Maciejewski <i>Director</i> | 155-160 | 145-150 | 5-10 ¹ | 5-10 | - | - | - | - | 165-170 | 155-160 |
| Mike O'Connor <i>Deputy Director</i> | 75-80 | 75-80 | - | - | - | - | 48 | (6) | 125-130 | 70-75 |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 75-80 | 70-75 | 0-5 | 0-5 | - | - | 15 | (3) | 90-95 | 70-75 |
| Ian Maine <i>Assistant Director - Collections</i> | 75-80 | 70-75 | 0-5 | 0-5 | - | - | - | - | 75-80 | 70-75 |
| Dawn Watkins <i>Assistant Director - Enterprise (to 12 January 2024)</i> | 65-70 (FYE 75-80) | 70-75 | - | 0-5 | - | - | - | - | 65-70 | 70-75 |
| Helen Kibblewhite <i>Assistant Director - Operations (from 2 January 2024)</i> | 15-20 (FYE 70-75) | - | - | - | - | - | - | - | 15-20 | - |
| Glyn Prysor <i>Assistant Director - Research and Programmes (from 1 March 2024)</i> | 5-10 (FYE 70-75) | - | - | - | - | - | - | - | 5-10 | - |

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

| | Accrued pension at pension age as at 31 March 2024 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31 March 2024 | CETV at 31 March 2023 | Real increase in CETV ² | Employers' contribution to NEST pension or personal |
|--|---|--|-----------------------|-----------------------|------------------------------------|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £(nearest £100) |
| Justin Maciejewski <i>Director</i> | - | - | - | - | - | 9,600 ¹ |
| Mike O'Connor <i>Deputy Director</i> | 30-35 | 2.5-5 | 502 | 505 | 10 | - |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 25-30 plus a lump sum of 70-75 | 0-2.5 plus a lump sum of 0 | 568 | 513 | 5 | - |
| Ian Maine <i>Assistant Director - Collections and Programmes</i> | - | - | - | - | - | 5,200 |
| Dawn Watkins <i>Assistant Director - Enterprise (to 12 January 2024)</i> | - | - | - | - | - | 4,500 |
| Helen Kibblewhite <i>Assistant Director - Operations (from 2 January 2024)</i> | - | - | - | - | - | 1,200 |
| Glyn Prysor <i>Assistant Director - Research and Programmes (from 1 March 2024)</i> | - | - | - | - | - | 400 |

None of the above received any benefits in kind during the year (2022/23 £Nil).

No members of the Council received any remuneration during the year (2022/23 £Nil). During the year reimbursements were made to members of the Council totalling £2,999 (2022/23 £4,402) for travel and subsistence and £4,412 (2022/23 £1,302) for Trustee meeting costs. No Trustees were paid for speaking at any events during the year (2022/23 £200 paid for speaking at the Chelsea History Festival).

¹Justin Maciejewski's performance pay was paid as an additional employer contribution to his personal pension. To avoid duplication this payment is not included in the employers' pension contribution amounts above.

²Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Salary

"Salary" includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Performance Pay

Performance pay relates to bonuses on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2023-24 relate to performance in 2022-23 and the comparative bonuses reported in 2022-23 relate to the performance in 2021-22.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Pension Benefits

Pension benefits are provided through the Principal Civil Service Pension Schemes (PCSPS) in respect of two members of the SLT. This scheme is an unfunded multi-employer defined benefits scheme but the NAM is unable to identify its share in respect of the SLT of the underlying assets and liabilities. A full actuarial valuation is carried out periodically. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

Other members of the SLT receive pension benefits through membership of the National Employment Savings Trust (NEST) or employer contributions to their own personal pension plan. These contributions are at the same rate as those for all members of staff not eligible to join the PCSPS.

Principal Civil Service Pension Scheme (PCSPS)

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS) which has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year and pensions payable are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha between 1 June 2015 and 1 February 2022.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.). Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Cash Equivalent Transfer Values and Real increase in CETV

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax. The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance was used to calculate the 2023-24 CETV figures.

Compensation for loss of office (Subject to audit)

No amounts were paid in respect of compensation for loss of office to any of the Leadership Team for the current or preceding year.

Fair pay disclosure (Subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the remuneration of the organisation's workforce.

The following percentage changes applied to remuneration at the National Army Museum:

| | 2023/24 | 2022/23 |
|-----------------------|---------|---------|
| | % | % |
| Salary: | | |
| Highest paid director | 6.0 | 3.5 |
| Staff Average | 1.6 | 4.9 |
| Performance pay: | | |
| Highest paid director | 0.0 | 200.0 |
| Staff Average | (24.7) | 10.7 |

Total staff average performance pay is limited by guidance issued by the Museum's Sponsor Department. This year the maximum award is 1.2% of the total wages bill. The reduction is due to the grade and number of staff awarded performance pay under this guidance.

The mid-point of the banded remuneration of the highest-paid director in the National Army Museum in the financial year 2023-24 was £167,500 (2022-23, £157,500). This was 5.9 times (2022-23, 5.9) the 25th percentile remuneration, which was £28,251 (2022-23, £26,560), 5.1 times (2022-23, 5.0) the median remuneration of the workforce, which was £33,035 (2022-23, £31,768) and 4.1 times (2022-23, 3.9) the 75th percentile remuneration, which was £40,390 (2022-23, £40,126). Changes in ratios result from minor changes in the staff mix at NAM. Comparative amounts have been adjusted from those previously reported to reflect total remuneration. No staff received any benefits in kind in 2023-24 or 2022-23.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

The salary element of the total remuneration noted above for the 25th percentile salary was £28,251 (2022-23, £26,560), £32,527 (2022-23, £31,179) for the median salary and £39,668 (2022-23, £39,384) for the 75th percentile salary.

No employees received remuneration in excess of the highest-paid director. Remuneration ranged from £23,302 to £167,400 (2022-23, £21,548 to £156,349).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer-value of pensions.

Median total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

Staff Report

Staff costs and staff numbers (Subject to audit)

| | 2023/24 | 2022/23 |
|------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Staff costs comprise: | | |
| Wages and salaries | 3,483 | 2,854 |
| Social security costs | 362 | 299 |
| Pension costs | 374 | 302 |
| Redundancy costs | 0 | 0 |
| Temporary staff | 800 | 659 |
| | <u>5,019</u> | <u>4,114</u> |

Excluding the Director and members of the SLT, one employee (2022-23 no employees) received remuneration for 2023-24, excluding pension contributions, in the band £60,000 - £65,000. No further employees received remuneration greater than £60,000.

The average number of senior management and staff based on headcount was:

| | 2023/24 | 2022/23 |
|-------------|------------|-----------|
| Collections | 45 | 43 |
| Curatorial | 24 | 21 |
| Education | 12 | 12 |
| Publicity | 6 | 2 |
| Trading | 13 | 11 |
| Fundraising | 0 | 0 |
| | <u>100</u> | <u>89</u> |

33 (2022-23: 30) of the above staff are male and 67 (2022-23: 59) female (unaudited). 4 (2022-23: 5) staff are employed on short term contracts with all other staff employed on a full-time contract. The above includes an average of 26 (2022-23: 24) part time staff members for the year.

The staff turnover for the year represented 26.00% of the total workforce (2022-23: 27.7%).

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Consultancy and off-payroll arrangements

NAM has engaged no individuals during the year under short term arrangements that could be seen to be similar to those envisaged by HM Treasury Guidance on off- payroll arrangements (2023: no individuals). Total expenditure for other consultancy services in the year was £1,200 (2023: £25,032).

Sickness and Absence data

The NAM employed 101 members of staff at 31 March 2024 (71 full-time and 30 part-time) and monitored sick absence as part of its commitment in promoting the health, safety and welfare of all members of staff. Information collated from the Department of Human Resources is available to the Museum's Management Team who are responsible for identifying potential risks arising from any patterns that may occur and also made available to NAM Council. During 2023-24, there were 517 (full time equivalent) days lost to sick absence compared to 688 days lost in 2022-23.

During the period, the average number of days' sickness absence per employee was 5.1 compared to 7.2 days in 2022-23 (long-term incidents of sickness absence have been excluded to give a more accurate picture of sickness absence at NAM). A policy on the management of attendance is in place to promote arrangements for dealing with sickness absence in a manner, which is fair and sensitive to staff, as well as minimising the effect of absences on operational requirements. In addition, the NAM has introduced a wellbeing initiative, which includes establishing and training Mental Health First Aiders, and training all line managers to raise awareness of mental health and wellbeing.

Equality, Diversity & Access

The NAM is an Equal Opportunities Employer.

The NAM is committed to providing a working environment in which members of staff are able to realise their full potential and contribute to the Museum's success.

The NAM will also take all reasonable steps to provide a work environment in which all workers are treated with respect and dignity and that is free of harassment. In order to create conditions, in which this goal can be realised, the NAM is committed to identifying and eliminating barriers, discriminatory practices, procedures, and attitudes throughout the Museum. Members of staff are expected and required to support this commitment, assisting in its realisation in all possible ways.

It is the NAM's policy not to discriminate against its workers on the basis of their gender, sexual orientation, marital or civil partnership status, any gender reassignment, disability, race, religion or belief, colour, nationality, ethnic or national origin, disability or age, pregnancy or trade union membership or employment status. The NAM will not condone any form of harassment, whether engaged in by workers or by third parties such as clients, customers, contractors and suppliers. Our workers and applicants for employment shall not be disadvantaged by any policies or conditions of service, which cannot be justified as necessary for operational purposes.

The NAM shall, at all times, strive to work within legislative requirements as well as promoting best practice, and is committed to the development of a diverse workforce. The Museum has issued an Equal Opportunities Policy Statement, and undertakes equal opportunities monitoring.

Employee Consultation and Involvement

The Director and the SLT consult with the staff through the NAM's Staff/Management Forum, which was set up to encourage increased levels of communication and consultation across the whole of the Museum, and in shifting to a different and more progressive, delivery-focussed culture of working, exchanging views and ideas, discussing problems and planning for the future.

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

Communication and involvement with the staff is also maintained through various committees/groups, which include the Health & Safety Committee, regular Departmental and Divisional meetings, one-to-ones, monthly staff briefings and internal memoranda.

The Museum runs six monthly employee satisfaction surveys and monthly wellbeing pulse surveys via its in house BambooH software.

Employer Pensions

For 2023-24 employers' pension contributions for the Museum of £182,000 were payable to the PCSPS (2022-23 £184,000) at rates based on salary bands as follows:

| | | | |
|------------|---|-------------------|-------|
| Band one | - | £23,000 and under | 26.6% |
| Band two | - | £23,001 - £45,500 | 27.1% |
| Band three | - | £45,501 - £77,000 | 27.9% |
| Band four | - | £77,001 and over | 30.3% |

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Members of staff not eligible to join the PCSPS are automatically enrolled in the National Employment Savings Trust (NEST) with employer pension contributions of 7 per cent from May 2023 (previously 6 per cent). Total employer contributions in this regard were £192,000 (2022-23 £118,000).

Civil service and other compensation schemes – exit packages (Subject to audit)

There were no approved exit packages during the year (2023: none). There were no special severance packages for 2023/24 or 2022/23.

Trade Union Facility Time

| | 2023/24 | 2022/23 |
|---|------------|------------|
| Table 1 | | |
| Number of employees who were relevant union officials during the period | 0 | 0 |
| Table 2 | | |
| Percentage of time | | |
| 0% | 0 | 0 |
| 1-50% | 0 | 0 |
| 51-99% | 0 | 0 |
| 100% | 0 | 0 |
| Table 3 | | |
| Total cost of facility time | £0 | £0 |
| Total pay bill | £4,219,000 | £3,455,000 |
| Percentage of the total pay bill spent on facility time | 0% | 0% |
| Table 4 | | |
| Time spent on paid trade union activities as a percentage of total paid facility time | 0% | 0% |

NATIONAL ARMY MUSEUM

TRUSTEES REPORT AND REPORT OF COUNCIL

YEAR ENDED 31ST MARCH 2024

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of Expenditure (Subject to Audit)

NAM receives Grant-in-Aid (GiA) from MOD in support of its overall activities.

The total operating GiA for the last five financial years being as follows:

| | £'000 |
|---------|-------|
| 2023-24 | 7,051 |
| 2022-23 | 7,056 |
| 2021-22 | 6,870 |
| 2020-21 | 6,713 |
| 2019-20 | 6,486 |

Part of the GiA is used to cover the salaries of staff paid directly by MOD whilst the remaining GiA is received by NAM in a separate bank account. Included in the operating GiA for 2023-24 is £120,000 (2022-23 £100,000) which was restricted to supporting NAM's operations in relation to the Commonwealth War Graves Commission and scholarship research activities.

In addition, NAM received additional GiA for the purchase of Heritage Assets of £130,000 in each of these five years.

Controls and procedures are in place to ensure only allowable expenditure is incurred on this account. Annual budgets are prepared for the expenditure of this GiA with monthly reporting of actual expenditure and anticipated outturns being made to the Management Team coupled with regular reporting to the PA&RA Committee.

These procedures help ensure that GiA is appropriately managed and that there is no overspend of GiA that cannot be funded from the Museum's other resources.

Other considerations (Subject to Audit)

NAM has no remote contingent liabilities that require notification to HM Treasury.

There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosure that have not been reported elsewhere in these financial statements.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2024

Long-term expenditure trends

Expenditure over the last five financial years as reported in the financial statements is summarised as follows:

| | 2023/2024 | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 5,019 | 4,114 | 4,044 | 4,199 | 4,160 |
| Premises costs | 407 | 1,106 | 888 | 1,028 | 1,050 |
| Collection maintenance | 498 | 696 | 542 | 530 | 357 |
| Events and promotion | 553 | 324 | 398 | 270 | 528 |
| Depreciation and (profit)/ loss on disposal | 1,257 | 1,206 | 884 | 970 | 862 |
| Impairment and impairment reversal | 0 | (1,327) | (4,898) | 0 | (378) |
| Administration and other | 1,094 | 902 | 795 | 690 | 834 |
| | <u>8,828</u> | <u>7,021</u> | <u>2,653</u> | <u>7,687</u> | <u>7,413</u> |

Premises costs for the year have been reduced by £780,000 as a result of a rates refund relating to the period 1st April 2010 to 31st March 2023.



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

13th November 2024

National Army Museum
13th November 2024

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2024

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the National Army Museum and its Group for the year ended 31 March 2024 under the Charities Act 2011 and under the Royal Charter relating to the National Army Museum 1960.

The financial statements comprise the National Army Museum and its Group:

- Consolidated and Charity Balance Sheet as at 31 March 2024;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the National Army Museum and its Group's affairs as at 31 March 2024 and its net expenditure for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the National Army Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2024

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Army Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Army Museum and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Trustees' Report and Report of Council but does not include the financial statements and my auditor's report thereafter. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Royal Charter relating to the National Army Museum 1960.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Trustees' Report and Report of Council subject to audit have been properly prepared in accordance with HM Treasury directions made under the Royal Charter relating to the National Army Museum 1960; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Army Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report and Report of Council.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2024

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the National Army Museum and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Trustees' Report and Report of Council subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Army Museum and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder;
- preparing the Trustees' Report and Report of Council, which includes the Remuneration and Staff Report, in accordance with directions made under the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder; and
- assessing the National Army Museum and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with section 151 of the Charities Act 2011 and the Royal Charter relating to the National Army Museum 1960.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2024

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud I:

- considered the nature of the sector, control environment and operational performance including the design of the National Army Museum and its Group's accounting policies,
- inquired of management, the National Army Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Army Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Army Museum and its Group's controls relating to the National Army Museum's compliance with the Royal Charter relating to the National Army Museum 1960, the Charities Act 2011, and Managing Public Money;
- inquired of management, the National Army Museum and its Group's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Army Museum and its Group's for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the National Army Museum and its Group's framework of authority and other legal and regulatory frameworks in which the National Army Museum and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Army Museum and its Group. The key laws and regulations I considered in this context included the Royal Charter relating to the National Army Museum 1960, the Charities Act 2011, Managing Public Money, employment law and tax Legislation.

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2024

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Performance, Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- In addressing the risk of fraud in revenue recognition, I assessed the recognition of income in line with the accounting framework and undertook procedures to test the completeness of income.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date: 15 November 2024

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

NATIONAL ARMY MUSEUM
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2024

| | NOTE | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2023/24 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2022/23 £'000 |
|---|----------|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | | | | | | |
| Grant-in-Aid | | 6,931 | 250 | 7,181 | 6,956 | 230 | 7,186 |
| Other | | 56 | 148 | 204 | 20 | 28 | 48 |
| | | <u>6,987</u> | <u>398</u> | <u>7,385</u> | <u>6,976</u> | <u>258</u> | <u>7,234</u> |
| Trading activities | 3 | 636 | 42 | 678 | 553 | 46 | 599 |
| Investments | | 1 | 14 | 15 | 1 | 3 | 4 |
| | | <u>7,624</u> | <u>454</u> | <u>8,078</u> | <u>7,530</u> | <u>307</u> | <u>7,837</u> |
| Other | 3 | 59 | 0 | 59 | 26 | 4 | 30 |
| TOTAL | | <u>7,683</u> | <u>454</u> | <u>8,137</u> | <u>7,556</u> | <u>311</u> | <u>7,867</u> |
| Expenditure on: | | | | | | | |
| Raising funds | 4 | 1,056 | 118 | 1,174 | 859 | (45) | 814 |
| Charitable activities | 4 | 6,576 | 1,078 | 7,654 | 6,413 | (206) | 6,207 |
| TOTAL | | <u>7,632</u> | <u>1,196</u> | <u>8,828</u> | <u>7,272</u> | <u>(251)</u> | <u>7,021</u> |
| Operating surplus/(deficit) | | 51 | (742) | (691) | 284 | 562 | 846 |
| Net gains/(losses) on investments | 9 | 0 | 34 | 34 | 0 | (20) | (20) |
| Net income/(expenditure) | | <u>51</u> | <u>(708)</u> | <u>(657)</u> | <u>284</u> | <u>542</u> | <u>826</u> |
| Transfers between funds | | (270) | 270 | 0 | (519) | 519 | 0 |
| Other recognised gains/(losses): | | | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 103 | 340 | 443 | 245 | 1,652 | 1,897 |
| Net movement in funds | | <u>(116)</u> | <u>(98)</u> | <u>(214)</u> | <u>10</u> | <u>2,713</u> | <u>2,723</u> |
| RECONCILIATION OF FUNDS | | | | | | | |
| Total funds brought forward | | 65,080 | 50,030 | 115,110 | 65,070 | 47,317 | 112,387 |
| Total funds carried forward | | <u>64,964</u> | <u>49,932</u> | <u>114,896</u> | <u>65,080</u> | <u>50,030</u> | <u>115,110</u> |

None of the Museum's activities were acquired or discontinued during the year. All of the Museum's recognised gains and losses for the year are included above.

The Statement of Financial Activities for the Charity alone is detailed in note 2 to the financial statements.

The notes of pages 64 to 83 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED AND CHARITY BALANCE SHEET
YEAR ENDED 31ST MARCH 2024

| | NOTE | 2024 | | | | 2023 | | | |
|--|------|--------|----------------|---------|----------------|-------|----------------|---------|----------------|
| | | Group | | Charity | | Group | | Charity | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | | | | | |
| Intangible assets | 6 | 72 | | 72 | - | | - | | |
| Tangible assets | 7 | 45,813 | | 45,812 | 46,302 | | 46,301 | | |
| Heritage assets | 8 | 68,230 | | 68,230 | 68,083 | | 68,083 | | |
| Investments | 9 | 468 | | 518 | 402 | | 452 | | |
| | | | 114,583 | | 114,632 | | 114,787 | | 114,836 |
| CURRENT ASSETS | | | | | | | | | |
| Stocks | | 57 | | - | 31 | | - | | |
| Debtors | 10 | 338 | | 425 | 607 | | 781 | | |
| Cash at bank and in hand | 11 | 772 | | 625 | 594 | | 317 | | |
| | | 1,167 | | 1,050 | 1,232 | | 1,098 | | |
| CURRENT LIABILITIES | | | | | | | | | |
| CREDITORS: | | | | | | | | | |
| Amounts falling due within one year | 12 | (854) | | (786) | (909) | | (824) | | |
| NET CURRENT ASSETS/ (LIABILITIES) | | | 313 | | 264 | | 323 | | 274 |
| TOTAL NET ASSETS | | | <u>114,896</u> | | <u>114,896</u> | | <u>115,110</u> | | <u>115,110</u> |
| RESERVES | | | | | | | | | |
| Unrestricted Funds | | | 64,241 | | 64,241 | | 64,460 | | 64,460 |
| Unrestricted Revaluation | | | 723 | | 723 | | 620 | | 620 |
| Total Unrestricted Funds | 13 | | <u>64,964</u> | | <u>64,964</u> | | <u>65,080</u> | | <u>65,080</u> |
| Restricted Funds | | | 45,187 | | 45,187 | | 45,625 | | 45,625 |
| Restricted Revaluation | | | 4,745 | | 4,745 | | 4,405 | | 4,405 |
| Total Restricted Funds | 13 | | <u>49,932</u> | | <u>49,932</u> | | <u>50,030</u> | | <u>50,030</u> |
| | 14 | | <u>114,896</u> | | <u>114,896</u> | | <u>115,110</u> | | <u>115,110</u> |

The financial statements were approved by the Council on 13th November 2024 and signed on its behalf by:



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
 DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
 CHAIRMAN, ON BEHALF OF COUNCIL

The notes on pages 64 to 83 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2024

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2023/24 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2022/23 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Cash flows from operating activities: | | | | | | |
| Net cash provided by/(used in) operating activities | (16) | 685 | 669 | 391 | 270 | 661 |
| Cash flows from investing activities: | | | | | | |
| Purchase of intangible assets | (85) | 0 | (85) | 0 | 0 | 0 |
| Purchase of tangible assets | (42) | (270) | (312) | (110) | (519) | (629) |
| Proceeds from sale of tangible assets | 0 | 0 | 0 | 2 | 0 | 2 |
| Purchase of heritage assets | 0 | (69) | (69) | 0 | (112) | (112) |
| Purchase of fixed asset investments | 0 | (25) | (25) | 0 | (57) | (57) |
| Net cash provided by/(used in) investing activities | (127) | (364) | (491) | (108) | (688) | (796) |
| Cash flows from financing activities: | | | | | | |
| Repayments of borrowing | 0 | 0 | 0 | (51) | 0 | (51) |
| Net cash provided by/(used in) financing activities | 0 | 0 | 0 | (51) | 0 | (51) |
| Change in cash and cash equivalents in the reporting period | | | | | | |
| | (143) | 321 | 178 | 232 | (418) | (186) |
| Cash and cash equivalents at the beginning of the reporting period | 673 | (79) | 594 | 441 | 339 | 780 |
| Cash and cash equivalents at the end of the reporting period | 530 | 242 | 772 | 673 | (79) | 594 |

An analysis of cash and cash equivalents together with an analysis of changes in net debt is given in note 11 of the financial statements.

Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2023/24 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2022/23 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 51 | (708) | (657) | 284 | 542 | 826 |
| Adjustments for: | | | | | | |
| Depreciation charges | 295 | 961 | 1,256 | 287 | 921 | 1,208 |
| Loss/(profit) on the disposal of tangible assets | 1 | 0 | 1 | (2) | 0 | (2) |
| Interest payable | 0 | 0 | 0 | 3 | 0 | 3 |
| Net dividends reinvested | 0 | (7) | (7) | 0 | 0 | 0 |
| Impairment and impairment reversal | 0 | 0 | 0 | 0 | (1,327) | (1,327) |
| Transfer of quoted investments to fixed assets | 0 | 0 | 0 | 0 | (365) | (365) |
| Donated heritage assets | 0 | (78) | (78) | 0 | 0 | 0 |
| Transfer between funds | (270) | 270 | 0 | (519) | 519 | 0 |
| (Increase)/decrease in stocks | (26) | 0 | (26) | 45 | 0 | 45 |
| (Increase)/decrease in debtors | (12) | 281 | 269 | 313 | (40) | 273 |
| Increase/ (decrease) in creditors | (55) | 0 | (55) | (20) | 0 | (20) |
| Net unrealised investment loss/(gains) | 0 | (34) | (34) | 0 | 20 | 20 |
| Net cash provided by/(used in) operating activities | (16) | 685 | 669 | 391 | 270 | 661 |

The notes on pages 64 to 83 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) – (Charities SORP (FRS 102)) and guidance issued by H.M. Treasury in that the Financial Reporting Manual is applied insofar as it does not contradict the Statement of Recommended Practice.

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

(b) Basis of Consolidation

Consolidated financial statements have been prepared in respect of the charity and its wholly owned subsidiary, National Army Museum Trading Limited (“NAMTL”) (Company Number: 06707366).

The Consolidated Statement of Financial Activities and Balance Sheet include the results and net assets of NAMTL on a line by line basis.

The financial statements of NAMTL used in consolidation are those for the period ended 31 March 2024.

(c) Going Concern

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Museum’s needs. We have considered a period of at least twelve months from the date of approval of the financial statements. The assumption relies on the continuation of Ministry of Defence funding at a similar level for the foreseeable future. The Museum has received confirmation of funding for 2024-25 together with an ongoing commitment and letter of support from its Sponsor Department for the period to March 2026. In order to ensure financial stability NAM Council has reviewed and approved budgets and cash flows through to March 2026.

(d) Incoming Resources

Incoming resources are included gross without the deduction of expenditure.

(e) Donations and Legacies

Grant-in-Aid is recorded on a received basis.

Grant-in-Aid is a payment by a public sector funder to finance part of NAM’s operations in support of NAM’s overall activities. Except where Grant-in-Aid has been awarded for a specific purpose such as the purchase of exhibits or redevelopment of NAM it is regarded as an unrestricted fund as it relates to the general operations of NAM without significant restrictions being placed on how the funds can be spent.

Other revenue grants are credited to incoming resources on the earlier of the date of receipt or when they are receivable, unless they relate to a grant for expenditure in future accounting periods, in which case they are deferred.

Grants for the purchase of fixed and heritage assets are credited to a restricted fund within incoming resources when receivable.

The Museum derives other income from donations, legacies, gifts and monies placed in donation boxes in the Museum. The income is recognised in the statement of financial activities where there is evidence of entitlement, receipt is probable and its

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

amount can be measured reliably. Donated services and facilities are included as income based on management's judgement of their market value.

(f) Expenditure on Charitable activities

NAM has allocated its expenditure on charitable activities to the following areas of activity:

Collections costs are those incurred in acquiring and preserving objects and records relating to the British Army for the education, inspiration and enjoyment of the present generation and its successors, together with the presentation of the Museum's collections to its users.

Curatorial costs are those incurred in the research and interpretation of the Museum's collections to its users, including dealing with enquiries from the general public.

Education costs are those incurred in engaging and educating the general public, including children, in historic and contemporary issues relating to the British Army.

Publicity costs are those costs that are incurred in promotion of the Museum, specific exhibitions and in support of the off site activities of the NAM.

(g) Allocation of support and governance costs

Support and governance costs are those functions that assist NAM but do not directly undertake either Charitable or Fundraising activities. These costs include general administration, finance, personnel and governance costs which support NAM's activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. Costs not directly attributable to a specific category have been allocated based on the cost of staff time incurred.

(h) Pensions Cost

Long serving Museum staff, are covered by the provisions of the Principal Civil Service Pension Scheme ("PCSPS"), which provides benefits based on final pensionable pay. The pensions cost charged to the Statement of Financial Activities is represented by the contributions payable under the PCSPS to the Cabinet Office at rates determined from time to time by the Government Actuary's Department. PCSPS is a multi-employer scheme and NAM is unable to identify its share of any pension liability. Those staff not covered by the PCSPS are also entitled and are paid contributions to National Employment Savings' Trust or personal pension policies.

(i) Taxation

As a Registered Charity, the National Army Museum's charitable status has been recognised by HM Revenue & Customs. Non-recoverable Value Added Tax (VAT) arising from expenditure is charged to the statement of financial activities. All expenditure including capital expenditure is stated net of any recoverable VAT. VAT is then reclaimed from HM Revenue & Customs in accordance with section 33 of the VAT Act 1994.

All of the income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. All of the taxable profits of the trading subsidiary are distributed to the Charity under Gift Aid. The Corporation Tax liability of the trading subsidiary for the period ending 31 March 2024 was £43 (2023: £127).

Deferred tax is recognised on any tax losses in the trading subsidiary to the extent that it is probable that these will be recovered against future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

(j) Intangible Fixed Assets and Amortisation

Intangible fixed assets represent the investment by NAM in a collections management system to manage and improve relationships with customers and to generate income in future years. They are stated at cost less accumulated amortisation.

They reflect website development costs including software licences and other directly attributable costs where future economic benefits are expected to flow that can be reliably measured.

Amortisation is charged yearly on a straight-line basis over the estimated useful life. These assets are only capitalised where they relate to a specific project that meets this criteria with a budget exceeding £20,000 and an individual cost exceeding £1,000.

Intangible assets under construction are not amortised until completion of the project.

Given the nature of these costs and projects NAM has determined that the maximum estimated useful life of these assets cannot exceed 5 years.

This represents a change in policy to that previously adopted by NAM where such costs were treated as expenditure in the Statement of Financial Activities as they were incurred. In accordance with Paragraph 18.17 of FRS102 no prior year adjustment is included in respect of these intangible assets.

(k) Tangible Fixed Assets and Depreciation

Fixed assets are stated at their estimated current cost. For land and buildings this estimate is based on independent professional valuations obtained every five years, updated in the intervening years by the application of appropriate government issued indices provided by the Ministry of Defence. The land and buildings were professionally revalued at 31st March 2022 (see note 7). For other assets, the estimate is based on historic cost updated thereafter by the application of these indices. Fixed assets with a cost of less than £1,000 are not capitalised.

Any revaluations are recorded as other recognised gains and losses in the Statement of Financial Activities and reflected in revaluation reserves except where they relate to the reversal of previous impairment provisions.

Depreciation is provided on all tangible fixed assets on a straight-line basis over their estimated useful lives. These were principally:

| | |
|------------------------------|-------------|
| Leasehold Buildings | 52 years |
| Fit-out of Buildings | 43 years |
| Plant and Machinery | 27 years |
| Short Leasehold Improvements | 41 years |
| Computer Equipment | 5-10 years |
| Fixtures and Fittings | 10-20 years |

The remaining useful lives for leasehold buildings, fit-out of buildings and plant and machinery have been based on those advised as part of the 2022 property revaluation.

Expenditure on permanent exhibitions is capitalised in accordance with this policy whilst all expenditure on temporary exhibitions is written off as the expenditure is incurred.

The Museum continuously reviews its fixed assets to ensure they do not fall below recoverable amounts. Any asset that falls below its recoverable amount is adjusted to reflect the fall in value or is disposed of.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

(I) Heritage Assets

(i) Valuation and Management

Heritage assets are recorded at the deemed cost carrying value established at 31st March 2010 adjusted for the cost of additions and the value of disposals since this date and any impairments in respect of material elements of the collection.

NAM conducts periodic reviews of its heritage assets for any impairment to the collection. No impairments were identified for the current or preceding year.

Donated assets are included based on internal estimates by the relevant curator using their experience and judgement and by reference to third parties, if considered appropriate.

Heritage assets comprise of approximately one million items. For the 2010 valuation the Collection was divided into two categories. The first category comprised Victoria Crosses, George Crosses, field marshals' batons, oil paintings and other high-value items of fine and decorative art, coatees, rare books, oral history interviews, sound discs and film records. These were valued by expert members of staff, some of them with the assistance of former colleagues. The valuations of the historic military vehicles part of the collection is supported by a third-party valuation of the historic military vehicles made in 2008-9 by Julian Shoolheifer Limited (Fine Art Valuers) PO Box 186, Saffron Walden, CB10 9AY.

The remainder of the Collection was valued by expert members of staff on the basis of auction realisations, knowledge of their specialist areas and inflation-adjusted prices paid for exhibits purchased by the Museum.

The valuation of heritage assets only reflects those assets which have been fully accessioned into the collection and recorded on the Museum's collections database. Work is ongoing to see whether it is practicable to ascribe a value to assets where this information is not currently available.

(ii) Depreciation

Depreciation is not provided on historic heritage assets due to the fact that they have an indefinite life. The carrying value of individual items is periodically reviewed and written down where required.

(iii) Preservation Costs and Management

Expenditure which, in the Council's view, is required to preserve or clearly prevent further deterioration of individual collection items is written off and recognised in the Statement of Financial Activities when it is incurred.

(iv) Acquisitions and Disposals

The Museum's collecting activities are subject to the availability of objects and financial resources with every effort made to achieve a balanced collection in terms of both geography and chronology. The Acquisition and Disposals Policy also takes into account the needs of other museums.

By definition, the Museum has a long-term purpose and maintains a permanent Collection in relation to its stated objectives. The Council accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items from the Museum's Collection.

Final approval for the disposal of a heritage asset rests with the Acquisition and Disposal Committee and this authority is devolved from the Museum's Trustees, the Council of the NAM. A curator recommends the object for disposal and relevant paperwork is counter-signed by the head of department concerned and the Assistant Director (Collections).

A copy of the Museum's Full Acquisition & Disposal Policy is available on its website.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

(m) Investments

Investments are included at their market value as at the year-end. Gains or losses arising from disposals of fixed asset investments, together with unrealised gains and losses are included in the statement of financial activities.

(n) Stocks

Stocks which represent goods for resale are stated at the lower of cost or net realisable value.

(o) Debtors

Debtors are stated at the amount expected to be received by the museum, being the amount it will receive from a debt or the amount it has paid in advance for goods or services.

(p) Cash and cash equivalents

Cash and cash equivalents represent cash held in bank accounts with no other near cash investments being held by the Museum.

(q) Liabilities

Where expenditure has been incurred but remains unpaid at the year-end a liability is recorded by the Museum. Where amounts have not been invoiced an estimate is made of the amount to be accrued and included as a liability.

(r) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

All Museum leases are currently operating leases, except for the long leasehold land and building of the NAM Museum in Chelsea, which is capitalised under tangible fixed assets on the Balance Sheet and where the present value of minimum lease payments is not material over the life of the lease.

(s) Financial Instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, investments, trade debtors, trade creditors, and accrued expenses. The fair value of these items approximates their carrying value due to their short-term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

(t) Restricted and unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor, details of restricted funds are given in note 13 of the financial statements. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

Unrestricted funds are donations and other incoming resources received or generated for the Museum's charitable purposes.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

2. Statement of Financial Activities for the Charity alone

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2023/24 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2022/23 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | | | | | | |
| Grant-in-Aid | 6,931 | 250 | 7,181 | 6,956 | 230 | 7,186 |
| Other | 56 | 148 | 204 | 20 | 28 | 48 |
| | <u>6,987</u> | <u>398</u> | <u>7,385</u> | <u>6,976</u> | <u>258</u> | <u>7,234</u> |
| Trading activities | 69 | 42 | 111 | 43 | 46 | 89 |
| Investments | 1 | 14 | 15 | 2 | 3 | 5 |
| Gift aid from subsidiary undertaking | 42 | 0 | 42 | 102 | 0 | 102 |
| | <u>7,099</u> | <u>454</u> | <u>7,553</u> | <u>7,123</u> | <u>307</u> | <u>7,430</u> |
| Other | 59 | 0 | 59 | 26 | 4 | 30 |
| TOTAL | <u>7,158</u> | <u>454</u> | <u>7,612</u> | <u>7,149</u> | <u>311</u> | <u>7,460</u> |
| Expenditure on: | | | | | | |
| Raising funds | 566 | 118 | 684 | 435 | (45) | 390 |
| Charitable activities | 6,541 | 1,078 | 7,619 | 6,457 | (206) | 6,251 |
| TOTAL | <u>7,107</u> | <u>1,196</u> | <u>8,303</u> | <u>6,892</u> | <u>(251)</u> | <u>6,641</u> |
| Operating surplus/(deficit) | 51 | (742) | (691) | 257 | 562 | 819 |
| Net gains/(losses) on investments | 0 | 34 | 34 | 0 | (20) | (20) |
| Net income/(expenditure) | <u>51</u> | <u>(708)</u> | <u>(657)</u> | <u>257</u> | <u>542</u> | <u>799</u> |
| Transfers between funds | (270) | 270 | 0 | (519) | 519 | 0 |
| Other recognised gains/(losses): | | | | | | |
| Gains/(losses) on revaluation of fixed assets | 103 | 340 | 443 | 245 | 1,652 | 1,897 |
| Net movement in funds | <u>(116)</u> | <u>(98)</u> | <u>(214)</u> | <u>(17)</u> | <u>2,713</u> | <u>2,696</u> |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | 65,080 | 50,030 | 115,110 | 65,097 | 47,317 | 112,414 |
| Total funds carried forward | <u><u>64,964</u></u> | <u><u>49,932</u></u> | <u><u>114,896</u></u> | <u><u>65,080</u></u> | <u><u>50,030</u></u> | <u><u>115,110</u></u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

3. Income and endowments

| | Unrestricted Funds | Restricted Funds | Total Funds 2023/24 | Unrestricted Funds | Restricted Funds | Total Funds 2022/23 |
|---|-----------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| (a) Donations and legacies comprise: | | | | | | |
| Grant-in-Aid: | | | | | | |
| -Operating | 6,931 | 120 | 7,051 | 6,956 | 100 | 7,056 |
| -Exhibits | 0 | 130 | 130 | 0 | 130 | 130 |
| | <u>6,931</u> | <u>250</u> | <u>7,181</u> | <u>6,956</u> | <u>230</u> | <u>7,186</u> |
| Other restricted donations | | | | | | |
| - Donated heritage assets | 0 | 78 | 78 | 0 | 0 | 0 |
| - Grant towards display cases | 0 | 16 | 16 | 0 | 0 | 0 |
| - Research fellowship | 0 | 38 | 38 | 0 | 20 | 20 |
| - Other projects | 0 | 16 | 16 | 0 | 8 | 8 |
| | <u>0</u> | <u>148</u> | <u>148</u> | <u>0</u> | <u>28</u> | <u>28</u> |
| Other unrestricted donations | 56 | 0 | 56 | 20 | 0 | 20 |
| | <u>56</u> | <u>0</u> | <u>56</u> | <u>20</u> | <u>0</u> | <u>20</u> |
| Total other donations | 56 | 148 | 204 | 20 | 28 | 48 |
| Total donations and legacies | <u>6,987</u> | <u>398</u> | <u>7,385</u> | <u>6,976</u> | <u>258</u> | <u>7,234</u> |
| (b) Trading income comprises | | | | | | |
| - Shop sales | 131 | 0 | 131 | 100 | 0 | 100 |
| - Play Base and childrens parties | 306 | 0 | 306 | 290 | 0 | 290 |
| - Exhibitions | 69 | 42 | 111 | 43 | 46 | 89 |
| - Room hire | 86 | 0 | 86 | 85 | 0 | 85 |
| -Catering commission | 41 | 0 | 41 | 39 | 0 | 39 |
| - Other | 3 | 0 | 3 | 3 | 0 | 3 |
| | <u>636</u> | <u>42</u> | <u>678</u> | <u>560</u> | <u>46</u> | <u>606</u> |
| Taxation on NAMTL profit | 0 | 0 | 0 | (7) | 0 | (7) |
| | <u>636</u> | <u>42</u> | <u>678</u> | <u>553</u> | <u>46</u> | <u>599</u> |
| (c) Other operating income comprises | | | | | | |
| - Membership income | 37 | 0 | 37 | 23 | 0 | 23 |
| - Interest on rates refund | 21 | 0 | 21 | 0 | 0 | 0 |
| - Other | 1 | 0 | 1 | 3 | 4 | 7 |
| | <u>59</u> | <u>0</u> | <u>59</u> | <u>26</u> | <u>4</u> | <u>30</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

4. Expenditure

(i) Year ended 31st March 2024

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total 2023/24 |
|--|---------|-------------|------------------|
| | £'000 | £'000 | £'000 |
| Staff costs | 474 | 91 | 565 |
| Premises costs | 6 | 2 | 8 |
| Cost of sales | 157 | 0 | 157 |
| Subsidiary overheads | 19 | 0 | 19 |
| Collections maintenance | 0 | 7 | 7 |
| Depreciation and (profit)/loss on disposal | 103 | 26 | 129 |
| General administration costs | 36 | 41 | 77 |
| Consultancy | 2 | 0 | 2 |
| Insurance and professional fees | 28 | 7 | 35 |
| Support costs | 82 | 18 | 100 |
| Governance | 62 | 13 | 75 |
| | 969 | 205 | 1,174 |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total 2023/24 |
|--|-------------|------------|-----------|-----------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 1,910 | 932 | 464 | 281 | 3,587 |
| Premises costs | 359 | 15 | 8 | 5 | 387 |
| Collections maintenance | 491 | 0 | 0 | 0 | 491 |
| Event costs | 18 | 0 | 120 | 0 | 138 |
| Promotion costs | 0 | 0 | 0 | 415 | 415 |
| Depreciation and (profit)/loss on disposal | 460 | 250 | 129 | 83 | 922 |
| General administration costs | 156 | 82 | 42 | 29 | 309 |
| Consultancy | 8 | 4 | 2 | 1 | 15 |
| Insurance and professional fees | 124 | 67 | 35 | 23 | 249 |
| Support costs | 351 | 134 | 80 | 83 | 648 |
| Governance costs | 267 | 102 | 61 | 63 | 493 |
| | 4,144 | 1,586 | 941 | 983 | 7,654 |

(c) Governance and support costs comprise:

| | Finance | Human Resources | Information Technology | Total Support | Governance |
|--|---------|--------------------|---------------------------|------------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 196 | 201 | 150 | 547 | 320 |
| Premises costs | 3 | 3 | 2 | 8 | 5 |
| Depreciation and (profit)/loss on disposal | 46 | 45 | 29 | 120 | 86 |
| General administration costs | 15 | 14 | 9 | 38 | 29 |
| External audit | 0 | 0 | 0 | 0 | 52 |
| Internal audit | 0 | 0 | 0 | 0 | 17 |
| Consultancy | 1 | 1 | 0 | 2 | 10 |
| Insurance and professional fees | 13 | 12 | 8 | 33 | 42 |
| Trustees expenses and meeting costs | 0 | 0 | 0 | 0 | 7 |
| | 274 | 276 | 198 | 748 | 568 |

Premises costs for the year have been reduced by £780,000 as a result of a rates refund relating to the period 1st April 2010 to 31st March 2023.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

(ii) Year ended 31st March 2023

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total 2022/23 |
|--|---------|-------------|------------------|
| | £'000 | £'000 | £'000 |
| Staff costs | 261 | 109 | 370 |
| Premises costs | 55 | 18 | 73 |
| Cost of sales | 157 | 0 | 157 |
| Subsidiary overheads | 19 | 0 | 19 |
| Collections maintenance | 0 | (2) | (2) |
| Depreciation and (profit)/loss on disposal | 84 | 28 | 112 |
| Impairment and impairment reversal | (93) | (31) | (124) |
| General administration costs | 28 | 38 | 66 |
| Consultancy | 2 | 1 | 3 |
| Insurance and professional fees | 12 | 4 | 16 |
| Support costs | 57 | 18 | 75 |
| Governance | 37 | 12 | 49 |
| | 619 | 195 | 814 |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total 2022/23 |
|--|-------------|------------|-----------|-----------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 1,642 | 810 | 353 | 162 | 2,967 |
| Premises costs | 628 | 179 | 64 | 34 | 905 |
| Collections maintenance | 698 | 0 | 0 | 0 | 698 |
| Event costs | 16 | 0 | 114 | 0 | 130 |
| Promotion costs | 0 | 0 | 0 | 194 | 194 |
| Depreciation and (profit)/loss on disposal | 472 | 275 | 99 | 53 | 899 |
| Impairment and impairment reversal | (519) | (303) | (108) | (58) | (988) |
| General administration costs | 162 | 92 | 34 | 18 | 306 |
| Consultancy | 11 | 7 | 2 | 1 | 21 |
| Insurance and professional fees | 64 | 38 | 14 | 7 | 123 |
| Support costs | 351 | 122 | 63 | 45 | 581 |
| Governance costs | 224 | 78 | 40 | 29 | 371 |
| | 3,749 | 1,298 | 675 | 485 | 6,207 |

(c) Governance and support costs comprise:

| | Finance | Human Resources | Information Technology | Total Support | Governance |
|--|---------|--------------------|---------------------------|------------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 194 | 154 | 179 | 527 | 250 |
| Premises costs | 33 | 29 | 16 | 78 | 50 |
| Depreciation and (profit)/loss on disposal | 50 | 45 | 24 | 119 | 76 |
| Impairment and impairment reversal | (55) | (49) | (27) | (131) | (84) |
| General administration costs | 18 | 14 | 10 | 42 | 25 |
| External audit | 0 | 0 | 0 | 0 | 43 |
| Internal audit | 0 | 0 | 0 | 0 | 29 |
| Consultancy | 1 | 1 | 1 | 3 | 2 |
| Interest payable | 2 | 0 | 0 | 2 | 1 |
| Insurance and professional fees | 7 | 6 | 3 | 16 | 22 |
| Trustees expenses and meeting costs | 0 | 0 | 0 | 0 | 6 |
| | 250 | 200 | 206 | 656 | 420 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

Governance and support costs in respect of staff, premises, depreciation and administration have been allocated based on the estimated time spent by staff on these activities and the cost of these staff. Other costs have been allocated based on the amounts invoiced for these services.

Trustees' expenses of £2,999 (2023: £4,402) relate to travel expenses reimbursed for 7 trustees (2023 – 5 trustees). In addition, NAM incurred £4,412 (2023: £1,302) in relation to Trustee meeting costs. A Trustee was paid £Nil (2023: £200) for speaking at the Chelsea History Festival.

| 5. Total expenditure is stated after charging the following items: | Unrestricted Funds | Restricted Funds | Total 2023/24 | Unrestricted Funds | Restricted Funds | Total 2022/23 |
|---|---------------------------|-------------------------|----------------------|---------------------------|-------------------------|----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Auditors' remuneration | | | | | | |
| - audit services | 52 | 0 | 52 | 43 | 0 | 43 |
| Staff costs | | | | | | |
| - wages and salaries | 3,483 | 0 | 3,483 | 2,854 | 0 | 2,854 |
| - social security costs | 362 | 0 | 362 | 299 | 0 | 299 |
| - pension costs | 374 | 0 | 374 | 302 | 0 | 302 |
| - redundancy costs | 0 | 0 | 0 | 0 | 0 | 0 |
| - temporary staff | 800 | 0 | 800 | 659 | 0 | 659 |
| | <u>5,019</u> | <u>0</u> | <u>5,019</u> | <u>4,114</u> | <u>0</u> | <u>4,114</u> |
| Operating lease costs | | | | | | |
| - land and buildings | 284 | 0 | 284 | 284 | 0 | 284 |
| - other | 11 | 0 | 11 | 15 | 0 | 15 |
| | <u>295</u> | <u>0</u> | <u>295</u> | <u>299</u> | <u>0</u> | <u>299</u> |

The external audit fee for the Charity was £43,600 (2023: £37,400). During the year NAM did not contract any non-audit services from its external auditor, the National Audit Office (NAO).

The external audit fee for the subsidiary NAMTL was £8,475 (2023: £5,975). No non-audit services were provided by the auditor of NAMTL.

There were no approved exit packages during the year (2023: none). There were no special severance packages for 2023/24 or 2022/23.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

6. Intangible Fixed Assets

| <u>GROUP</u> | Assets Under Development | Website Development | Total |
|-------------------------|-------------------------------------|--------------------------------|--------------|
| | £'000 | £'000 | £'000 |
| <u>VALUATION</u> | | | |
| At commencement of year | 0 | 0 | 0 |
| Additions at cost | 20 | 65 | 85 |
| On revaluation | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| At end of year | 20 | 65 | 85 |
| <u>AMORTISATION</u> | | | |
| At commencement of year | 0 | 0 | 0 |
| Charge for year | 0 | 13 | 13 |
| On revaluation | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| At end of year | 0 | 13 | 13 |
| <u>NET BOOK VALUE</u> | | | |
| At 31 March 2024 | 20 | 52 | 72 |
| At 31 March 2023 | 0 | 0 | 0 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

7. Tangible Fixed Assets

| GROUP | Long Leasehold Land and Buildings | Short Leasehold Improvements | Computer Equipment | Fixtures & Fittings | Total |
|------------------------------|--|---|-------------------------------|------------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>VALUATION</u> | | | | | |
| At commencement of year | 45,585 | 902 | 577 | 2,284 | 49,348 |
| Additions at cost | 270 | 0 | 21 | 21 | 312 |
| On revaluation | 340 | 0 | 8 | 95 | 443 |
| Disposals | 0 | 0 | (52) | (65) | (117) |
| At end of year | 46,195 | 902 | 554 | 2,335 | 49,986 |
| <u>DEPRECIATION</u> | | | | | |
| At commencement of year | 921 | 235 | 454 | 1,436 | 3,046 |
| Charge for year | 937 | 22 | 45 | 160 | 1,164 |
| On revaluation | 24 | 0 | 5 | 50 | 79 |
| Disposals | 0 | 0 | (52) | (64) | (116) |
| At end of year | 1,882 | 257 | 452 | 1,582 | 4,173 |
| <u>NET BOOK VALUE</u> | | | | | |
| At 31 March 2024 | 44,313 | 645 | 102 | 753 | 45,813 |
| At 31 March 2023 | 44,664 | 667 | 123 | 848 | 46,302 |

All fixed assets are owned by the Charity with the exception of £2,000 of fixtures and fittings owned by National Army Museum Trading Limited with a net book value of £1,000 (2023: £1,000).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

Included in long leasehold land and buildings is a sum of £8,890,000 (2022/23 £9,165,000) for land, which has not been depreciated.

The long leasehold property known as the National Army Museum was valued as at 31 March 2022 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), as well as FRS102, the Charities SORP and guidance issued by HM Treasury. The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method. The valuation is reported under the special assumption to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

The valuation apportioned as at 31 March 2022 for the total land and buildings was as follows:

| | |
|------------------------|---------------|
| | £'000 |
| Land | 9,352 |
| Structure of buildings | 16,930 |
| Fit-out of buildings | 5,579 |
| Plant and machinery | 10,226 |
| | <u>42,087</u> |

The Museum is housed in a purpose-built property in Chelsea on land owned by the Royal Hospital Chelsea, the lease is for 999 years at a peppercorn rent of one guinea per annum. The lease restricts the use of the building to that of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Late Majesty and her predecessors etc. All material tangible fixed assets are used in Direct Charitable Activities.

8. Heritage Assets

(a) Carrying value

| | Museum Collection £'000 |
|---------------------------------|--|
| At commencement of year | 68,083 |
| Additions | 147 |
| Disposals | 0 |
| At end of year | <u>68,230</u> |
| Net Book Value at 31 March 2024 | <u>68,230</u> |
| Net Book Value at 31 March 2023 | <u>68,083</u> |

| | 2024 £'000 | 2023 £'000 |
|---------------------------------------|-----------------------|-----------------------|
| The carrying value comprises: | | |
| Exhibits | 35,823 | 35,750 |
| Fine and decorative arts | 20,682 | 20,634 |
| Archives, photographs, film and sound | 10,572 | 10,546 |
| Printed books | 1,153 | 1,153 |
| | <u>68,230</u> | <u>68,083</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

(b) Five year financial summary of heritage asset transactions

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|------------------|------------|------------|------------|-------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>Additions</u> | | | | | |
| Purchases | 69 | 112 | 391 | 145 | 300 |
| Donations | 78 | - | 36 | 40 | 21 |
| Total Additions | <u>147</u> | <u>112</u> | <u>427</u> | <u>185</u> | <u>321</u> |
| <u>Disposals</u> | | | | | |
| Sales Proceeds | - | - | - | 26 | - |
| Carrying Value | - | - | - | (70) | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>(44)</u> | <u>-</u> |

(c) Grant Received

During the year the Museum received grants towards the purchase of items for its collection of £130,000 (2023 - £130,000) as part of its Grant-in-Aid funding. These grants were used to fund the purchase of heritage assets noted above with any unspent grants being carried forward to fund future acquisitions.

9. Fixed Asset Investments

| | Group | Charity | Group | Charity |
|--|------------|------------|------------|------------|
| | 2024 | 2024 | 2023 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Investment in subsidiary undertaking (note 9a and 9b) | - | 50 | - | 50 |
| <u>Quoted investments (note 9c)</u> | | | | |
| Market value at beginning of year | 402 | 402 | - | - |
| Transfer from current asset investments | - | - | 365 | 365 |
| Add: acquisitions at cost | 25 | 25 | 52 | 52 |
| Dividends reinvested net of management fees | 7 | 7 | 5 | 5 |
| Net unrealised investment (loss)/gains | 34 | 34 | (20) | (20) |
| Market value at end of year | <u>468</u> | <u>468</u> | <u>402</u> | <u>402</u> |
| Total unlisted investments | <u>468</u> | <u>518</u> | <u>402</u> | <u>452</u> |

The transfer from current asset investments in the prior year represents the market value of the investments at 1st April 2022 prior to their reclassification as fixed asset investments.

9a. Investment in Subsidiary Undertaking

The investment of £50,000 in subsidiary undertakings represents the charity's interest in 100% of the issued share capital of National Army Museum Trading Limited which is incorporated in England and Wales and operates a souvenir shop and other trading activities for the Museum. The company's aggregate capital and reserves were as follows:

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

The assets and liabilities of the subsidiary were:

| | 2024 | 2023 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Fixed assets | 1 | 1 |
| Current assets | 217 | 321 |
| Creditors: amounts falling due within one year | (157) | (236) |
| Creditors: amounts falling due after more than one year | (11) | (36) |
| | <u>50</u> | <u>50</u> |
| | 2024 | 2023 |
| | £'000 | £'000 |
| Share capital | 50 | 50 |
| Surplus/(deficit) retained in subsidiary | 0 | 0 |
| | <u>50</u> | <u>50</u> |

The issued share capital of National Army Museum Trading Limited is £50,000 (2023: £50,000).

A summary of the Company's trading results is shown in note 9b. Audited accounts will be filed with the Registrar of Companies.

9b. Income from Trading Company

The Consolidated Statement of Financial Activities includes the result of the trading subsidiary as follows:

National Army Museum Trading Limited

| | 2024 | 2023 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Turnover | 566 | 517 |
| Cost of sales and administrative expenses | (525) | (381) |
| Other Operating income | 1 | 0 |
| Net profit/(loss) before taxation | <u>42</u> | <u>136</u> |
| Taxation | 0 | 6 |
| Net profit/(loss) after taxation | <u>42</u> | <u>130</u> |

9c. Quoted Investments

Quoted investments represent a portfolio managed by Brewin Dolphin Limited. The historic cost of these investments was £442,000 (2023 - £417,000). The quoted investments represent surplus cash that has been invested with the aim of achieving additional income for the Museum.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

| 10. Debtors | Group 2024 £'000 | Charity 2024 £'000 | Group 2023 £'000 | Charity 2023 £'000 |
|--|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Trade debtors | 23 | 11 | 58 | 48 |
| VAT debtor | 75 | 92 | 197 | 221 |
| Prepayments and accrued income | 220 | 219 | 326 | 325 |
| Amounts due from subsidiary undertaking | 0 | 41 | 0 | 61 |
| Gift aid due from subsidiary undertaking | 0 | 42 | 0 | 102 |
| Other debtors | 20 | 20 | 26 | 24 |
| | <u>338</u> | <u>425</u> | <u>607</u> | <u>781</u> |

Amounts due from subsidiary undertaking includes an unsecured loan to NAMTL of £36,000 (2023: £60,000). The loan is repayable over 5 years and carries interest at 1% per annum. Included in the amount due is £11,000 (2023: £36,000) repayable after more than one year.

11. Cash and Cash Equivalents

| | Group 2024 £'000 | Charity 2024 £'000 | Group 2023 £'000 | Charity 2023 £'000 |
|--------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Cash at bank and in hand | 772 | 625 | 594 | 317 |
| | <u>772</u> | <u>625</u> | <u>594</u> | <u>317</u> |

Analysis of changes in net debt

| | At start of year £'000 | Cash-flows £'000 | At end of year £'000 |
|------|---------------------------------------|-----------------------------|-------------------------------------|
| Cash | 594 | 178 | 772 |
| | <u>594</u> | <u>178</u> | <u>772</u> |

12. Creditors: Amounts falling due within one year

| | Group 2024 £'000 | Charity 2024 £'000 | Group 2023 £'000 | Charity 2023 £'000 |
|------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Trade creditors | 198 | 187 | 321 | 308 |
| Accruals and deferred income | 656 | 599 | 588 | 516 |
| | <u>854</u> | <u>786</u> | <u>909</u> | <u>824</u> |

NATIONAL ARMY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2024

13. Funds Analysis

| | Balance 1 April 22 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 23 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 24 |
|---|-------------------------------|---------------|--------------------|------------------|-----------------------------|--------------------------------|---------------|--------------------|------------------|-----------------------------|--------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| RESTRICTED FUNDS | | | | | | | | | | | |
| NAM Land and Buildings | 39,334 | 0 | 406 | 519 | 0 | 40,259 | 0 | (961) | 270 | 0 | 39,568 |
| NAM Land and Buildings revaluation | 2,753 | 0 | 0 | 0 | 1,652 | 4,405 | 0 | 0 | 0 | 340 | 4,745 |
| Restricted Heritage Assets | 4,677 | 0 | 0 | 112 | 0 | 4,789 | 78 | 0 | 69 | 0 | 4,936 |
| Grant-in-Aid exhibits reserve | 0 | 130 | 0 | (112) | 0 | 18 | 130 | 0 | (69) | 0 | 79 |
| Grant-in-Aid operations reserve | 0 | 100 | (100) | 0 | 0 | 0 | 120 | (120) | 0 | 0 | 0 |
| Funds for upkeep and maintenance of specific parts of NAM collection | 540 | 3 | 0 | 0 | (20) | 523 | 14 | 0 | 0 | 34 | 571 |
| Funds received for specific NAM projects | 8 | 32 | (4) | 0 | 0 | 36 | 70 | (73) | 0 | 0 | 33 |
| Chelsea History Festival sponsorship | 0 | 46 | (46) | 0 | 0 | 0 | 42 | (42) | 0 | 0 | 0 |
| Brothers in Arms (Esmée Fairbairn) | 5 | 0 | (5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 47,317 | 311 | 251 | 519 | 1,632 | 50,030 | 454 | (1,196) | 270 | 374 | 49,932 |
| UNRESTRICTED FUNDS | | | | | | | | | | | |
| Unrestricted funds | 64,695 | 7,556 | (7,272) | (519) | 0 | 64,460 | 7,683 | (7,632) | (270) | 0 | 64,241 |
| Unrestricted funds revaluation | 375 | 0 | 0 | 0 | 245 | 620 | 0 | 0 | 0 | 103 | 723 |
| | 65,070 | 7,556 | (7,272) | (519) | 245 | 65,080 | 7,683 | (7,632) | (270) | 103 | 64,964 |
| TOTAL FUNDS | 112,387 | 7,867 | (7,021) | 0 | 1,877 | 115,110 | 8,137 | (8,828) | 0 | 477 | 114,896 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

The NAM Land and Buildings Fund represents the net book value of its Long Leasehold Land and Buildings. These assets were funded entirely by public donations in the period leading up to and after the acquisition of the lease and the building of the Museum in 1967. Under the terms of NAM's lease of the land and buildings they can only be used for the purposes of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Late Majesty and her predecessors and hence their classification as a restricted fund.

The NAM Land and Buildings revaluation reserve (Restricted Funds) represents the result of revaluations subsequent to initial recognition. As at 31 March 2024 this includes part of the revaluation gains on Long Leasehold Buildings, being the excess of the revaluation gains over previous impairment charges for the asset (NAM Museum Building in Chelsea). Revaluations of the building have resulted in previous charges for impairment being reversed and accrued for as credits to expenditure in the Statement of Financial Activities, in accordance with the Charities SORP (FRS 102).

Transfers between funds relate to capital expenditure on Long Leasehold Land and Buildings which have been funded from unrestricted funds in respect of this restricted asset.

Restricted Heritage Assets represent those assets acquired by NAM from restricted donations including the annual exhibits Grant-in-Aid.

The Grant-in-Aid exhibits reserve relates to specific Grant-in-Aid received for the purchase of heritage assets which remains unspent at the end of the financial year.

The Grant-in-Aid restricted operations reserve relates to specific Grant-in-Aid received to support NAM's work with the Commonwealth War Graves Commission and scholarship research activities. This income was fully expensed during the year.

Funds for the upkeep and maintenance of specific parts of the NAM Collection relate to amounts transferred to NAM towards the upkeep and maintenance of various items of the Collection when these items were transferred or bequeathed to NAM which remained unspent at the end of the financial year.

Funds received for specific NAM projects relates to donations and sponsorships received for specified purposes and events. At 31 March 2024 there were £17,000 (2023: £36,000) of unspent funds in relation to donations received for fellowship research and £16,000 (2023: Nil) for display cases.

The Brothers in Arms Esmée Fairbairn Fund was used to research the NAM's Indian Army collection, and to digitise related objects within the collection.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

14. Analysis of Group Net Assets Between Funds

| | Unrestricted Funds | Restricted Funds | Total 2024 | Unrestricted Funds | Restricted Funds | Total 2023 |
|-------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Intangible fixed assets | 72 | - | 72 | - | - | - |
| Tangible fixed assets | 1,500 | 44,313 | 45,813 | 1,638 | 44,664 | 46,302 |
| Heritage fixed assets | 63,294 | 4,936 | 68,230 | 63,294 | 4,789 | 68,083 |
| Fixed asset investments | - | 468 | 468 | - | 402 | 402 |
| Other net assets | 98 | 215 | 313 | 148 | 175 | 323 |
| | <u>64,964</u> | <u>49,932</u> | <u>114,896</u> | <u>65,080</u> | <u>50,030</u> | <u>115,110</u> |

The above net assets include Revaluation Reserves of:

| | 2024 £'000 | 2023 £'000 |
|------------------------------|---------------|---------------|
| Tangible fixed assets | | |
| Unrestricted | 723 | 620 |
| Restricted | 4,745 | 4,405 |
| | <u>5,468</u> | <u>5,025</u> |

The restricted revaluation reserve relates to revaluations of the Long Leasehold Land and Buildings.

15. Operating Lease Commitments

At 31 March 2024, the Museum had total future minimum commitments under non-cancellable operating leases as follows:

| | 2024 | | 2023 | |
|--------------------------------|-----------------------|-----------|-----------------------|-----------|
| | £'000 | £'000 | £'000 | £'000 |
| | Land and buildings | Other | Land and buildings | Other |
| Due within one year | 284 | 14 | 284 | 13 |
| Due between one and five years | 1,071 | 20 | 1,102 | - |
| Due after five years | 693 | - | 945 | - |
| | <u>2,048</u> | <u>34</u> | <u>2,331</u> | <u>13</u> |

The land and buildings lease commitment relates to the Museum's short leasehold property in Stevenage.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2024

16. Related Party Transactions

National Army Museum Trading Limited

The relationship to NAMTL is disclosed in note 9a together with summary financial information, and the balances due with NAMTL at the year end are disclosed in note 10. Mrs Donovan acted as a director of National Army Museum Trading Limited and is also a Member of Council.

National Army Museum Development Trust

The National Army Museum Development Trust (“the Trust”) is a registered charity, number 278939, connected with the Museum.

The funds of the Trust may be applied, at the discretion of the Trust’s trustees, to further the charitable purposes of the Museum or other charitable purposes or institutions. The trustees may not, unless they see special reason, make a payment to the Museum without specifying the particular purpose for which it is to be used, being a purpose for which public funds are not expected to be available. During the year the Trust donated £12,800 (2023: £20,000) to the Museum to assist in meeting the costs of a research fellowship and £Nil (2023: £Nil) towards the acquisition of heritage assets.

The net assets of the Trust at 31 December 2023, its most recent financial year end, were £627,247 (31 December 2022 £572,455). The control and administration of these funds remains, at all times, the full responsibility of the Trust’s trustees.

NAM does not consider itself to have significant influence over the Trust and as a result it is not considered an associate for these financial statements.

Ministry of Defence

The National Army Museum is classified for administrative purposes by the Ministry of Defence (“the MOD”) as an Executive Non-Departmental Public Body (ENDPB) which it sponsors. The MOD is regarded as a related party. Grant-in-Aid funding from the MOD is separately disclosed in note 3 of the Financial Statements.

17. Capital Commitments

| | 2024 | 2023 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Authorised and contracted for at 31st March 2024 | 300 | - |
| Authorised at 31st March 2024 but not contracted for | - | - |

18. Post Balance Sheet Events

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the auditors’ report was signed by the Comptroller and Auditor General.

THE NATIONAL ARMY MUSEUM

England & Wales - Charity number 237902

Accounts

NATIONAL
ARMY
MUSEUM

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2023

NATIONAL
ARMY
MUSEUM

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2023

Presented to Parliament with reference to the Royal Charter (relating to National Army Museum, 1960)

Ordered by the House of Commons to be printed on 21st November 2023

Copyright ©National Army Museum 2023

All rights reserved. No part of this publication may be reproduced, or transmitted, in any form or by any means, electronic or mechanical, including photography, recording or any other storage or retrieval system, without prior permission in writing from the publisher, nor otherwise be circulated in any form of binding or cover other than in which it is published and without a similar condition including this condition being imposed on the subsequent publisher.

ISBN-978-0-901721-52-5

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

| CONTENTS | PAGE |
|--|-------------|
| Trustees Report and Report of Council | |
| Reference and Administrative Information | 2 |
| Performance Report | |
| Overview | 3 |
| Performance Analysis | 8 |
| Accountability Report | |
| Corporate Governance Report | 35 |
| Statement of Trustees and Accounting Officer's Responsibilities | 37 |
| Governance Statement | 38 |
| Remuneration and Staff Report | 45 |
| Parliamentary Accountability and Audit Report | 51 |
| | |
| The Report of the Comptroller and Auditor General to the Houses of Parliament | 53 |
| | |
| Consolidated Statement of Financial Activities | 58 |
| | |
| Consolidated Balance Sheet | 59 |
| | |
| Consolidated Cash Flow Statement | 60 |
| | |
| Notes to the Financial Statements | 61 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Introduction

The accounts of the National Army Museum (NAM) are presented for the financial year ended 31st March 2023. The accounts are prepared in accordance with a direction given by H.M. Treasury in accordance with Article 14 of the National Army Museum Royal Charter 1960 and law applicable to charities in England and Wales.

The NAM is a charity registered with the Charity Commission (reference no. 237902).

Address and principal office of the Museum

National Army Museum, Royal Hospital Road, Chelsea, London, SW3 4HT.

Professional Advisers

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Auditors

National Army Museum

National Army Museum Trading Limited (NAMTL)

The Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
LONDON
SW1W 9SP

Hillier Hopkins LLP
Radius House
51 Clarendon Road
WATFORD
Herts
WD 17 1HP

Internal Auditors

RSM Risk Assurance Services LLP
Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

PERFORMANCE REPORT

OVERVIEW

Background Information

The National Army Museum (NAM) was established by Royal Charter in 1960 to collect, preserve, and exhibit objects and records relating to the Regular and Auxiliary forces of the British Army and of the Commonwealth, and to encourage research into their history and traditions. Devolved status was accorded to the Museum under the terms of the National Heritage Act 1983. The annual Grant-in-Aid (GiA), made through the Ministry of Defence (MoD), is administered by the Director of the Museum as Accounting Officer on behalf of the governing body, the Council of the National Army Museum. The Trustees of the Museum are known as Council members.

Social Investment and Public Benefit

The Council of the Museum recognises its responsibilities with regard to social investment and public benefit. The Museum pays due regard to the Charity Commission guidance, and in particular PB1, PB2 and PB3. The following sections of these accounts show that commitment to the investment and how the Charity Commission guidance has been complied with.

Overall Objectives and Activities

The National Army Museum's objectives were set out in its Royal Charter, first granted in 1960. Its preamble states that the National Army Museum was established 'for the purpose of collecting, preserving and exhibiting objects and records relating to the history of Our Army so that the achievements, history and traditions of Our Army should be better made known'.

'Our Army' is defined by Her Late Majesty The Queen in Council as including 'the Standing Army, Militia, Yeomanry, Volunteers, Territorial Army of the British Islands, Territorial Army and Volunteer Reserve of the United Kingdom, Our Predecessors' Army in India and the Armies of the East India Company and the Land Forces of Our and Our Predecessors' possessions beyond the seas'.

The current Strategic Plan was agreed by NAM Council in 2018 and the Museum uses this as a basis for future Business Plans. This Strategic Plan had a single aim, to stabilise the Museum in order to set the conditions for growth in 2019-20 and beyond. In addition, the Museum updated its Mission and Core Values as well as introducing a series of values and outputs:

Purpose, Mission, Vision

The Museum's Purpose is to be the national home of the history and heritage of the Army.

The Museum's Mission is to engage and inspire everyone with the stories of our soldiers and how their service shapes our world; past, present and future.

The Museum's Vision is to share the history and heritage of our soldiers and their service in the Army, across the globe and down the centuries. Through our collections we explore the history of the Army from its origins to the present day.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

The current Strategic Plan has five key Objectives:

- Create memorable, relevant and accessible activities aligned to audience need in order to maximise audiences and generate footfall;
- Establish the NAM, nationally and internationally, as the first choice for the history and life of the British Army;
- Maximise financial resilience, organisational efficiency and sustainability;
- Safeguard and make accessible the collections and associated knowledge; and
- Develop a national footprint by establishing a network of partnerships, linkages and working relationships.

Values

The Museum's values are *Integrity, Teamwork, Respect, Empathy, Inclusivity*.

Outputs

The Museum's Sponsor Department, MoD, provides Grant-in-Aid to NAM for three reasons. Firstly, to engage and inspire the public with the story of Our Army. Secondly, it expects NAM to support the education and research of those no matter what age, with an interest in British military history. Finally, it views NAM as a place where the historical provenance of the Army's values and ethos are explained using history and the stories of those that have served. NAM fulfils these objectives and meets the Army's needs by providing the following four outputs:

Output 1: A National museum, providing free access to the public in Chelsea, that tells the authentic story of our soldiers and the armies in which they have served.

Output 2: A National museum, dedicated to collecting objects and archives and to researching the history and heritage of the Army and making it accessible to the public.

Output 3: An institution dedicated to supporting the UK's network of Regimental and Corps military museums and partnering internationally where there is shared history.

Output 4: Digital resources that provide UK and global audiences with accessible and authoritative histories of our soldiers and their armies.

The Business Plan has five Key Strategic Objectives:

- Strategic Objective 1: - Connect the British public to the story of Our Army
- Strategic Objective 2: - Become the leading authority on the history of Our Army
- Strategic Objective 3: - Safeguard and make accessible our collections and expertise to the widest possible audience
- Strategic Objective 4: - Enable and support networks of military museums and heritage organisations in the UK
- Strategic Objective 5 - (Primary Enabling Objective): Build greater financial resilience and sustainability

Achievements, Objectives and Performance for the Year

This reporting period falls within recovery from the Covid-19 pandemic. The Museum during this time, carried out a phased refresh in the main permanent galleries. This was a planned undertaking post redevelopment considering the care and rotation of the Collections and visitor feedback. Galleries completed in this reporting period include the *Global Gallery* which tells the wide-ranging story of the Army around the world. This gallery was designed to meet needs expressed in our audience research and visitor feedback. As readers are aware, to tell the complete story in the existing Museum footprint would be impossible but, by careful curatorship, this gallery gives visitors a fantastic understanding of where the Army has served and its historical links around the world. This gallery completed on schedule, in budget

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

and has enabled a range of post-war stories to be included, as well as exploiting the strengths of the collections from both South Asia and the West Indies. The next gallery as part of the refreshment programme which re-opened in April 2023 is the *Conflict in Europe*.

The Museum had a successful Chelsea History Festival (CHF) in September of this period, later through this report there is mention of some of the highlights and greater accounts of the activities. Building on the success of the CHF and along with the two other founding partners (Royal Hospital Chelsea and Chelsea Physic Garden) the Director and Museum Council are establishing the Chelsea Heritage Quarter (CHQ) which will deliver “*new profitable identity and visitor experience in the CHQ to drive visits to the Royal Hospital Road area*”. This initiative has attracted support from the Royal Borough of Kensington and Chelsea, the Cadogan Estate and other local stakeholders.

The Museum has seen an increase in physical footfall but like other London centered institutions this has been slow to recover to pre-Covid levels but looking forward, the Museum is confident that it will reach at least 80% of pre-Covid levels during 2023-24. What has proven popular and seen an increase are school visits both physically and particularly virtually. The virtual element and learning resources offer a fantastic resource for schools and similar institutions who are unable to travel to Chelsea due to financial or geographic pressures.

In September 2022 the Museum sadly along with the rest of the country, learned of the passing of Her Late Majesty Queen Elizabeth II. The Museum had been selected previously as a venue to support the arrangements of Her Late Majesty’s State funeral (Op London Bridge) whenever it would occur. This necessitated the closure of the Museum to the public to allow the necessary arrangements to take place. Her Late Majesty had a long-standing relationship with NAM and had previously opened the three main stages of its development the last being the re-opening in March 2017. The Director of the Museum as a member of the Honourable Corps of Gentlemen at Arms was called upon to take part in the ceremonies of the lying in state prior to the state funeral, an honour for him reflecting his service.

Chelsea

The Museum at Chelsea continued to be the focus of attention for the Senior Leadership Team (SLT) in an effort to increase visitor numbers and visitor related income. This has been helped by a vibrant programme of temporary exhibitions and a lecture programme which were developed under Covid-19 restrictions.

The Museum recognised that although there were limited opportunities to receive audiences in person in Chelsea during Covid-19 it could reach out virtually utilising Crowdcast and provide these remote audiences with content, lectures, discussions, and other forms of interaction with NAM. This method of communication has continued into the 2022–23 year.

Volunteering during this period has been much reduced with a natural reluctance for the public to commit to working in enclosed environments. That being said, the Museum as a Covid-19 safe environment, has been keen to welcome volunteers back. This keenness has been met with patchy acceptance, but there is now an upward movement as people become more accepting of the removal of Covid-19 measures. The Museum has designed various projects and activities which have traditionally been of benefit both to the individual and the Museum.

The large temporary exhibition space continues to feature ‘Foe to Friend: The British Army in Germany since 1945’. This has provided welcome coverage of the Cold War story, particularly during the closure of both the Battle and Society Galleries for refreshment at the end of summer 2022. On the closure of this exhibition, some of the content within the gallery will be incorporated into the new ‘Conflict in Europe’ gallery which was installed from January to March 2023.

Our exhibitions research and popularity also indicated a need to increase the size of the smaller Focus Gallery, as well as trying to contain costs on large exhibition space changes. The future exhibitions plan reflects this, with the Focus Gallery space being increased from 50m² to approximately 150m² and a corresponding reduction in size of the large space. This will be put into effect from late summer 2024.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Stevenage

The work of the collections staff based at Stevenage has been as busy as ever, with a strong focus on the conservation and installation programmes associated with exhibition schedules. Work across all types of objects have been co-ordinated ranging from delicate textiles, to work on the restoration of large objects including a Victorian Field Gun. This last piece requiring specialist wheelwrighting skills, which were commissioned from a company in Devon. Changes to staffing at Stevenage have meant more curatorial staff are now based there, to enable closer work directly with collections. The conservation team has also been strengthened enabling the Museum to undertake more work directly on its own collections.

Key Financial Risks and Reserves

The risks to the Museum are regularly reviewed by the Senior Leadership Team and the Performance, Audit & Risk Assurance Committee (PARA). Throughout the period of this report, the main identified risk was the recovery from the consequences and aftermath of Covid-19 and the effect it had on NAM's operational budget of £8.1M (before depreciation) and in particular, its commercial income. The Museum has seen an uptick in commercial income, but this is mainly due to commercial/corporate hire including birthday parties and entry into its soft play area. Disappointingly but understandably retail has been slow to recover but as this is primarily due to physical footfall it is not unsurprising. The NAMTL board are currently working on measures to increase this lack of retail income.

Bearing in mind the pressures on public finances especially the Sponsor Department, which is supporting the conflict in Ukraine but still needs to maintain its efficiency and capabilities with a limited budget. A secondary risk, albeit a very low likelihood, would be the complete withdrawal or large reduction of GiA funding. The Museum Council recognises this but as the Museum remains largely funded from GiA from the MOD and should this happen, it would present the Museum with a major problem. If no alternative was secured, it could have immediate consequences for the Museum, resulting in its possible closure within a three-month period. There are no indications from the Sponsor Department that this option is being considered and the Museum has received repeated assurances of continued funding and the Museum expects to be in a position where it can continue to operate effectively and grow, secure in the knowledge that its Sponsor Department recognises its value to the Army and is supporting it. The future review of Service Museums due in 2023 is expected to support these assurances.

However, and recognising this second risk, the Museum has further assessed its Reserves Policy in accordance with guidance from the Charity Commission as detailed in its publication 'Charity Reserves: Building Resilience' and to meet the requirements of SORP 2015 (FRS 102). This policy recognises the cost of closure, including external contracts, local authority rates, utilities, staff salaries (including redundancy costs for those staff not paid via MoD). This policy assumes that those staff currently on analogous terms to Civil Service pay and conditions and currently paid through MoD, would continue to be funded through to closure by the Sponsor Department, this would include the liability for any redundancy costs. The settling of the Redevelopment Final Account in March 2020 would have ordinarily allowed the Museum to work towards building the Museum's Unrestricted Reserves up to its target of £1,000,000. However, and as mentioned previously, the pandemic severely restricted the Museum's ability to generate additional funds which would have been placed into its Unrestricted Reserves. The Museum now that it is fully open, continues to grow its commercial income via NAMTL and over the next four years by increasing the corporate hire and birthday party offers along with the retail and online opportunities. It is assessed that this, along with the greater emphasis on paid for and hosted visits and events along with greater visibility of the tap to donate system will allow the Museum to achieve its target of £1,000,000.

It is the NAM Council's view that this Reserves Policy once the value is raised to the target figure will provide the Museum with adequate financial stability and the means for it to meet its charitable objectives and operational expenditure for at least three months.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Current Position

Restricted Reserves

NAM currently holds a Restricted Reserve, excluding land and buildings and heritage assets, of £577,000 (2021-22: £553,000) to support specific elements of acquisition, care or display of collections or specific projects supporting educational, research or outreach activity.

Unrestricted Reserves

The current cash and cash equivalent value of Unrestricted Reserves shows a surplus of £673,000 (2021-22: £441,000), an improvement of £232,000 over the year.

Oversight

The Council of NAM, via its PARA Committee, reviews the level of funds in both Restricted and Unrestricted Reserves three times a year. The Policy is reviewed annually at the Council's autumn meeting, prior to the Business Plan for the following year being finalised. The Museum regularly utilises non-public income to increase the amount held in investments with Brewin Dolphin.

Delegated Authority to utilise Reserves

The Director as Accounting Officer has the delegated authority to utilise both Unrestricted and Restricted Reserves within his delegated financial limits. Any expenditure beyond these limits is to be referred to NAM Council for confirmation.

Assessment of Going Concern

The National Army Museum is a going concern for the foreseeable future. This is evidenced by the support it has received historically and continues to receive with its allocation of GiA. Further evidence of support is contained in the Triennial Review which was published on 9th February 2017 and the expected outcome of the current review of Service Museums. This review recognises the Service Museums support of the heritage objectives of the MoD and recommends their retention as ENDPBs/NDPBs. The current Financial Framework between NAM and the Sponsor Department agreed in 2018 further evidences the Sponsor's continuing support. The Museum after the findings and recommendations of the Review of Service Museums have been published will renegotiate a new Financial Framework. The Museum received its full allocation of the GiA control total for 2022-23 and has received confirmation of continuing GiA operational funding for 2023-24 of £7,040,000 together with an ongoing written commitment for 2024-25. NAMTL was profitable for 2022-23 and continues to be profitable with profits forecast to increase for 2023-24.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

PERFORMANCE ANALYSIS

Strategic Objective 1:

Connect the British Public to the Story of Our Army

1.1 Gallery Refreshment Programme

Work on the permanent gallery refreshment scheme continued with the opening of the ‘Global’ gallery in May 2022. This gallery features the wide-ranging story of the Army around the world, the gallery was designed to meet needs expressed in our audience research and visitor feedback. It enabled a range of post-war stories to be included, as well as exploiting the strengths of the collections from both South Asia and the West Indies.

1.2 Focus Gallery

The Focus Gallery continued to explore a variety of themes. The ‘Brothers in Arms’ exhibition which featured the story of the Sherwood Rangers Yeomanry in the last year of the Second World War, ran until May 2022. It was followed by ‘Road to Recovery’ an exhibition following the challenging journeys of rehabilitation and recovery taken by soldiers who have suffered a life-changing physical or mental injury. The exhibition narrative was carried primarily through the voices of five soldiers and their stories. It features the striking bronze sculpture ‘Looking Forward’ depicting Simon Brown, a soldier seriously injured in Iraq in 2006 by the founder of Help for Heroes, the late Bryn Parry CBE. The exhibition also featured a range of material recently added to the Museum’s collections, including items from the Defence Medical Rehabilitation Centre at Headley Court, as well as a number of audio and video testimonies from those featured in the exhibition. The exhibition was supported by a range of public programme events, including elements in the Chelsea History Festival.

1.3 Museum Foyer Displays

Work has continued to add more content to areas outside of the main gallery spaces.

The most important and prominent addition to the foyer display this year was a bronze bust of Her Late Majesty Queen Elizabeth II, commissioned for her platinum jubilee, and placed on display shortly after her passing.

A ‘Military in Miniature’ display utilised nearly 400 model soldiers, toy soldiers, model vehicles and instructional models to illustrate the different purposes for which scale models are used. They have been arranged and displayed to provide interest for multi-generational groups of visitors.

The Museum also utilises the Atrium space at the lower part of the Museum. Here during this period, the Museum has installed amongst other displays, a photographic display by soldiers of the Royal Signals to mark the centenary of their Corps.

The wide range of the Army’s headdress is regularly updated, most recently with help from the Defence Sikh network, as well as a headdress from the recently formed Ranger Regiment.

1.4 Maximising Museum Footfall

The Museum continued to grow its footfall this year and began building back visitors following the lifting of Covid-19 restrictions. Understandably the overall footfall for the year was down from pre Covid-19 levels, with 166,247 visitors attending the Chelsea Site and a total of 168,626 when you include attendees to events taking place off-site as part of the Chelsea History Festival events.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Having had success in delivering its public programme and activities to reach audiences digitally, the Museum continued to offer this as part of its regular and free Friday Insights lecture/talk programme.

1.5 Army and Veteran Groups

Working with the Army, regimental associations, and veterans' groups, resulted in 1,308 visitors this year.

1.6 Schools

The last year saw the on-site formal learning visits stabilise with the only restriction being available space for learning sessions thus the number of physical visits was slightly down on the previous year at 4,002 but there was a great increase in virtual sessions given by the Learning Team up from 5,033 to 9,169. The digital delivery methods established during Covid lockdown and the physical visits figure is considerably more than the less than 4,000 combined figure pre Covid. The Learning Team continues to produce new resources for secondary schools.



Key Stage One students studying some of the Florence Nightingale and Mary Seacole Collections

1.7 Other Groups

Museum hosted group visits were put in place once again this year utilising our booking procedures established prior to Covid-19. It was noticeable that from a low point post Covid, returning audiences were starting to grow. The Museum hosted 225 people on group visits, with 11 groups on pre-arranged visits, during this reporting period.

1.8 Public Programme and Special Events

Overall, there were 103 Public Programme and Special Event Activities, 46 of which, were the Friday Insight Programme, during this reporting period.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Continuing with the popular hybrid approach, the Museum continued to offer its regular Friday Insight programme both physically and in digital format. Friday Insights delivered an audience of 11,366 both nationally and internationally across its live and catch-up service.

Some of the highlights of the programme from this reporting period include the sell-out discussion event hosted by James Holland on the book *Command: How the Allies learnt to win the Second World War* by Al Murray.



Historian James Holland in conversation with comedian Al Murray at his book event - Command

The Museum also launched its workshops programme. This programme is designed to engage with audiences with a strong interest in arts and crafts, who might not typically visit a military museum. This engagement took the form of making known to the audience our collections by curator and conservator led talks and a crafting workshop with a strong link to the Museum. The inaugural workshop was based on embroidery, with a talk on the detailing of items from the collection, and a two-day workshop delivered by Hand & Lock the world's foremost bespoke embroidery atelier.

The Public Programme ran several Saturday Spotlights during this period, with themes such as the Second World War and military medicine. The programme also included a Museum Late focusing on Irish Service in the British Army in conjunction with the Irish Cultural Centre. This period saw the introduction of an Artist in Residence programme. Alongside this, the Museum further developed its Accessible Programming, with the launch of regular British Sign Language Gallery Tours.

Additionally, the Museum participated in the fourth Chelsea History Festival in partnership with the Royal Hospital Chelsea and the Chelsea Physic Garden. As with the Museum's public programme there were some hybrid elements with a combination of in-person and some digital events taking place. The programme was adjusted with the closure for the Queen's Funeral, however a total of 57 activities took place with an in-person attendance of 3,980 across the festival period. As in the previous years the programme consisted of a series of talks, musical performances and family friendly activities and sought to act as a place to pause and reflect on our past. The growth of 'History Street', the interactive event on Burtons Court, engaged visitors, in particular local communities, bringing history to life with living historians, serving military units and local cultural organisations.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023**



One of the many well attended talks at the Chelsea History Festival 2022. This one by Max Hastings

1.9 Membership Scheme

The Membership scheme was rejuvenated during this reporting period, with the arrival of a Membership and Programmes Support post a programme of member only events and day visits was successfully delivered. This offered members either reduced price access to aspects of the Public Programme or exclusive access to members only talks, trips and curator led gallery tours. Highlights of the Members Programme include a members' Christmas talk with Templar Prize winner Dr Daniel Marston and a visit to Royal Military Academy Sandhurst with a private tour by one of their historians. The Members also had visits to the Royal Hospital Chelsea, London Scottish House and Brighton Pavilion, exploring its history as a First World War Indian Army hospital.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023**



Members' Visit to the Indian Army Memorial Room at Royal Military Academy Sandhurst

1.10 Special Exhibitions

In addition to the Focus Gallery programme and the main special exhibition, smaller exhibitions and “pop up” displays are a regular feature in the foyer and atrium area. This year these have included the Royal Army Dental Corps 100th anniversary, The Last Hussar (a photographic study of the Queen’s Royal Hussars in Germany in 2019) and Susan Hakuba’s ‘Long Shadow of War’ which comprised photographic portraits of German people and their reflections on the Second World War. The start of the 40th Anniversary of the Falklands War was also marked with a joint exhibition ‘Falklands at 40’ developed with the Falkland Islands government.

1.11 Army Engagement

The Museum has helped the Army to continue to connect with its heritage, in some key locations and those areas where there is high level defence engagement. This year the work at Robertson House at Sandhurst has been completed with the hang of a very large portrait of The Duke of Cambridge (1850-1904). The change in the Chief of the General Staff in London has also enabled different works to be installed in his office. Work to hang images at the residence of the General Officer Commanding London District were also completed this year.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

1.12 Digital Outreach

It has been another record-breaking year for website engagement, with the Museum achieving website visits for the year of 3,285,743, compared to 2,530,361 for 2021-22 which represents a 30% increase on last year's previous record-breaking year.

Digital advertising continues to be a useful and cost-effective part of our media campaigns and has seen our audience segmentation model being utilised to target and attract key audience segments more directly. The focus of these campaigns was largely to drive physical visits to the Museum, its Public Programme and the Focus Gallery temporary exhibitions.

1.13 Marketing Operations

The Museum reduced its marketing operations during Covid-19 but has steadily increased its staffing and presence during this reporting period. The Museum's approach to Marketing has returned to a more traditional model of attracting footfall to Chelsea, but as mentioned previously we were also mindful that pre-pandemic visitor behaviour would not return immediately. Understanding that visitor confidence to return to indoor activities and travel into central London was low the approach was to utilise digital advertising rather than large, expensive out of home campaigns.

The Chelsea History Festival was a key moment in the year and for this we delivered an integrated marketing and communications campaign. The timing of the death of Her Late Majesty Queen Elizabeth II meant that marketing outputs were significantly reduced in line with government guidelines. Despite this, the campaign was still successful with one highlight, a BBC Radio London interview and accompanying BBC online article, reaching a combined audience of 150million.

The Museum's benchmarked brand awareness survey has shown that the Museum's awareness has increased, although this is not fully comparable to previous years due to a different data set used this year than during the Covid-19 period. However, it is noticeable that the Museum's benchmarked brand awareness activity is starting to have greater impact with audiences, increasing our awareness compared to other similar institutions.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Strategic Objective 2:

Becoming the Leading Authority on the History of Our Army

Establishing NAM as the leading authority on the history of Our Army is a journey that will take years, not months. It will also be something that can only be achieved by working in partnership with other institutions. A detailed four-year plan has been developed. Activity for this year can be grouped into the following areas.

2.1 People

The reorganisation in this period created the new post of Historian and an Archives, Library and Information team. This has significantly enhanced the Museum's skills base, along with creating greater capacity for activity and engagement through conducting and facilitating research. Further research-active staff have subsequently joined the Museum, particularly in the Curatorial departments, supplementing our existing cohort. A third Postdoctoral research fellowship has been secured, focusing on Soldiers and Society, in partnership with the University of Birmingham, as well as a Doctoral fellowship on the Indian Army, in partnership with the University of Greenwich.

2.2 Archives

During this period the Museum, by the utilisation of a mixture of professionals and volunteers worked to consolidate and upgrade the existing archive and library projects and provide improved access to the NAM's research collections. Progress has included the NAAFI collection, the Staveley archive, and the British Forces Germany Legacy Archive, as well as important work started on the papers of Lord Roberts and the Royal Army Education Corps archive collection. A significant donation to the archive has been the papers of the late Field Marshal Sir John Chapple, our former vice patron. This, together with a large transfer of MOD Establishment Tables, will form the basis of future projects, supported by volunteers. Significant other acquisitions and donations to the archive collections range from 17th century ledgers, to papers relating to Sir John Moore and the personal diaries and letters of a Royal Engineer serving with the Indian Army in the Second World War.

2.3 Output

NAM staff and fellows have published their scholarship in a range of formats, from edited collections and academic articles to pieces in the NAM's in-house magazine. The Museum has continued to support the Army by conducting research into candidates for commemoration by the Commonwealth War Graves Commission (see 2.11). Throughout the period, NAM staff have shared their expertise with our audiences through the full and varied public programme and Chelsea History Festival.

2.4 Academic Partnerships

Research has driven the development of partnership work with national and international institutions in Germany, France and Poland, in addition to longstanding collaboration with existing partners such as the United Services Institution of India in Delhi. The NAM has supported several applications to UKRI bodies, including the Arts and Humanities Research Council, on topics ranging from the social history of post-1945 conflict to Napoleonic service records.

2.5 Regimental and Corps Museums

The National Army Museum Regimental Museums Liaison team continued to build on its very successful move to primarily digital delivery during the various stages of Covid lockdown, to transitioning back to mainly face to face engagement while still offering an element of digital engagement to those institutions unable to attend in person venues. Further explanation of this team's work is given under Strategic Objective 4.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

2.6 Templer Study Centre

Visits to the Templer Study Centre (TSC) have continued to increase. The Centre attracted a total of 643 users. The Museum answered 3,778 enquiries. This figure although down on previous numbers reflects the Museum transiting to the new policy to provide more resources for enquirers to find answers to their questions directly. Examples of this are the Museum's Historic Book Collection, and the Royal Army Education Corps archive collection. For the first time, the NAM's unique regimental periodical collection is being listed, preserved and made accessible.

Reader satisfaction has grown, with extended opening hours for the TSC, a steady stream of group visits, and participation in learning programmes. The team has successfully hosted three overseas placements from the CAPA: Global Education Network scheme, and will continue to do so in the coming year, as well as providing additional skills and experience for our front of house team with a programme of "secondment" for specific projects.

2.7 Public Programme

The Public Programmes Team continues to reach out to academics at universities both at home and internationally to take part in or lead the discussions in the Museum's public programme activity. Over the course of the year we have worked with academics from Kings College London, Cambridge, Birmingham, Oxford and Kent universities.

In addition to universities, the programme has partnered with a number of organisations to deliver joint events. These have included the Kent and Sharpshooters Yeomanry Museum, National Museum of the Royal Navy, Royal Air Force Museum, Household Cavalry Museum, Hand & Lock, Western Front Association, Defence Medical Rehabilitation Centre (Headley Court), Royal Logistics Corps, 256 (City of London) Field Hospital, Declassified Podcast Network, Irish Cultural Centre, Machine Gun Corps Association.

Museum staff hosted research-focused panel discussions on subjects ranging from the end of the British-Indian Army, and the history of British Army engagement in Iraq, to an extremely successful evening discussing the historical context of the war in Ukraine.

2.8 Venue of Choice for Subject Matter Expert Groups

Building on last year's success in establishing the Museum as a preferred London venue for military museums and other institutions that are involved with the support, study, research and communication of the history of Our Army the Museum was the venue of choice for 32 Army, MOD, Regimental, Veteran and Service Charities this year. Many of our previous attendees returned this year such as The Army Museums Ogilby Trust (AMOT), Society for Army Historical Research and the British Council for Military. We saw growth in the number of events hosted from new partners, such as the Centre for Army Leadership as well as an increase in working with service charity organisations such as Recruit for Spouses, ABF The Soldiers Charity and The Forces in Mind Trust. In addition, the Museum has also been successful in developing its relationships with the wider defence diplomatic community hosting events with the German General Staff College and British and French Army Staff talks.

2.9 Book Launches

Both public and private book launches took place this year and as in-person events returned without restrictions we hosted 41 book related and sale events, 25 of which were in conjunction with the Friday Insight Programme.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

2.10 Conferences

A series of academic conferences and major lectures have taken place at the Museum, including several delivered in partnership with organisations such as the Western Front Association, the Centre for Army Leadership (CAL), and the International Society for First World War Studies. The Museum also organised and hosted a conference on the subject of ‘Alliances in the History of Armed Conflict’ which brought together an international group of scholars, and showcased research into items from the collection, with papers presented by both NAM staff and external speakers.

2.11 War Graves Research

The NAM provides specialist research on behalf of the Army to assist the MOD’s JCCC and CWGC assess cases of non-commemoration and newly identified graves. Over this period, the focus shifted to casework involving potential identifications in response to the MOD’s requirements. This has included particularly substantial research work for a case involving several tank crews in Normandy in 1944.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Strategic Objective 3:

Safeguard, and make accessible, our collections, and expertise, to the widest possible audience

3.1 Collections Centre, Stevenage

Stevenage has continued to facilitate visits for the public with 22 objects being produced for viewing requests during the year. Changes in staffing have meant that the store tours which were introduced pre-pandemic and were placed on hold, pending a move to a commercial model of delivery, will see a range of Museum staff conducting themed tours, which can be aligned to different aspects of the Museum programme.

3.2 Collections Development

The Museum continues to respond to every offer of donations of collections material which it is offered, as these form the majority of material entering the collections. In addition, all major sales and specialist auctions continue to be monitored. In some cases, extensive work with donors is required to ensure the right material is accessioned to the collection. This year has seen the acquisition of a number of very important medal groups from the renowned Indian Army collection of the late Brian Russell. Activity at auction remains strong, though in some cases success is not always guaranteed.

Transfers from the Army this year have included a wide range of modern ceremonial sealed pattern uniforms, the first time in some years that a transfer of this type has taken place. The transfers of modern firearms have also been approved and are awaiting the approval of transit arrangements.

3.3 Collections Management and Care

The Museum Standards and Care team continues to provide high standards of documentation, care and management of the Museum's collections. This year over 4,500 collection records have been added to the collections database. Additionally thousands of existing database entries have been refined and updated as information has been received.

Significant work has been undertaken by the team to prepare, display and install over 900 objects for the Battle in Europe Gallery including over 1,000 hours of internal conservation. The team focus is currently to continue to progress on the delivery of the Operation Refine project by retrieving, assessing and the conservation and documentation on items for the upcoming At Home Gallery which opened in September 2023.

3.4 Notable Acquisitions

A welcome success at auction this year was the acquisition of the oil on canvas painting of Field Marshal Sir Claude Auchinleck by Edward Seago from 1959. This composition is a study for a larger oil painting already belonging to the Museum and currently on display at Sandhurst.

Another painting illustrates the Museum's continuing work in acquiring work by soldiers. An example of this being watercolour of Navy, Army and Air Force Institutes (NAAFI) personnel serving tea to soldiers, which was completed by Stella Schmolle, Auxiliary Territorial Service (ATS) during the Second World War.

Medal collecting continues to enable the Museum to tell stories of soldiers from 'Our Army'. The Indian Order of Merit, awarded to Lance-Naik Prem Singh, 36th Sikhs in 1916, helps document the gallantry of Indian soldiers of the regiment whilst on campaign in Mesopotamia in the campaign against Ottoman forces. Soldiers from Africa are also illustrated through items like the Military Medal awarded to Corporal Dogo Manga, 1st Battalion, Nigeria Regiment, Royal West African Frontier Force in Burma in 1945.

Work with more recent art commissions also continued. As part of the public programme a bronze portrait bust of the Her Late Majesty Queen Elizabeth II was completed to mark both her service in the Auxiliary Territorial Service (ATS), Platinum Jubilee and her long association with the Museum, starting with the signing of the Royal Charter in 1960.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023**



Bronze Bust of Her Late Majesty Queen Elizabeth II

3.5 Collections Audit

As previously mentioned, the Collection teams have been focused on preparing objects for display in the refined galleries. However, and despite this they have continued to carry out the audit of the collections in preparation for the purchase of the new Collections Management System which is due to be purchased and populated in 2023-24.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Strategic Objective 4:

Enable and Support Networks of Military Museums and Heritage Organisations, in the UK

4.1 Support to Regimental and Corps Museums

The NAM's Regimental and Corps Liaison team continues to expand and improve the levels of support that the Museum can offer, this growth has allowed NAM to cement its position as the sector lead in the organisation, co-ordination and facilitation of specialist training and advice, as well as crisis response in the event of an emergency, for Regimental and Corps (R&C) Museums across the UK.

As part of its pastoral care to the Regimental and Corps community, the Museum's team runs and offers training to staff, trustees and volunteers. This training provides them with the necessary skills and identifies best practices that they can benefit from. Over twenty courses were run over this period and included:

- Regimental Curators' Course (x2, 5-day course)
- Data protection for museums
- Modes (CMS) training, beginners and advanced (x6)
- Radiation safety in museums (x2)
- Introduction to communications
- Public records
- Army 101
- Imperial legacies
- Hazards in collections
- Managing our information (archives training)
- Governance training for Curators
- Governance training for Trustees
- Writing a fundraising strategy
- Introduction to museum learning
- Introduction to conservation
- Firearms training (x3)

Attendance from the Regimental and Corps Museum community across the board is up, with highly positive feedback. Many new sessions have been offered this year, including *Public Records training*, in co-operation with expert knowledge from the Army Historical branch and the National Archive, *Army 101*, for curators and trustees that do not have a military background as well as staples such as *Firearms in Museums* in co-operation with the Royal Armouries. Training courses are divided between, in person, online and hybrid courses. This flexibility has greatly benefitted attendance. The NAM is now well established as the principal provider of training for all R&C Museums.

4.2 Advisory and Advocacy Service

The team continues to field multiple enquiries from R&C Museums each month along with providing weekly updates via a mail out bulletin. Pastoral visits to museums have increased with the team visiting an average of three museums each month. As part of this service, the NAM team offers an annual museum conference in April. This year's conference (the seventh) was the best attended so far with 100 in person attendees, with a further 33 online. Speakers included such key stakeholders as MOD Heritage Branch, AMOT, the ACE/V&A Purchase Grant Fund and AIM (Association of Independent Museums). AIM is a key collaborator for many smaller museums, offering bursaries, grants and training opportunities. To assist R&C Museums in taking up these offers, NAM now covers the membership fees for all R&C Museums to become part of AIM. Finally, the NAM continues to represent R&C Museums at both MOD Heritage panel and Committee (chaired by the Department of Community and Government Services) and offers free guidance and advocacy in disputes with local councils and other governing bodies as required.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

4.3 Networks

The NAM has been instrumental in setting up and maintaining R&C Museum networks in all parts of the UK. These networks provide a vital opportunity for local museums to network and interact, as well as an opportunity for them to link to NAM, Heritage Branch and the Arts Council directly.

The current established networks include:

- Association of Scottish Military Museums
- Northern Military Museums Network
- Eastern Military Museums Association
- Wales and West Army Museums Network
- London Military Museums Network
- Southern Army Museums Network
- Corps Museums Network

These network meetings are attended by the NAM team who assist with, convening, administration and project working.

4.4 International Partnerships

The team supports various elements of international partnership work, from hosting multiple visits from both international museums and various military, conducting training courses and workshops and partnering with the NAM Research and Academic team to facilitate international work, specific countries in the past year include:

- India

The British Indian military heritage partnership, established in 2019 between the USI of India and the NAM, supported financially by the British High Commission in New Delhi.

Partnership work includes the annual USI-NAM Military Museum Curators' Course in Delhi, a museum best practice exchange programme for members of staff, assisting the USI in setting up an association of Indian military museums, mutual contribution to USI and NAM public programmes and events, joint publications on the British Indian Army and research initiatives.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023**



Indian Military Museum's Curator's Course visiting the Rajputanna Rifles Museum in November 2022

- North America

The primary focus is currently on partnerships with heritage organisations in the USA for potential collaborative work for the 250th anniversary of the American War of Independence.

- Ireland

The Liaison Team works with Army museums based in Northern Ireland to support them in a consolidation project. A site has been purchased in Belfast and a project team is working with designers now for the new museum site.

- Poland

The main partnership in Poland has been with the Museum of the Second World War in Gdańsk. We have worked with them to deliver a radio programme on famous battles and have been exploring opportunities for fellowships which Glyn Pryor has been working on. The Museum team has visited the NAM several times and there are potential plans for NAM staff to visit Poland in 2023. They are a keen partner and there is a lot of potential for mutual benefit.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

- Pakistan

The Museum has previously explored opportunities to partner with the Army Historical Centre and military museums based throughout Pakistan. NAM is currently working to support visits of Pakistan Army delegations as well as visits from the Pakistan Embassy.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Strategic Objective 5:

Build greater Financial Resilience and Sustainability (Primary Enabling Objective)

5.1 Fundraising

The review of the strategy for fundraising as mentioned previously has been streamlined to focus on clear projects that are required to be funded rather than a “global” ask. This is focussed on those signees of the Armed Forces Covenant and more specifically the companies that are members of the Defence Growth Partnership. Exhibition tickets and associated events are now among the benefits to be enjoyed by our Corporate Partners. The Museum is currently focussing on support for research partnerships growing on the current numbers.

5.2 Trading

Trading levels have continued to grow as the Museum has been able to operate all of its usual trading activities without restrictions. Overall trading income was £599K which compares to £418K in the previous year and £681K for 2019-20 being the last pre-pandemic year.

Play Base was the largest source of income this year and we were able to open the space with no restrictions on occupancy. To give our customers confidence that the space was being operated with their safety and comfort in mind the decision was made to keep the enhanced clean in-between sessions and operate 5 rather than 6 sessions per day. For the year it generated an income of £159K, significantly up from the previous year of £75K and compares to the pre-pandemic figure of £153K.

The popular children’s Birthday Party offer was the next largest contributor to income, contributing £131K compared to £68K in the previous year and £94K in the pre-pandemic year. Increases were as a result of price increases for the package and also from an increase in the number of up-sells applied to the packages.

Retail income fell this year, with overall income of £100K, compared to the previous year £122K and a pre-pandemic performance of £201K – this is largely due to the reduction in sales of the Museum’s guidebook which became out of date as the gallery refreshment programme gained traction and galleries were closed or refreshed galleries reopened. There has also been a lack of investment, both in time, as a result of staff losses in this area which were still in place following the redundancy process that took place as a result of the Covid-19 pandemic and money spent in re-ordering and sourcing product.

Venue hire for both corporate and private hire increased, with income of £85K across 70 hires. Both income and number of hires increased compared to the previous years’ performance of £55K and 38 hires, and income superseded the pre Covid figure of £81K across 76 hires. This performance is a result of an increase in corporate bookings as Army, MOD, Regimental, Veteran and Service Charities which operated at a discounted level were at a similar value to pre-covid figures.

5.3 IT Systems

During this reporting period, the Technical Services team has refined its working practices to deliver more focused, incremental improvements to all our deployed services. The Museum’s best-of-breed technology strategy continues to deliver powerful productivity tools whilst ensuring ease-of-use for our users. The team continues to empower the workforce in their use of technology and assisting them in navigating what could be an increasingly complex IT world.

We continue to build new services that solve legacy issues by exploiting the solid foundation of the Museum’s selected software platforms. The development of more flexible, home-grown integration systems is an area offering distinct

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

opportunities for improving the experience of our audience. After the disposal of a large amount of “post Covid” IT equipment the Museum has reduced disposals this year dramatically. Any items required to be disposed of due to being time served and where unsupported by manufacturers were disposed of via an externally verified, Zero Waste to Landfill government accredited company who operate under a CCS framework agreement. This work is carried out in their WEEE-compliant recycling facility which operates under an award of Distinction from ADISA.

5.4 Data Protection

Data protection is always at the forefront of the Museum’s operations, and this is a standing item on the PARA Committee agenda. Staff carry out regular training on data handling based on the online software training and this is supplemented by regular meetings of the Information Asset Group which identifies issues and best practice. As a result of a previous Internal Audit identifying short comings in data handling, the Museum has successfully recruited a member of staff (Information Officer) who carries out regular training for new joiners and existing staff on data protection and in particular GDPR. Work continues to ensure that only relevant data is held, the Information Officer has responsibility for assisting Teams to carry out cleansing of data. There were four incidents of data breaches, all were assessed using the ICO assessment tool and deemed minor, they were notified to the Data Subject, were documented, recorded and the appropriate actions taken. An incident is defined as a loss, unauthorised disclosure, or insecure disposal of information. Recent penetration testing did not identify major issues.

5.5 Fraud

The Museum working with the MoD Fraud Defence Team has produced a Fraud Risk Matrix with Heat Map which is regularly reviewed. The last review was carried out in January 2023. The Museum is currently classed as Low/Medium risk. There were no known instances of fraud during this period. Staff carry out compulsory Fraud and Bribery Training as part of their induction this is revisited annually.

5.6 Environmental and Sustainability

Introduction

Since the last period of reporting, the Museum has taken great steps to become a more sustainable organisation through several initiatives and projects, including for example, the installation of electric car charging points across the Museum estate, the introduction of new waste streams for recycling, efforts to reduce energy consumption and improve efficiency, and a rigorous effort to consolidate data from various sources for emission reporting.

The Museum also continues to achieve its sustainability goals through its commitment to improving the sustainability of its day-to-day operations and by pursuing its policy aim and objectives. Progress is monitored via a tracker and is reported to the Council of National Army Museum.

Carbon Emissions

Overview

The Museum has made great progress calculating its carbon emissions, using the period April 2019 – March 2020 as a baseline. To achieve this, the Museum has developed a carbon emissions tracker to calculate and report its carbon emissions as accurately as possible within the parameters of the available data. The data which is available in this period’s performance report and is reported in tonnes of CO₂e and expressed to two decimal places.

It is worth noting, that data for the periods after the baseline year, including the current period of reporting, is “inconsistent”. This is due to the various closure and re-openings of the Museum under Covid-19 measures, which directly affected building occupation and visitor numbers, and as a result, affected the generation of emissions.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

As such, the Museum has seen quite a significant decline in its carbon emissions compared to 2019 – 2020. However, as visitor numbers are expected to continue to recover in line with pre-pandemic levels over the coming years, it is expected that this will contribute to an increase in the Museum’s generation of emissions. Primarily, this will likely be a result of an increase in consumption of building services and utilities at the Museum’s public site in Chelsea.

The Museum will utilise the data to monitor progress and inform achievable reduction targets.

Methodology

The data relates to Scope 1, 2, 3 emissions from across the Museum estate, the National Army Museum, Chelsea and the National Army Museum, Stevenage.

When determining the organisational boundary, the Museum has decided not to include in its Scope 3 reporting, emissions from contractors and partners which provide contracted services on behalf of the Museum.

For consistency all data has been converted into kgCO₂e using the UK Government GHG Conversion Factors for Company Reporting published annually by the Department for Business, Energy, & Industrial Strategy and the Department for Environment, Food and Rural Affairs.

Other resources include the *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance* (March 2019) and the *Sustainability Reporting Guidance: 2022 – 23* published by HM Treasury.

Emissions

| Scope 1 Emissions | | 2022-23 | 2021-22 | 2020-21 | 2019-20 (Benchmark year) |
|--|---------------------------------|---------|---------|---------|-----------------------------|
| Non-financial indicators (tonnes CO ₂ e) | Gas (Statutory Combustion) | 162.32 | 221.08 | 234.09 | 250.89 |
| | Fugitive Emissions | 29.13 | 333.89 | 2.80 | 0 |
| | Business Travel (Owned Vehicle) | 1.86 | 0.69 | 0.69 | 1.98 |
| | Total | 193.31 | 555.66 | 237.58 | 252.87 |

Scope 2 Emissions

| | | | | | |
|--|---------------------|--------|--------|--------|--------|
| Non-financial indicators (tonnes CO ₂ e) | Electricity (total) | 309.34 | 336.58 | 337.06 | 433.49 |
|--|---------------------|--------|--------|--------|--------|

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023**

| Scope 3 Emissions | | 2022-23 | 2021-22 | 2020-21 | 2019-20 (Benchmark year) |
|--|---|---------|---------|---------|--------------------------------|
| Non-financial indicators (tonnes CO2e) | Transmission and Distribution – Electricity | 25.30 | 29.78 | 28.98 | 36.80 |
| | Business Travel - Air | 1.95 | 0.46 | 0 | 1.10 |
| | <i>(domestic)</i> | (0.33) | (0) | (0) | (0) |
| | <i>(international)</i> | (1.62) | (0.46) | (0) | (1.10) |
| | Business Travel - Land | 1.21 | 0.76 | 0.55 | 1.75 |
| | Freighted Goods (Transport of Exhibits) | 1.08 | 0.13 | 0.34 | 0 |
| | Waste Disposal | 2.66 | 0.93 | 0.56 | 1.49 |
| | Water Supply | 0.42 | 0.37 | 1.00 | 1.44 |
| | Total | 32.62 | 32.43 | 31.43 | 42.58 |
| Total GHG emissions & Intensity Ratio | | | | | |
| Net Emissions (tonnes CO2e) | | 538.26 | 624.68 | 606.09 | 728.94 |
| Total annual visitors/ tonnes CO2e | | 0.003 | 0.084 | 0.052 | 0.003 |
| Full-time staff equivalent/ tonnes CO2e | | 6.28 | 8.24 | 8.22 | 8.82 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Energy and Water

| Energy Consumption ¹ | | 2022-23 | 2021-22 | 2020-21 | 2019-20 (Benchmark year) |
|-----------------------------------|------------------------|-----------|-----------|-----------|-----------------------------|
| Energy Consumption (thousand kWh) | Gas | 901,768 | 1,207,032 | 1,273,106 | 1,364,636 |
| | Electricity | 1,599,663 | 1,585,187 | 1,445,735 | 1,695,979 |
| | Total | 2,501,431 | 2,792,219 | 2,718,841 | 3,060,615 |
| Financial Indicators (£) | Total Energy Costs (£) | 289,841 | 252,843 | 261,899 | 277,718 |

The Museum currently monitors and records its consumption of electricity & gas on a monthly basis.

The Museum is committed to procuring renewable energy where practical. Electricity supply at National Army Museum, Chelsea is currently subject to Renewable Obligation.

The Museum is currently looking at options to increase where possible the proportion of energy consumption from renewable sources such as solar and wind. To that end, the Museum is investigating the potential to install solar photovoltaics (PV) panels on its roof at our Chelsea site. This will help cut energy costs and carbon emissions long term.

All lighting in the office, meeting rooms and stairwells are triggered by movement sensors with a set run time.

Office and meeting room lights are sensitive to ambient lux levels.

Gallery lighting are LED and utilise sensors to reduce consumption. Lights automatically dim when not required. Back of House lights are similarly controlled.

New LED lighting has been installed at NAM Stevenage.

To improve efficiency, the Museum made improvements to the fabric of the building at NAM Chelsea including two new windows on the ground floor and making repairs to existing windows by replacing mastic seals both internally and externally on the west side of the building.

| Water Consumption ² | 2022-23 | 2021-22 | 2020-21 | 2019-20 (Benchmark year) |
|--|---------|---------|---------|-----------------------------|
| Non-financial indicators Water (m ³) | 2,830 | 2,490 | 2,914 | 4,179 |
| Financial Indicators (£) | 7,230 | 12,627 | 31,729 | 9,064 |

The Museum currently implements a daily flushing programme as part of its building maintenance programme. This is necessary for the protection of staff and the public but has disrupted attempts to reduce consumption and waste.

¹ Corrections have been made to energy consumption for the previous reporting years, 2021/22, 2020/21, & 2019/20 due to inaccuracies in company metering.

² Water Consumption is an estimate based on data provided by the water company.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Waste Management and Recycling

| Waste Generated ³ | | 2022-23 | 2021-22 | 2020-21 | 2019- 20 (benchmark year) |
|--|---------------------------------|---------|---------|---------|------------------------------|
| Non – Financial indicators (metric tonnes) | General Waste (waste to energy) | 20.10 | 14.70 | 7.88 | 27.40 |
| | Recycled | 20.23 | 15.32 | 7.88 | 27.60 |
| | WEEE | 0.02 | 0.50 | 0.00 | 0.00 |
| | Paper | 10.27 | 8.61 | 8.94 | 9.11 |
| | Construction | 48.00 | 40.00 | 40.00 | 64.00 |
| | Hazardous | 0.36 | 0.92 | 0.00 | 0.00 |
| | Metal | 0.98 | 1.89 | 0.00 | 2.54 |
| | Acrylic | 0.19 | 0 | 0.00 | 0.00 |
| | Total Waste | 100.15 | 81.94 | 64.70 | 130.65 |
| Financial indicators (£) | General Waste (waste to energy) | 5,166* | 3,734* | 1,967* | 6,414* |
| | Recycled | 3,444* | 2,489* | 1,311* | 4,607* |
| | WEEE | 0 | 0 | 0 | 0 |
| | Paper | 3,047 | 2,335 | 2,266 | 1,876 |
| | Construction | 2,503 | 2,060 | 2,060 | 2,940 |
| | Hazardous | 991 | 2,367 | 0 | 0 |
| | Metal | -9 | -317 | 0 | -255 |
| | Acrylic | 224 | 0 | 0 | 0 |
| | Total Waste | 15,366 | 12,668 | 7,604 | 15,582 |
| Paper Use | | | | | |
| Non-Financial indicators (A4 reams) | Total | 305 | 80 | 45 | 345 |
| | % reduction | 12 | 77 | 87 | - |
| Financial indicators (£) | Total cost | 2,414 | 471 | 127 | 1,215 |
| *Costs for General Waste (waste to energy) & Recycled are estimates based on a 60/40 ratio. | | | | | |
| Alongside regular collections of general waste and recycling, the Museum has dedicated streams for the recycling of metals, wood, paper, acrylic*, batteries, cooking oil, food waste* and hazardous waste and operates a Zero to Landfill policy. | | | | | |

³ Corrections to the baseline year have been made following recalculation of data.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

General waste is sent to energy recovery & mixed recycling is collected at all sites. The Museum has in place effective metal recycling. All WEEE & hazardous waste is safely stored, removed, and disposed of by licensed and experienced contractors.

*The Museum has recently added acrylic recycling streams to its waste management and recycling of crisp packets and nitrile gloves.

The Museum café is operated by a third-party contractor at National Army Museum, Chelsea who are responsible for the recycling of food waste and cooking oil. As this is outside the Museum’s organisational boundary, data has not been included above.

* Food waste produced by the Museum’s café is currently collected in a separate waste stream to the General Waste. In addition, the café subscribes to the Too Good to Go app for the disposal of certain food items. Food waste from the staff kitchen is included in the General Waste.

Construction waste is an estimate and was calculated by multiplying the maximum load weight of 16-yard skips with the relevant conversion factor.

Transport

| Travel ⁴ | | 2022-23 | 2021-22 | 2020-21 | 2019-20 (benchmark year) |
|-------------------------------------|-------------------------------------|----------------|----------------|----------------|---|
| Non-financial indicators (miles) | Distance by train | 28,546 | 12,360 | 2,726 | 27,300 |
| | Distance by plane | 9,966 | 2,374 | 0 | 5,604 |
| | <i>(Domestic)</i> | 1,328 | 0 | 0 | 0 |
| | <i>(international)</i> | 8,638 | 2,374 | 0 | 5,604 |
| | Distance by car | 745 | 1,201 | 1,692 | 2,168 |
| | Distance by Owned Vehicle | 6,607 | 2,459 | 2,519 | 7,059 |
| | <i>(% of which are ULEV)</i> | 100 | 100 | 100 | 100 |
| | Total distance travelled (miles) | 45,864 | 18,394 | 6,937 | 42,131 |
| Financial Indicators (£) | Total Cost | 43,663 | 21,506 | 11,767 | 46,303 |

The above are estimated figures for transport used by staff and are based on work related journeys only. They do not include day to day transport from private homes to either of the Museum’s sites.

The Museum recognises that emissions from travel are a large contributor to climate change and the pollution of air. Therefore, the Museum has set out incentives to encourage the use of bicycles and electric vehicles.

The Museum continues to offer a Cycle to Work Scheme to all staff to encourage use of bicycles to travel to and from work.

⁴ Corrections to the baseline year have been made following recalculation.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

In January & February 2022, the Museum installed seven Electric Vehicle Charging Points across the Museum Estate making use of the available OZEV Workplace Charging Scheme grants. These are available for Staff and Contractor use.

The Museum lease vehicle will be changed to a zero-emission electric vehicle.

Mitigating Climate Change: Working Towards Net Zero by 2050

Progress against headline-target

The Museum has not set an official Net Zero target, but is currently working on calculating an achievable Net Zero target date which will be achieved prior to 2050. Achieving Net Zero will be possible with investment on building systems which decrease reliance on non-renewable energy sources e.g., solar panels combined with a procurement strategy which focuses on utilising renewable energy from suppliers which the Museum is already making steps towards.

Progress against sub-targets

1. The Museum achieved the Government Fleet Commitment for 25% of the car fleet to be ULEV by 31 December 2022, and is on target to achieve 100% of the Government car and van fleet to be fully zero emission by 31 December 2027.
2. The Museum promotes the use of public transport for domestic travel to help reduce the emissions from domestic business flights and reports the distance travelled by international business flights above.

Climate Change Adaption

Climate Change undeniably poses a threat to the wellbeing and health of people and the planet. The impacts of rising global temperatures, increasingly extreme and unpredictable weather patterns, and diminishing resources, present significant challenges to overcome for Museums across the world.

The Museum recognises it must first assess the risk to the NAM estate, assets and operations and set out a programme of goals to mitigate the significant threats presented by climate change.

As such, NAM is developing a new sustainability strategy which will encompass a more targeted and focused approach to the specific risks facing the Museum. The strategy will identify key areas of risk to the NAM estate and operations, present a clearly defined forward sustainability action plan, and appoint working groups to achieve its goals and objectives.

Progress will be monitored by the Sustainability Group and the National Army Museum Council.

Auxiliary Items

Training

All staff receive environmental awareness training as part of their staff induction and refresher training through the Museum's e-learning platform is provided at regular intervals.

Paper/Cardboard

The Museum continues to minimise the use of paper in the office environment. Staff are encouraged to only print essential items. All paper & delivery packaging is recycled and collected as part of the Museum's Mixed Recycling stream.

Sensitive documentation is collected and recycled through an appointed contractor.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Equipment & Supplies

The Museum continues to be committed to using environmentally friendly products and endeavours to explore all options to repair equipment rather than purchasing new.

Materials from broken equipment continue to be recycled (where possible) through the Museum's approved contractors.

Contractors and Suppliers

As part of its tender processes, the Museum requires all suppliers to ensure that all materials are sourced from sustainable sources wherever possible and evidence of this is required to be submitted as part of any bid and is reviewed by the respective appointed tender board.

All suppliers are required to provide evidence of an environmental policy.

The appointed Museum café contractor continues to source locally produced food.

Maintenance and Cleaning

All sites are subject to a regular Planned and Preventative Maintenance Schedule to maximise plant efficiency and minimise consumption of energy.

A Building Management System (BMS) is used to efficiently monitor & control environmental conditions, with lighting, heating and cooling systems on a timeclock.

5.7 Health and Safety (H&S)

The Museum continues to ensure that all staff, volunteers and contractors comply with the H&S procedures in place. Accidents are few and regularly reported to the PARA Committee as a standing agenda item. There have been no major accidents during the period of this report

5.8 Fire Safety

Fire safety training both theory and practical are carried out regularly at the Museum. The Museum has regular visits from the local fire brigade where they acquaint all new members of the "watch" on the layout of the building and the potential hazards of the items stored within.

5.9 Emergency Planning

The Museum has its Emergency Plan which is regularly tested. Items requiring attention have all been closed and training for new starters has been implemented especially with regard to working with hazardous materials e.g. collections containing asbestos and radioactive material. The Emergency Plan procedures were also examined as part of the H&S internal audit, which found no major shortfalls.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Financial Review

Consolidated Results for the Year Ended 31st March 2023

Total incoming resources for the Museum in 2022-23 amounted to £7,867,000 (2021-22 - £7,798,000). The principal funding source of the Museum is Grant-in-Aid funding received from the Ministry of Defence. In 2022-23 this was £7,186,000 (2021-22 - £7,000,000).

Total resources expended amounted to £7,021,000 (2021-22 - £2,653,000). £3,893,000 of the increase of £4,368,000 is due to a reduction in the non-cash credit for the year in respect of the depreciation of tangible fixed assets and the reversal of previous impairment provisions.

After adjustment for the revaluation of the Museum's leasehold property and other recognised gains and losses, the net movement in funds for the year showed an increase of £2,723,000 (2021-22 - £6,105,000).

The Museum's net assets as at 31st March 2023 amounted to £115,110,000 (31st March 2022 - £112,387,000).

Changes in Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 6 to the accounts. During the year, the Museum spent £629,000 on additions to tangible fixed assets.

Future Plans

The Museum is continuing to concentrate on its refinement of the galleries taking into account audience feedback and the need to rotate collections on display to ensure that exposure restrictions are not exceeded. on many of the delicate items that are on display. While the gallery refinements have been carried out and to ensure continuity of the story of Our Army, the Museum extended the exhibition 'Foe to Friend' to maximise availability for viewing this well received exhibition which will be deinstalled in the late summer of 2024. Audience feedback and restrictions on the size of the total temporary galleries space has highlighted the need to change the physical size of both galleries within the total "footprint". To allow this work to be carried out, once the Foe to Friend exhibition is demounted, work will be undertaken to reconfigure the total space to allow a slightly smaller main gallery (300m²) and more useful Focus Gallery of 150m². This change will still allow the installation of larger exhibitions in both areas.

As highlighted elsewhere in this report the Museum working with the founding partners will develop further the Chelsea History Festival and Chelsea Heritage Quarter.

Working with the Sponsor Department further the relationship with the Army Museum's Ogilby Trust and grow the pastoral care element to the Regimental and Corps network.

Review and agree the Sponsor Department's guidance on the provision of Grant in Aid - the Financial Framework.

The Museum will purchase an external potentially "off the shelf" Collections Management System that is fully supported and meets the needs of all stakeholders both within the Museum and external audiences.

Fundraise and expand the NAM fellowship scheme and working with external bodies e.g. RMAS develop the NAM Institute and working to become an Independent Research Organisation to unlock potential additional funding streams.

Grow the unrestricted reserve to the target figure of £1 million.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Targets and Key Performance Indicators

Summarised below is the performance of the Museum against some key performance indicators over the last year with 2021-22 being the revised baseline since Covid 19:

| | | 2021-22 | 2022-23 | Variance |
|-----------|----------------------------------|-------------|-------------|------------|
| Audiences | Play Base | 18,831 | 54,720 | 191% |
| | School visits (physical/virtual) | 5,033/2,819 | 9,169/4,002 | 82% |
| | TSC visitors | 340 | 643 | 89% |
| | General visitors | 49,371 | 101,715 | 106% |
| | Total footfall | 73,575 | 166,247 | 126% |
| | Digital footfall | 2,530,361 | 3,285,743 | 30% |
| | Online: collections | 14% | 13% | -7% |
| | Online: what's on/stories | 82% | 85% | 4% |
| | | | | |
| | Members (Patrons) | 476/(39) | 411/(37) | -14%/(-5%) |
| | | | | |
| | Trip Advisor rating | 82% | 79% | -4% |

| | | | | |
|-------------|-----------------------------------|-------------|-----------|----------|
| Collections | Enquiries | 4,306 | 3,778 | -12% |
| | Objects photographed/digitised | 2,057/2,591 | 555/2,989 | -73%/15% |
| | Objects published online | 4,612 | 1,946 | -58% |
| | Accessions (archives and objects) | 352 | 195 | -45% |

| | | | | |
|--------|---------------------|-------|-------|------|
| People | FTE | 75.7 | 85.6 | 13% |
| | Volunteers (active) | 15 | 27 | 80% |
| | Turnover | 31.9% | 27.7% | -13% |

| | | | | |
|---------------------------------------|---|------------|------------|------|
| Finance (Consolidated Group Accounts) | Income | £7,798,000 | £7,867,000 | 1% |
| | Expenditure including depreciation | £2,653,000 | £7,021,000 | 165% |
| | Surplus/(Deficit) (before gains and losses) | £5,145,000 | £846,000 | -84% |
| | Donations | £306,000 | £48,000 | -84% |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

| | | 2021-22 | 2022-23 | Variance |
|-------|-----------------------|----------|----------|----------|
| NAMTL | Venue Hire | £54,917 | £85,109 | 55% |
| | Other Revenue | £301,842 | £432,018 | 43% |
| | Total Revenue | £356,759 | £517,127 | 45% |
| | Expenditure | £274,660 | £380,897 | 39% |
| | Net Profit before tax | £82,099 | £136,230 | 66% |

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

7th November 2023

National Army Museum
7th November 2023

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTOR'S REPORT

Members of Council

At a Privy Council Meeting on 8th July 2009, Her Late Majesty The Queen approved amendments to the Royal Charter of the National Army Museum. In line with para 7(2) of the amended Royal Charter, vacancies in the Membership occurring after the coming into effect of the amended Royal Charter are filled by persons nominated by the Council and approved by the Army Board. Para 8(1) of the amended Royal Charter states that the Chairman of the Council of the National Army Museum shall be nominated by the Council from among its Members and shall hold office (unless he or she shall earlier resign) for the residue of the period for which he or she has been appointed a Member. The relevant clause relating to the appointment of Members of Council is as follows: "7(1) The Membership of the Council shall be such number of persons as the Council shall from time to time determine being not more than twelve nor fewer than five".

The Council has chosen to subscribe to the principles of the Commissioner for Public Appointments Code of Practice for Public Appointments Procedures. In particular, Members of the Council have affirmed their commitment to the Principles of Public Life.

Register of Interests

A Register of Interests is maintained for Members of Council. This may be inspected on request at the Museum by prior appointment with the Director. No matters are noted in this Register which have given rise to specific conflicts with regard to Council's management responsibilities. In this period no such interests were declared.

Members of Council

Members of Council who served during the reporting period were as follows:

Lieutenant General Sir Simon Mayall KBE CB (Chair)
Lieutenant General Sir George Norton KCVO CBE (Deputy Chair)
Mrs Judith Donovan CBE
Mr Guy Perricone
Professor the Lord Andrew Roberts of Belgravia
Dr Paul Schreier
Mrs Sabine Vandenbroucke

Professor Ali Ansari (joined Council November 2022)
Mr Tim Cooke OBE (joined Council November 2022)
Mrs Sue Mackenzie (joined Council November 2022)

Mr Patrick Aylmer (resigned from Council June 2022)
Dr Jonathan Boff (resigned from Council November 2022)
Mr John Duncan OBE (resigned from Council November 2022)
Mr William Wells (resigned from Council November 2022)

In addition to The Council there are two honorary advisors:

Mr Richard Hughes – Honorary Advisor on legal matters
Ms Brenda Hobday – Honorary Advisor on public relations and marketing matters (resigned February 2023)

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Recruitment, Appointment and Training of Council Members

New Members of Council are sought through national channels with applicants being interviewed by members of Council assisted where appropriate, by external assessors. The Museum follows OCPA guidelines in the appointments which are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff.

Organisation Structure and Decision-Making Process

The overall direction and operation of the NAM is vested in the Council of the Museum. The Council of the National Army Museum by Royal Charter consists of up to twelve Members who serve for an initial period of three years from the date of their nomination. The Members with the agreement of the Chairman and Council can extend their tenure by an additional three years.

The NAM Council has established a number of committees for specific purposes and to ensure the effective conduct of and oversight of Museum business. In 2018 the NAM Council agreed to address the areas of responsibility of these Committees. The result of that work is the following revised list of committees:

Collections & Research Committee

Performance, Audit & Risk Assurance Committee

People and Appointments Committee (formerly Remuneration & Appointments Committee)

Development Committee

Enterprise Committee/NAMTL Board

The full Council has approved the terms of reference of each of these committees and, where it is practical, members do not sit on more than two committees.

The day-to-day operations are controlled by the Director of NAM with the assistance of the Senior Management Team (SMT). The following were the members of the SMT during the year:

| | |
|--------------------------------------|---|
| Brigadier Justin Maciejewski DSO MBE | Director and Accounting Officer |
| Mr Mike O'Connor OBE | Deputy Director |
| Mr Ian Maine | Assistant Director (Collections and Programmes) |
| Ms Teresa Scott | Assistant Director (Human Resources) |
| Ms Dawn Watkins (NAMTL) | Assistant Director (Enterprise) |

Towards the end of 2020 the Museum undertook a re-organisation across several departments to meet the on-going needs of the Museum. Regular meetings of the SMT take place, together with meetings involving heads of department and subject specialists, to ensure the smooth running of the NAM, with reference to the Museum's Mission Statement and Purpose, Strategic Plan, Business Plan and the Museum's Risk Management Policy & Risk Matrix. The Risk Matrix, which is regularly updated, is used as the basis of Internal Audit. The Museum is also subject to visits and receives advice from the MoD Fraud office who maintain a Fraud Risk Register and heat map across the MoD. The Museum is recognised as low risk.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

STATEMENT OF TRUSTEES AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Royal Charter relating to the National Army Museum 1960 and law applicable to charities in England and Wales, the Council, as Trustees, is required to prepare financial statements for each financial year which give a true and fair view of the National Army Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements, that give a true and fair view, the Accounting Officer and Council are required to:

- Observe the accounts direction issued by the Secretary of State in compliance with Charity Law, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards and statements of recommended practice as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures 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.

Under law applicable to charities in England and Wales, the Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable the Council to ensure that the financial statements comply with the applicable law. The Council is 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.

The Trustees and Accounting Officer confirm that, as far as they are aware, there is no relevant audit information of which the Museum's auditor is unaware, and that all steps have been taken to make themselves aware of relevant audit information and to make this available to the Museum's auditors.

The Trustees and Accounting Officer confirm that the annual report and accounts as a whole are fair, balanced and understandable and that they take responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

The Secretary of State has appointed the Director, the senior full time Museum official, as the Accounting Officer for the National Army Museum. Their relevant responsibilities as Accounting Officer, including their responsibility for the propriety and regularity of Parliamentary funded (Grant-in-Aid) finances for which they are answerable, for the keeping of proper records and safeguarding of the National Army Museum's assets are set out in the Non-Departmental Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

GOVERNANCE STATEMENT

This Governance Statement sets out the arrangements for the governance of the NAM, including the Council and Committee structure for the Members. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chairman of the NAM Council and Accounting Officer. The arrangements and systems for governance have been in place for the year under review and up to the date of the approval of the annual report and financial statements.

The Governance Framework

The NAM is a charity registered with the Charity Commission (registration number 237902) governed in accordance with its Royal Charter originally issued in April 1960 and subsequent amendments, the latest being in July 2009.

The Museum is a national museum as defined in the National Heritage Act 1983 Schedule 2 and Executive Non-Departmental Public Body (ENDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place dated May 2018, that defines the arrangements between the Museum and its Sponsor Department - the Ministry of Defence, relating to the receipt of Grant-in-Aid and the conditions for its expenditure. This document is due to be re-issued 2023/2024. The Museum also complies with applicable government functional standards.

The NAM Council and the Committee Structure

The NAM is governed by the NAM Council. The Charities Act 2011 requires the Council Members to exercise proper stewardship over the Museum and to take care of its collections.

The Director of the Museum as the Accounting Officer responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money. The Accounting Officer has received full induction and access to all records to satisfy themselves on the Governance and the Financial Statements of the Museum.

Council Members are appointed by the NAM Council and approved by the Army Board. They are appointed for a term of three years and can be appointed for a further term of equivalent length. The NAM Council may appoint nominated external members to serve on specific committees to supplement the experience of main Council Members. The nominated external members offer a level of expertise and independence that the Council members may not have.

Full minutes of all NAM Council and Committee meetings are maintained and the attendance of Council Members are recorded therein. Copies of NAM Council minutes are published on the NAM website.

The NAM Council Members receive induction training under the direction of the Director and are encouraged to familiarise themselves with the Museum's operations through work in committees where they are supported by the Museum's divisional Assistant Directors. Additionally, all Members of Council received trustee training from the Museum's legal advisors early in their tenure.

The NAM Council met for four meetings during 2022-23. However, the Council continued to meet both in person and for some members, on Zoom. The lessons of Covid-19 proved that this was an efficient way of ensuring maximum attendance at meetings. Listed below are the Council Members and their attendance at Council meetings.

| Post | Name | Meeting held/Attendance at Meetings whilst Member |
|--------------|---|--|
| Chair | Lieutenant General Sir Simon Mayall KBE CB | 4/4 |
| Deputy Chair | Lieutenant General Sir George Norton KCVO CBE | 4/3 |
| Members | Mr Patrick Aylmer resigned June 2022 | 2/1 |
| | Dr Jonathan Boff resigned November 2022 | 3/3 |
| | Mrs Judith Donovan CBE | 4/4 |
| | Mr John Duncan OBE resigned November 2022 | 3/2 |
| | Mr Guy Perricone | 4/4 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

| | |
|---|-----|
| Professor The Lord Andrew Roberts of Belgravia | 4/2 |
| Dr Paul Schreier | 4/3 |
| Mrs Sabine Vandenbroucke | 4/4 |
| Mr William Wells resigned November 2022 | 3/3 |
| Professor Ali Ansari joined Council November 2022 | 2/2 |
| Mr Tim Cooke OBE joined Council November 2022 | 2/2 |
| Mrs Sue MacKenzie joined Council November 2022 | 2/2 |

Register of Interests

A register of Members' relevant interests is maintained for all meetings of Council and Committees. It is brought to the attention at the outset of the meeting. Members are required to declare the fact that if they have an interest, pecuniary or otherwise, in any matter being considered by the Council. In this period no such interests were declared.

NAM Council Committees

The Committees are listed below with their membership and attendance at meetings. Post Covid, all meetings are held "face to face" with "Zoom" being used on rare exceptions.

The full Council has approved the terms of reference of each of these committees and, wherever practical, members do not sit on more than two committees.

Recruitment, Appointment and Training of Council Members

New members of Council are sought through national channels with applicants being interviewed by members of Council assisted by external assessors. Appointments are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff. The Trustees received a briefing from the Sponsor Department on the relationship with the Museum and from the Museum's legal advisors on the Charity SORP in November 2022.

Performance, Audit & Risk Assurance Committee

During 2022-23 the Performance, Audit & Risk Assurance (PARA) Committee had three planned meetings. The Committee members and their attendance at the meetings are listed below:

| Post | Name | Meeting held/Attendance at Meetings whilst Member |
|-------------|--|--|
| Chair | Mr Patrick Aylmer Chair to June 2022, resigned June 2022 | 1/1 |
| | Mrs Sabine Vandenbroucke Chair from July 2022 | 3/3 |
| Members | Mr John Duncan resigned November 2022 | 2/2 |
| | Mr Guy Perricone | 3/3 |
| | Mr Robin Grimston external member | 3/2 |
| | Ms Brenda Hobday external member resigned February 2023 | 3/1 |

The Committee scrutinised the draft Annual Accounts for 2021-22 and recommended them to be approved by NAM Council in November 2022. They selected the Internal Audit topics and reviewed the reports produced by the Internal Auditors. Additionally, at their November meeting, they were briefed on the Performance Awards for the previous reporting period, which were in line with MoD guidance. The Committee reviews the abridged version of the Risk Matrix at each meeting where high risks to the Museum operations are discussed.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Collections & Research Committee

This Committee held two planned meetings during 2022-23. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meeting held/Attendance at Meetings whilst Member |
|-------------|---|--|
| Chair | Lieutenant General Sir George Norton | 2/2 |
| Members | Mr John Duncan resigned November 2022 | 1/1 |
| | Dr Jonathan Boff resigned November 2022 | 1/1 |
| | Professor William Philpott external | 2/1 |

The Committee reviewed the development of research activity and collections development. They also approved a number of collections disposals.

People and Appointments Committee (formerly Remuneration & Appointments Committee)

This held one planned meeting during 2022-23 where they discussed the Director's salary and remuneration in accordance with the SCS scheme. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meeting held/Attendance at Meetings whilst Member |
|-------------|---|--|
| Chair | Lieutenant General Sir Simon Mayall | 1/1 |
| Members | Mrs Sabine Vandenbroucke | 1/1 |
| | Mr William Wells resigned November 2022 | 1/0 |

Development Committee

This held four meetings during 2022-23. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meeting held/Attendance at Meetings whilst Member |
|-------------|---|--|
| Chair | Mr William Wells Chair to August 2022, resigned November 2022 | 2/2 |
| | Dr Paul Schreier Chair from August 2022 | 4/4 |
| Members | Mr Patrick Aylmer resigned June 2022 | 1/0 |
| | Mrs Judith Donovan | 4/4 |
| | Mr Guy Perricone | 4/4 |
| | Mr Tim Cooke OBE | 2/1 |

The Committee as part of the Covid recovery refocussed its plans and revised its fundraising focus to coincide with the launch of and financial support for the NAM Institute, and a corporate funded strategy in line with the Chelsea History Festival.

Enterprise Committee

This Committee of NAM Council was formed with effect from 9 February 2023. It fulfils two functions: as both the Board of NAMTL, the legally registered company, and in addition beyond its legal duties as a Company Board, as an advisory body to the NAM Council on corporate communications and marketing campaigns in support of the Museum as well as its programme and commercial income generation opportunities. The Enterprise Committee has no executive powers.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

Members of the Committee are also NAMTL Board directors. As NAMTL Board and latterly from 9 February as Enterprise Committee, it held three meetings and three extraordinary meetings.

| Post | Name | Meeting held/Attendance at Meetings whilst Member |
|---------------|--|--|
| Chair | Mrs Judith Donovan | 6/6 |
| Board Members | Mr Jonathan Webb | 6/5 |
| | Dr James Naylor | 6/3 |
| | Mr Matthew Hayes | 6/3 |
| | Mr Robin Grimston | 6/6 |
| | Brigadier Justin Maciejewski resigned October 2022 | 5/3 |

This newly formed Committee as NAMTL Board, it reviews the performance and outcomes of the trading arm. As a committee of NAM Council, it provides advice and guidance on marketing and communications of the Museum

NAM Council Members' Performance.

The principal achievements of the Museum during the year are highlighted elsewhere in the Financial Statements, NAM Council Minutes and Business Plan. The Director attends meetings of the Army Heritage Committee where he reports to the Sponsor Department on the plans of the Museum. Additionally, meetings were held with the Sponsor Department including Director Army Resources and the Chief Accountant Army Resources. These meetings are reported to the full NAM Council. Additionally, Army Resources are invited to attend NAM Council meetings to update the Council on matters affecting the Museum and to receive assurance on governance and the use of GiA.

NAM Council minutes are circulated to all Council Members with routine papers for all Council meetings. Committee chairs brief all NAM Council meetings and highlight any matters of particular concern.

There is a wide range of information and data (financial and otherwise) routinely available to Council Members, including management accounts. The Director works closely with the Deputy Director and the Head of Finance to refine the financial information supplied to Council. Members are satisfied that the information is available both on time and in a format that enables the Members to exercise proper oversight of the Museum.

Review of Risk Management and Internal Control Systems

Risk Management

A Risk Management Statement has been drawn up with reference to the HM Treasury Publication - Risk Management Assessment Framework (2009), JSP 462 (April 2017) Financial Management and Charging Policy Manual, and the Cabinet Office & HM Treasury publication, *Your Delivery Strategy* (September 2001).

The NAM Council confirms that the Risk Management Systems in place for this reporting period (2022-23) affirms that in all situations where MOD Grant-in-Aid is concerned, the appetite for risk is conservative. The need to pay the staff, fund the provision of utilities, ensure compliance with Health & Safety at Work and other legislation/mandatory requirements and curate the Collections leaves no room for the assumption of more extreme risks. In all other instances, Council's risk assessment is made on a case-by-case basis, and is reviewed by Council at its periodic meetings, having regard to the NAM's Strategic Plan, Business Plan and investment and other professional advice taken by Council and the Director of the Museum, who reports to Council.

The NAM assesses its risks under the following categories:

- a. Governance;
- b. Finance;

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

- c. Building;
- d. Security;
- e. Employment;
- f. Collections.

The Museum's Risk Matrix is maintained under the guidance of the PARA Committee and focuses on the key risks posed to the Museum. These risks are assessed in terms of likelihood of occurrence and their potential impact. Appropriate mitigation activity is identified and recorded.

The Museum's Risk Matrix is used as a basis for adjudging the risks associated with the operations of the Museum and as a guide for the Internal Auditors to select internal audit topics. Risks are reviewed by the Senior Leadership Team (SLT) and updated accordingly taking on board any recommendations from previous Internal Audit reports. The two greater risks during this period of reporting were the possibility no matter how remote, of the withdrawal or lessening of Grant in Aid funding and the recovery of non-public finances via the Museum's trading arm. It is recognised that because of the pandemic, there has been a noticeable decrease in visitors to NAM and indeed the majority of "London centric" museums. NAM during this reporting period has seen a steady increase in visitor numbers and the signs are that at the end of next reporting period that visitor numbers will be back to at least pre pandemic levels.

The PARA Committee regularly receives updates on the highest risks on the Risk Matrix at their quarterly meetings and are fully involved with the Internal Auditors in selecting the internal audit topics. The Committee usually selects areas for audit each year which include the Tri-Service major museum thematic audit. These audits can provide sufficient assurance to the PARA Committee and ultimately NAM Council.

Governance – The NAM Council feels that is appropriately established with the correct skill sets required to advise, guide and challenge the executive to ensure that the Museum is operated in accordance with its Royal Charter and the objects of the charity. The "timed bound" resignations of Council members and subsequent recruitment continue the assurance.

Finance – A framework contained within the Financial Procedures Manual was updated in Autumn 2019 i.e. pre Covid-19. The Museum deferred the replacement of its financial system post Covid. After several cost savings arrived at by the removal of certain costly elements of the software coupled with the compatibility of the existing system with the invoice payment software of the Sponsor Department, NAM has decided to remain with the existing system. This document lays down the procedures and systems that all staff employed at the NAM must sign up to ensure that financial controls are in place to reduce wasted expenditure and produce value for money. Access to the Museum's accountancy system is restricted to the role of the individual. Levels of access are password protected which expire and must be renewed every thirty days. There is a clear line of responsibility for the authorisation of purchase orders and all staff as part of their induction receive a briefing on financial matters by the Deputy Director. Staff are also required to carry out regular training on the Bribery Act, Data Protection Act and copies of these policies can be found on the NAM Intranet and as part of the induction procedure and Staff Handbook.

Additionally, the SLT reviews budgets and cost centres on a monthly basis to ensure that the spend profile is maintained and any anomalies are accounted for.

The Museum works with the MoD Fraud Team to produce and review a Fraud Risk Matrix which forms part of the MoD global Fraud Risk Register. The reviews are carried out in accordance with the MoD team's programme with the most recent carried out in January 2023.

Building – The Museum premises at Chelsea was redeveloped in 2017 which included major structural alterations and the installation of plant which maintains the correct climatic conditions for the protection of the collections, staff and visitors. The Museum tendered for and replaced its contracted maintenance company to ensure that the building and

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

plant are maintained to the correct levels. The Museum storage facilities at Stevenage are leased properties which the Museum is responsible for, contracts are in place for their maintenance.

Security – The Museum has both 24/7 physical and digital alarm systems in place for the protection of the collections, staff and visitors from loss, damage and injury. All alarm systems are fully maintained and monitored 24/7 off site. The Museum works closely with the local police and counter terrorism teams and regularly carries out appropriate training. The security company tendered for and in post in December 21 was replaced in August 22 due non-compliance with the contract. This necessitated an urgent operational replacement “single tender” appointment to maintain security. This service was subsequently re-tendered with the replacement company contracted to start in July 2023.

Employment – NAM is an equal opportunities employer and its policy is not to discriminate against its staff during recruitment, selection and employment. All staff receive equal opportunities for appropriate training helping them identify discriminatory acts or practices or acts of harassment or bullying. Remuneration for all members of staff follows MoD pay grades with the exception of some members of the front of house teams who are paid London Living Wage. The Museum is committed to equal pay in employment and job evaluations are carried out for all posts. Terms of Employment, benefits and facilities are reviewed from time to time to ensure that there is no unlawful discrimination.

Collections – The Museum, as an accredited Museum, complies with all recommendations of the accreditation awarding body. Collection are collected, located and maintained in line with these standards which are overseen and regularly audited by the Collections Care and Standards Team with the Collections Research Committee who authorise any substantial disposals. The same processes are followed for Archive Accreditation.

Internal Auditors

The Museum’s current internal auditors, RSM Risk Assurance Services LLP (RSM) were appointed in October 2019 as part of a joint tender process by the NAM, the National Museum of the Royal Navy and the RAF Museum. RSM work to the Public Sector Internal Audit Standards and provide an independent opinion on the matters subject to review through the internal audit programme. They will also work across the three service Museums to provide a “joined up service” that will measure, where possible, each Museum to achieve best practice.

The Museum has a Risk Matrix to support its management of risk in the normal operations of the Museum. This Risk Matrix is used to identify the work to be undertaken by the internal auditors. Council’s PARA Committee signs off the work programme and the same committee receives the internal auditors report at its end of year meeting.

The risks contained in the Risk Matrix have also been taken into account in the development of the Museum’s strategic direction (through a process of cross-referencing between the specific risks and the principal strategic objectives) thereby mitigating some or all of those risks. During this reporting period, the Internal Auditors reported on the previous year’s internal audit reports and additionally looked at:

Fundraising – Reasonable Assurance

Risk Management – Reasonable Assurance

Governance – Reasonable Assurance

Thematic Review – Equality, Diversity and Inclusion – Reasonable Assurance

The necessary procedures have been implemented to address the recommendations made.

The overall Internal Audit Opinion for 2022-23 is that the work provides moderate assurance, and that some improvements are required to enhance the adequacy and effectiveness of the controls.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2023

External Auditors

The external auditor of the Museum is the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The accounts are consolidated with the accounts of the NAM's trading subsidiary (NAMTL) which are audited by Hillier Hopkins LLP who were at the request of the NAMTL Board, appointed in December 2022. The NAO is invited to attend the regular meetings of the PARA Committee which includes the "end of year" presentation of the Consolidated Financial Statements where the NAO discusses their findings with the Committee.

Information Risk Management

The NAM's Information Asset Ownership group comprises of the Senior Information Risk Officer (SIRO) and Information Asset Owners (IAO) from across the Museum's divisions. The group ensures that the Museum's Information Assurance Policy, Data Protection Act and Freedom of Information Act Legislation is complied with. The group meets regularly and discusses the management of information held by the NAM.

All staff are required as part of their induction to carry out online training in accordance with the National Archives directives. Information Sharing Agreements are in place with bodies that share NAM information.

Any information issues that arise are handled by the appropriate IAOs and referred to the group where necessary. Any incident of data loss or mishandling is handled in accordance with the Information Commissioner's guidance and reported to his office as required.

Whistleblowing

The Museum has a whistleblowing policy in place available to all staff and contained in the Staff Handbook. Whistleblowing is a standard agenda item for the Performance Audit and Risk Assurance Committee reporting to NAM Council. This was responded to in a written statement by the Director.

Statement of Assurance

The Accounting Officer has responsibility, on behalf of the full NAM Council, for the overall effectiveness of the Museum's governance arrangements and their compliance with Corporate Governance in Central Government Departments Code of Practice 2018 so far as this may be seen to apply to an 'Arms-Length Body' (as defined in *Managing Public Money*).

Auditors

These accounts are audited by the NAO on behalf of the Comptroller and Auditor General in accordance with current legislation and the Museum's Royal Charter. No non-audit services are provided to the Museum by the auditor.

The cost of the audit of the Museum and its trading company for 2022-23 is £43,375 (2021-22: £38,750) of which £37,400 (2021-22: £32,700) relates to the audit of the Museum and £5,975 (2021-22: £6,050) to the audit of NAMTL.

So far as the Accounting Officer (AO) and Council Members are aware, there is no relevant audit information of which the Museum's auditors are unaware. Furthermore, the AO and Council Members have taken all the necessary steps to make sure they are aware of any relevant information and to establish that the Museum's auditors are also aware of that information.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Director of the Museum is employed by the Council of the National Army Museum on terms and conditions that are similar to MOD senior civil servants. He holds an open-ended appointment and his salary is set on an annual basis by the Remuneration and Appointments Committee of Council by reference to the recommendations of the Senior Salaries Review Body. He is the only senior civil service staff or equivalent employee of the Museum.

Other members of the Senior Management Team are also employed on terms and conditions similar to MOD civil servants. Staff salaries are set by the Museum's Human Resources Department by reference to strict MOD guidelines and approved by the Director.

The NAM operates a performance appraisal review (PAR) system, which broadly follows the guidelines of the MOD civilian system. The marking system is based on agreed aims and objectives between the Line Manager (LM) and the member of staff. Dependent on direction from MOD on whether it is paying performance awards for the year, the Performance Award Group meet and assigns a value to marks in line with the MOD levels of award. The findings of the Group are then passed to the PA&RA Committee for a further check before being passed to the Council for approval.

Salary and Pension Entitlements (Subject to audit)

The salary and pension entitlements of the Senior Management Team (SMT) of the Museum as detailed on page 36 were as follows (with comparative salary disclosures for 2021/22).

| | Salary (£'000) | | Performance Pay (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (£'000) | | Total remuneration (£'000) | |
|---|----------------|---------|-------------------------|---------|------------------------------------|---------|--------------------------|---------|----------------------------|---------|
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| Justin Maciejewski <i>Director</i> | 145-150 | 140-145 | 5-10 | 0-5 | - | - | - | - | 155-160 | 145-150 |
| Mike O'Connor <i>Deputy Director</i> | 75-80 | 70-75 | - | - | - | - | (6) | 3 | 70-75 | 75-80 |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 70-75 | 65-70 | 0-5 | 0-5 | - | - | (3) | 17 | 70-75 | 85-90 |
| Ian Maine <i>Assistant Director – Collections and Programmes</i> | 70-75 | 65-70 | 0-5 | 0-5 | - | - | - | - | 70-75 | 70-75 |
| Dawn Watkins <i>Assistant Director – Enterprise</i> | 70-75 | 65-70 | 0-5 | 0-5 | - | - | - | - | 70-75 | 70-75 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

| | Accrued pension at pension age as at 31 March 2023 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31 March 2023 | CETV at 31 March 2022 | Real increase in CETV ¹ | Employers' contribution to NEST pension or personal |
|---|---|--|-----------------------|-----------------------|------------------------------------|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £(nearest £100) |
| Justin Maciejewski <i>Director</i> | - | - | - | - | - | 7,700 |
| Mike O'Connor <i>Deputy Director</i> | 25-30 | - | 480 | 450 | (6) | - |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 25-30 plus a lump sum of 45-50 | 0-2.5 plus a lump sum of 0 | 463 | 425 | (11) | - |
| Ian Maine <i>Assistant Director - Collections and Programmes</i> | - | - | - | - | - | 4,100 |
| Dawn Watkins <i>Assistant Director - Enterprise</i> | - | - | - | - | - | 4,100 |

None of the above received any benefits in kind during the year (2021/22 £Nil).

No members of the Council received any remuneration during the year (2021/22 £Nil). During the year reimbursements were made to members of the Council totalling £4,402 (2021/22 £1,012) for travel and subsistence and £1,302 (2021/22 £3,091) for hospitality. A Trustee was paid £200 (2021/22 £Nil) for speaking at the Chelsea History Festival.

¹Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Salary

“Salary” includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Performance pay

Performance pay relates to bonuses on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2022-23 relate to performance in 2021-22 and the comparative bonuses reported in 2021-22 relate to the performance in 2020-21.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument.

Pension Benefits

Pension benefits are provided through the Principal Civil Service Pension Schemes (PCSPS) in respect of two members of the SMT. This scheme is an unfunded multi-employer defined benefits scheme but the NAM is unable to identify its share in respect of the senior management team of the underlying assets and liabilities. A full actuarial valuation is carried out periodically. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

Other members of the SMT receive pension benefits through membership of the National Employment Savings Trust (NEST) or employer contributions to their own personal pension plan. These contributions are at the same rate as those for all members of staff not eligible to join the PCSPS.

Principal Civil Service Pension Scheme (PCSPS)

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS) which has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year and pensions payable are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha between 1 June 2015 and 1 February 2022.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.). Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values and Real increase in CETV

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax. The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

Compensation for loss of office (Subject to audit)

No amounts were paid in respect of compensation for loss of office to any of the Leadership Team for the current or preceding year.

Fair pay disclosure (Subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the remuneration of the organisation's workforce.

The following percentage changes applied to remuneration at the National Army Museum:

| | 2022/23 | 2021/22 |
|-----------------------|---------|---------|
| | % | % |
| Salary: | | |
| Highest paid director | 3.5 | 0 |
| Staff Average | 4.9 | (0.4) |
| Performance pay: | | |
| Highest paid director | 200.0 | (66.7) |
| Staff Average | 10.7 | 10.1 |

Total performance pay is limited by guidance issued by the Museum's Sponsor Department.

The mid-point of the banded remuneration of the highest-paid director in the National Army Museum in the financial year 2022-23 was £157,500 (2021-22, £147,500). This was 5.9 times (2021-22, 6.4) the 25th percentile remuneration, which was £26,560 (2021-22, £23,077), 5.0 times (2021-22, 4.9) the median remuneration of the workforce, which was £31,768 (2021-22, £30,200) and 3.9 times (2021-22, 3.6) the 75th percentile remuneration, which was £40,126 (2021-22, £40,921). Changes in ratios result from minor changes in the staff mix at NAM. Comparative amounts have been adjusted from those previously reported to reflect total remuneration. No staff received any benefits in kind in 2022-23 or 2021-22.

The salary element of the total remuneration noted above for the 25th percentile salary was £26,560 (2021-22, £22,647), £31,179 (2021-22, £30,200) for the median salary and £39,384 (2021-22, £40,717) for the 75th percentile salary.

In 2022-23 0 (2021-22, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £21,548 to £157,500 (2021-22, £15,938 to £147,500).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer-value of pensions.

Median total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

Staff Report

Staff costs and staff numbers (Subject to audit)

| | 2022/23 | 2021/22 |
|------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Staff costs comprise: | | |
| Wages and salaries | 2,854 | 2,677 |
| Social security costs | 299 | 274 |
| Pension costs | 302 | 307 |
| Redundancy costs | 0 | 131 |
| Temporary staff | 659 | 655 |
| | <u>4,114</u> | <u>4,044</u> |

Excluding the Director and members of the Senior Management Team, no employees received remuneration for 2022-23 excluding pension contributions, greater than £60,000 (2021-22 no employees).

The average number of senior management and staff based on headcount was:

| | 2022/23 | 2021/22 |
|-------------|-----------|-----------|
| Collections | 43 | 42 |
| Curatorial | 21 | 23 |
| Education | 12 | 8 |
| Publicity | 2 | 2 |
| Trading | 11 | 7 |
| Fundraising | 0 | 2 |
| | <u>89</u> | <u>84</u> |

30 (2021-22: 25) of the above staff are male and 59 (2021-22: 59) female (unaudited). 5 (2021-22: 9) staff are employed on short term contracts with all other staff employed on a full-time contract. The above includes an average of 24 (2021-22: 20) part time staff members for the year.

The staff turnover for the year represented 27.7% of the total workforce (2021-22: 31.9%).

Consultancy and off-payroll arrangements

NAM has engaged no individuals during the year under short term arrangements that could be seen to be similar to those envisaged by HM Treasury Guidance on off- payroll arrangements (2022: no individuals). Total expenditure for other consultancy services in the year was £25,032 (2022: £946).

Sickness and Absence data

The NAM employed 96 members of staff at 31 March 2023 (73 full-time and 23 part-time) and monitored sick absence as part of its commitment in promoting the health, safety and welfare of all members of staff. Information collated from the Department of Human Resources is available to the Museum's Management Team who are responsible for identifying potential risks arising from any patterns that may occur and also made available to NAM

Council. During 2022-23, there were 688 (full time equivalent) days lost to sick absence compared to 490 days lost in 2021-22.

During the period, the average number of days' sickness absence per employee was 7.2 compared to 5.8 days in 2021-22 (long-term incidents of sickness absence have been excluded to give a more accurate picture of sickness absence at NAM). A policy on the management of attendance is in place to promote arrangements for dealing with sickness absence in a manner, which is fair and sensitive to staff, as well as minimising the effect of absences on operational requirements. In addition, the NAM has introduced a wellbeing initiative, which includes establishing and training Mental Health First Aiders, and training all line managers to raise awareness of mental health and wellbeing.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

Equality, Diversity & Access

The NAM is an Equal Opportunities Employer.

The NAM is committed to providing a working environment in which members of staff are able to realise their full potential and contribute to the Museum's success.

The NAM will also take all reasonable steps to provide a work environment in which all workers are treated with respect and dignity and that is free of harassment. In order to create conditions, in which this goal can be realised, the NAM is committed to identifying and eliminating barriers, discriminatory practices, procedures, and attitudes throughout the Museum. Members of staff are expected and required to support this commitment, assisting in its realisation in all possible ways.

It is the NAM's policy not to discriminate against its workers on the basis of their gender, sexual orientation, marital or civil partnership status, any gender reassignment, disability, race, religion or belief, colour, nationality, ethnic or national origin, disability or age, pregnancy or trade union membership or employment status. The NAM will not condone any form of harassment, whether engaged in by workers or by third parties such as clients, customers, contractors and suppliers. Our workers and applicants for employment shall not be disadvantaged by any policies or conditions of service, which cannot be justified as necessary for operational purposes.

The NAM shall, at all times, strive to work within legislative requirements as well as promoting best practice, and is committed to the development of a diverse workforce. The Museum has issued an Equal Opportunities Policy Statement, and undertakes equal opportunities monitoring.

Employee Consultation and Involvement

The Director and Senior Management Team consult with the staff through the NAM's Staff/Management Forum, which was set up to encourage increased levels of communication and consultation across the whole of the Museum, and in shifting to a different and more progressive, delivery-focussed culture of working, exchanging views and ideas, discussing problems and planning for the future.

Communication and involvement with the staff is also maintained through various committees/groups, which include the Health & Safety Committee, regular Departmental and Divisional meetings, one-to-ones, monthly staff briefings and internal memoranda.

Employer Pensions

For 2022-23 employers' pension contributions for the Museum of £184,000 were payable to the PCSPS (2021-22 £216,000) at rates based on salary bands as follows:

| | | | |
|------------|---|-------------------|-------|
| Band one | - | £23,000 and under | 26.6% |
| Band two | - | £23,001 - £45,500 | 27.1% |
| Band three | - | £45,501 - £77,000 | 27.9% |
| Band four | - | £77,001 and over | 30.3% |

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Members of staff not eligible to join the PCSPS are automatically enrolled in the National Employment Savings Trust (NEST) with employer pension contributions of 6 per cent from September 2022 (previously 5 per cent). Total employer contributions in this regard were £118,000 (2021-22 £91,000).

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

Civil service and other compensation schemes – exit packages (Subject to audit)
(Comparative data for the prior year is shown in brackets)

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|--|-----------------------------------|-----------------------------------|--|
| <£10,000 | - (4) | - (-) | - (4) |
| £10,000 - £25,000 | - (-) | - (-) | - (-) |
| £25,000 - £50,000 | - (1) | - (-) | - (1) |
| £50,000 - £75,000 | - (-) | - (-) | - (-) |
| £75,000 - £100,000 | - (1) | - (-) | - (1) |
| Total number of approved exit packages | - (6) | - (-) | - (6) |
| Total resource cost/£ | - (131,233) | - (-) | - (131,233) |

There were no special severance packages paid by the Museum for 2022-23 or 2021-22.

Trade Union Facility Time

| | 2022/23 | 2021/22 |
|---|------------|------------|
| Table 1 | | |
| Number of employees who were relevant union officials during the period | 0 | 0 |
| Table 2 | | |
| Percentage of time | | |
| 0% | 0 | 0 |
| 1-50% | 0 | 0 |
| 51-99% | 0 | 0 |
| 100% | 0 | 0 |
| Table 3 | | |
| Total cost of facility time | £0 | £0 |
| Total pay bill | £3,455,000 | £3,389,000 |
| Percentage of the total pay bill spent on facility time | 0% | 0% |
| Table 4 | | |
| Time spent on paid trade union activities as a percentage of total paid facility time | 0% | 0% |

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of Expenditure (Subject to Audit)

NAM receives Grant-in-Aid (GiA) from MOD in support of its overall activities.

The total operating GiA for the last five financial years being as follows:

| | £'000 |
|---------|-------|
| 2022-23 | 7,056 |
| 2021-22 | 6,870 |
| 2020-21 | 6,713 |
| 2019-20 | 6,486 |
| 2018-19 | 7,084 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

Part of the GiA is used to cover the salaries of staff paid directly by MOD whilst the remaining GiA is received by NAM in a separate bank account. Included in the operating GiA for 2022-23 is £100,000 which was restricted to supporting NAM's operations in relation to the Commonwealth War Graves Commission and scholarship research activities.

In addition NAM received additional GiA for the purchase of Heritage Assets of £130,000 in each of the last four financial years. For 2018-19, this additional GiA was £126,000.

Controls and procedures are in place to ensure only allowable expenditure is incurred on this account. Annual budgets are prepared for the expenditure of this GiA with monthly reporting of actual expenditure and anticipated outturns being made to the Management Team coupled with regular reporting to the PA&RA Committee.

These procedures help ensure that GiA is appropriately managed and that there is no overspend of GiA that cannot be funded from the Museum's other resources.

Other considerations (Subject to Audit)

NAM has no remote contingent liabilities that require notification to HM Treasury.

There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosure that have not been reported elsewhere in these financial statements.

+

Long-term expenditure trends

Expenditure over the last five financial years as reported in the financial statements is summarised as follows:

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 4,114 | 4,044 | 4,199 | 4,160 | 3,685 |
| Premises costs | 1,106 | 888 | 1,028 | 1,050 | 1,074 |
| Collection maintenance | 696 | 542 | 530 | 357 | 574 |
| Events and promotion | 324 | 398 | 270 | 528 | 472 |
| Depreciation and (profit)/ loss on disposal | 1,206 | 884 | 970 | 862 | 894 |
| Impairment and impairment reversal | (1,327) | (4,898) | 0 | (378) | (649) |
| Administration and other | 902 | 795 | 690 | 834 | 853 |
| | <u>7,021</u> | <u>2,653</u> | <u>7,687</u> | <u>7,413</u> | <u>6,903</u> |

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

7th November 2023

National Army Museum
7th November 2023

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2023

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the National Army Museum and its Group for the year ended 31 March 2023 under the Charities Act 2011 and under Royal Charter relating to the National Army Museum 1960.

The financial statements comprise: the National Army Museum and its Group's:

- Consolidated and Charity Balance Sheet as at 31 March 2023;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the National Army Museum and its Group's affairs as at 31 March 2023 and its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the National Army Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2023

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Army Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Army Museum and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises information included in the Trustees' Report, but does not include the financial statements nor my auditor's report. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Royal Charter relating to the National Army Museum 1960.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Trustees' Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Royal Charter relating to the National Army Museum 1960; and
- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Army Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the National Army Museum or its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2023

- the financial statements and the parts of the Trustees' Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Army Museum and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of the financial statements to be free from material misstatement, whether due to fraud or error; and
- ensuring that the financial statements give a true and fair view and are prepared in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder;
- ensuring that the Trustees' Report, which includes the Remuneration and Staff Report, is prepared in accordance with directions made under the Royal Charter relating to the National Army Museum 1960; and
- assessing the National Army Museum and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Royal Charter relating to the National Army Museum 1960 and the Charities Act 2011.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2023

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I;

- considered the nature of the sector, control environment and operational performance including the design of the National Army Museum and its Group's accounting policies and its key performance indicators.
- inquired of management, the National Army Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Army Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Army Museum and its Group's controls relating to the National Army Museum's compliance with the Royal Charter relating to the National Army Museum 1960, the Charities Act 2011, and Managing Public Money;
- inquired of management, the National Army Museum's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant internal specialists, including property valuations, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Army Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management's estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the National Army Museum and its Group's framework of authority and other legal and regulatory frameworks in which the National Army Museum and Group operates. I focussed on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Army Museum and its Group. The key laws and regulations I considered in this context included the Royal Charter relating to the National Army Museum 1960, the Charities Act 2011, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Performance, Audit and Risk Assurance Committee concerning actual and potential litigation and claims;

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2023

- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, assessing the recognition of revenue in line with the accounting framework and undertaking procedures to test the completeness of revenue.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies
Comptroller and Auditor General

Date 14th November 2023

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

NATIONAL ARMY MUSEUM
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2023

| | NOTE | Unrestricted Funds | Restricted Funds | Total Funds 2022/23 | Unrestricted Funds | Restricted Funds | Total Funds 2021/22 |
|---|------|--------------------|------------------|---------------------|--------------------|------------------|---------------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | | | | | | |
| Grant-in-Aid | | 6,956 | 230 | 7,186 | 6,870 | 130 | 7,000 |
| Other | | 20 | 28 | 48 | 62 | 244 | 306 |
| | | 6,976 | 258 | 7,234 | 6,932 | 374 | 7,306 |
| Trading activities | 3 | 553 | 46 | 599 | 352 | 66 | 418 |
| Investments | | 1 | 3 | 4 | 0 | 6 | 6 |
| | | 7,530 | 307 | 7,837 | 7,284 | 446 | 7,730 |
| Other | 3 | 26 | 4 | 30 | 68 | 0 | 68 |
| TOTAL | | 7,556 | 311 | 7,867 | 7,352 | 446 | 7,798 |
| Expenditure on: | | | | | | | |
| Raising funds | 4 | 859 | (45) | 814 | 942 | (450) | 492 |
| Charitable activities | 4 | 6,413 | (206) | 6,207 | 5,808 | (3,647) | 2,161 |
| TOTAL | | 7,272 | (251) | 7,021 | 6,750 | (4,097) | 2,653 |
| Operating surplus/(deficit) | | 284 | 562 | 846 | 602 | 4,543 | 5,145 |
| Net gains/(losses) on investments | 8 | 0 | (20) | (20) | 0 | 12 | 12 |
| Net income/(expenditure) | | 284 | 542 | 826 | 602 | 4,555 | 5,157 |
| Transfers between funds | | (519) | 519 | 0 | 0 | 0 | 0 |
| Other recognised gains/(losses): | | | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 245 | 1,652 | 1,897 | 101 | 847 | 948 |
| Net movement in funds | | 10 | 2,713 | 2,723 | 703 | 5,402 | 6,105 |
| RECONCILIATION OF FUNDS | | | | | | | |
| Total funds brought forward | | 65,070 | 47,317 | 112,387 | 64,367 | 41,915 | 106,282 |
| Total funds carried forward | | 65,080 | 50,030 | 115,110 | 65,070 | 47,317 | 112,387 |

None of the Museum's activities were acquired or discontinued during the year. All of the Museum's recognised gains and losses for the year are included above.

The Statement of Financial Activities for the Charity alone is detailed in note 2 to the financial statements.

The notes of pages 61 to 80 form part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED AND CHARITY BALANCE SHEET
YEAR ENDED 31ST MARCH 2023

| | NOTE | 2023 | | | | 2022 | | | |
|---|-------|--------|----------------|---------|----------------|--------|----------------|---------|----------------|
| | | Group | | Charity | | Group | | Charity | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | | | | | |
| Tangible assets | 6 | 46,302 | | 46,301 | | 43,657 | | 43,655 | |
| Heritage assets | 7 | 68,083 | | 68,083 | | 67,971 | | 67,971 | |
| Investments | 8 | 402 | | 452 | | 0 | | 50 | |
| | | | 114,787 | | 114,836 | | 111,628 | | 111,676 |
| CURRENT ASSETS | | | | | | | | | |
| Stocks | | 31 | | 0 | | 76 | | 0 | |
| Debtors | 9 | 607 | | 781 | | 880 | | 997 | |
| Investments | 10/11 | 0 | | 0 | | 365 | | 365 | |
| Cash at bank and in hand | 11 | 594 | | 317 | | 415 | | 242 | |
| | | 1,232 | | 1,098 | | 1,736 | | 1,604 | |
| CURRENT LIABILITIES | | | | | | | | | |
| CREDITORS: | | | | | | | | | |
| Amounts falling due within one year | | | | | | | | | |
| | 12a | (909) | | (824) | | (939) | | (866) | |
| NET CURRENT ASSETS/ (LIABILITIES) | | | | | | | | | |
| | | | 323 | | 274 | | 797 | | 738 |
| CREDITORS: | | | | | | | | | |
| Amounts falling due after more than one year | | | | | | | | | |
| | 12b | 0 | | 0 | | (38) | | 0 | |
| TOTAL NET ASSETS | | | | | | | | | |
| | | | <u>115,110</u> | | <u>115,110</u> | | <u>112,387</u> | | <u>112,414</u> |
| RESERVES | | | | | | | | | |
| Unrestricted Funds | | | 64,460 | | 64,460 | | 64,695 | | 64,722 |
| Unrestricted Revaluation | | | 620 | | 620 | | 375 | | 375 |
| Total Unrestricted Funds | 13 | | <u>65,080</u> | | <u>65,080</u> | | <u>65,070</u> | | <u>65,097</u> |
| Restricted Funds | | | 45,625 | | 45,625 | | 44,564 | | 44,564 |
| Restricted Revaluation | | | 4,405 | | 4,405 | | 2,753 | | 2,753 |
| Total Restricted Funds | 14 | | <u>50,030</u> | | <u>50,030</u> | | <u>47,317</u> | | <u>47,317</u> |
| | 14 | | <u>115,110</u> | | <u>115,110</u> | | <u>112,387</u> | | <u>112,414</u> |

The financial statements were approved by the Council on 7th November 2023 and signed on its behalf by:

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
 DIRECTOR AND ACCOUNTING OFFICER

LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
 CHAIRMAN, ON BEHALF OF COUNCIL

The notes on pages 61 to 80 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2023

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2022/23 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2021/22 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Cash flows from operating activities: | | | | | | |
| Net cash provided by/(used in) operating activities | 391 | 270 | 661 | 700 | 258 | 958 |
| Cash flows from investing activities: | | | | | | |
| Purchase of tangible assets | (110) | (519) | (629) | (209) | 0 | (209) |
| Proceeds from sale of tangible assets | 2 | 0 | 2 | 0 | 0 | 0 |
| Purchase of heritage assets | 0 | (112) | (112) | 0 | (391) | (391) |
| Purchase of fixed asset investments | 0 | (57) | (57) | 0 | 0 | 0 |
| Net cash provided by/(used in) investing activities | (108) | (688) | (796) | (209) | (391) | (600) |
| Cash flows from financing activities: | | | | | | |
| Repayments of borrowing | (51) | 0 | (51) | (154) | 0 | (154) |
| Net cash provided by/(used in) financing activities | (51) | 0 | (51) | (154) | 0 | (154) |
| Change in cash and cash equivalents in the reporting period | 232 | (418) | (186) | 337 | (133) | 204 |
| Cash and cash equivalents at the beginning of the reporting period | 441 | 339 | 780 | 104 | 472 | 576 |
| Cash and cash equivalents at the end of the reporting period | 673 | (79) | 594 | 441 | 339 | 780 |

An analysis of cash and cash equivalents together with an analysis of changes in net debt is given in note 10 of the financial statements.

Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2022/23 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2021/22 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 284 | 542 | 826 | 602 | 4,555 | 5,157 |
| Adjustments for: | | | | | | |
| Depreciation charges | 287 | 921 | 1,208 | 166 | 718 | 884 |
| Loss/(profit) on the disposal of tangible assets | (2) | 0 | (2) | 0 | 0 | 0 |
| Interest payable | 3 | 0 | 3 | 2 | 0 | 2 |
| Impairment and impairment reversal | 0 | (1,327) | (1,327) | 0 | (4,898) | (4,898) |
| Transfer of quoted investments to fixed assets | 0 | (365) | (365) | 0 | 0 | 0 |
| Donated heritage assets | 0 | 0 | 0 | 0 | (36) | (36) |
| Transfer between funds | (519) | 519 | 0 | 0 | 0 | 0 |
| (Increase)/decrease in stocks | 45 | 0 | 45 | 45 | 0 | 45 |
| (Increase)/decrease in debtors | 313 | (40) | 273 | (314) | (74) | (388) |
| Increase/ (decrease) in creditors | (20) | 0 | (20) | 199 | (7) | 192 |
| Net unrealised investment loss/(gains) | 0 | 20 | 20 | 0 | 0 | 0 |
| Net cash provided by/(used in) operating activities | 391 | 270 | 661 | 700 | 258 | 958 |

The notes on pages 61 to 80 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) – (Charities SORP (FRS 102)) and guidance issued by H.M. Treasury in that the Financial Reporting Manual is applied insofar as it does not contradict the Statement of Recommended Practice.

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

(b) Basis of Consolidation

Consolidated financial statements have been prepared in respect of the charity and its wholly owned subsidiary, National Army Museum Trading Limited (“NAMTL”) (Company Number: 06707366).

The Consolidated Statement of Financial Activities and Balance Sheet include the results and net assets of NAMTL on a line by line basis.

The financial statements of NAMTL used in consolidation are those for the period ended 31 March 2023.

(c) Going Concern

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Museum’s needs. We have considered a period of at least twelve months from the date of approval of the financial statements. The assumption relies on the continuation of Ministry of Defence funding at a similar level for the foreseeable future. The Museum has received confirmation of funding for 2023-24 together with an ongoing commitment and letter of support from its Sponsor Department for the period to March 2025. In order to ensure financial stability NAM Council has reviewed and approved budgets and cash flows through to March 2025.

(d) Incoming Resources

Incoming resources are included gross without the deduction of expenditure.

(e) Donations and Legacies

Grant-in-Aid is recorded on a received basis.

Grant-in-Aid is a payment by a public sector funder to finance part of NAM’s operations in support of NAM’s overall activities. Except where Grant-in-Aid has been awarded for a specific purpose such as the purchase of exhibits or redevelopment of NAM it is regarded as an unrestricted fund as it relates to the general operations of NAM without significant restrictions being placed on how the funds can be spent.

Other revenue grants are credited to incoming resources on the earlier of the date of receipt or when they are receivable, unless they relate to a grant for expenditure in future accounting periods, in which case they are deferred.

Grants for the purchase of fixed and heritage assets are credited to a restricted fund within incoming resources when receivable.

(f) Other Voluntary Income

The Museum derives voluntary income from donations, legacies, gifts and monies placed in donation boxes in the Museum. The income is recognised in the statement of financial activities where there is evidence of entitlement, receipt is probable and its

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

amount can be measured reliably. Donated services and facilities are included as income based on management's judgement of their market value.

(g) Expenditure on Charitable activities

NAM has allocated its expenditure on charitable activities to the following areas of activity:

Collections costs are those incurred in acquiring and preserving objects and records relating to the British Army for the education, inspiration and enjoyment of the present generation and its successors, together with the presentation of the Museum's collections to its users.

Curatorial costs are those incurred in the research and interpretation of the Museum's collections to its users, including dealing with enquiries from the general public.

Education costs are those incurred in engaging and educating the general public, including children, in historic and contemporary issues relating to the British Army.

Publicity costs are those costs that are incurred in promotion of the Museum, specific exhibitions and in support of the off site activities of the NAM.

(h) Allocation of support and governance costs

Support and governance costs are those functions that assist NAM but do not directly undertake either Charitable or Fundraising activities. These costs include general administration, finance, personnel and governance costs which support NAM's activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. Costs not directly attributable to a specific category have been allocated based on the cost of staff time incurred.

(i) Pensions Cost

Long serving Museum staff, are covered by the provisions of the Principal Civil Service Pension Scheme ("PCSPS"), which provides benefits based on final pensionable pay. The pensions cost charged to the Statement of Financial Activities is represented by the contributions payable under the PCSPS to the Cabinet Office at rates determined from time to time by the Government Actuary's Department. PCSPS is a multi-employer scheme and NAM is unable to identify its share of any pension liability. Those staff not covered by the PCSPS are also entitled and are paid contributions to National Employment Savings' Trust or personal pension policies.

(j) Taxation

As a Registered Charity, the National Army Museum's charitable status has been recognised by HM Revenue & Customs. Non-recoverable Value Added Tax (VAT) arising from expenditure is charged to the statement of financial activities. All expenditure including capital expenditure is stated net of any recoverable VAT. VAT is then reclaimed from HM Revenue & Customs in accordance with section 33 of the VAT Act 1994.

All of the income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. All of the taxable profits of the trading subsidiary are distributed to the Charity under Gift Aid. The Corporation Tax liability of the trading subsidiary for the period ending 31 March 2023 was £127 (2022: £Nil).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

Deferred tax is recognised on any tax losses in the trading subsidiary to the extent that it is probable that these will be recovered against future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

(k) Tangible Fixed Assets and Depreciation

Fixed assets are stated at their estimated current cost. For land and buildings this estimate is based on independent professional valuations obtained every five years, updated in the intervening years by the application of appropriate government issued indices provided by the Ministry of Defence. The land and buildings were professionally revalued at 31st March 2022 (see note 6). For other assets, the estimate is based on historic cost updated thereafter by the application of these indices. Fixed assets with a cost of less than £1,000 are not capitalised.

Any revaluations are recorded as other recognised gains and losses in the Statement of Financial Activities and reflected in revaluation reserves except where they relate to the reversal of previous impairment provisions.

Depreciation is provided on all tangible fixed assets on a straight-line basis over their estimated useful lives. These were principally:

| | |
|------------------------------|------------------------------|
| Leasehold Buildings | 52 years from 1st April 2022 |
| Fit-out of Buildings | 43 years from 1st April 2022 |
| Plant and Machinery | 27 years from 1st April 2022 |
| Short Leasehold Improvements | 41 years |
| Computer Equipment | 5-10 years |
| Fixtures and Fittings | 10-20 years |

The useful lives for leasehold buildings, fit-out of buildings and plant and machinery have been based on those advised as part of the 2022 property revaluation.

The Museum does not capitalise website costs and development costs on internally generated projects, but treats these as expenditure as they are incurred. Expenditure on permanent exhibitions is capitalised in accordance with this policy whilst all expenditure on temporary exhibitions is written off as the expenditure is incurred.

The Museum continuously reviews its fixed assets to ensure they do not fall below recoverable amounts. Any asset that falls below its recoverable amount is adjusted to reflect the fall in value or is disposed of.

(l) Heritage Assets

(i) Valuation and Management

Heritage assets are recorded at the deemed cost carrying value established at 31st March 2010 adjusted for the cost of additions and the value of disposals since this date and any impairments in respect of material elements of the collection.

NAM conducts periodic reviews of its heritage assets for any impairment to the collection. No impairments were identified for the current or preceding year.

Donated assets are included based on internal estimates by the relevant curator using their experience and judgement and by reference to third parties, if considered appropriate.

Heritage assets comprise of approximately one million items. For the 2010 valuation the Collection was divided into two categories. The first category comprised Victoria Crosses, George Crosses, field marshals' batons, oil paintings and other high-value items of fine and decorative art, coatees, rare books, oral history interviews, sound discs and film records. These were valued by expert members of staff, some of them with the assistance of former colleagues. The valuations of the historic military vehicles part of the

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

collection is supported by a third-party valuation of the historic military vehicles made in 2008-9 by Julian Shoolheifer Limited (Fine Art Valuers) PO Box 186, Saffron Walden, CB10 9AY.

The remainder of the Collection was valued by expert members of staff on the basis of auction realisations, knowledge of their specialist areas and inflation-adjusted prices paid for exhibits purchased by the Museum.

The valuation of heritage assets only reflects those assets which have been fully accessioned into the collection and recorded on the Museum's collections database. Work is ongoing to see whether it is practicable to ascribe a value to assets where this information is not currently available.

(ii) Depreciation

Depreciation is not provided on historic heritage assets due to the fact that they have an indefinite life. The carrying value of individual items is periodically reviewed and written down where required.

(iii) Preservation Costs and Management

Expenditure which, in the Council's view, is required to preserve or clearly prevent further deterioration of individual collection items is written off and recognised in the Statement of Financial Activities when it is incurred.

(iv) Acquisitions and Disposals

The Museum's collecting activities are subject to the availability of objects and financial resources with every effort made to achieve a balanced collection in terms of both geography and chronology. The Acquisition and Disposals Policy also takes into account the needs of other museums.

By definition, the Museum has a long-term purpose and maintains a permanent Collection in relation to its stated objectives. The Council accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items from the Museum's Collection.

Final approval for the disposal of a heritage asset rests with the Acquisition and Disposal Committee and this authority is devolved from the Museum's Trustees, the Council of the NAM. A curator recommends the object for disposal and relevant paperwork is counter-signed by the head of department concerned and the Assistant Director (Collections).

A copy of the Museum's Full Acquisition & Disposal Policy is available on its website.

(m) Investments

Investments are included at their market value as at the year-end. Gains or losses arising from disposals of fixed asset investments, together with unrealised gains and losses are included in the statement of financial activities.

(n) Stocks

Stocks are stated at the lower of cost or net realisable value.

(o) Debtors

Debtors are stated at the amount expected to be received by the museum, being the amount it will receive from a debt or the amount it has paid in advance for goods or services.

(p) Liabilities

Where expenditure has been incurred but remains unpaid at the year-end a liability is recorded by the Museum. Where amounts have not been invoiced an estimate is made of the amount to be accrued and included as a liability.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

(q) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

All Museum leases are currently operating leases, except for the long leasehold land and building of the NAM Museum in Chelsea, which is capitalised under tangible fixed assets on the Balance Sheet and where the present value of minimum lease payments is not material over the life of the lease.

(r) Financial Instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, investments, trade debtors, trade creditors, and accrued expenses. The fair value of these items approximates their carrying value due to their short-term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

(s) Restricted and unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor, details of restricted funds are given in note 14 of the financial statements. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

Unrestricted funds are donations and other incoming resources received or generated for the Museum's charitable purposes.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

2. Statement of Financial Activities for the Charity alone

| | Unrestricted Funds | Restricted Funds | Total Funds 2022/23 | Unrestricted Funds | Restricted Funds | Total Funds 2021/22 |
|---|-----------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | | |
| Donations and legacies | | | | | | |
| Grant-in-Aid | 6,956 | 230 | 7,186 | 6,870 | 130 | 7,000 |
| Other | 20 | 28 | 48 | 62 | 244 | 306 |
| | <u>6,976</u> | <u>258</u> | <u>7,234</u> | <u>6,932</u> | <u>374</u> | <u>7,306</u> |
| Trading activities | 43 | 46 | 89 | 42 | 66 | 108 |
| Investments | 2 | 3 | 5 | 2 | 6 | 8 |
| Gift aid from subsidiary undertaking | 102 | 0 | 102 | 0 | 0 | 0 |
| | <u>7,123</u> | <u>307</u> | <u>7,430</u> | <u>6,976</u> | <u>446</u> | <u>7,422</u> |
| Other | 26 | 4 | 30 | 38 | 0 | 38 |
| TOTAL | <u>7,149</u> | <u>311</u> | <u>7,460</u> | <u>7,014</u> | <u>446</u> | <u>7,460</u> |
| Expenditure on: | | | | | | |
| Raising funds | 435 | (45) | 390 | 670 | (450) | 220 |
| Charitable activities | 6,457 | (206) | 6,251 | 5,808 | (3,647) | 2,161 |
| TOTAL | <u>6,892</u> | <u>(251)</u> | <u>6,641</u> | <u>6,478</u> | <u>(4,097)</u> | <u>2,381</u> |
| Operating surplus/(deficit) | 257 | 562 | 819 | 536 | 4,543 | 5,079 |
| Net gains/(losses) on investments | 0 | (20) | (20) | 0 | 12 | 12 |
| Net income/(expenditure) | <u>257</u> | <u>542</u> | <u>799</u> | <u>536</u> | <u>4,555</u> | <u>5,091</u> |
| Transfers between funds | (519) | 519 | 0 | 0 | 0 | 0 |
| Other recognised gains/(losses): | | | | | | |
| Gains/(losses) on revaluation of fixed assets | 245 | 1,652 | 1,897 | 101 | 847 | 948 |
| Net movement in funds | <u>(17)</u> | <u>2,713</u> | <u>2,696</u> | <u>637</u> | <u>5,402</u> | <u>6,039</u> |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | 65,097 | 47,317 | 112,414 | 64,460 | 41,915 | 106,375 |
| Total funds carried forward | <u><u>65,080</u></u> | <u><u>50,030</u></u> | <u><u>115,110</u></u> | <u><u>65,097</u></u> | <u><u>47,317</u></u> | <u><u>112,414</u></u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

3. Income and endowments

| | Unrestricted Funds | Restricted Funds | Total Funds 2022/23 | Unrestricted Funds | Restricted Funds | Total Funds 2021/22 |
|--|-----------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| (a) Donations and legacies comprise: | | | | | | |
| Grant-in-Aid: | | | | | | |
| -Operating | 6,956 | 100 | 7,056 | 6,870 | 0 | 6,870 |
| -Exhibits | 0 | 130 | 130 | 0 | 130 | 130 |
| | <u>6,956</u> | <u>230</u> | <u>7,186</u> | <u>6,870</u> | <u>130</u> | <u>7,000</u> |
| Grants towards acquisition of heritage assets: | | | | | | |
| -The Art Fund | 0 | 0 | 0 | 0 | 145 | 145 |
| -National Army Museum Development Trust | 0 | 0 | 0 | 0 | 50 | 50 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>195</u> | <u>195</u> |
| Other restricted donations | | | | | | |
| - Donated heritage assets | 0 | 0 | 0 | 0 | 36 | 36 |
| - Grant towards tank installation display | 0 | 0 | 0 | 0 | (21) | (21) |
| - Research fellowship | 0 | 20 | 20 | 0 | 33 | 33 |
| - Other projects | 0 | 8 | 8 | 0 | 1 | 1 |
| | <u>0</u> | <u>28</u> | <u>28</u> | <u>0</u> | <u>49</u> | <u>49</u> |
| Other unrestricted donations | | | | | | |
| - National Army Museum Foundation | 0 | 0 | 0 | 44 | 0 | 44 |
| - Other | 20 | 0 | 20 | 18 | 0 | 18 |
| | <u>20</u> | <u>0</u> | <u>20</u> | <u>62</u> | <u>0</u> | <u>62</u> |
| Total other donations | <u>20</u> | <u>28</u> | <u>48</u> | <u>62</u> | <u>244</u> | <u>306</u> |
| Total donations and legacies | <u>6,976</u> | <u>258</u> | <u>7,234</u> | <u>6,932</u> | <u>374</u> | <u>7,306</u> |
| (b) Trading income comprises | | | | | | |
| - Shop sales | 100 | 0 | 100 | 122 | 0 | 122 |
| - Play Base and childrens parties | 290 | 0 | 290 | 143 | 0 | 143 |
| - Exhibitions | 43 | 46 | 89 | 42 | 66 | 108 |
| - Room hire | 85 | 0 | 85 | 55 | 0 | 55 |
| -Catering commission | 39 | 0 | 39 | 2 | 0 | 2 |
| - Other | 3 | 0 | 3 | 4 | 0 | 4 |
| | <u>560</u> | <u>46</u> | <u>606</u> | <u>368</u> | <u>66</u> | <u>434</u> |
| Taxation on NAMTL profit | (7) | 0 | (7) | (16) | 0 | (16) |
| | <u>553</u> | <u>46</u> | <u>599</u> | <u>352</u> | <u>66</u> | <u>418</u> |
| (c) Other operating income comprises | | | | | | |
| - Government Covid-19 support grants | 0 | 0 | 0 | 30 | 0 | 30 |
| - Membership income | 23 | 0 | 23 | 36 | 0 | 36 |
| - Other | 3 | 4 | 7 | 2 | 0 | 2 |
| | <u>26</u> | <u>4</u> | <u>30</u> | <u>68</u> | <u>0</u> | <u>68</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

4. Expenditure

(i) Year ended 31st March 2023

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total 2022/23 |
|--|---------|-------------|------------------|
| | £'000 | £'000 | £'000 |
| Staff costs | 261 | 109 | 370 |
| Premises costs | 55 | 18 | 73 |
| Cost of sales | 157 | 0 | 157 |
| Subsidiary overheads | 19 | 0 | 19 |
| Collections maintenance | 0 | (2) | (2) |
| Depreciation and (profit)/loss on disposal | 84 | 28 | 112 |
| Impairment and impairment reversal | (93) | (31) | (124) |
| General administration costs | 28 | 38 | 66 |
| Consultancy | 2 | 1 | 3 |
| Insurance and professional fees | 12 | 4 | 16 |
| Support costs | 57 | 18 | 75 |
| Governance | 37 | 12 | 49 |
| | 619 | 195 | 814 |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total 2022/23 |
|--|-------------|------------|-----------|-----------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 1,642 | 810 | 353 | 162 | 2,967 |
| Premises costs | 628 | 179 | 64 | 34 | 905 |
| Collections maintenance | 698 | 0 | 0 | 0 | 698 |
| Event costs | 16 | 0 | 114 | 0 | 130 |
| Promotion costs | 0 | 0 | 0 | 194 | 194 |
| Depreciation and (profit)/loss on disposal | 472 | 275 | 99 | 53 | 899 |
| Impairment and impairment reversal | (519) | (303) | (108) | (58) | (988) |
| General administration costs | 162 | 92 | 34 | 18 | 306 |
| Consultancy | 11 | 7 | 2 | 1 | 21 |
| Insurance and professional fees | 64 | 38 | 14 | 7 | 123 |
| Interest payable | 0 | 0 | 0 | 0 | 0 |
| Support costs | 351 | 122 | 63 | 45 | 581 |
| Governance costs | 224 | 78 | 40 | 29 | 371 |
| | 3,749 | 1,298 | 675 | 485 | 6,207 |

(c) Governance and support costs comprise:

| | Finance | Human Resources | Information Technology | Total Support | Governance |
|--|---------|--------------------|---------------------------|------------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 194 | 154 | 179 | 527 | 250 |
| Premises costs | 33 | 29 | 16 | 78 | 50 |
| Depreciation and (profit)/loss on disposal | 50 | 45 | 24 | 119 | 76 |
| Impairment and impairment reversal | (55) | (49) | (27) | (131) | (84) |
| General administration costs | 18 | 14 | 10 | 42 | 25 |
| External audit | 0 | 0 | 0 | 0 | 43 |
| Internal audit | 0 | 0 | 0 | 0 | 29 |
| Consultancy | 1 | 1 | 1 | 3 | 2 |
| Interest payable | 2 | 0 | 0 | 2 | 1 |
| Insurance and professional fees | 7 | 6 | 3 | 16 | 22 |
| Trustees expenses and meeting costs | 0 | 0 | 0 | 0 | 6 |
| | 250 | 200 | 206 | 656 | 420 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

(ii) Year ended 31st March 2022

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total |
|--|----------------|--------------------|----------------|
| | £'000 | £'000 | 2021/22 |
| | £'000 | £'000 | £'000 |
| Staff costs | 351 | 136 | 487 |
| Premises costs | 37 | 18 | 55 |
| Cost of sales | 125 | 0 | 125 |
| Subsidiary overheads | 14 | 0 | 14 |
| Collections maintenance | 0 | 46 | 46 |
| Depreciation and (profit)/loss on disposal | 52 | 26 | 78 |
| Impairment and impairment reversal | (288) | (145) | (433) |
| General administration costs | 30 | 14 | 44 |
| Consultancy | 1 | 1 | 2 |
| Insurance and professional fees | 8 | 4 | 12 |
| Support costs | 30 | 9 | 39 |
| Governance | 18 | 5 | 23 |
| | <u>378</u> | <u>114</u> | <u>492</u> |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total |
|--|--------------------|-------------------|------------------|------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | 2021/22 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 1,466 | 839 | 315 | 167 | 2,787 |
| Premises costs | 499 | 148 | 46 | 27 | 720 |
| Collections maintenance | 411 | 0 | 0 | 85 | 496 |
| Event costs | 10 | 0 | 73 | 0 | 83 |
| Promotion costs | 0 | 0 | 0 | 315 | 315 |
| Depreciation and (profit)/loss on disposal | 333 | 210 | 65 | 38 | 646 |
| Impairment and impairment reversal | (1,841) | (1,164) | (364) | (211) | (3,580) |
| General administration costs | 164 | 100 | 32 | 18 | 314 |
| Consultancy | 4 | 2 | 1 | 0 | 7 |
| Insurance and professional fees | 51 | 32 | 10 | 6 | 99 |
| Interest payable | 1 | 0 | 0 | 0 | 1 |
| Support costs | 100 | 15 | 16 | 41 | 172 |
| Governance costs | 58 | 9 | 10 | 24 | 101 |
| | <u>1,256</u> | <u>191</u> | <u>204</u> | <u>510</u> | <u>2,161</u> |

(c) Governance and support costs comprise:

| | Finance | Human Resources | Information Technology | Total Support | Governance |
|--|----------------|------------------------|-------------------------------|----------------------|-------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 186 | 123 | 172 | 481 | 289 |
| Premises costs | 21 | 23 | 16 | 60 | 53 |
| Depreciation and (profit)/loss on disposal | 29 | 34 | 22 | 85 | 75 |
| Impairment and impairment reversal | (162) | (184) | (125) | (471) | (414) |
| General administration costs | 15 | 15 | 12 | 42 | 35 |
| External audit | 0 | 0 | 0 | 0 | 39 |
| Internal audit | 0 | 0 | 0 | 0 | 18 |
| Consultancy | 0 | 1 | 0 | 1 | 1 |
| Interest payable | 0 | 0 | 0 | 0 | 1 |
| Insurance and professional fees | 5 | 5 | 3 | 13 | 23 |
| Trustees expenses and meeting costs | 0 | 0 | 0 | 0 | 4 |
| | <u>94</u> | <u>17</u> | <u>100</u> | <u>211</u> | <u>124</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

Governance and support costs in respect of staff, premises, depreciation and administration have been allocated based on the estimated time spent by staff on these activities and the cost of these staff. Other costs have been allocated based on the amounts invoiced for these services.

Trustees' expenses of £4,402 (2022: £1,012) relate to travel expenses reimbursed for 5 trustees (2022 – 3 trustees). In addition, NAM incurred £1,302 (2022: £3,091) in relation to Trustee meeting costs. A Trustee was paid £200 (2022: £Nil) for speaking at the Chelsea History Festival.

| 5. Total expenditure is stated after charging the following items: | Unrestricted Funds | Restricted Funds | Total 2022/23 | Unrestricted Funds | Restricted Funds | Total 2021/22 |
|---|---------------------------|-------------------------|----------------------|---------------------------|-------------------------|----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Auditors' remuneration | | | | | | |
| - audit services | 43 | 0 | 43 | 39 | 0 | 39 |
| Staff costs | | | | | | |
| - wages and salaries | 2,854 | 0 | 2,854 | 2,677 | 0 | 2,677 |
| - social security costs | 299 | 0 | 299 | 274 | 0 | 274 |
| - pension costs | 302 | 0 | 302 | 307 | 0 | 307 |
| - redundancy costs | 0 | 0 | 0 | 131 | 0 | 131 |
| - temporary staff | 659 | 0 | 659 | 655 | 0 | 655 |
| | 4,114 | 0 | 4,114 | 4,044 | 0 | 4,044 |
| Operating lease costs | | | | | | |
| - land and buildings | 284 | 0 | 284 | 238 | 0 | 238 |
| - other | 15 | 0 | 15 | 14 | 0 | 14 |
| | 299 | 0 | 299 | 252 | 0 | 252 |

The external audit fee for the Charity was £37,400 (2022: £32,700). During the year NAM did not contract any non-audit services from its external auditor, the National Audit Office (NAO).

The external audit fee for the subsidiary NAMTL was £5,975 (2022: £6,050). No non-audit services were provided by the auditor of NAMTL.

There were no approved exit packages during the year (2022: six). There were no special severance packages for 2022/23 or 2021/22.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

6. Tangible Fixed Assets

| GROUP | Long Leasehold Land and Buildings | Short Leasehold Improvements | Computer Equipment | Fixtures & Fittings | Total |
|------------------------------|--|---|-------------------------------|------------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>VALUATION</u> | | | | | |
| At commencement of year | 42,087 | 831 | 524 | 2,057 | 45,499 |
| Additions at cost | 519 | 0 | 36 | 74 | 629 |
| On revaluation | 2,979 | 71 | 17 | 157 | 3,224 |
| Disposals | 0 | 0 | 0 | (4) | (4) |
| At end of year | 45,585 | 902 | 577 | 2,284 | 49,348 |
| <u>DEPRECIATION</u> | | | | | |
| At commencement of year | 0 | 213 | 404 | 1,225 | 1,842 |
| Charge for year | 837 | 20 | 40 | 150 | 1,047 |
| On revaluation | 84 | 2 | 10 | 65 | 161 |
| Disposals | 0 | 0 | 0 | (4) | (4) |
| At end of year | 921 | 235 | 454 | 1,436 | 3,046 |
| <u>NET BOOK VALUE</u> | | | | | |
| At 31 March 2023 | 44,664 | 667 | 123 | 848 | 46,302 |
| At 31 March 2022 | 42,087 | 618 | 120 | 832 | 43,657 |

All fixed assets are owned by the Charity with the exception of £2,000 of fixtures and fittings owned by National Army Museum Trading Limited with a net book value of £1,000 (2022: £2,000).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

Included in long leasehold land and buildings is a sum of £9,165,000 (2021/22 £9,352,000) for land, which has not been depreciated.

The long leasehold property known as the National Army Museum was valued as at 31 March 2022 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), as well as FRS102, the Charities SORP and guidance issued by HM Treasury. The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method. The valuation is reported under the special assumption to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

The valuation apportioned as at 31 March 2022 for the total land and buildings was as follows:

| | £'000 |
|------------------------|--------|
| Land | 9,352 |
| Structure of buildings | 16,930 |
| Fit-out of buildings | 5,579 |
| Plant and machinery | 10,226 |
| | 42,087 |
| | 42,087 |

The Museum is housed in a purpose-built property in Chelsea on land owned by the Royal Hospital Chelsea, the lease is for 999 years at a peppercorn rent of one guinea per annum. The lease restricts the use of the building to that of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Late Majesty and her predecessors etc. All material tangible fixed assets are used in Direct Charitable Activities.

7. Heritage Assets

(a) Carrying value

| | Museum Collection £'000 | |
|---------------------------------------|--|-----------------------|
| | 2023 £'000 | 2022 £'000 |
| At commencement of year | 67,971 | |
| Additions | 112 | |
| Disposals | 0 | |
| At end of year | 68,083 | |
| Net Book Value at 31 March 2023 | 68,083 | |
| Net Book Value at 31 March 2022 | 67,971 | |
| The carrying value comprises: | | |
| Exhibits | 35,750 | 35,686 |
| Fine and decorative arts | 20,634 | 20,598 |
| Archives, photographs, film and sound | 10,546 | 10,534 |
| Printed books | 1,153 | 1,153 |
| | 68,083 | 67,971 |
| | 68,083 | 67,971 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

(b) Five year financial summary of heritage asset transactions

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>Additions</u> | | | | | |
| Purchases | 112 | 391 | 145 | 300 | 256 |
| Donations | - | 36 | 40 | 21 | - |
| Total Additions | <u>112</u> | <u>427</u> | <u>185</u> | <u>321</u> | <u>256</u> |
| <u>Disposals</u> | | | | | |
| Sales Proceeds | - | - | 26 | - | - |
| Carrying Value | - | - | (70) | - | (141) |
| | <u>-</u> | <u>-</u> | <u>(44)</u> | <u>-</u> | <u>(141)</u> |

(c) Grant Received

During the year the Museum received grants towards the purchase of items for its collection of £130,000 (2022 - £130,000) as part of its Grant-in-Aid funding. These grants were used to fund the purchase of heritage assets noted above with any unspent grants being carried forward to fund future acquisitions.

8. Fixed Asset Investments

| | Group | Charity | Group | Charity |
|--|--------------|----------------|--------------|----------------|
| | 2023 | 2023 | 2022 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Investment in subsidiary undertaking (note 8a and 8b) | - | 50 | - | 50 |
| <u>Quoted investments (note 8c)</u> | | | | |
| Market value at beginning of year | - | - | - | - |
| Transfer from current asset investments | 365 | 365 | - | - |
| Add: acquisitions at cost | 52 | 52 | - | - |
| Dividends reinvested net of management fees | 5 | 5 | - | - |
| Net unrealised investment (loss)/gains | (20) | (20) | - | - |
| Market value at end of year | <u>402</u> | <u>402</u> | <u>-</u> | <u>-</u> |
| Total unlisted investments | <u>402</u> | <u>452</u> | <u>-</u> | <u>50</u> |

8a. Investment in Subsidiary Undertaking

The investment of £50,000 in subsidiary undertakings represents the charity's interest in 100% of the issued share capital of National Army Museum Trading Limited which is incorporated in England and Wales and operates a souvenir shop and other trading activities for the Museum. The company's aggregate capital and reserves were as follows:

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

The assets and liabilities of the subsidiary were:

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Fixed assets | 1 | 2 |
| Current assets | 321 | 266 |
| Creditors: amounts falling due within one year | (236) | (112) |
| Creditors: amounts falling due after more than one year | (36) | (134) |
| | <u>50</u> | <u>22</u> |
| | 2023 | 2022 |
| | £'000 | £'000 |
| Share capital | 50 | 50 |
| Surplus/(deficit) retained in subsidiary | 0 | (28) |
| | <u>50</u> | <u>22</u> |

The issued share capital of National Army Museum Trading Limited is £50,000 (2022: £50,000).

A summary of the Company's trading results is shown in note 8b. Audited accounts will be filed with the Registrar of Companies.

8b. Income from Trading Company

The Consolidated Statement of Financial Activities includes the result of the trading subsidiary as follows:

National Army Museum Trading Limited

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Turnover | 517 | 326 |
| Cost of sales and administrative expenses | (381) | (274) |
| Other Operating income | 0 | 30 |
| Net profit/(loss) before taxation | <u>136</u> | <u>82</u> |
| Taxation | 6 | 16 |
| Net profit/(loss) after taxation | <u>130</u> | <u>66</u> |

8c. Quoted Investments

Quoted investments represent a portfolio managed by Brewin Dolphin Limited. The historic cost of these investments was £417,000 (2022 - £360,000). The quoted investments represent surplus cash that has been invested with the aim of achieving additional income for the Museum.

These investments were previously recorded as current assets but have now been reclassified as fixed assets as following the recovery of cash flows post Covid-19, NAM has taken the decision to invest these funds for the medium term and does not expect to utilise these funds within the next 12 months.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

| 9. Debtors | Group | Charity | Group | Charity |
|--|--------------|----------------|--------------|----------------|
| | 2023 | 2023 | 2022 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 58 | 48 | 20 | 11 |
| VAT debtor | 197 | 221 | 167 | 175 |
| Prepayments and accrued income | 326 | 325 | 463 | 461 |
| Amounts due from subsidiary undertaking | 0 | 61 | 0 | 127 |
| Gift aid due from subsidiary undertaking | 0 | 102 | 0 | 0 |
| Other debtors | 26 | 24 | 230 | 223 |
| | <u>607</u> | <u>781</u> | <u>880</u> | <u>997</u> |

Amounts due from subsidiary undertaking includes an unsecured loan to NAMTL of £60,000 (2022:£124,000). The loan is repayable over 5 years and carries interest at 1% per annum. Included in the amount due is £36,000 (2022: £96,000) repayable after more than one year.

Other debtors for the group include £Nil (2022: £6,000) for a deferred tax asset in relation to trading losses of NAMTL which will be carried forward and offset against the tax arising on future NAMTL taxable profits.

| 10. Current Asset Investments | Group | Charity | Group | Charity |
|--|--------------|----------------|--------------|----------------|
| | 2023 | 2023 | 2022 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| <u>Quoted investments</u> | | | | |
| Market value at beginning of year | 365 | 365 | 244 | 244 |
| Add: acquisitions at cost | - | - | 360 | 360 |
| Less: disposals | - | - | (251) | (251) |
| Net unrealised investment (loss)/gains | - | - | 12 | 12 |
| Transfer to fixed asset investments | (365) | (365) | - | - |
| Market value at end of year | <u>-</u> | <u>-</u> | <u>365</u> | <u>365</u> |

As per note 8c, these investments have been reclassified as fixed assets in the current year.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

11. Cash and Cash Equivalents

| | Group 2023 £'000 | Charity 2023 £'000 | Group 2022 £'000 | Charity 2022 £'000 |
|---------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Cash at bank and in hand | 594 | 317 | 415 | 242 |
| Current asset investments | 0 | 0 | 365 | 365 |
| | <u>594</u> | <u>317</u> | <u>780</u> | <u>607</u> |

As per note 8c, the current asset investments at 31st March 2022 have now been reclassified as fixed assets and are therefore no longer regarded as cash equivalents.

Analysis of changes in net debt

| | At start of year £'000 | Cash- flows £'000 | Interest payable £'000 | Transfer to fixed asset investments £'000 | At end of year £'000 |
|--|---------------------------------------|----------------------------------|---------------------------------------|--|-------------------------------------|
| Cash | 415 | 179 | 0 | 0 | 594 |
| Cash equivalents - investments | 365 | 0 | 0 | (365) | 0 |
| | <u>780</u> | <u>179</u> | <u>0</u> | <u>(365)</u> | <u>594</u> |
| Loans falling due within one year | 10 | (13) | 3 | 0 | 0 |
| Loans falling due after more than one year | 38 | (38) | 0 | 0 | 0 |
| | <u>48</u> | <u>(51)</u> | <u>3</u> | <u>0</u> | <u>0</u> |
| Total | <u>732</u> | <u>230</u> | <u>(3)</u> | <u>(365)</u> | <u>594</u> |

12a. Creditors: Amounts falling due within one year

| | Group 2023 £'000 | Charity 2023 £'000 | Group 2022 £'000 | Charity 2022 £'000 |
|------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Bank loans and overdrafts | 0 | 0 | 10 | 0 |
| Trade creditors | 321 | 308 | 198 | 195 |
| Accruals and deferred income | 588 | 516 | 731 | 671 |
| | <u>909</u> | <u>824</u> | <u>939</u> | <u>866</u> |

12b. Creditors: Amounts falling due after more than one year

| | Group 2023 £'000 | Charity 2023 £'000 | Group 2022 £'000 | Charity 2022 £'000 |
|---------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Bank loans and overdrafts | 0 | 0 | 38 | 0 |
| | <u>0</u> | <u>0</u> | <u>38</u> | <u>0</u> |

Bank loans and overdrafts represents a £50,000 unsecured loan received in the year ended March 2021 under the Government backed bounce back loan scheme which was repaid in full in March 2023.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

13. Funds Analysis

| | Balance 1 April 21 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 22 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 23 |
|---|-----------------------|--------------|----------------|-----------|---------------------|------------------------|--------------|----------------|--------------|---------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| RESTRICTED FUNDS | | | | | | | | | | | |
| NAM Land and Buildings | 35,611 | 0 | 4,180 | (457) | 0 | 39,334 | 0 | 406 | 519 | 0 | 40,259 |
| NAM Land and Buildings revaluation | 1,449 | 0 | 0 | 457 | 847 | 2,753 | 0 | 0 | 0 | 1,652 | 4,405 |
| Restricted Heritage Assets | 4,315 | 231 | 0 | 131 | 0 | 4,677 | 0 | 0 | 112 | 0 | 4,789 |
| Grant-in-Aid exhibits reserve | 1 | 130 | 0 | (131) | 0 | 0 | 130 | 0 | (112) | 0 | 18 |
| Grant-in-Aid operations reserve | 0 | 0 | 0 | 0 | 0 | 0 | 100 | (100) | 0 | 0 | 0 |
| Funds for upkeep and maintenance of specific parts of NAM collection | 522 | 6 | 0 | 0 | 12 | 540 | 3 | 0 | 0 | (20) | 523 |
| Funds received for specific NAM projects | 12 | 13 | (17) | 0 | 0 | 8 | 32 | (4) | 0 | 0 | 36 |
| Chelsea History Festival sponsorship | 0 | 66 | (66) | 0 | 0 | 0 | 46 | (46) | 0 | 0 | 0 |
| Brothers in Arms (Esmée Fairbairn) | 5 | 0 | 0 | 0 | 0 | 5 | 0 | (5) | 0 | 0 | 0 |
| | <u>41,915</u> | <u>446</u> | <u>4,097</u> | <u>0</u> | <u>859</u> | <u>47,317</u> | <u>311</u> | <u>251</u> | <u>519</u> | <u>1,632</u> | <u>50,030</u> |
| UNRESTRICTED FUNDS | | | | | | | | | | | |
| Unrestricted funds | 64,093 | 7,352 | (6,750) | 0 | 0 | 64,695 | 7,556 | (7,272) | (519) | 0 | 64,460 |
| Unrestricted funds revaluation | 274 | 0 | 0 | 0 | 101 | 375 | 0 | 0 | 0 | 245 | 620 |
| | <u>64,367</u> | <u>7,352</u> | <u>(6,750)</u> | <u>0</u> | <u>101</u> | <u>65,070</u> | <u>7,556</u> | <u>(7,272)</u> | <u>(519)</u> | <u>245</u> | <u>65,080</u> |
| TOTAL FUNDS | <u>106,282</u> | <u>7,798</u> | <u>(2,653)</u> | <u>0</u> | <u>960</u> | <u>112,387</u> | <u>7,867</u> | <u>(7,021)</u> | <u>0</u> | <u>1,877</u> | <u>115,110</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

The NAM Land and Buildings Fund represents the net book value of its Long Leasehold Land and Buildings. These assets were funded entirely by public donations in the period leading up to and after the acquisition of the lease and the building of the Museum in 1967. Under the terms of NAM's lease of the land and buildings they can only be used for the purposes of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Late Majesty and her predecessors and hence their classification as a restricted fund.

The NAM Land and Buildings revaluation reserve (Restricted Funds) represents the result of revaluations subsequent to initial recognition. As at 31 March 2023 this includes part of the revaluation gains on Long Leasehold Buildings, being the excess of the revaluation gains over previous impairment charges for the asset (NAM Museum Building in Chelsea). Revaluations of the building have resulted in previous charges for impairment being reversed and accrued for as credits to expenditure in the Statement of Financial Activities, in accordance with the Charities SORP (FRS 102).

Transfers between funds relate to capital expenditure on Long Leasehold Land and Buildings which have been funded from unrestricted funds in respect of this restricted asset.

Restricted Heritage Assets represent those assets acquired by NAM from restricted donations including the annual exhibits Grant-in-Aid.

The Grant-in-Aid exhibits reserve relates to specific Grant-in-Aid received for the purchase of heritage assets which remains unspent at the end of the financial year.

The Grant-in-Aid restricted operations reserve relates to specific Grant-in-Aid received to support NAM's work with the Commonwealth War Graves Commission and scholarship research activities. This income was fully expensed during the year.

Funds for the upkeep and maintenance of specific parts of the NAM Collection relate to amounts transferred to NAM towards the upkeep and maintenance of various items of the Collection when these items were transferred or bequeathed to NAM which remained unspent at the end of the financial year.

Funds received for specific NAM projects relates to donations and sponsorships received for specified purposes and events. At 31 March 2023 there were £36,000 of unspent funds in relation to donations received for fellowship research.

The Brothers in Arms Esmée Fairbairn Fund was used to research the NAM's Indian Army collection, and to digitise related objects within the collection.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

14. Analysis of Group Net Assets Between Funds

| | Unrestricted Funds | Restricted Funds | Total 2023 | Unrestricted Funds | Restricted Funds | Total 2022 |
|-------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | 1,638 | 44,664 | 46,302 | 1,570 | 42,087 | 43,657 |
| Heritage fixed assets | 63,294 | 4,789 | 68,083 | 63,294 | 4,677 | 67,971 |
| Fixed asset investments | - | 402 | 402 | - | - | - |
| Other net assets | 148 | 175 | 323 | 206 | 553 | 759 |
| | <u>65,080</u> | <u>50,030</u> | <u>115,110</u> | <u>65,070</u> | <u>47,317</u> | <u>112,387</u> |

The above net assets include Revaluation Reserves of:

| | 2023 £'000 | 2022 £'000 |
|------------------------------|---------------|---------------|
| Tangible fixed assets | | |
| Unrestricted | 620 | 375 |
| Restricted | 4,405 | 2,753 |
| | <u>5,025</u> | <u>3,128</u> |

The restricted revaluation reserve relates to revaluations of the Long Leasehold Land and Buildings.

15. Operating Lease Commitments

At 31 March 2023, the Museum had total future minimum commitments under non-cancellable operating leases as follows:

| | 2023 | | 2022 | |
|--------------------------------|-----------------------|-----------|-----------------------|-----------|
| | £'000 | £'000 | £'000 | £'000 |
| | Land and buildings | Other | Land and buildings | Other |
| Due within one year | 284 | 13 | 271 | 11 |
| Due between one and five years | 1,102 | - | 1,086 | - |
| Due after five years | 945 | - | 1,197 | - |
| | <u>2,331</u> | <u>13</u> | <u>2,554</u> | <u>11</u> |

The land and buildings lease commitment relates to the Museum's short leasehold property in Stevenage.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

16. Related Party Transactions

National Army Museum Trading Limited

The relationship to NAMTL is disclosed in note 8a together with summary financial information, and the balances due with NAMTL at the year end are disclosed in note 9. Mrs Donovan and Mr Maciejewski acted as directors of National Army Museum Trading Limited and also Members of Council or the Senior Management Team of the Museum during the year.

National Army Museum Development Trust

The National Army Museum Development Trust (“the Trust”) is a registered charity, number 278939, connected with the Museum.

The funds of the Trust may be applied, at the discretion of the Trust’s trustees, to further the charitable purposes of the Museum or other charitable purposes or institutions. The trustees may not, unless they see special reason, make a payment to the Museum without specifying the particular purpose for which it is to be used, being a purpose for which public funds are not expected to be available. During the year the Trust donated £20,000 (2022: £12,000) to the Museum to assist in meeting the costs of a research fellowship and £nil (2022: £50,000) towards the acquisition of heritage assets.

The net assets of the Trust at 31 December 2022, it’s most recent financial year end, were £572,455 (31 December 2021 £578,341). The control and administration of these funds remains, at all times, the full responsibility of the Trust’s trustees.

Ministry of Defence

The National Army Museum is classified for administrative purposes by the Ministry of Defence (“the MOD”) as an Executive Non-Departmental Public Body (ENDPB) which it sponsors. The MOD is regarded as a related party. Grant-in-Aid funding from the MOD is separately disclosed in note 3 of the Financial Statements.

17. Capital Commitments

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Authorised and contracted for at 31st March 2023 | - | - |
| Authorised at 31st March 2023 but not contracted for | - | - |

18. Post Balance Sheet Events

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the auditors’ report was signed by the Comptroller and Auditor General.

THE NATIONAL ARMY MUSEUM

England & Wales - Charity number 237902

Accounts

NATIONAL
ARMY
MUSEUM

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2022

NATIONAL
ARMY
MUSEUM

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2022

Presented to Parliament pursuant to the Charities Act 2011 and under Royal Charter

(relating to National Army Museum, 1960)

Ordered by the House of Commons to be printed on 24 November 2022

Copyright ©National Army Museum 2022

All rights reserved. No part of this publication may be reproduced, or transmitted, in any form or by any means, electronic or mechanical, including photography, recording or any other storage or retrieval system, without prior permission in writing from the publisher, nor otherwise be circulated in any form of binding or cover other than in which it is published and without a similar condition including this condition being imposed on the subsequent publisher

ISBN 978-0-901721-51-8

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

| CONTENTS | PAGE |
|--|-------------|
| Trustees Report and Report of Council | |
| Reference and Administrative Information | 2 |
| Performance Report | |
| Overview | 3 |
| Performance Analysis | 7 |
| Accountability Report | |
| Corporate Governance Report | 25 |
| Statement of Trustees and Accounting Officer's Responsibilities | 26 |
| Governance Statement | 27 |
| Remuneration and Staff Report | 34 |
| Parliamentary Accountability and Audit Report | 40 |
| | |
| The Report of the Comptroller and Auditor General to the Houses of Parliament | 42 |
| | |
| Consolidated Statement of Financial Activities | 47 |
| | |
| Consolidated Balance Sheet | 48 |
| | |
| Consolidated Cash Flow Statement | 49 |
| | |
| Notes to the Financial Statements | 50 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

Introduction

The accounts of the National Army Museum (NAM) are presented for the financial year ended 31st March 2022. The accounts are prepared in accordance with a direction given by H. M. Treasury in accordance with article 14 of the National Army Museum Royal Charter 1960 and law applicable to charities in England and Wales.

The NAM is a charity registered with the Charity Commission (reference no. 237902).

Address and principal office of the Museum

National Army Museum, Royal Hospital Road, Chelsea, London SW3 4HT.

Professional Advisers

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Auditors

National Army Museum

National Army Museum Trading Limited (NAMTL)

The Comptroller and Auditor General
National Audit Office
157 – 197 Buckingham Palace Road
London
SW1W 9SP

Kreston Reeves LLP
Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Internal Auditors

RSM Risk Assurance Services LLP
Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

PERFORMANCE REPORT

OVERVIEW

Background Information

The National Army Museum (NAM) was established by Royal Charter in 1960 to collect, preserve, and exhibit objects and records relating to the Regular and Auxiliary forces of the British Army and of the Commonwealth, and to encourage research into their history and traditions. Devolved status was accorded to the Museum under the terms of the National Heritage Act 1983. The annual Grant-in-Aid (GiA), made through the Ministry of Defence (MoD), is administered by the Director of the Museum as Accounting Officer on behalf of the governing body, the Council of the National Army Museum.

Social Investment and Public Benefit

The Council of the Museum recognises its responsibilities with regard to social investment and public benefit. The Museum pays due regard to the Charity Commission guidance, and in particular PB1, PB2 and PB3. The following sections of these accounts show that commitment to the investment and how the Charity Commission guidance has been complied with.

Overall Objectives and Activities

The National Army Museum's objectives were set out in its Royal Charter, first granted in 1960. Its preamble states that the National Army Museum was established 'for the purpose of collecting, preserving and exhibiting objects and records relating to the history of Our Army so that the achievements, history and traditions of Our Army should be better made known'.

'Our Army' is defined by Her Majesty The Queen in Council as including 'the Standing Army, Militia, Yeomanry, Volunteers, Territorial Army of the British Islands, Territorial Army and Volunteer Reserve of the United Kingdom, Our Predecessors' Army in India and the Armies of the East India Company and the Land Forces of Our and Our Predecessors' possessions beyond the seas'.

The current Strategic Plan was agreed by NAM Council in 2018 and the Museum uses this as a basis for future Business Plans. This Strategic Plan had a single aim, to stabilise the Museum in order to set the conditions for growth in 2019-20 and beyond. In addition, the Museum updated its Mission and Core Values as well as introducing a series of values and outputs:

Mission

'To tell the story of Our Army and the people who have served in it. To inspire, engage and educate through our world class Museum and Collections.

The current Strategic Plan has five key Objectives:

- Create memorable, relevant and accessible activities aligned to audience need in order to maximise audiences and generate footfall;
- Establish the NAM, nationally and internationally, as the first choice for the history and life of the British Army;
- Maximise financial resilience, organisational efficiency and sustainability;
- Safeguard and make accessible the collections and associated knowledge; and
- Develop a national footprint by establishing a network of partnerships, linkages and working relationships.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

Values

Integrity, Rigour, Empathy, Creativity, Teamwork, Accessibility

Outputs

The Museum's main sponsor department, MoD, provides Grant-in-Aid to NAM for three reasons. Firstly, it wants to engage and inspire the public with the story of Our Army. Secondly, it expects NAM to support the education and research of those no matter what age with an interest in British military history. Thirdly, it views NAM as a place where the historical provenance of the Army's values and ethos are explained using history and the stories of those that have served. NAM fulfils its objects and meets the Army's needs by providing two outputs:

- Output 1: A Museum in London with free access to the public that tells the story of Our Army and the people who served in it. Additionally, and since the Covid-19 measures were relaxed, the Museum offers pre-booked access to its Reserve Collection store in Stevenage.
- Output 2: Institutional historical research service that is accessible to the public.

The Business Plan has five Key Strategic Objectives:

- Strategic Objective 1: - Connect the British public to the story of Our Army
- Strategic Objective 2: - Become the leading authority on the history of Our Army
- Strategic Objective 3: - Safeguard and make accessible our collections and expertise to the widest possible audience
- Strategic Objective 4: - Enable and support networks of military museums and heritage organisations in the UK
- Strategic Objective 5 - (Primary Enabling Objective): Build greater financial resilience and sustainability

Achievements, Objectives and Performance for the Year

This reporting period began during the Covid-19 and carried on through to when the government relaxed the various restrictions in place during the pandemic. The effect of this as previously documented had a considerable impact on the Museum in terms of visitor numbers and associated non-public income from its commercial activities. It is worth noting that the Museum was one of the first national museums to re-open when government guidelines allowed. As previously indicated, at the height of the pandemic some of the planned objectives have either been put on hold or deferred until there was a clearer understanding of the effects and aftermath of the pandemic. The Council of the National Army Museum continues to believe that the most important objective for the Museum is to increase the widest possible access to its Collections which includes those items on display at Chelsea, and at its Reserve Collection store in Stevenage and online which, while maintaining the security of the Collections, has been adapted to allow greater controlled access via an appointment system with the expert subject matter staff contextualising.

As described previously the effects of the Covid-19 pandemic during this reporting period placed severe restrictions on the ability for the Museum to grow audiences, raise non-public income and attract fundraising. The NAM Council put in place the necessary measures to ensure the Museum was maintained as a going concern. These measures, some of which were painful, were effective in ensuring this. This has been recognised by the Sponsor Department who have given an assurance that they will support the Museum going forward

Chelsea

Upon re-opening, the Museum at Chelsea continued to be the focus of attention for the Senior Leadership Team (SLT) in an effort to increase visitor numbers and visitor related income. This has been helped by a vibrant programme of temporary exhibitions and lecture programme which were developed under Covid-19 restrictions and installed towards the latter part of this reporting period.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

The Museum recognised that although there were limited opportunities to receive audiences in person in Chelsea it could reach out virtually utilising Crowd casting and provide these remote audiences with content, lectures, discussions, and other forms of interaction with NAM.

Volunteering during this period has been sketchy with a natural reluctance for the public to commit to working in enclosed environments. That being said, the Museum as a Covid-19 safe environment, has been keen to welcome volunteers back. This keenness has been met with patchy acceptance, but there is an upward movement as people become more accepting of the removal of Covid-19 measures. The Museum has designed various projects and activities which have traditionally been of benefit both to the individual and the Museum.

The large temporary exhibition space housing ‘Foe to Friend: The British Army in Germany since 1945’ remains in the large special exhibition space to enable it to reach more people as the Museum’s visitor numbers improve. This exhibition was opened during the pandemic period and it was felt by the SLT that in order to maximise access and visitor opportunities it should be extended to both allow gallery refinements to be carried out and ensure value for money. This exhibition continues to be popular with the large veteran’s community who had previously served in Germany. It has also been updated to reflect the ‘Regional Land Hubs’, of which Sennelager in the state of North Rhine-Westphalia is one, which were set out in the Integrated Defence Review in Autumn 2021.

The smaller Focus Gallery has continued to run exhibitions on a six-monthly cycle. During this reporting year this has included the ‘West Indian Soldier’ run in partnership with the West India Committee as part of a National Lottery Heritage Funded project to make the stories of West Indian service personnel more widely known. The exhibition featured several exhibits from both the Museum’s own collections, and those of the West India Committee. In addition, a small number of other loans were included, including the memorial plaque of Euan Lucie-Smith 1st Battalion Royal Warwickshire Regiment. The plaque had been recently acquired by the regimental museum, with advocacy and support from the National Army Museum. Additional digital material was created to support the exhibition, including learning resources, and on-line catalogue entries. A number of linked events also featured in the public programme. This exhibition was followed by the exhibition ‘Brothers in Arms’, which followed the Sherwood Rangers Yeomanry, a tank regiment in their fight from the Normandy Landings to the end of the war. Based on the best-selling book by James Holland it was guest curated by him and included loans from several families of the men who were featured in the exhibition.

Stevenage

Mobilising the under-used stored collections continues to receive attention. The relationship with the Military Historical Society (MHS) has continued, this time with nearly 30 items of headwear which were featured in their publication on the British Army’s headdress during the Second World War. A number of short films have also been produced around specialist items of uniform and equipment by a YouTube producer, which have gained large numbers of viewings and comments.

Key Financial Risks and Reserves

The risks to the Museum are regularly reviewed by the Senior Leadership Team and the Performance, Audit & Risk Assurance Committee (PARA). Throughout the period of this report, the main identified risk was the recovery from the consequences and aftermath of Covid-19 and the effect it had on NAM’s operational budget of £7.4M (before depreciation) and in particular, its commercial income.

A secondary risk remaining on the Risk Matrix, albeit a very low likelihood, would be the complete withdrawal or large reduction of GiA funding. The Museum remains largely funded from GiA from the MOD and should this happen, it would present the Museum with a major problem. If no alternative was secured, it could have immediate consequences for the Museum, resulting in its possible closure within a three-month period. There are no indications from the Sponsor Department that this option is being considered and the Museum has received repeated assurances of ongoing funding and the Museum expects to be in a position where it can continue to operate effectively and grow, secure in the knowledge that its Sponsor Department recognises its value to the Army and is supporting it.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

However, and recognising this second risk, the Museum has further assessed its Reserves Policy in accordance with guidance from the Charity Commission as detailed in its publication 'Charity Reserves: building resilience' and to meet the requirements of SORP 2015 (FRS 102). This policy recognises the cost of closure, including external contracts, local authority rates, utilities, staff salaries (including redundancy costs for those staff not paid via MoD). This policy assumes that those staff currently on analogous terms to Civil Service pay and conditions and currently paid through MoD, would continue to be funded through to closure by the Sponsor Department, this would include the liability for any redundancy costs. The settling of the Redevelopment Final Account in March 2020 would have ordinarily allowed the Museum to work towards building the Museum's Unrestricted Reserves up to its target of £1,000,000. However, and as mentioned previously, the pandemic severely restricted the Museum's ability to generate additional funds which would have been placed into its Unrestricted Reserves. The Museum now that it is fully open, will seek to grow its commercial income via NAMTL over the next four years by increasing the corporate hire and birthday party offers along with the retail and online opportunities. It is assessed that this, along with the greater emphasis on paid for and hosted visits and events along with greater visibility of tap to donate will allow the Museum to achieve its target of £1,000,000.

It is the NAM Council's view that this Reserves Policy once the value is raised to the target figure will provide the Museum with adequate financial stability and the means for it to meet its charitable objectives and operational expenditure for at least three months.

Current Position

Restricted Reserves

NAM currently holds a Restricted Reserve, excluding land and buildings and heritage assets, of £553,000 (2020-21: £540,000) to support specific elements of acquisition, care or display of collections or specific projects supporting educational, research or outreach activity.

Unrestricted Reserves

The current cash and cash equivalent value of Unrestricted Reserves shows a surplus of £441,000 compared to a surplus of £104,000 at the end of the previous year, an improvement of £337,000 over the year.

Oversight

The Council of NAM, via its PARA Committee, reviews the level of funds in both Restricted and Unrestricted Reserves four times a year. The Policy is reviewed annually at the Council's autumn meeting, prior to the Business Plan for the following year being finalised.

Delegated Authority to utilise Reserves

The Director as Accounting Officer has the delegated authority to utilise both Unrestricted and Restricted Reserves within his delegated financial limits. Any expenditure beyond these limits is to be referred to NAM Council for confirmation.

Assessment of Going Concern

The National Army Museum is a going concern for the foreseeable future. This is evidenced by the support it has received historically and continues to receive with its allocation of GiA. Further evidence of support is contained in the Triennial Review which was published on 9th February 2017. This review recognises the Service Museum's support of the heritage objectives of the MoD and recommends their retention as ENDPBs/NDPBs. The revised Financial Framework document agreed between NAM and the Sponsor Department on change of Director in 2018 further evidences the Sponsor's continuing support. The Museum received its full allocation of the GiA control total for 2021-22 and has received confirmation of continuing GiA operational funding for 2022-23 of £6,910,000 together with an ongoing written commitment for 2023-24. NAMTL was profitable for 2021-22 and continues to be profitable with profits forecast to increase during the remainder of 2022-23.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

PERFORMANCE ANALYSIS

Strategic Objective 1:

Connect the British Public to the Story of Our Army

1.1 Gallery Refreshment Programme

The gallery refreshment programme has continued at pace, with the completion of the ‘Global Gallery’ scheduled for the end on May 2022. In keeping with the Museum’s engagement with audiences, all of the proposed gallery titles were tested in both on-site surveys and on-line communities. Additionally, both summative work on the recently completed ‘Formation’ gallery was undertaken, as well as formative work for future galleries which will help shape the ways these are curated, while still remaining aligned with the Museum’s Master Narrative.

1.2 Focus Gallery

The creation of a smaller temporary exhibition space allows the Museum to install smaller exhibitions that it feels enhance the story of Our Army but may not require the larger Temporary Gallery. Examples of these types of exhibitions include Unknown Warrior, West Indian Soldier and Brothers in Arms.

1.3 Museum Foyer Displays

Work has continued to add more content to areas outside of the main gallery spaces. The largest one of these was the installation of a Lynx Mark 9a helicopter, acquired directly from the MOD. Advantage was taken of the additional closure days to undertake the complex operation of receiving the helicopter from Middle Wallop and suspending it in the main atrium space. Aside from the contractor who installed the helicopter, much very useful help in completing the helicopter to display standard, and the fitting of the rotors was undertaken by specialists from the Royal Electrical and Mechanical Engineers. This installation has provided a focal point for discussion for visitors as well as offering a “backdrop” for pop up exhibitions and talks in the Atrium. The Museum received from the British Poles a gift of a bust of the Polish General Wladyslaw Anders, which has been installed in the entrance walkway and unveiled with the Polish Embassy in attendance.

The Museum also utilises the Atrium space at the lower part of the Museum. Here during this period, the Museum has installed amongst other displays, The Royal Army Dental Corps Centenary exhibition and Long Shadows of War.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022**



Lynx Mark 9a Helicopter suspended in the Atrium

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

The wide range of the Army's ceremonial identity (uniforms) was also completed with the installation of eight figures. They represented all branches of the Army and included The King's Troop Royal Horse Artillery, The Queen's Gurkha Engineers and the Royal Gibraltar Regiment, amongst others.

1.4 Maximising Museum Footfall

Maximising in person museum footfall continued to be challenging this year. The Museum successfully and safely reopened to the public alongside the Government reopening dates for the Museum and Galleries sector at step 3 of the roadmap, although with conditions and restrictions in place at this stage.

Understandably the overall footfall for the year was down from pre Covid-19 levels, with 73,575 visitors attending the Chelsea Site between 17th May 2021 and end March 2022.

Having had success in delivering its public programme and activities to reach audiences digitally, the Museum continued to offer this as part of its core offer which resulted in participants/engagements over the periods with the level of Digital Outreach continuing to increase as noted in paragraph 1.12.

1.5 Army and Veteran Groups

Working with the Army, regimental associations and veterans' groups, NAM Army and Veteran groups produced 1,195 visitors this year.

1.6 Schools

The last year has seen the on-site formal learning visits re-establish themselves rapidly, producing 5,033 school visitors. The digital delivery methods established during the pandemic still attracted 5,899 attendees. The combination of both formats was roughly equivalent to the total schools figure for 2019-2020. New resources and workshops were also developed including an interactive timeline 'Britain, the Army and the Cold War' designed for secondary schools.

1.7 Other Groups

Group visits were gradually reintroduced as restrictions were lifted and the capacities allowed. The Museum hosted 120 group visitors between September 2021 and March 2022.

1.8 Family Activities

Onsite family events attracted 1,720 children and adults. Further on-line content was also developed for families including the film 'Let's Talk Tanks' which explored the everyday lives of tank crews during the Second World War.

1.9 Public Programme and Special Events

Recognising that the hybrid approach adopted towards the end of 2020-21 was still in demand the Museum continued to offer its regular Friday Insight programme both physically and in digital format. Friday Insights delivered an audience of 17,712 both nationally and internationally across its live and catch-up service.

Overall, there were 91 public programme and Special Event Activity, 48 of which were the Friday Insight Programme.

Other highlights included the creation and delivery of a series of five virtual battlefield tours which blended the latest technology with original artefacts to take participants on the ground to explore battlefields with research curators from the Museum introducing items from our collection to illustrate the story and bring events of the battles to life.

Following the success of the virtual tour of the Foe to Friend exhibition last year the Museum also produced and released a virtual tour of the Brothers in Arms focus exhibition hosted by James Holland. This virtual tour received 4,221 views.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

In addition, the Museum participated in the third Chelsea History Festival in partnership with the Royal Hospital Chelsea and the Chelsea Physic Garden. As with the Museum's public programme there were some hybrid elements with a combination of in-person and some digital events taking place. A total of 70 events took place with an in-person attendance of 5,444 across the festival period. As in the previous year the programme consisted of a series of talks, musical performances and family friendly activities and sought to act as a place to pause and reflect on our past. New to the festival this year was the introduction of history village, an interactive event held on Burtons Court which allowed visitors to step back in time and bring history to life with living historians, serving military units and local cultural organisations.



The band of the Welsh Guards performing at History Village.

1.10 Special Exhibitions

In addition to the Focus gallery programme and the main special exhibition, smaller exhibitions and “pop up” displays are a regular feature in the foyer and atrium area. This year these have included the Royal Army Dental Corps 100th anniversary, The Last Hussar (a photographic study of the Queen's Royal Hussars in Germany in 2019) and Susan Hakuba's 'Long Shadow of War' which comprised photographic portraits of German people and their reflections on the Second World War. The start of the 40th Anniversary of the Falklands War was also marked with a joint exhibition 'Falklands at 40' developed with the Falkland Islands government.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

1.11 Army Engagement

The Museum has continued to enhance the Army's infrastructure with artworks and imagery. This year there have been further additions to Robertson House at Sandhurst, and works have also been hung in the office of the Chief of the General Staff in London.

1.12 Digital Outreach

It has been another record-breaking year for website engagement, with the Museum achieving website visits for the year of 2,530,361, compared to 2,012,705 for 2020-21 which represents a 26% increase on last year's previous record-breaking year.

This year visits to the What's On section of the website increased significantly, with a 66% increase compared to last year. Whilst this is a large increase, it is one which would be expected given a larger programme of activity taking place in the Museum and the Museum being open to the public for a longer period compared to the previous year.

Digital advertising continued to be a useful and cost-effective part of our media campaigns this year and has seen our audience segmentation model being utilised to more directly target and attract key audience segments. The focus of these campaigns was largely to drive physical visits to the Museum and the Focus Gallery exhibitions which also supports the increase in visits to the What's On section with these campaigns linking through to this section of the website.

1.13 Marketing Operations

Whilst the Museum's approach to Marketing returned to a more traditional model of attracting footfall to Chelsea, we were also mindful that pre-pandemic visitor behaviour would not return immediately. Understanding that visitor confidence to return to indoor activities, travel into central London was low the approach was to utilise digital advertising rather than large, expensive out of home campaigns.

The digital campaigns put in place included a campaign to support the hybrid Friday Insight offering, West Indian Soldier Exhibition and the Brothers in Arms Exhibition.

The Museum's benchmarked brand awareness survey has shown that the Museums awareness is 67%, although this is not fully comparable to previous years due to a different data set used this year because of Covid-19.

The Chelsea History Festival was a key moment in the year and for this we delivered an integrated marketing and communications campaign. A highlight of this year's campaign was the significant radio coverage achieved, with broadcast reach of over 1 billion listeners, largely bolstered by inclusion in the Arts Hour on the BBC World Service.

Our benchmarked brand awareness survey has shown that much of this activity is starting to have greater impact with our audiences, increasing our awareness compared to other similar institutions.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

Strategic Objective 2:

Becoming the Leading Authority on the History of Our Army

Establishing NAM as the leading authority on the history of Our Army is a journey that will take years, not months. It will also be something that can only be achieved by working in partnership with other institutions. A detailed four-year plan has been developed. Activity for this year can be grouped into the following areas.

2.1 People

A new role of Historian has been created, with the focus of conducting and encouraging research. Two highly qualified scholars have been appointed, with an aspiration for future expansion. A newly established Archives, Library and Information team will be led by a Head of Archives, Library and Information. This re-prioritisation of resources will ensure sufficient capacity to further develop the Templer Study Centre, manage large-scale archival projects, support new Archives Assistant roles, and conduct a programme of Internships within the team. A second postdoctoral research fellow has been appointed, based in Cambridge, to study the Army of the late 18th and early 19th century.

2.2 Archives

Several major new acquisitions are underway, ranging from the archives of the Coldstream Guards to the papers of the Army Football Association. The transfer to the Museum of the papers of the late Field Marshal Sir John Chapple has also been agreed with the Chapple family.

2.3 Output

NAM staff and fellows have published their scholarship in a range of formats, from edited collections and academic articles to pieces in the NAM's in-house magazine. The Museum has continued to support the Army by conducting research into candidates for commemoration by the Commonwealth War Graves Commission (CWGC). Throughout the period, NAM staff have shared their expertise with the public through the public programme and Chelsea History Festival.

2.4 Academic Partnerships

Collaborations have been developed with national and international academic partners, from the Centre for Geopolitics in Cambridge to the United Services Institution of India in Delhi. This has produced joint ventures including research projects and co-convened scholarly symposia. We have supported several applications to UKRI bodies, including the Arts and Humanities Research Council. As a project partner, the NAM will both support and benefit from these projects, all of which relate closely to our collections. The topics range from the origins of the Armed Forces Covenant and welfare in the English Civil Wars, to death in service after 1945 and advertising for military recruitment.

2.5 Convening

The NAM hosted several academic conferences, including a major gathering of British and Irish scholars to examine the service of Irish soldiers in the British Army. Many study visits and seminars were also held at the Museum, and agreements are now in place to host MA programmes from the Universities of Birmingham, Buckingham and Royal Holloway.

2.6 Regimental and Corps Museums

The National Army Museum Regimental Museums Liaison team continued to build on its work, with a very successful shift to primarily digital delivery. The annual Regimental Museums conference took place entirely digitally with record attendance and is now firmly embedded within the Museum calendar. It is designed around the needs of the Regimental and Corps Museums community. Further explanation of this team's work is given under Strategic Objective 4.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

2.7 Templer Study Centre

Visits to the Templer Study Centre (TSC) have started to build back up. The Centre attracted a total of 340 users. The Museum answered 4,216 enquiries. This figure was slightly down but reflects a new policy to provide more resources for enquirers to find answers to their questions directly. It is hoped more resources to provide easier ways to access both information and the collections themselves can be developed in the future.

2.8 Public Programme

The Public Programmes Team has been reaching out to academics at universities both at home and internationally to take part in or lead the discussions in the Museum's public programme activity. Over the course of the year we have worked with academics from Kings College London, Cambridge, Bristol, Birmingham, Exeter, Oxford, Glasgow, Nottingham, Wolverhampton, Kent, Manchester Metropolitan, Essex and Syracuse Universities.

In addition to this, the programme has partnered with a number of organisations to deliver joint events, these have included the Museum of Military Medicine, The Western Front Association, The Commonwealth War Graves Commission and Combat Stress.

2.9 Venue of Choice for Subject Matter Expert Groups

The Museum established itself as a preferred London venue for military museums and other institutions that are involved with the study, research and communication of the history of Our Army. The Army Museums Ogilby Trust (AMOT), Society for Army Historical Research, The Centre for Historical Analysis and Conflict Research, and British Council for Military History all hosted events at the Museum this year. In addition, the Museum has also been successful in developing its relationships with the wider defence diplomatic community hosting events with the Embassies of Kosovo and Egypt as well as an event with the Bangladesh High Commission.

2.10 Book Launches

Under Covid-19 restrictions the Museum continued to take part in book launches but understandably these were very limited both in number and value. They mainly took place in conjunction with the Friday Insight Programme and some hybrid events programmes.

2.11 Conferences

Academic Conferences have also been delivered digitally during the course of the year, being organised by the Museum in partnership with others.

2.12 War Graves Adjudication Unit (WGAU)

The National Army Museum's War Graves Adjudication Unit (WGAU) was formed in 2014. On behalf of the MOD, it researches and adjudicates cases of possible non- commemoration of eligible military personnel, raised through the CWGC. Since 2017, the WGAU has also acted on behalf of the MOD to make recommendations on 'Identification' (ID) cases, where a previously 'unknown' burial may be identified based on new evidence or research.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

Cases are provided to the WGAU including evidence required according to the criteria outlined in CWGC's Commemorations Policy. The WGAU reviews the evidence, supplements with original research, and provides a recommendation/adjudication.

The WGAU conducts high-quality research and provides independent and impartial adjudication based on expert analysis, in the interests of ensuring fair and equal commemoration of war dead. Understandably due to Covid-19 restrictions over this period cases provided from CWGC have been reduced however taking this into account the unit which currently consists of one full time member of staff, has returned over sixteen cases per month. This comprised 183 non-commemoration cases and 12 identification cases.

In carrying out its research on identification cases, the WGAU has received invaluable assistance from among others the archives of the Royal Artillery Museum, Cumbria Archive Service (Barrow), Nottinghamshire Archives, Camden Local Studies & Archives Centre, Northampton Museum & Art Gallery, and Imperial War Museum.

Strategic Objective 3:

Safeguard, and make accessible, our collections, and expertise, to the widest possible audience

3.1 Collections Centre, Stevenage

During this year, 260 objects from the stored collections have been produced for viewing, whenever possible under Covid-19 restrictions, for researchers on booked visits to the Museum's Collection Centre at Stevenage.

3.2 Collections Development

Despite a reduced curatorial capacity, the Museum also continued to respond to every offer of donations of collections material which it is offered. In addition, all major sales and specialist auctions continue to be monitored.

Material relating to Our Army, as expressed in the Museum's founding charter, continues to be sought and acquired whenever possible. This includes a range of material including the watercolour portrait depicting Company Sergeant-Major Luseni Chitumbi, King's African Rifles, 1953 (c).

3.3 Collections Management and Care

The Museum Standards and Care team continues to provide high standards of documentation, care and management of the Museum's collections. This year over 6,300 collection records have been added to the collections database, with associated new photography, or digital copies being made.

Both preventive and active conservation are also ensuring the survival of collections for years to come. Some detailed and specialist work on the uniform of Capt John Malcolmson VC involved specialist work to the fragile silk lining of his jacket, as well as the specialist repair of the horsehair plume on his uniform helmet. A programme of audit around the museum's model soldiers collection improved records for over 1,000 individual model soldiers and vehicles.

3.4 Archives

This year has also seen further work on the archive of the Coldstream Guards, which is being added to the permanent collections. The acquisition of a large group of papers to the Staveley family was also acquired and forms a large cataloguing project across a multi-generational collection. This year an important collection of Crimean war letters and papers relating to George Charles Bingham, 3rd Earl of Lucan were purchased at auction and have also been added to the archive.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

3.5 Notable Acquisitions

Last year was an exceptional one for acquisitions to the Museum's collections. The highlight of the year was the acquisition of the oil painting 'The Dawn of Waterloo' by Lady Butler. Strong competition at auction made this the most expensive acquisition for many years, but a number of sources of support, including the Art Fund enabled it to be secured for the collections. A study of the 1st (Royal) Dragoons (1767) completed by the Swiss military artist, David Morier, was also secured at auction.

The Museum was also able to acquire by private treaty sale 'Wounded horses from the front' (1918), completed by noted artist Algernon Talmage. A more recent art commission, a ceramic portrait bust of Maj Gen Susan Ridge CB, documented the first female to reach General Officer rank.

3.6 Collections Audit

Over 6,000 items within the Museum's collections have been audited, either on an ad-hoc or planned basis. The audit of the Museum's weapons collection has enabled much more useful information to be recorded, and in many cases published on-line.

Strategic Objective 4:

Enable and Support Networks of Military Museums and Heritage Organisations, in the UK

4.1 Support to Regimental and Corps Museums

In 2021-22 the NAM Regimental & Corps Museums Liaison team returned the training programme to a face to face model, while capitalising on advances gained from the digital offer of last year. This hybrid offer has proven extremely successful with 27 courses delivered and attendance considerably increased. The courses are available to staff, trustees and volunteers working in UK Army museums and collections and provide skills development and best practice. Course examples include:

- Regimental Curator's Course, a week-long course delivered in April and October 2021
- Radiation Awareness & Supervisor courses, organised in partnership with Defence Science Technology Laboratory (DSTL)
- Collections Hazards
- Modes Collections Management System courses
- Emergency response training
- Firearms in Museums training, organised in partnership with the Royal Armouries in Leeds

The hybrid NAM courses trained over 300 curators, trustees and volunteers from Regimental and Corps Museums throughout the UK in 2021-22.

Weekly updates are provided from the team to the entire network detailing the upcoming training offer but also offering job opportunities around the network as well as supporting projects and events for individual members.

The NAM Regimental & Corps Museums Liaison team dealt with an average of 25 enquiries per month for advisory support to museum curators. The Museum additionally continues to support regimental colleagues working alongside MOD Heritage Branch and the Army Museums Ogilby Trust to provide advice and support to the Regimental and Corps Museum network.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

4.2 International Partnerships

The NAM continues to develop international partnerships based on shared military heritage in 2021-22. This includes facilitating virtual work and exploring collaboration with military museums and relevant heritage organisations from Ireland, the United States, India, Poland and other countries.

An example of this work is in October 2021 the NAM ran the third annual Military Museum Curator's Course in partnership with the United Service Institution of India (USI) and supported by the British High Commission. The course was delivered virtually due to the pandemic to museum staff from military museums throughout India with sessions on museum best practice and project updates. Additional project work with the US has included a highly successful joint lecture series undertaken with the United States Army Heritage and Education Centre (USAHEC)

4.3 Networks

The Museum has continued to work with Regimental & Corps Museum curators to convene regional network hubs for Military Museums which aim to help them to share museum best practice, advice and guidance relating to the military museums sector, as well as exploring the potential for sharing resources and collaborative initiatives. These networks are now well established and cover the entirety of the UK. The Museum encourages each network to initiate collaborative projects amongst museums in their regions for mutual support and benefit and the NAM particularly assists with project planning, coordinating, and seeking funding. All networks have now moved to a hybrid meeting structure, with regular attendance either in person or via digital systems. This has proven to be greatly beneficial with attendance up around all networks. A side benefit is the potential savings in travel and subsistence costs.

Strategic Objective 5:

Build greater Financial Resilience and Sustainability (Primary Enabling Objective)

5.1 Fundraising

The review of the strategy for funding has been streamlined to focus on clear projects that are required to be funded rather than a "global" ask. This is focussed on those signees of the Armed Forces Covenant and more specifically the companies that are members of the Defence Growth Partnership. Exhibition tickets and associated events are now among the benefits to be enjoyed by our Corporate Partners. The Museum is currently focussing on support for research partnerships growing on the current numbers.

Generous grants totalling £145,000 were received from the Art Fund, enabling important works of art to be secured and a £50,000 grant was also received from the National Army Museum Development Trust towards this purchase.

5.2 Trading

During the Covid-19 pandemic trading income was decimated, however once the Museum was able to trade again there was a marked increase of trading income during 2021-22 to £418K. This compares to £681K for 2019-20 being the last pre-pandemic year. The Museum was able to reopen in late May 2021, although reduced footfall and the reduced confidence of customers did have an impact on income and profit.

The Museum's retail outlet contributed the largest income and generated income of £122k.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

Play Base re-opening coincided with the Museums re-opening, however occupancy was operated at a reduced capacity in order to give our customers confidence that the space was being operated with their safety and comfort in mind. For the year it generated an income of £75K.

The popular children's Birthday Party offer was re-introduced in September 2021 and generated £68K over the seven months of operation.

Confidence in use of the venue for corporate/private hire did increase, with income of £55K, largely generated between September and November before a number of postponements and cancellations due to the rise in Covid-19 cases due to the Omicron variant of Covid-19.

Other income received in the year included support in the form of Omicron hospitality and leisure grants alongside furlough scheme payments.

5.3 IT Systems

During this reporting period, the Museum has consolidated on a 'cloud first' strategy for its service delivery that allows "best-of-breed" technology to be deployed offering maximum flexibility and cost effectiveness. We are continuing to capitalise on our use of cutting-edge hardware and software to further the Museum's mission, as well as refining existing services to maximise revenue generating potential and establish firm foundations for future services. Purchasing of new and replacement ICT equipment is in line with the Greening Government Commitment. The Museum during this reporting period disposed of approximately 0.5t of unserviceable, unsupported and zero value ICT items. These items were disposed of via an externally verified, Zero Waste to Landfill government accredited company who operate under a CCS framework agreement. This work is carried out in their WEEE-compliant recycling facility which operates under an award of Distinction from ADISA.

5.4 Data Protection

Data protection is always at the forefront of the Museum's operations and this is a standing item on the PARA Committee agenda. This is even more relevant with the mobile working format. Staff are briefed on induction and carry out regular refresher training via the Museum's E-learning system software. Work continues on GDPR to ensure that only relevant data is held. As previously mentioned the Museum has funding available to continue the work under the guise of GDPR but has seen some uptake on a records management position which it is actively pursuing. There have been no known incidents of loss of data during this reporting period. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Recent penetration testing did not identify major issues.

5.5 Fraud

The Museum working with the MoD Fraud Defence Team has produced a Fraud Risk Matrix with Heat Map which is regularly reviewed. The Museum is currently classed as Low/Medium risk. There were no known instances of fraud or attempted fraud during this period. Staff carry out Fraud and Bribery Training as part of their induction and annually.

5.6 Sustainability

The refurbished Museum was designed and built in 2017 considering the need to ensure that it met the current Building Information Modelling standards at that time. Currently the Museum has no plans for capital investment on its restricted site. However, it recognises the requirements of the "Green Book 2020" and the supplementary guidance requiring an ENCA assessment for any future capital plans. Additionally, the Museum due to its limited footprint and capital plans, has discounted the need at this time for a Biodiversity Action Plan. As mentioned previously, the redevelopment of the Museum in 2015-17 did recognise the need however limited, to plan for the BREEAM requirements to the VERY GOOD standard, which was awarded. This amongst other areas, included rainwater storage and harvesting, segregation

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

of waste and storm water, cycle racks, “cycle to work” assistance and limited “soft” landscaping whilst maintaining the security requirements of the Metropolitan Police Service Counter Terrorism advisors.

The Museum has several initiatives in place to help create a more sustainable and environmentally aware institution which includes energy and utility conservation systems, a responsible recycling and waste management programme, and conscientious use of environmentally friendly cleaning products.

The Museum has recently revised its Environmental Policy which in sets out the steps necessary for the Museum to undertake to meet Net Zero by 2050. The policy confirms the Museum’s commitment to improving sustainability across all activities and the estate. The Museum’s goal is to strive to be a more environmentally friendly organisation year on year.

The strategy put forward has been developed and approved by the Environmental Committee and sets out clear objectives over the coming 3-year period to reduce the negative effects of our activities, make informed improvements to sustainability across all sites, and limit our emissions to help the devastating contribution to Climate Change.

Alongside the Policy Statement, a series of broad aims inform specific, measurable, objectives. It is the responsibility of the Environmental Committee to monitor performance against these targets.

The Museum is making efforts to keep establish comprehensive records and data on environmental performance. To this end, the Museum is taking steps to calculate and monitor its emissions or carbon footprint using the period April 2019 – March 2020 as a baseline. This will be included in the next period of reporting. Data for the subsequent periods including the current period of reporting is however “inconsistent” because of the various closure and re-opening because of Covid-19 measures.

All staff receive environmental awareness training as part of their staff induction and refresher training through the Museum’s e-learning platform is provided at regular intervals.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022**

The following measures and metrics are in place to allow the Museum to report on its performance:

| Waste Management | | 2021-22 | 2020-21 | 2019- 20 (benchmark year) |
|--------------------------------|---------------------------------|---------|---------|------------------------------|
| Non-Financial indicators (kgs) | General Waste (waste to energy) | 14,700 | 7,200 | 23,100 |
| | Recycled | 15,315 | 7,200 | 23,100 |
| | Total Waste | 30,015 | 14,400 | 46,200 |
| | % Recycled | 51 | 50 | 50 |
| | Metal | 1,892 | - | 2,540 |

Alongside regular collections of general waste and recycling, the Museum has dedicated streams for the recycling of metals, wood, paper, acrylic*, batteries*, cooking oil, foodwaste* and hazardous waste and operates a Zero to Landfill policy. General waste is sent to energy recovery and mixed recycling is collected at all sites. The Museum has in place effective metal recycling. All hazardous waste is safely stored, removed, and disposed of by licensed and experienced contractors.

*The Museum café is operated by a privately operated third-party contractor who is responsible for the recycling of food waste and cooking oil. Data for the period ending 31 March 2022 is not available to the Museum but will be included in the next year's reporting. Food waste and single use plastics produced by the café are currently collected as separate waste streams to the general waste. NAM as an institution does not produce a significant amount of food or single use plastic waste warranting additional reporting lines.

*The Museum has recently added battery and acrylic recycling streams to its Waste Management.

* The move during Covid-19 (20-21) towards digital working reduced the paper purchased to 60 reams although once the Museum re-opened and staff were operating full time in the office this increased to 110 reams. The Museum now needs to demonstrate this this figure will be reduced more in-line with the 20-21 amount.

The Museum has introduced new recycling points in key locations (Café and Templer Study Centre), improving efficiency of its recycling programme.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022**

| Travel | | 2021-22 | 2019- 20 (benchmark year) |
|----------------------------------|----------------------------------|---------|------------------------------|
| Non-financial indicators (miles) | Distance by train | - | 27,300 |
| | Distance by plane | - | 3,062 |
| | Distance by car | - | 2,509 |
| | Total distance travelled (Miles) | - | 39,589 |
| Financial indicators | Total cost (£) | - | 16,906 |

The above are estimated figures for transport used by staff and are based on work related journeys only. They do not include day to day transport from private homes to either of the Museum sites.

As part of its efforts to calculate its carbon emissions the Museum is monitoring business travel. The above give an estimate of miles travelled and associated costs. Emissions will be reported in the next period of reporting.

The Museum recognises that emissions from travel are a large contributor to climate change and the pollution of air. Therefore, the Museum has set out incentives to encourage the use of bicycles and electric vehicles.

The Museum continues to offer a Cycle to Work Scheme to all staff to encourage use of bicycles to travel to and from work.

In 2022, the Museum will seek an appropriate contractor to install six Electric Vehicle Charging Points across the Museum Estate making use of the available OZEV Workplace Charging Scheme grants.

The Museum lease vehicle will be changed to a zero-emission electric vehicle.

While the Museum endeavours to reduce its consumption of energy and water supplies it does recognise the potential conflict in the consumption of these utilities as it seeks to grow back its visitor numbers after Covid-19. Increased visitors will require power to maintain the designed climatic conditions for the collections as well as providing power for catering facilities.

| Energy Consumption | | 2021-22 | 2020-21 | 2019-20 (benchmark year) |
|--------------------------------------|-------------|-----------|-----------|-----------------------------|
| Energy Consumption (thousand kWh) | Gas | 1,207,032 | 1,273,106 | 1,364,636 |
| | Electricity | 1,585,106 | 1,445,598 | 1,683,479 |

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022**

| | | 2021-22 | 2020-21 | 2019-20 (benchmark year) |
|---|------------------------|--|---------|-----------------------------|
| Financial Indicators (£) | Total Energy Costs (£) | 243,113 | 256,269 | 275,587 |
| | Water (m3) | The Museum does not currently have available data on water consumption or costs. This will be collated and included in the next period of reporting. | | |
| <p>The Museum currently monitors and records its consumption of electricity and gas on a monthly basis.</p> <p>The Museum is committed to procuring renewable energy where practical. Electricity supply at National Army Museum, Chelsea is currently subject to Renewable Obligation.</p> <p>The Museum is currently looking at options to increase where possible the proportion of energy consumption from renewable sources such as solar and wind. To that end, the Museum is investigating the potential to install solar photovoltaics (PV) panels on its roof at our Chelsea site. This will help cut energy costs and carbon emissions long term.</p> <p>All lighting in the office, meeting rooms and stairwells are triggered by movement sensors with a set run time.</p> <p>Office and meeting room lights are sensitive to ambient lux levels.</p> <p>Gallery lighting are LED and utilise sensors to reduce consumption. Lights automatically dim when not required. Back of House lights are similarly controlled.</p> <p>New LED lighting has been installed across the Museum’s Estate in the following areas:</p> <p>National Army Museum, Stevenage - High Bay lighting in Bay 1, Bay 2 and conservation lab;</p> <p>National Army Museum, Chelsea - Office meeting rooms, Director’s office, conference room.</p> | | | | |

5.7 Green House Emissions

The National Army Museum is working towards calculating its carbon emissions and monitoring these more effectively. The Museum is currently collecting all the relevant historic data to calculate the best estimate of its carbon emissions from its activities which will help inform a target based and data led reduction in emissions.

5.8 Health and Safety (H&S)

The Museum continues to ensure that all staff, volunteers and contractors comply with the H&S procedures in place. Accidents are few and regularly reported to the PARA Committee as a standing agenda item. There have been no major accidents during the period of this report

5.9 Fire Safety

Fire safety training both theory and practical are carried out regularly at the Museum. The Museum has regular visits from the local fire brigade where they acquaint all new members of the “watch” on the layout of the building and the potential hazards of the items stored within.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

5.10 Emergency Planning

The Museum has its Emergency Plan which is regularly tested. Items requiring attention have all been closed and training for new starters has been implemented especially with regard to working with hazardous materials e.g. collections containing asbestos and radioactive material. The Emergency Plan procedures were also examined as part of the H&S internal audit, which found no major shortfalls.

Financial Review

Consolidated Results for the Year Ended 31st March 2022

Total incoming resources for the Museum in 2021-22 amounted to £7,798,000 (2020-21 - £7,229,000). The principal funding source of the Museum is Grant-in-Aid funding received from the Ministry of Defence. In 2021-22 this was £7,000,000 (2021-22 - £6,843,000).

Total resources expended amounted to £2,653,000 (2020-21 - £7,687,000). Resources expended includes non-cash expenditure (credits) in respect of the depreciation of tangible fixed assets and the reversal of previous impairment provisions of £(4,014,000) (2020-21 – expenditure of £970,000).

After adjustment for the revaluation of the Museum’s leasehold property and other recognised gains and losses, the net movement in funds for the year showed an increase of £6,105,000 (2020-21 – decrease £1,424,000).

The Museum’s net assets as at 31st March 2022 amounted to £112,387,000 (31st March 2021 - £106,282,000).

Changes in Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 7 to the accounts. During the year, the Museum spent £209,000 on additions to tangible fixed assets.

Future Plans

The Museum is continuing to concentrate on its refinement of the galleries taking into account audience feedback and exposure restrictions on many of the delicate items that are on display. To ensure continuity of the story of Our Army, the Museum has extended the exhibition ‘Foe to Friend’ so as to maximise availability for viewing. This exhibition opened during Covid-19 restrictions which prevented a large segment of our audience from seeing it. NAM as indicated in last year’s a Consolidated Accounts received from the Sponsor Department, the Lynx 9A helicopter, which is installed in the Atrium, NAM is still waiting to receive from the Sponsor Department a machine gun to mount in the open doorway which will complete the installation of this iconic equipment. The Museum has completed its review of talent within the organisation and will look to recruit additional staff to fill any gaps in expertise. The Museum will continue to expand its internal research function, embedding new hires and developing a vibrant and collaborative research culture to harness the potential of the collections. We will develop our digital presence, including publishing regular research-led content, as well as working towards relaunching the Museum’s physical publications programme. We will explore new academic links and develop our existing partnerships, including hosting a series of reciprocal academic events with the University of Cambridge. We will host “Masters” classes in association with several universities, providing expertise and archival material. Our Archives, Library and Information team will upscale our digitisation and legacy cataloguing projects, ensuring that we cement our reputation for providing an outstanding service to external researchers, as well as actively showcasing our internationally significant holdings. Alongside this, the Museum will develop a research fund to provide support to emerging and established scholars, helping to ensure the long-term sustainability of British military history in both academic and heritage settings. The Museum as the major partner in the successful Chelsea History Festival and working with our neighbouring partners the Royal Hospital Chelsea and the Chelsea Physic Garden will continue to grow this annual event with the increased use of digital and “in person” venues which will further enhance the reputation of the Museum.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022**

Targets and Key Performance Indicators

Summarised below is the performance of the Museum against some key performance indicators over the last year:

| | | 2020-21 | 2021-22 | Variance |
|-----------|---------------------------|-----------|-----------|----------|
| Audiences | Play Base | 953 | 18,831 | 1,876% |
| | School visits | 300 | 5,033 | 1,578% |
| | TSC visitors | 170 | 340 | 100% |
| | General visitors | 10,113 | 49,371 | 388% |
| | Total footfall | 11,536 | 73,575 | 538% |
| | | | | |
| | Digital footfall | 2,012,705 | 2,530,361 | 26% |
| | Online: collections | 18% | 14% | -22% |
| | Online: what's on/stories | 79% | 82% | 4% |
| | | | | |
| | Members (Patrons) | 582(26) | 476(39) | -18(50%) |
| | | | | |
| | Trip Advisor rating | 79% | 82% | 4% |

| | | | | |
|-------------|-----------------------------------|-------|-------|------|
| Collections | Enquiries | 4,306 | 4,216 | -2% |
| | Objects photographed | 2,057 | 2,857 | 39% |
| | Objects published online | 4,612 | 3,016 | -35% |
| | Accessions (archives and objects) | 352 | 179 | -49% |

| | | | | |
|--------|------------|------|-------|------|
| People | FTE | 73.7 | 75.7 | 3% |
| | Volunteers | 7 | 15 | 114% |
| | Turnover | 13% | 31.9% | 145% |

| | | | | |
|---------------------------------------|---|------------|------------|-------|
| Finance (Consolidated Group Accounts) | Income | £7,229,000 | £7,798,000 | 8% |
| | Expenditure including depreciation | £7,687,000 | £2,653,000 | -65% |
| | Surplus/(Deficit) (before gains and losses) | (£458,000) | £5,145,000 | 1223% |
| | Donations | £165,000 | £306,000 | 85% |

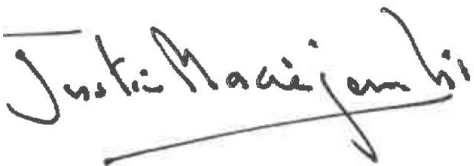
NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

| | | 2020-21 | 2021-22 | Variance |
|-------|-------------------|------------|----------|----------|
| NAMTL | Venue Hire | £4,257 | £54,917 | 1,190% |
| | Other Revenue | £115,050 | £301,842 | 162% |
| | Total Revenue | £119,307 | £356,759 | 199% |
| | Expenditure | £235,566 | £274,660 | 17% |
| | Net Profit/(Loss) | (£116,259) | £82,099 | 171% |

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

16th November 2022



National Army Museum
16th November 2022



NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTOR'S REPORT

Members of Council

At a Privy Council Meeting on 8th July 2009, Her Majesty The Queen approved amendments to the Royal Charter of the National Army Museum. In line with para 7(2) of the amended Royal Charter, vacancies in the Membership occurring after the coming into effect of the amended Royal Charter are filled by persons nominated by the Council and approved by the Army Board. Para 8(1) of the amended Royal Charter states that the Chairman of the Council of the National Army Museum shall be nominated by the Council from among its Members and shall hold office (unless he or she shall earlier resign) for the residue of the period for which he or she has been appointed a Member. The relevant clause relating to the appointment of Members of Council is as follows: "7(1) The Membership of the Council shall be such number of persons as the Council shall from time to time determine being not more than twelve nor fewer than five".

The Council has chosen to subscribe to the principles of the Commissioner for Public Appointments Code of Practice for Public Appointments Procedures. In particular, Members of the Council have affirmed their commitment to the Principles of Public Life.

Register of Interests

A Register of Interests is maintained for Members of Council. This may be inspected on request at the Museum by prior appointment with the Director. No matters are noted in this Register which have given rise to specific conflicts with regard to Council's management responsibilities. In this period no such interests were declared.

Members of Council

Members of Council who served during the reporting period were as follows:

Lieutenant General Sir Simon Mayall KBE CB (Chair from 30 September 2021)
General Sir Richard Shirreff KCB CBE (Chair until 30 September 2021) – resigned from Council November 2021
Lieutenant General Sir George Norton KCVO CBE (Deputy Chair) – joined Council November 2021
Mr Patrick Aylmer
Dr Jonathan Boff
Mrs Judith Donovan CBE
Mr John Duncan OBE
Mr Guy Perricone
Professor Andrew Roberts PhD
Dr Paul Schreier
Mrs Jessica Spungin – resigned from Council May 2021
Mrs Sabine Vandenbroucke
Mr William Wells

In addition to The Council there are two honorary advisors:

Mr Richard Hughes – Honorary Advisor on legal matters
Ms Brenda Hobday – Honorary Advisor on public relations and marketing matters

Recruitment, Appointment and Training of Council Members

New Members of Council are sought through national channels with applicants being interviewed by members of Council assisted by external assessors. Appointments are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022**

Organisation Structure and Decision-Making Process

The overall direction and operation of the NAM is vested in the Council of the Museum. The Council of the National Army Museum consists of up to twelve Members who serve for an initial period of three years from the date of their nomination. The Members can extend their tenure by an additional three years in agreement with the Chairman and remaining Council members.

The NAM Council has established a number of committees for specific purposes and to ensure the effective conduct of business. In 2018 the NAM Council agreed to address the areas of responsibility of these Committees. The result of that work is the following revised list of committees:

Collections & Research Committee

Performance, Audit & Risk Assurance Committee

Remuneration & Appointments Committee

Development Committee

The full Council has approved the terms of reference of each of these committees and, where it is practical, members do not sit on more than two committees.

The day-to-day operations are controlled by the Director of NAM with the assistance of the Senior Management Team (SMT). The following were the members of the Management Team during the year:

| | |
|--------------------------------------|---|
| Brigadier Justin Maciejewski DSO MBE | Director and Accounting Officer |
| Mr Mike O'Connor OBE | Deputy Director |
| Mr Ian Maine | Assistant Director (Collections and Programmes) |
| Ms Teresa Scott | Assistant Director (Human Resources) |
| Ms Dawn Watkins (NAMTL) | Assistant Director (Enterprise) |

Towards the end of 2020 the Museum undertook a re-organisation across several departments to meet the on-going needs of the Museum. Regular meetings of the SMT take place, together with meetings involving heads of department and subject specialists, to ensure the smooth running of the NAM, with reference to the Museum's Mission Statement and Purpose, Strategic Plan, Business Plan and the Museum's Risk Management Policy & Risk Matrix. The Risk Matrix, which is regularly updated, is used as the basis of Internal Audit. The Museum is also subject to visits and receives advice from the MoD Fraud office who maintain a Fraud Risk Register and heat map across the MoD. The Museum is recognised as low risk.

STATEMENT OF TRUSTEES AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 30(3) of the National Heritage Act 1983 and law applicable to charities in England and Wales, the Council, as Trustees, is required to prepare financial statements for each financial year which give a true and fair view of the National Army Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements, that give a true and fair view, the Accounting Officer and Council are required to:

- Observe the accounts direction issued by the Secretary of State in compliance with Charity Law, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

- State whether applicable accounting standards and statements of recommended practice as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures 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.

Under law applicable to charities in England and Wales, the Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable the Council to ensure that the financial statements comply with the applicable law. The Council is 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.

The Trustees and Accounting Officer confirm that, as far as they are aware, there is no relevant audit information of which the Museum's auditor is unaware, and that all steps have been taken to make themselves aware of relevant audit information and to make this available to the Museum's auditors.

The Trustees and Accounting Officer confirm that the annual report and accounts as a whole are fair, balanced and understandable and that they take responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

The Secretary of State has appointed the Director, the senior full time Museum official, as the Accounting Officer for the National Army Museum. Their relevant responsibilities as Accounting Officer, including their responsibility for the propriety and regularity of Parliamentary funded (Grant-in-Aid) finances for which they are answerable, for the keeping of proper records and safeguarding of the National Army Museum's assets are set out in the Non-Departmental Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

GOVERNANCE STATEMENT

This Governance Statement sets out the arrangements for the governance of the NAM, including the Council and Committee structure for the Members. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chairman of the NAM Council and Accounting Officer. The arrangements and systems for governance have been in place for the year under review and up to the date of the approval of the annual report and financial statements.

The Governance Framework

The NAM is a charity registered with the Charity Commission (registration number 237902) governed in accordance with its Royal Charter originally issued.

The Museum is a national museum as defined in the National Heritage Act 1983 Schedule 2 and Executive Non-Departmental Public Body (ENDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place that defines the arrangements between the Museum and its Sponsor Department - the Ministry of Defence, relating to the receipt of Grant-in-Aid and the conditions for its expenditure.

The NAM Council and the Committee Structure

The NAM is governed by the NAM Council. The Charities Act 2011 requires the Council Members to exercise proper stewardship over the Museum and to take care of its collections.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

The Director of the Museum is the Accounting Officer responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money. Each Accounting Officer has received full induction and access to all records to satisfy themselves on the Governance and the Financial Statements of the Museum.

Council Members are appointed by the NAM Council and approved by the Army Board. They are appointed for a term of three years and can be appointed for a further term of equivalent length. The NAM Council may appoint nominated external members to serve on specific committees to supplement the experience of Main Council Members. The nominated external members offer a level of expertise and independence that the Council members may not have.

Full minutes of all NAM Council and Committee meetings are maintained and the attendance of Council Members are recorded therein. Copies of NAM Council minutes are published on the NAM website.

The NAM Council Members receive induction training under the direction of the Director and are encouraged to familiarise themselves with the Museum's operations through work in committees where they are supported by the Museum's divisional Assistant Directors. Additionally, all Members of Council received trustee training from the Museum's legal advisors early in their tenure.

The NAM Council met for four scheduled meetings during 2021-22. However, the Council continued to meet both in person and for some members, on Zoom. Covid-19 proved that this was an efficient way of ensuring maximum attendance at meetings. Listed below are the Council Members and their attendance at Council meetings.

| Post | Name | Meetings whilst Member/Meeting Attendance |
|--------------|---|--|
| Chair | Lieutenant General Sir Simon Mayall KBE CB | 4/4 |
| | General Sir Richard Shirreff KCB CBE | 2/2 |
| Deputy Chair | Lieutenant General Sir George Norton KCVO CBE | 2/2 |
| Members | Mr Patrick Aylmer | 4/4 |
| | Dr Jonathan Boff | 4/3 |
| | Mrs Judith Donovan CBE | 4/4 |
| | Mr John Duncan OBE | 4/4 |
| | Mr Guy Perricone | 4/4 |
| | Professor Andrew Roberts PhD | 4/1 |
| | Dr Paul Schreier PhD | 4/4 |
| | Ms Jessica Spungin | 0/0 |
| | Mrs Sabine Vandenbroucke | 4/4 |
| | Mr William Wells | 4/4 |

Register of Interests

A register of Members' relevant interests is maintained and is the first item on the agenda at all meetings of the Council and committees. Members are required to declare the fact that if they have an interest, pecuniary or otherwise, in any matter being considered by the Council. In this period no such interests were declared.

NAM Council Committees

The Committees are listed below with their membership and attendance at meetings.

The full Council has approved the terms of reference of each of these committees and, where it is practical, members do not sit on more than two committees. Previously during the Covid-19 pandemic the Council carried out the majority of its meetings on Zoom however the Council was pleased that once restrictions had been removed it returned to "face to face" meetings.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

Recruitment, Appointment and Training of Council Members

New members of Council are sought through national channels with applicants being interviewed by members of Council assisted by external assessors. Appointments are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff.

Performance, Audit & Risk Assurance Committee

During 2021-22 the Performance, Audit & Risk Assurance (PARA) Committee had four planned meetings. The Committee members and their attendance at the meetings are listed below:

| Post | Name | Meetings whilst Member/Meeting Attendance |
|-------------|--------------------------|--|
| Chair | Mr Patrick Aylmer | 4/4 |
| Members | Mr John Duncan | 4/3 |
| | Mr Guy Perricone | 4/3 |
| | Mrs Sabine Vandenbroucke | 4/4 |
| | Mr Robin Grimston | 4/4 |
| | Ms Brenda Hobday | 4/2 |

The Committee scrutinised the draft Annual Accounts for 2020-21 and recommended them to be approved by NAM Council in November 2021. They selected the Internal Audit topics and reviewed the reports produced by the Internal Auditors. Additionally, at their November meeting, they were briefed on the Performance Awards for the previous reporting period, which were in line with MoD guidance. The Committee reviews the abridged version of the Risk Matrix at each meeting where high risks to the Museum operations are discussed.

Collections & Research Committee

This held two planned meetings during 2021-22. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meetings whilst Member/Meeting Attendance |
|-------------|-------------------------------------|--|
| Chair | Lieutenant General Sir Simon Mayall | 2/2 |
| Members | Mr John Duncan | 2/1 |
| | Dr Jonathan Boff | 2/2 |
| | Mrs Sabine Vandenbroucke | 2/2 |
| | Professor William Philpott | 2/2 |

The Committee reviewed the development of research activity and collections development. They also approved a number of collections disposals.

Remuneration & Appointments Committee

This held one planned meeting during 2021-22 where they discussed the Director's salary increase in accordance with the SCS scheme. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meetings whilst Member/Meeting Attendance |
|-------------|-------------------------------------|--|
| Chair | Lieutenant General Sir Simon Mayall | 1/1 |
| Members | Mrs Sabine Vandenbroucke | 1/1 |
| | Mr William Wells | 1/1 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

Development Committee

This had planned to hold three meetings during 2021-22. However due to unforeseen issues the June and September meetings were cancelled. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meeting whilst Member/Meeting Attendance |
|-------------|--------------------|---|
| Chair | Mr William Wells | 1/1 |
| Members | Mr Patrick Aylmer | 1/1 |
| | Dr Paul Schreier | 1/1 |
| | Mrs Judith Donovan | 1/1 |
| | Mr Guy Perricone | 1/1 |

Due to Covid-19, the Development Committee refocused its plans and revised its fundraising strategy to coincide with the launch of and financial support for the NAM Institute, a corporate funded strategy in line with the third year of the Chelsea History Festival and a partnership with the Telegraph Extra.

NAMTL

National Army Museum Trading Limited (NAMTL) is the established trading arm of the Museum. Its Board consists of three directors. The Board updates the NAM Council on its accounts and decisions made. Decisions taken by this company remain the responsibility of the Directors of NAMTL.

NAM Council Members' Performance.

The principal achievements of the Museum during the year are highlighted elsewhere in the Financial Statements, NAM Council Minutes and Business Plan. The Director attends meetings of the Army Heritage Committee where he reports on the plans of the NAM. Additionally, meetings were held with the Sponsor Department including Director Army Resources and the Chief Accountant Army Resources. These meetings are reported to the full NAM Council. Additionally, Army Resources are invited to attend NAM Council meetings to update the Council on matters affecting the Museum and to receive assurance on governance and the use of GiA.

NAM Council minutes are circulated to all Council Members with routine papers for all Council meetings. Committee chairs brief all NAM Council meetings and highlight any matters of particular concern.

There is a wide range of information and data (financial and otherwise) routinely available to Council Members, including management accounts. The Director works closely with the Deputy Director and the Head of Finance to refine the financial information supplied to Council. Members are satisfied that the information is available both on time and in a format that enables the Members to exercise proper oversight of the Museum.

Review of Risk Management and Internal Control Systems

Risk Management

A Risk Management Statement has been drawn up with reference to the HM Treasury Publication - Risk Management Assessment Framework (2009), JSP 462 (April 2017) Financial Management and Charging Policy Manual, and the Cabinet Office & HM Treasury publication, *Your Delivery Strategy* (September 2001).

The NAM Council confirms that the Risk Management Systems in place for this reporting period (2021-22) affirms that in all situations where MOD Grant-in-Aid is concerned, the appetite for risk is conservative. The need to pay the staff, fund the provision of utilities, ensure compliance with Health & Safety at Work and other legislation/mandatory requirements and curate the Collections leaves no room for the assumption of more extreme risks. In all other instances, Council's risk assessment is made on a case-by-case basis, and is reviewed by Council at its periodic meetings, having

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

regard to the NAM's Strategic Plan, Business Plan and investment and other professional advice taken by Council and the Director of the Museum, who reports to Council.

The NAM assesses its risks under the following categories:

- a. Governance;
- b. Finance;
- c. Building;
- d. Security;
- e. Employment;
- f. Collections.

The Museum's Risk Matrix is maintained under the guidance of the PARA Committee and focuses on the key risks posed to the Museum. These risks are assessed in terms of likelihood of occurrence and their potential impact. Appropriate mitigation activity is identified and recorded.

The Museum's Risk Matrix is used as a basis for adjudging the risks associated with the operations of the Museum and as a guide for the Internal Auditors to select internal audit topics. Risks are reviewed by the Senior Leadership Team (SLT) and updated accordingly taking on board any recommendations from previous Internal Audit reports. The two greater risks during this period of reporting were the possibility no matter how remote, of the withdrawal or lessening of Grant in Aid funding and the recovery from the Covid-19 pandemic.

The PARA Committee regularly receives updates on the highest risks on the Risk Matrix at their quarterly meetings and are fully involved with the Internal Auditors in selecting the internal audit topics. The Committee usually selects at least four areas for audit each year so that the Internal Auditors can provide sufficient assurance to the PARA Committee.

Governance – The NAM Council feels that is appropriately established with the correct skill sets required to advise, guide and challenge the executive to ensure that the Museum is operated in accordance with its Royal Charter and the objects of the charity.

Finance – A framework contained within the Financial Procedures Manual was updated in Autumn 2019 i.e. pre Covid-19 and is due to be reviewed by the end of the current year. This document lays down the procedures and systems that all staff employed at the NAM must sign up to ensure that financial controls are in place to reduce wasted expenditure and produce value for money. Access to the Museum's accountancy system is restricted to the role of the individual. Levels of access are password protected which expire and must be renewed every thirty days. There is a clear line of responsibility for the signing off of any purchase orders and all staff as part of their induction receive a briefing on financial matters by the Deputy Director. They are also required to carry out regular training on the Bribery Act, Data Protection Act and copies of these policies can be found on the NAM Intranet and as part of the induction procedure and Staff Handbook.

Additionally, the SLT reviews budgets and cost centres on a monthly basis to ensure that the spend profile is maintained and any anomalies are accounted for.

The Museum works with the MoD Fraud Team to produce and review a Fraud Risk Matrix which forms part of the MoD global Fraud Risk Register. The reviews are carried out in accordance with the MoD team's programme with the most recent carried out in August 2022.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

Building – The Museum premises at Chelsea was redeveloped in 2017 which included major structural alterations and the installation of plant which maintains the correct climatic conditions for the protection of the collections, staff and visitors. The Museum has in place a contracted maintenance company to ensure that the building and plant are maintained to the correct levels. The Museum storage facilities at Stevenage are leased properties which the Museum is responsible for and contracts are in place for their maintenance.

Security – The Museum has both 24/7 physical and digital alarm systems in place for the protection of the collections, staff and visitors from loss, damage and injury. All alarm systems are fully maintained and monitored 24/7 off site. The Museum works closely with the local police and counter terrorism teams and regularly carries out appropriate training.

Employment – NAM is an equal opportunities employer and its policy is not to discriminate against its staff during recruitment, selection and employment. All staff receive equal opportunities for appropriate training helping them identify discriminatory acts or practices or acts of harassment or bullying. Remuneration for all members of staff follows MoD pay grades with the exception of some members of the front of house teams who are paid London Living Wage. The Museum is committed to equal pay in employment and job evaluations are carried out for all posts. Terms of Employment, benefits and facilities are reviewed from time to time in order to ensure that there is no unlawful discrimination.

Collections – The Museum, as an accredited Museum, complies with all recommendations of the accreditation awarding body. Collection are collected, located and maintained in line with these standards which are overseen and regularly audited by the Collections Care and Standards Team with the Collections Research Committee who authorise any substantial disposals. The same processes are followed for Archive Accreditation.

Internal Auditors

The Museum's current internal auditors, RSM Risk Assurance Services LLP (RSM) were appointed in October 2019 as part of a joint tender process by the NAM, the National Museum of the Royal Navy and the RAF Museum. RSM work to the Public Sector Internal Audit Standards and provide an independent opinion on the matters subject to review through the internal audit programme. They will also work across the three service Museums to provide a "joined up service" that will measure, where possible, each Museum to achieve best practice.

The Museum has a Risk Matrix to support its management of risk in the normal operations of the Museum. This Risk Matrix is used to identify the work to be undertaken by the internal auditors. Council's PA&RA Committee signs off the work programme and the same committee receives the internal auditors report at its end of year meeting.

The risks contained in the Risk Matrix have also been taken into account in the development of the Museum's strategic direction (through a process of cross-referencing between the specific risks and the principal strategic objectives) thereby mitigating some or all of those risks. During this reporting period, the Internal Auditors reported on the previous year's internal audit reports and additionally looked at:

Month End Processes – Reasonable Assurance

Collections Management (Acquisitions) – Substantial Assurance

IT Remote Working – Partial Assurance

Purchasing, Contracts and Tendering – Partial Assurance

Three Service Museum Thematic Review on Marketing – Partial Assurance

The necessary procedures have been implemented to address the recommendations made.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2022

The overall Internal Audit Opinion for 2021-22 is that the work provides moderate assurance, and that some improvements are required to enhance the adequacy and effectiveness of the controls.

External Auditors

The external auditor of the Museum is the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The accounts are consolidated with the accounts of the NAM's trading subsidiary (NAMTL) who are audited by Kreston Reeves LLP. The NAO is invited to attend the regular meetings of the PARA Committee which includes the "end of year" presentation of the Consolidated Financial Statements where it discusses their findings with the Committee.

Information Risk Management

The NAM's Information Asset Ownership group comprises of the Senior Information Risk Officer (SIRO) and Information Asset Owners (IAO) from across the Museum's divisions. The group ensures that the Museum's Information Assurance Policy, Data Protection Act and Freedom of Information Act Legislation is complied with. The group meets regularly and discusses the management of information held by the NAM.

All staff are required as part of their induction to carry out online training in accordance with the National Archives directives. Information Sharing Agreements are in place with bodies that share NAM information.

Any information issues that arise are handled by the appropriate IAOs and referred to the group where necessary. Any incident of data loss or mishandling is handled in accordance with the Information Commissioner's guidance and reported to his office as required.

Whistleblowing

The Museum has a whistleblowing policy in place available to all staff and contained in the Staff Handbook. Whistleblowing is a standard agenda item for the Performance Audit and Risk Assurance Committee reporting to NAM Council. There was one instance of whistleblowing reported to the Museum in the year which was primarily around Covid-19, the redundancy process, and interpretation. This was responded to in a written statement by the Director.

Statement of Assurance

The Accounting Officer has responsibility, on behalf of the full NAM Council, for the overall effectiveness of the Museum's governance arrangements and their compliance with Corporate Governance in Central Government Departments Code of Practice 2018 so far as this may be seen to apply to an 'Arms-Length Body' (as defined in *Managing Public Money*).

Auditors

These accounts are audited by the NAO on behalf of the Comptroller and Auditor General in accordance with current legislation and the Museum's Royal Charter. No non-audit services are provided to the Museum by the auditor.

The cost of the audit of the Museum and its trading company for 2021-22 is £38,750 (2020-21: £33,690) of which £32,700 (2020-21: £28,840) relates to the audit of the Museum and £6,050 (2020-21: £4,850) to the audit of NAMTL.

So far as the Accounting Officer (AO) and Council Members are aware, there is no relevant audit information of which the Museum's auditors are unaware. Furthermore, the AO and Council Members have taken all the necessary steps to make sure they are aware of any relevant information and to establish that the Museum's auditors are also aware of that information.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022**

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Director of the Museum is employed by the Council of the National Army Museum on terms and conditions that are similar to MOD senior civil servants. He holds an open-ended appointment and his salary is set on an annual basis by the Remuneration and Appointments Committee of Council by reference to the recommendations of the Senior Salaries Review Body. He is the only senior civil service staff or equivalent employee of the Museum.

Other members of the Senior Management Team are also employed on terms and conditions similar to MOD civil servants. Staff salaries are set by the Museum's Human Resources Department by reference to strict MOD guidelines and approved by the Director.

The NAM operates a performance appraisal review (PAR) system, which broadly follows the guidelines of the MOD civilian system. The marking system is based on agreed aims and objectives between the Line Manager (LM) and the member of staff. Dependent on direction from MOD on whether it is paying performance awards for the year, the Performance Award Group meet and assigns a value to marks in line with the MOD levels of award. The findings of the Group are then passed to the PA&RA Committee for a further check before being passed to the Council for approval.

Salary and Pension Entitlements (Subject to audit)

The salary and pension entitlements of the Senior Management Team of the Museum as detailed on page 26 were as follows (with comparative salary disclosures for 2020/21).

| | Salary (£'000) | | Performance Pay (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (£'000) | | Total remuneration (£'000) | |
|---|----------------|---------|-------------------------|---------|------------------------------------|---------|--------------------------|---------|----------------------------|---------|
| | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 |
| Justin Maciejewski <i>Director</i> | 140-145 | 140-145 | 0-5 | 0-5 | - | - | - | - | 145-150 | 145-150 |
| Mike O'Connor <i>Deputy Director</i> | 70-75 | 70-75 | - | - | - | - | 3 | 25 | 75-80 | 95-100 |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 65-70 | 65-70 | 0-5 | 0-5 | - | - | 17 | 27 | 85-90 | 95-100 |
| Ian Maine <i>Assistant Director – Collections and Programmes</i> | 65-70 | 65-70 | 0-5 | 0-5 | - | - | - | - | 70-75 | 70-75 |
| Dawn Watkins <i>Assistant Director – Enterprise</i> | 65-70 | 65-70 | 0-5 | 0-5 | - | - | - | - | 70-75 | 70-75 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

| | Accrued pension at pension age as at 31 March 2022 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31 March 2022 | CETV at 31 March 2021 | Real increase in CETV | Employers contribution to NEST pension or personal |
|---|---|--|-----------------------|-----------------------|-----------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £(nearest £100) |
| Justin Maciejewski <i>Director</i> | - | - | - | - | - | 7,100 |
| Mike O'Connor <i>Deputy Director</i> | 20-25 | 0-2.5 | 450 | 442 | 2 | - |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 25-30 plus a lump sum of 45-50 | 0-2.5 plus a lump sum of 0 | 425 | 397 | 5 | - |
| Ian Maine <i>Assistant Director - Collections and Programmes</i> | - | - | - | - | - | 3,600 |
| Dawn Watkins <i>Assistant Director - Enterprise</i> | - | - | - | - | - | 3,600 |

None of the above received any benefits in kind during the year (2020/21 £Nil).

No members of the Council received any remuneration during the year (2020/21 £Nil). During the year reimbursements were made to members of the Council totalling £1,012 (2020/21 £124) for travel and subsistence and £3,091 (2020/21 £Nil) for hospitality.

Salary

“Salary” includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument.

Pension Benefits

Pension benefits are provided through the Principal Civil Service Pension Schemes (PCSPS). This scheme is an unfunded multi-employer defined benefits scheme but the NAM is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation is carried out periodically. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

Principal Civil Service Pension Scheme (PCSPS)

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS) which has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year and pensions payable are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha between 1 June 2015 and 1 February 2022.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.). Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values and Real increase in CETV

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax. The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.

Compensation for loss of office (Subject to audit)

No amounts were paid in respect of compensation for loss of office to any of the Leadership Team for the current or preceding year.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

Fair pay disclosure (Subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the remuneration of the organisation's workforce.

The following percentage changes applied to remuneration at the National Army Museum:

| | 2021/22 | 2020/21 |
|-----------------------|---------|---------|
| | % | % |
| Salary: | | |
| Highest paid director | 0 | 0 |
| Staff Average | 1.0 | 3.2 |
| Performance pay: | | |
| Highest paid director | 0 | -66.7 |
| Staff Average | 169.8 | -22.0 |

The mid-point of the banded remuneration of the highest-paid director in the National Army Museum in the financial year 2021-22 was £142,500 (2020-21, £142,500). This was 5.6 times (2020-21, 5.6) the 25th percentile salary, which was £25,388 (2020-21, £25,388), 4.7 times (2020-21, 4.7) the median remuneration of the workforce, which was £30,200 (2020-21, £30,749) and 3.5 times (2020-21, 3.8) the 75th percentile salary, which was £40,717 (2020-21, £37,639). All of the pay and benefits is represented by salary with changes in ratios resulting from minor changes in the staff mix at NAM. No staff received any benefits in kind in 2021-22 or 2020-21.

In 2021-22 0 (2020-21, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,641 to £142,500 (2020-21, £20,573 to £142,500).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer-value of pensions.

Median total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

Staff Report

Staff costs and staff numbers (Subject to audit)

| | 2021/22 | 2020/21 |
|---------------------------------------|---------|---------|
| | £'000 | £'000 |
| Staff costs comprise: | | |
| Wages and salaries | 2,677 | 2,934 |
| Social security costs | 274 | 283 |
| Pension costs | 307 | 326 |
| Redundancy costs | 131 | 61 |
| Temporary staff and recruitment costs | 655 | 595 |
| | <hr/> | <hr/> |
| | 4,044 | 4,199 |
| | <hr/> | <hr/> |

Excluding the Director and members of the Senior Management Team, no employees received remuneration for 2021-22 excluding pension contributions, greater than £60,000 (2020-21 no employees).

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

The average number of senior management and staff was:

| | 2021/22 | 2020/21 |
|-------------|-----------|-----------|
| Collections | 42 | 42 |
| Curatorial | 23 | 21 |
| Education | 8 | 7 |
| Publicity | 2 | 5 |
| Trading | 7 | 12 |
| Fundraising | 2 | 4 |
| | <u>84</u> | <u>91</u> |

25 (2020-21: 26) of the above staff are male and 59 (2020-21: 65) female. 9 (2020-21: 6) staff are employed on short term contracts with all other staff employed on a full-time contract. The above includes an average of 20 (2020-21: 22) part time staff members for the year.

Consultancy and off-payroll arrangements

NAM has engaged no individuals during the year under short term arrangements that could be seen to be similar to those envisaged by HM Treasury Guidance on off- payroll arrangements (2021: no individuals). Total expenditure for other consultancy services in the year was £946 (2021: £23,425).

Sickness and Absence data

The NAM employed 85 members of staff at 31 March 2022 (60 full-time and 25 part-time) and monitored sick absence as part of its commitment in promoting the health, safety and welfare of all members of staff. Information collated from the Department of Human Resources is available to the Museum's Management Team who are responsible for identifying potential risks arising from any patterns that may occur and also made available to NAM Council. During 2021-22, there were 490 (full time equivalent) days lost to sick absence compared to 223 days lost in 2020-21.

During the period, the average number of days' sickness absence per employee was 5.8 compared to 2.8 days in 2020-21 (long-term incidents of sickness absence have been excluded to give a more accurate picture of sickness absence at NAM). A policy on the management of attendance is in place to promote arrangements for dealing with sickness absence in a manner, which is fair and sensitive to staff, as well as minimising the effect of absences on operational requirements. In addition, the NAM has introduced a wellbeing initiative, which includes establishing and training Mental Health First Aiders, and training all line managers to raise awareness of mental health and wellbeing.

Equality, Diversity & Access

The NAM is an Equal Opportunities Employer.

The NAM is committed to providing a working environment in which members of staff are able to realise their full potential and contribute to the Museum's success.

The NAM will also take all reasonable steps to provide a work environment in which all workers are treated with respect and dignity and that is free of harassment. In order to create conditions, in which this goal can be realised, the NAM is committed to identifying and eliminating barriers, discriminatory practices, procedures, and attitudes throughout the Museum. Members of staff are expected and required to support this commitment, assisting in its realisation in all possible ways.

It is the NAM's policy not to discriminate against its workers on the basis of their gender, sexual orientation, marital or civil partnership status, any gender reassignment, disability, race, religion or belief, colour, nationality, ethnic or national origin, disability or age, pregnancy or trade union membership or employment status. The NAM will not condone any form of harassment, whether engaged in by workers or by third parties such as clients, customers, contractors and suppliers. Our workers and applicants for employment shall not be disadvantaged by any policies or conditions of service, which cannot be justified as necessary for operational purposes.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

The NAM shall, at all times, strive to work within legislative requirements as well as promoting best practice, and is committed to the development of a diverse workforce. The Museum has issued an Equal Opportunities Policy Statement, and undertakes equal opportunities monitoring.

Employee Consultation and Involvement

The Director and Senior Management Team consult with the staff through the NAM's Staff/Management Forum, which was set up to encourage increased levels of communication and consultation across the whole of the Museum, and in shifting to a different and more progressive, delivery-focussed culture of working, exchanging views and ideas, discussing problems and planning for the future.

Communication and involvement with the staff is also maintained through various committees/groups, which include the Health & Safety Committee, regular Departmental and Divisional meetings, one-to-ones, monthly staff briefings and internal memoranda.

Employer Pensions

For 2021-22 employers' pension contributions for the Museum of £216,000 were payable to the PCSPS (2020-21 £234,000) at rates based on salary bands as follows:

| | | | |
|------------|---|-------------------|-------|
| Band one | - | £23,000 and under | 26.6% |
| Band two | - | £23,001 - £45,500 | 27.1% |
| Band three | - | £45,501 - £77,000 | 27.9% |
| Band four | - | £77,001 and over | 30.3% |

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Members of staff not eligible to join the PCSPS are automatically enrolled in the National Employment Savings Trust (NEST) with employer pension contributions of 5 per cent. Total employer contributions in this regard were £91,000 (2020-21 £92,000).

Civil service and other compensation schemes – exit packages (Subject to audit)

(Comparative data for the prior year is shown in brackets)

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|--|-----------------------------------|-----------------------------------|--|
| <£10,000 | 4 (12) | - (-) | 4 (12) |
| £10,000 - £25,000 | - (-) | - (-) | - (-) |
| £25,000 - £50,000 | 1 (1) | - (-) | 1 (1) |
| £50,000 - £75,000 | - (-) | - (-) | - (-) |
| £75,000 - £100,000 | 1 (-) | - (-) | 1 (-) |
| Total number of approved exit packages | 6 (13) | - (-) | 6 (13) |
| Total resource cost/£ | 131,233 (61,782) | - (-) | 131,233 (61,782) |

There were no special severance packages paid by the Museum for 2021-22 or 2020-21.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

Trade Union Facility Time (these tables are not subject to audit)

| | 2021/22 | 2020/21 |
|---|------------|------------|
| Table 1 | | |
| Number of employees who were relevant union officials during the period | 0 | 0 |
| Table 2 | | |
| Percentage of time | | |
| 0% | 0 | 0 |
| 1-50% | 0 | 0 |
| 51-99% | 0 | 0 |
| 100% | 0 | 0 |
| Table 3 | | |
| Total cost of facility time | £0 | £0 |
| Total pay bill | £3,389,000 | £3,604,000 |
| Percentage of the total pay bill spent on facility time | 0% | 0% |
| Table 4 | | |
| Time spent on paid trade union activities as a percentage of total paid facility time | 0% | 0% |

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of Expenditure (Subject to Audit)

NAM receives Grant-in-Aid (GiA) from MOD in support of its overall activities.

The total operating GiA for the last five financial years being as follows:

| | £'000 |
|---------|-------|
| 2021-22 | 6,870 |
| 2020-21 | 6,713 |
| 2019-20 | 6,486 |
| 2018-19 | 7,084 |
| 2017-18 | 7,219 |

Part of the GiA is used to cover the salaries of staff paid directly by MOD whilst the remaining GiA is received by NAM in a separate bank account.

In addition NAM received additional GiA for the purchase of Heritage Assets of £130,000.

Controls and procedures are in place to ensure only allowable expenditure is incurred on this account. Annual budgets are prepared for the expenditure of this GiA with monthly reporting of actual expenditure and anticipated outturns being made to the Management Team coupled with regular reporting to the PA&RA Committee.

These procedures help ensure that GiA is appropriately managed and that there is no overspend of GiA that cannot be funded from the Museum's other resources.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2022

Other considerations (Subject to Audit)

NAM has no remote contingent liabilities that require notification to HM Treasury.

There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosure that have not been reported elsewhere in these financial statements.

Long-term expenditure trends

Expenditure over the last five financial years as reported in the financial statements is summarised as follows:

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 4,044 | 4,199 | 4,160 | 3,685 | 3,544 |
| Premises costs | 888 | 1,028 | 1,050 | 1,074 | 946 |
| Collection maintenance | 542 | 530 | 357 | 574 | 694 |
| Events and promotion | 398 | 270 | 528 | 472 | 783 |
| Depreciation and loss on disposal | 884 | 970 | 862 | 894 | 901 |
| Impairment and impairment reversal | (4,898) | 0 | (378) | (649) | (1,192) |
| Administration and other | 795 | 690 | 834 | 853 | 973 |
| | <u>2,653</u> | <u>7,687</u> | <u>7,413</u> | <u>6,903</u> | <u>6,649</u> |

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

16th November 2022

National Army Museum
16th November 2022



NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2022

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the National Army Museum and its Group for the year ended 31 March 2022 under the Charities Act 2011 and under Royal Charter relating to the National Army Museum 1960.

The financial statements comprise: the National Army Museum and its Group's:

- Consolidated and Charity Balance sheet as at 31 March 2022;
- Consolidated Statement of Financial Activities. Consolidated Cash Flow Statement for the year ended 31 March 2022; and
- The related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the National Army Museum and its Group's affairs as at 31 March 2022 and its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the National Army Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2022

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Army Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Army Museum and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises information included in the Trustees' Report, but does not include the financial statements nor my auditor's report. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with directions made under the Royal Charter relating to the National Army Museum 1960.

In my opinion, based on the work undertaken in the course of the audit:

- those parts of the Trustees' Report subject to audit have been properly prepared in accordance with directions made under the Royal Charter relating to the National Army Museum 1960; and
- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Army Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the National Army Museum or its Group or returns adequate for my audit have not been received from branches not visited by my staff; or

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2022

- the financial statements and the parts of the Trustees' Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Trustees and the Accounting Officer determine are necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the National Army Museum and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Royal Charter relating to the National Army Museum 1960 and the Charities Act 2011.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the National Army Museum and its Group's accounting policies and its key performance indicators.
- Inquiring of management, the National Army Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Army Museum and its Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2022

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Army Museum and Group's controls relating to the National Army Museum's compliance with the Royal Charter relating to the National Army Museum 1960, Charities Act 2011 and Managing Public Money.
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, including property valuations, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Army Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the National Army Museum and Group's framework of authority as well as other legal and regulatory frameworks in which the National Army Museum and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Army Museum and its Group. The key laws and regulations I considered in this context included, the Royal Charter relating to the National Army Museum 1960, the Charities Act 2011, Managing Public Money, Employment Law and Tax Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Performance, Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Council and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, assessing the recognition of income in line with the accounting framework and undertaking procedures to test the completeness of income.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2022

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Gareth Davies
Comptroller and Auditor General

Date 21 November 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

NATIONAL ARMY MUSEUM
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2022

| | NOTE | Unrestricted Funds | Restricted Funds | Total Funds 2021/22 | Total Funds 2020/21 |
|---|----------|-----------------------|-----------------------|------------------------|------------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Donations and legacies | 4 | | | | |
| Grant-in-Aid | | 6,870 | 130 | 7,000 | 6,843 |
| Other | | 62 | 244 | 306 | 165 |
| | | <u>6,932</u> | <u>374</u> | <u>7,306</u> | <u>7,008</u> |
| Trading activities | 4 | 352 | 66 | 418 | 150 |
| Investments | | 0 | 6 | 6 | 6 |
| | | <u>7,284</u> | <u>446</u> | <u>7,730</u> | <u>7,164</u> |
| Other | 4 | 68 | 0 | 68 | 65 |
| TOTAL | | <u>7,352</u> | <u>446</u> | <u>7,798</u> | <u>7,229</u> |
| Expenditure on: | | | | | |
| Raising funds | 5 | 942 | (450) | 492 | 1,186 |
| Charitable activities | 5 | 5,808 | (3,647) | 2,161 | 6,501 |
| TOTAL | | <u>6,750</u> | <u>(4,097)</u> | <u>2,653</u> | <u>7,687</u> |
| Operating surplus/(deficit) | | 602 | 4,543 | 5,145 | (458) |
| Net gains/(losses) on investments | 10 | 0 | 12 | 12 | 47 |
| Net income/(expenditure) | | <u>602</u> | <u>4,555</u> | <u>5,157</u> | <u>(411)</u> |
| Transfers between funds | | 0 | 0 | 0 | 0 |
| Other recognised gains/(losses): | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 101 | 847 | 948 | (1,013) |
| Net movement in funds | | <u>703</u> | <u>5,402</u> | <u>6,105</u> | <u>(1,424)</u> |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 64,367 | 41,915 | 106,282 | 107,706 |
| Total funds carried forward | | <u>65,070</u> | <u>47,317</u> | <u>112,387</u> | <u>106,282</u> |

None of the Museum's activities were acquired or discontinued during the year. All of the Museum's recognised gains and losses for the year are included above.

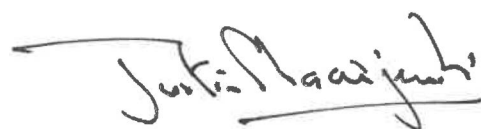
The Statement of Financial Activities for the Charity alone is detailed in note 2 to the financial statements.

The notes of pages 50 to 68 form part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED AND CHARITY BALANCE SHEET
YEAR ENDED 31ST MARCH 2022

| NOTE | 2022 | | | | 2021 | | | |
|---|-------|----------------|----------------|---------|----------------|----------------|-------|---------|
| | Group | Charity | Group | Charity | Group | Charity | Group | Charity |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | | | | |
| Tangible assets | 7 | 43,657 | 43,655 | | 38,486 | 38,484 | | |
| Heritage assets | 8 | <u>67,971</u> | <u>67,971</u> | | <u>67,544</u> | <u>67,544</u> | | |
| | | 111,628 | 111,626 | | 106,030 | 106,028 | | |
| CURRENT ASSETS | | | | | | | | |
| Stocks | | 76 | 0 | | 121 | 0 | | |
| Debtors | 9 | 880 | 997 | | 492 | 595 | | |
| Investments | 10/11 | 365 | 415 | | 244 | 294 | | |
| Cash at bank and in hand | 11 | <u>415</u> | <u>242</u> | | <u>332</u> | <u>313</u> | | |
| | | 1,736 | 1,654 | | 1,189 | 1,202 | | |
| CURRENT LIABILITIES | | | | | | | | |
| CREDITORS: | | | | | | | | |
| Amounts falling due within one year | | | | | | | | |
| | 12a | <u>(939)</u> | <u>(866)</u> | | <u>(757)</u> | <u>(722)</u> | | |
| NET CURRENT ASSETS/ (LIABILITIES) | | | | | | | | |
| | | 797 | 788 | | 432 | 480 | | |
| CREDITORS: | | | | | | | | |
| Amounts falling due after more than one year | | | | | | | | |
| | 12b | <u>(38)</u> | <u>0</u> | | <u>(180)</u> | <u>(133)</u> | | |
| TOTAL NET ASSETS | | | | | | | | |
| | | <u>112,387</u> | <u>112,414</u> | | <u>106,282</u> | <u>106,375</u> | | |
| RESERVES | | | | | | | | |
| Unrestricted Funds | | 64,695 | 64,722 | | 64,093 | 64,186 | | |
| Unrestricted Revaluation | | <u>375</u> | <u>375</u> | | <u>274</u> | <u>274</u> | | |
| Total Unrestricted Funds | 13 | <u>65,070</u> | <u>65,097</u> | | <u>64,367</u> | <u>64,460</u> | | |
| Restricted Funds | | 44,564 | 44,564 | | 40,466 | 40,466 | | |
| Restricted Revaluation | | <u>2,753</u> | <u>2,753</u> | | <u>1,449</u> | <u>1,449</u> | | |
| Total Restricted Funds | 13 | <u>47,317</u> | <u>47,317</u> | | <u>41,915</u> | <u>41,915</u> | | |
| | 14 | <u>112,387</u> | <u>112,414</u> | | <u>106,282</u> | <u>106,375</u> | | |

The financial statements were approved by the Council on 16th November 2022 and signed on its behalf by:




BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
 DIRECTOR AND ACCOUNTING OFFICER

LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
 CHAIRMAN, ON BEHALF OF COUNCIL

The notes on pages 50 to 68 form a fundamental part of the these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2022

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2021/22 £'000 | Total Funds 2020/21 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|------------------------------------|
| Cash flows from operating activities: | | | | |
| Net cash provided by/(used in) operating activities | 700 | 258 | 958 | 794 |
| Cash flows from investing activities: | | | | |
| Purchase of tangible assets | (209) | 0 | (209) | (367) |
| Proceeds from sale of heritage assets | 0 | 0 | 0 | 26 |
| Purchase of heritage assets | 0 | (391) | (391) | (145) |
| Net cash provided by/(used in) investing activities | (209) | (391) | (600) | (486) |
| Cash flows from financing activities: | | | | |
| Repayments of borrowing | (154) | 0 | (154) | (354) |
| Cash inflows from new borrowing | 0 | 0 | 0 | 50 |
| Net cash provided by/(used in) financing activities | (154) | 0 | (154) | (304) |
| Change in cash and cash equivalents in the reporting period | 337 | (133) | 204 | 4 |
| Cash and cash equivalents at the beginning of the reporting period | 104 | 472 | 576 | 572 |
| Cash and cash equivalents at the end of the reporting period | 441 | 339 | 780 | 576 |

An analysis of cash and cash equivalents together with an analysis of changes in net debt is given in note 11 of the financial statements.

Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2021/22 £'000 | Total Funds 2020/21 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|------------------------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 602 | 4,555 | 5,157 | (411) |
| Adjustments for: | | | | |
| Depreciation charges | 166 | 718 | 884 | 970 |
| Interest payable | 2 | 0 | 2 | 14 |
| Impairment and impairment reversal | 0 | (4,898) | (4,898) | 0 |
| Loss/(profit) on the disposal of heritage assets | 0 | 0 | 0 | 44 |
| Donated heritage assets | 0 | (36) | (36) | (40) |
| Transfer between funds | 0 | 0 | 0 | 0 |
| (Increase)/decrease in stocks | 45 | 0 | 45 | 11 |
| (Increase)/decrease in debtors | (314) | (74) | (388) | (44) |
| Increase/ (decrease) in creditors | 199 | (7) | 192 | 250 |
| Net cash provided by/(used in) operating activities | 700 | 258 | 958 | 794 |

The notes on pages 50 to 68 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) – (Charities SORP (FRS 102)) and guidance issued by H.M. Treasury in that the Financial Reporting Manual is applied insofar as it does not contradict the Statement of Recommended Practice.

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

(b) Basis of Consolidation

Consolidated financial statements have been prepared in respect of the charity and its wholly owned subsidiary, National Army Museum Trading Limited (“NAMTL”) (Company Number: 06707366).

The Consolidated Statement of Financial Activities and Balance Sheet include the results and net assets of NAMTL on a line by line basis.

The financial statements of NAMTL used in consolidation are those for the period ended 31 March 2022.

(c) Going Concern

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Museum’s needs. We have considered a period of at least twelve months from the date of approval of the financial statements. The assumption relies on the continuation of Ministry of Defence funding at a similar level for the foreseeable future. The Museum has received confirmation of funding for 2022-23 together with an ongoing commitment and letter of support from its Sponsor Department for the period to March 2024. In order to ensure financial stability NAM Council has reviewed and approved budgets and cash flows through to March 2024.

(d) Incoming Resources

Incoming resources are included gross without the deduction of expenditure.

(e) Donations and Legacies

Grant-in-Aid is recorded on a received basis.

Grant-in-Aid is a payment by a public sector funder to finance part of NAM’s operations in support of NAM’s overall activities. Except where Grant-in-Aid has been awarded for a specific purpose such as the purchase of exhibits or redevelopment of NAM it is regarded as an unrestricted fund as it relates to the general operations of NAM without significant restrictions being placed on how the funds can be spent.

Other revenue grants are credited to incoming resources on the earlier of the date of receipt or when they are receivable, unless they relate to a grant for expenditure in future accounting periods, in which case they are deferred.

Grants for the purchase of fixed and heritage assets are credited to a restricted fund within incoming resources when receivable.

(f) Other Voluntary Income

The Museum derives voluntary income from donations, legacies, gifts and monies placed in donation boxes in the Museum. The income is recognised in the statement of financial activities where there is evidence of entitlement, receipt is probable and its

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

amount can be measured reliably. Donated services and facilities are included as income based on management's judgement of their market value.

(g) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the Museum will comply with the conditions attaching to them and the grants will be received. Grants relating to claims made under the Government job retention scheme and in respect of interest under the bounce back loan scheme are recognised as income in respect of the period to which they relate. Grants under the local restrictions support scheme are recognised when the Museum became entitled to the grant.

(h) Expenditure on Charitable activities

NAM has allocated its expenditure on charitable activities to the following areas of activity:

Collections costs are those incurred in acquiring and preserving objects and records relating to the British Army for the education, inspiration and enjoyment of the present generation and its successors, together with the presentation of the Museum's collections to its users.

Curatorial costs are those incurred in the research and interpretation of the Museum's collections to its users, including dealing with enquiries from the general public.

Education costs are those incurred in engaging and educating the general public, including children, in historic and contemporary issues relating to the British Army.

Publicity costs are those costs that are incurred in promotion of the Museum, specific exhibitions and in support of the off site activities of the NAM.

(i) Allocation of support and governance costs

Support and governance costs are those functions that assist NAM but do not directly undertake either Charitable or Fundraising activities. These costs include general administration, finance, personnel and governance costs which support NAM's activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. Costs not directly attributable to a specific category have been allocated based on the cost of staff time incurred.

(j) Pensions Cost

Long serving Museum staff, are covered by the provisions of the Principal Civil Service Pension Scheme ("PCSPS"), which provides benefits based on final pensionable pay. The pensions cost charged to the Statement of Financial Activities is represented by the contributions payable under the PCSPS to the Cabinet Office at rates determined from time to time by the Government Actuary's Department. PCSPS is a multi-employer scheme and NAM is unable to identify its share of any pension liability. Those staff not covered by the PCSPS are also entitled and are paid contributions to National Employment Savings' Trust or personal pension policies.

(k) Taxation

As a Registered Charity, the National Army Museum's charitable status has been recognised by HM Revenue & Customs. Non-recoverable Value Added Tax (VAT) arising from expenditure is charged to the statement of financial activities. All expenditure including capital expenditure is stated net of any recoverable VAT. VAT is then reclaimed from HM Revenue & Customs in accordance with section 33 of the VAT Act 1994.

All of the income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. All of the taxable profits of the trading subsidiary are distributed to the Charity under Gift Aid. The Corporation Tax liability of the trading subsidiary for the period ending 31 March 2022 was £Nil (2021: £Nil).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

Deferred tax is recognised on any tax losses in the trading subsidiary to the extent that it is probable that these will be recovered against future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

(l) Tangible Fixed Assets and Depreciation

Fixed assets are stated at their estimated current cost. For land and buildings this estimate is based on independent professional valuations obtained every five years, updated in the intervening years by the application of appropriate government issued indices provided by the Ministry of Defence. The land and buildings were professionally revalued at 31st March 2022 (see note 7). For other assets, the estimate is based on historic cost updated thereafter by the application of these indices. Fixed assets with a cost of less than £500 are not capitalised.

Any revaluations are recorded as other recognised gains and losses in the Statement of Financial Activities and reflected in revaluation reserves except where they relate to the reversal of previous impairment provisions.

Depreciation is provided on all tangible fixed assets on a straight-line basis over their estimated useful lives. These were principally:

| | | |
|------------------------------|------------|--------------------------------|
| Leasehold Buildings | 57 years | (52 years from 1st April 2022) |
| Fit-out of Buildings | 48 years | (45 years from 1st April 2022) |
| Plant and Machinery | 34 years | (27 years from 1st April 2022) |
| Short Leasehold Improvements | 41 years | |
| Computer Equipment | 5-10 years | |
| Fixtures and Fittings | 10 years | |

The useful lives for leasehold buildings, fit-out of buildings and plant and machinery have been based on those advised as part of the 2017 property revaluation. The 2022 Property revaluation (see note 7) has updated these useful lives and these revised useful lives will be used for calculating depreciation in future years. The changes to the useful lives are not expected to materially affect the level of depreciation charged in future years.

The Museum does not capitalise website costs and development costs on internally generated projects, but treats these as expenditure as they are incurred. Expenditure on permanent exhibitions is capitalised in accordance with this policy whilst all expenditure on temporary exhibitions is written off as the expenditure is incurred.

The Museum continuously reviews its fixed assets to ensure they do not fall below recoverable amounts. Any asset that falls below its recoverable amount is adjusted to reflect the fall in value or is disposed of.

(m) Heritage Assets

(i) Valuation and Management

Heritage assets are recorded at the deemed cost carrying value established at 31st March 2010 adjusted for the cost of additions and the value of disposals since this date and any impairments in respect of material elements of the collection.

NAM conducts periodic reviews of its heritage assets for any impairment to the collection. No impairments were identified for the current or preceding year.

Donated assets are included based on internal estimates by the relevant curator using their experience and judgement and by reference to third parties, if considered appropriate.

Heritage assets comprise of approximately one million items. For the 2010 valuation the Collection was divided into two categories. The first category comprised Victoria Crosses, George Crosses, field marshals' batons, oil paintings and other high-value items of fine and decorative art, coatees, rare books, oral history interviews, sound discs and film records. These were valued by expert members of staff, some of them with the assistance of former colleagues. The valuations of the historic military vehicles part of the

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2022

collection is supported by a third party valuation of the historic military vehicles made in 2008-9 by Julian Shoolheifer Limited (Fine Art Valuers) PO Box 186, Saffron Walden, CB10 9AY.

The remainder of the Collection was valued by expert members of staff on the basis of auction realisations, knowledge of their specialist areas and inflation-adjusted prices paid for exhibits purchased by the Museum.

(ii) Depreciation

Depreciation is not provided on historic heritage assets due to the fact that they have an indefinite life. The carrying value of individual items is periodically reviewed and written down where required.

(iii) Preservation Costs and Management

Expenditure which, in the Council's view, is required to preserve or clearly prevent further deterioration of individual collection items is written off and recognised in the Statement of Financial Activities when it is incurred.

(iv) Acquisitions and Disposals

The Museum's collecting activities are subject to the availability of objects and financial resources with every effort made to achieve a balanced collection in terms of both geography and chronology. The Acquisition and Disposals Policy also takes into account the needs of other museums.

By definition, the Museum has a long-term purpose and maintains a permanent Collection in relation to its stated objectives. The Council accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items from the Museum's Collection.

Final approval for the disposal of a heritage asset rests with the Acquisition and Disposal Committee and this authority is devolved from the Museum's Trustees, the Council of the NAM. A curator recommends the object for disposal and relevant paperwork is counter-signed by the head of department concerned and the Assistant Director (Collections).

A copy of the Museum's Full Acquisition & Disposal Policy is available on its website.

(n) Investments

Investments are included at their market value as at the year-end. Gains or losses arising from disposals of fixed asset investments, together with unrealised gains and losses are included in the statement of financial activities. All investments are held in tradeable securities and are capable of being converted into cash in the short-term and are, therefore, regarded as current assets.

(o) Stocks

Stocks are stated at the lower of cost or net realisable value.

(p) Liabilities

Where expenditure has been incurred but remains unpaid at the year-end a liability is recorded by the Museum. Where amounts have not been invoiced an estimate is made of the amount to be accrued and included as a liability.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

(q) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

All Museum leases are currently operating leases, except for the long leasehold land and building of the NAM Museum in Chelsea, which is capitalised under tangible fixed assets on the Balance Sheet and where the present value of minimum lease payments is not material over the life of the lease.

(r) Financial Instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, short-term investments, trade debtors, trade creditors, and accrued expenses. The fair value of these items approximates their carrying value due to their short-term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

The loan from the Royal Borough of Kensington and Chelsea has been assessed as a basic financial liability and is being measured using an amortised cost basis.

(s) Restricted and unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor, details of restricted funds are given in note 14 of the financial statements. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

Unrestricted funds are donations and other incoming resources received or generated for the Museum's charitable purposes.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

2. Statement of Financial Activities for the Charity alone

| | Unrestricted Funds | Restricted Funds | Total Funds 2021/22 | Total Funds 2020/21 |
|---|-----------------------------|-----------------------------|------------------------------|------------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | |
| Donations and legacies | | | | |
| Grant-in-Aid | 6,870 | 130 | 7,000 | 6,843 |
| Other | 62 | 244 | 306 | 165 |
| | <u>6,932</u> | <u>374</u> | <u>7,306</u> | <u>7,008</u> |
| Trading activities | 42 | 66 | 108 | 73 |
| Investments | 2 | 6 | 8 | 9 |
| | <u>6,976</u> | <u>446</u> | <u>7,422</u> | <u>7,090</u> |
| Other | 38 | 0 | 38 | 0 |
| TOTAL | <u>7,014</u> | <u>446</u> | <u>7,460</u> | <u>7,090</u> |
| Expenditure on: | | | | |
| Raising funds | 670 | (450) | 220 | 977 |
| Charitable activities | 5,808 | (3,647) | 2,161 | 6,478 |
| TOTAL | <u>6,478</u> | <u>(4,097)</u> | <u>2,381</u> | <u>7,455</u> |
| Operating surplus/(deficit) | 536 | 4,543 | 5,079 | (365) |
| Net gains/(losses) on investments | 0 | 12 | 12 | 47 |
| Net income/(expenditure) | <u>536</u> | <u>4,555</u> | <u>5,091</u> | <u>(318)</u> |
| Transfers between funds | 0 | 0 | 0 | 0 |
| Other recognised gains/(losses): | | | | |
| Gains/(losses) on revaluation of fixed assets | 101 | 847 | 948 | (1,013) |
| Net movement in funds | <u>637</u> | <u>5,402</u> | <u>6,039</u> | <u>(1,331)</u> |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 64,460 | 41,915 | 106,375 | 107,706 |
| Total funds carried forward | <u><u>65,097</u></u> | <u><u>47,317</u></u> | <u><u>112,414</u></u> | <u><u>106,375</u></u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

3. Consolidated Statement of Financial Activities analysis of comparative amounts for year ended 31st March 2021

| | Unrestricted Funds | Restricted Funds | Total Funds 2020/21 |
|---|-----------------------------|-----------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Income and endowments from: | | | |
| Donations and legacies | | | |
| Grant-in-Aid | 6,713 | 130 | 6,843 |
| Other | 23 | 142 | 165 |
| | <u>6,736</u> | <u>272</u> | <u>7,008</u> |
| Trading activities | 103 | 47 | 150 |
| Investments | 0 | 6 | 6 |
| | <u>6,839</u> | <u>325</u> | <u>7,164</u> |
| Other | 65 | 0 | 65 |
| TOTAL | <u>6,904</u> | <u>325</u> | <u>7,229</u> |
| Expenditure on: | | | |
| Raising funds | 1,109 | 77 | 1,186 |
| Charitable activities | 5,766 | 735 | 6,501 |
| TOTAL | <u>6,875</u> | <u>812</u> | <u>7,687</u> |
| Operating surplus/(deficit) | 29 | (487) | (458) |
| Net gains/(losses) on investments | 0 | 47 | 47 |
| Net income/(expenditure) | <u>29</u> | <u>(440)</u> | <u>(411)</u> |
| Transfers between funds | 64 | (64) | 0 |
| Other recognised gains/(losses): | | | |
| Gains/(losses) on revaluation of fixed assets | 73 | (1,086) | (1,013) |
| Net movement in funds | <u>166</u> | <u>(1,590)</u> | <u>(1,424)</u> |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 64,201 | 43,505 | 107,706 |
| Total funds carried forward | <u><u>64,367</u></u> | <u><u>41,915</u></u> | <u><u>106,282</u></u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

4. Income and endowments

| | Unrestricted Funds | Restricted Funds | Total Funds 2021/22 | Total Funds 2020/21 |
|--|-------------------------------|-----------------------------|------------------------------------|------------------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| (a) Donations and legacies comprise: | | | | |
| Grant-in-Aid: | | | | |
| -Operating | 6,870 | 0 | 6,870 | 6,713 |
| -Exhibits | 0 | 130 | 130 | 130 |
| | <u>6,870</u> | <u>130</u> | <u>7,000</u> | <u>6,843</u> |
| Grants towards acquisition of heritage assets: | | | | |
| -The Art Fund | 0 | 145 | 145 | 16 |
| -National Army Museum Development Trust | 0 | 50 | 50 | 0 |
| | <u>0</u> | <u>195</u> | <u>195</u> | <u>16</u> |
| Other restricted donations | | | | |
| - Donated heritage assets | 0 | 36 | 36 | 40 |
| - Grant towards tank installation display | 0 | (21) | (21) | 65 |
| - Research fellowship | 0 | 33 | 33 | 10 |
| - Other projects | 0 | 1 | 1 | 11 |
| | <u>0</u> | <u>49</u> | <u>49</u> | <u>126</u> |
| Other unrestricted donations | | | | |
| - National Army Museum Foundation | 44 | 0 | 44 | 0 |
| - Other | 18 | 0 | 18 | 23 |
| | <u>62</u> | <u>0</u> | <u>62</u> | <u>23</u> |
| Total other donations | <u>62</u> | <u>244</u> | <u>306</u> | <u>165</u> |
| Total donations and legacies | <u>6,932</u> | <u>374</u> | <u>7,306</u> | <u>7,008</u> |
| (b) Trading income comprises | | | | |
| - Shop sales | 122 | 0 | 122 | 39 |
| - Playbase and childrens parties | 143 | 0 | 143 | 4 |
| - Exhibitions | 42 | 66 | 108 | 74 |
| - Room hire | 55 | 0 | 55 | 7 |
| -Catering commission | 2 | 0 | 2 | 0 |
| - Other | 4 | 0 | 4 | 4 |
| | <u>368</u> | <u>66</u> | <u>434</u> | <u>128</u> |
| Deferred tax on NAMTL(profit)/ loss | (16) | 0 | (16) | 22 |
| | <u>352</u> | <u>66</u> | <u>418</u> | <u>150</u> |
| (c) Other operating income comprises | | | | |
| - Government Covid-19 support grants | 30 | 0 | 30 | 65 |
| - Membership income | 36 | 0 | 36 | 0 |
| - Other | 2 | 0 | 2 | 0 |
| | <u>68</u> | <u>0</u> | <u>68</u> | <u>65</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

5. Expenditure

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total 2021/22 | Total 2020/21 |
|------------------------------------|---------|-------------|------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 351 | 136 | 487 | 697 |
| Premises costs | 37 | 18 | 55 | 61 |
| Cost of sales | 125 | 0 | 125 | 23 |
| Subsidiary overheads | 14 | 0 | 14 | 6 |
| Collections maintenance | 0 | 46 | 46 | 29 |
| Depreciation and loss on disposal | 52 | 26 | 78 | 79 |
| Impairment and impairment reversal | (288) | (145) | (433) | 0 |
| General administration costs | 30 | 14 | 44 | 48 |
| Consultancy | 1 | 1 | 2 | 2 |
| Insurance and professional fees | 8 | 4 | 12 | 16 |
| Support costs | 30 | 9 | 39 | 135 |
| Governance | 18 | 5 | 23 | 90 |
| | 378 | 114 | 492 | 1,186 |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total 2021/22 | Total 2020/21 |
|------------------------------------|-------------|------------|-----------|-----------|------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 1,466 | 839 | 315 | 167 | 2,787 | 2,654 |
| Premises costs | 499 | 148 | 46 | 27 | 720 | 787 |
| Collections maintenance | 411 | 0 | 0 | 85 | 496 | 501 |
| Event costs | 10 | 0 | 73 | 0 | 83 | 49 |
| Promotion costs | 0 | 0 | 0 | 315 | 315 | 221 |
| Depreciation and loss on disposal | 333 | 210 | 65 | 38 | 646 | 655 |
| Impairment and impairment reversal | (1,841) | (1,164) | (364) | (211) | (3,580) | 0 |
| General administration costs | 164 | 100 | 32 | 18 | 314 | 236 |
| Consultancy | 4 | 2 | 1 | 0 | 7 | 20 |
| Insurance and professional fees | 51 | 32 | 10 | 6 | 99 | 127 |
| Interest payable | 1 | 0 | 0 | 0 | 1 | 14 |
| Support costs | 100 | 15 | 16 | 41 | 172 | 743 |
| Governance costs | 58 | 9 | 10 | 24 | 101 | 494 |
| | 1,256 | 191 | 204 | 510 | 2,161 | 6,501 |

(c) Governance and support costs comprise:

| | 2021/22 | | | | 2020/21 | | |
|-------------------------------------|---------|--------------------|---------------------------|------------------|------------|---------|------------|
| | Finance | Human Resources | Information Technology | Total Support | Governance | Support | Governance |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 186 | 123 | 172 | 481 | 289 | 547 | 301 |
| Premises costs | 21 | 23 | 16 | 60 | 53 | 108 | 72 |
| Depreciation and loss on disposal | 29 | 34 | 22 | 85 | 75 | 143 | 93 |
| Impairment and impairment reversal | (162) | (184) | (125) | (471) | (414) | 0 | 0 |
| General administration costs | 15 | 15 | 12 | 42 | 35 | 49 | 34 |
| External audit | 0 | 0 | 0 | 0 | 39 | 0 | 34 |
| Internal audit | 0 | 0 | 0 | 0 | 18 | 0 | 12 |
| Consultancy | 0 | 1 | 0 | 1 | 1 | 4 | 3 |
| Interest payable | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Insurance and professional fees | 5 | 5 | 3 | 13 | 23 | 27 | 35 |
| Trustees expenses and meeting costs | 0 | 0 | 0 | 0 | 4 | 0 | 0 |
| | 94 | 17 | 100 | 211 | 124 | 878 | 584 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

Governance and support costs in respect of staff, premises, depreciation and administration have been allocated based on the estimated time spent by staff on these activities and the cost of these staff. Other costs have been allocated based on the amounts invoiced for these services.

Trustees expenses of £1,012 (2021: £124) relate to travel expenses reimbursed for 3 trustees (2021 – 2 trustees). In addition, NAM incurred £3,091 (2021: £Nil) in relation to Trustee meeting costs.

| 6. Total expenditure is stated after charging the following items: | Unrestricted Funds | Restricted Funds | Total 2021/22 | Total 2020/21 |
|---|---------------------------|-------------------------|----------------------|----------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Auditors' remuneration | | | | |
| - audit services | 39 | 0 | 39 | 34 |
| Staff costs | | | | |
| - wages and salaries | 2,677 | 0 | 2,677 | 2,934 |
| - social security costs | 274 | 0 | 274 | 283 |
| - pension costs | 307 | 0 | 307 | 326 |
| - redundancy costs | 131 | 0 | 131 | 61 |
| - temporary staff and recruitment costs | 655 | 0 | 655 | 595 |
| | <u>4,044</u> | <u>0</u> | <u>4,044</u> | <u>4,199</u> |
| Operating lease costs | | | | |
| - land and buildings | 238 | 0 | 238 | 242 |
| - other | 14 | 0 | 14 | 13 |
| | <u>252</u> | <u>0</u> | <u>252</u> | <u>255</u> |

The external audit fee for the Charity was £32,700 (2021: £28,840). During the year NAM did not contract any non-audit services from its external auditor, the National Audit Office (NAO).

The external audit fee for the subsidiary NAMTL was £6,050 (2021: £4,850). No non-audit services were provided by the auditor of NAMTL.

Redundancy costs for 2021/22 related to six approved exit packages during the year (2021: thirteen). There were no special severance packages for 2021/22 or 2020/21.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

7. Tangible Fixed Assets

| | Long Leasehold Land and Buildings | Short Leasehold Improvements | Computer Equipment | Fixtures & Fittings | Total |
|------------------------------|--|---|-------------------------------|------------------------------------|--------------|
| <u>GROUP</u> | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>VALUATION</u> | | | | | |
| At commencement of year | 39,945 | 784 | 501 | 1,865 | 43,095 |
| Additions at cost | 0 | 0 | 22 | 187 | 209 |
| On revaluation | 2,142 | 47 | 1 | 53 | 2,243 |
| Disposals | 0 | 0 | 0 | (48) | (48) |
| At end of year | 42,087 | 831 | 524 | 2,057 | 45,499 |
| <u>DEPRECIATION</u> | | | | | |
| At commencement of year | 2,885 | 178 | 387 | 1,159 | 4,609 |
| Charge for year | 718 | 20 | 17 | 87 | 842 |
| On revaluation | (3,603) | 15 | 0 | 25 | (3,563) |
| Disposals | 0 | 0 | 0 | (46) | (46) |
| At end of year | 0 | 213 | 404 | 1,225 | 1,842 |
| <u>NET BOOK VALUE</u> | | | | | |
| At 31 March 2022 | 42,087 | 618 | 120 | 832 | 43,657 |
| At 31 March 2021 | 37,060 | 606 | 114 | 706 | 38,486 |

All fixed assets are owned by the Charity with the exception of £2,000 of fixtures and fittings owned by National Army Museum Trading Limited.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

Included in long leasehold land and buildings is a sum of £9,352,000 (2020/21 £8,505,000) for land, which has not been depreciated.

The long leasehold property known as the National Army Museum was valued as at 31 March 2022 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), as well as FRS102, the Charities SORP and guidance issued by HM Treasury. The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method. The valuation is reported under the special assumption to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

The valuation apportioned the total land and buildings as follows:

| | £'000 |
|------------------------|--------|
| Land | 9,352 |
| Structure of buildings | 16,930 |
| Fit-out of buildings | 5,579 |
| Plant and machinery | 10,226 |
| | 42,087 |
| | 42,087 |

The Museum is housed in a purpose-built property in Chelsea on land owned by the Royal Hospital Chelsea, the lease is for 999 years at a peppercorn rent of one guinea per annum. The lease restricts the use of the building to that of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Majesty and her predecessors etc. All material tangible fixed assets are used in Direct Charitable Activities.

8. Heritage Assets

(a) Carrying value

| | Museum Collection £'000 | |
|---------------------------------------|--|-----------------------|
| | 2022 £'000 | 2021 £'000 |
| At commencement of year | 67,544 | |
| Additions | 427 | |
| Disposals | 0 | |
| At end of year | 67,971 | |
| Net Book Value at 31 March 2022 | 67,971 | |
| Net Book Value at 31 March 2021 | 67,544 | |
| The carrying value comprises: | | |
| Exhibits | 35,686 | 35,658 |
| Fine and decorative arts | 20,598 | 20,202 |
| Archives, photographs, film and sound | 10,534 | 10,531 |
| Printed books | 1,153 | 1,153 |
| | 67,971 | 67,544 |
| | 67,971 | 67,544 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

(b) Five year financial summary of heritage asset transactions

| | 2022 £'000 | 2021 £'000 | 2020 £'000 | 2019 £'000 | 2018 £'000 |
|------------------|---------------|---------------|---------------|---------------|---------------|
| <u>Additions</u> | | | | | |
| Purchases | 391 | 145 | 300 | 256 | 105 |
| Donations | 36 | 40 | 21 | - | 30 |
| Total Additions | <u>427</u> | <u>185</u> | <u>321</u> | <u>256</u> | <u>135</u> |
| <u>Disposals</u> | | | | | |
| Sales Proceeds | - | 26 | - | - | - |
| Carrying Value | - | (70) | - | (141) | - |
| | <u>-</u> | <u>(44)</u> | <u>-</u> | <u>(141)</u> | <u>-</u> |

(c) Grant Received

During the year the Museum received grants towards the purchase of items for its collection of £130,000 (2021 - £130,000) as part of its Grant-in-Aid funding. These grants were used to fund the purchase of heritage assets noted above with any unspent grants being carried forward to fund future acquisitions.

| 9. Debtors | Group 2022 £'000 | Charity 2022 £'000 | Group 2021 £'000 | Charity 2021 £'000 |
|---|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Trade debtors | 20 | 11 | 21 | 15 |
| VAT debtor | 167 | 175 | 152 | 151 |
| Prepayments and accrued income | 463 | 461 | 191 | 189 |
| Amounts due from subsidiary undertaking | 0 | 127 | 0 | 140 |
| Other debtors | 230 | 223 | 128 | 100 |
| | <u>880</u> | <u>997</u> | <u>492</u> | <u>595</u> |

Amounts due from subsidiary undertaking includes an unsecured loan to NAMTL of £124,000 (2021:£140,000). The loan is repayable over 5 years and carries interest at 1% per annum. Included in the amount due is £96,000 (2021: £124,000) repayable after more than one year.

Other debtors for the group includes £6,000 (2021: £22,000) for a deferred tax asset in relation to trading losses of NAMTL which will be carried forward and offset against the tax arising on future NAMTL taxable profits.

| 10. Unlisted Investments | Group 2022 £'000 | Charity 2022 £'000 | Group 2021 £'000 | Charity 2021 £'000 |
|--|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Investment in subsidiary undertaking (note 10a) | - | 50 | - | 50 |
| <u>Other investments</u> | | | | |
| Market value at beginning of year | 244 | 244 | 197 | 197 |
| Add: acquisitions at cost | 360 | 360 | - | - |
| Less: disposals | (251) | (251) | - | - |
| Net unrealised investment (loss)/gains | 12 | 12 | 47 | 47 |
| Market value at end of year | <u>365</u> | <u>365</u> | <u>244</u> | <u>244</u> |
| Total unlisted investments | <u>365</u> | <u>415</u> | <u>244</u> | <u>294</u> |

Other investments represent a portfolio managed by Brewin Dolphin Limited. The historic cost of these investments was £360,000 (2021 - £111,000).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

10a. Investment in Subsidiary Undertaking

Investment in subsidiary undertakings represents the charity's interest in 100% of the issued share capital of National Army Museum Trading Limited which is incorporated in England and Wales and operates a souvenir shop and other trading activities for the Museum. The company's aggregate capital and reserves were as follows:

The assets and liabilities of the subsidiary were:

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Fixed assets | 2 | 2 |
| Current assets | 266 | 176 |
| Creditors: amounts falling due within one year | (112) | (51) |
| Creditors: amounts falling due after more than one year | (134) | (171) |
| | <u>22</u> | <u>(44)</u> |

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Share capital | 50 | 50 |
| Surplus/(deficit) retained in subsidiary | (28) | (94) |
| | <u>22</u> | <u>(44)</u> |

The issued share capital of National Army Museum Trading Limited is £50,000 (2021: £50,000).

A summary of the Company's trading results is shown in note 10b. Audited accounts will be filed with the Registrar of Companies.

10b. Income from Trading Company

The Consolidated Statement of Financial Activities includes the result of the trading subsidiary as follows:

National Army Museum Trading Limited

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Turnover | 326 | 54 |
| Cost of sales and administrative expenses | (274) | (235) |
| Other Operating income | 30 | 65 |
| Net profit/(loss) before taxation | <u>82</u> | <u>(116)</u> |
| Taxation -deferred tax | 16 | (22) |
| Net profit/(loss) after taxation | <u>66</u> | <u>(94)</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

11. Cash and Cash Equivalents

| | Group 2022 £'000 | Charity 2022 £'000 | Group 2021 £'000 | Charity 2021 £'000 |
|--------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Cash at bank and in hand | 415 | 242 | 332 | 313 |
| Investments | 365 | 415 | 244 | 294 |
| | <u>780</u> | <u>657</u> | <u>576</u> | <u>607</u> |

Analysis of changes in net debt

| | At start of year £'000 | Cash- flows £'000 | Interest payable £'000 | Other non- cash changes £'000 | At end of year £'000 |
|--|---------------------------------------|----------------------------------|---------------------------------------|--|-------------------------------------|
| Cash | 332 | 83 | 0 | 0 | 415 |
| Cash equivalents - investments | 244 | 109 | 0 | 12 | 365 |
| | <u>576</u> | <u>192</u> | <u>0</u> | <u>12</u> | <u>780</u> |
| Loans falling due within one year | 20 | (154) | 2 | 142 | 10 |
| Loans falling due after more than one year | 180 | 0 | 0 | (142) | 38 |
| | <u>200</u> | <u>(154)</u> | <u>2</u> | <u>0</u> | <u>48</u> |
| Total | <u>376</u> | <u>346</u> | <u>(2)</u> | <u>12</u> | <u>732</u> |

12a. Creditors: Amounts falling due within one year

| | Group 2022 £'000 | Charity 2022 £'000 | Group 2021 £'000 | Charity 2021 £'000 |
|---------------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Bank loans and overdrafts | 10 | 0 | 3 | 0 |
| Trade creditors | 198 | 195 | 223 | 221 |
| Accruals and deferred income | 731 | 671 | 514 | 484 |
| Amounts due to subsidiary undertaking | 0 | 0 | 0 | 0 |
| Other creditors | 0 | 0 | 17 | 17 |
| | <u>939</u> | <u>866</u> | <u>757</u> | <u>722</u> |

12b. Creditors: Amounts falling due after more than one year

| | Group 2022 £'000 | Charity 2022 £'000 | Group 2021 £'000 | Charity 2021 £'000 |
|---------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Bank loans and overdrafts | 38 | 0 | 47 | 0 |
| Other creditors | 0 | 0 | 133 | 133 |
| | <u>38</u> | <u>0</u> | <u>180</u> | <u>133</u> |

During the year ended March 2018, the Museum received an unsecured loan of £1,000,000 from the Royal Borough of Kensington and Chelsea. The loan was repayable in instalments over 5 years. Other creditors falling due within one year represented the capital repayments of this loan falling due within 12 months of the balance sheet date. In August 2021, NAM decided to repay the loan early.

Bank loans and overdrafts represents a £50,000 unsecured loan received in the year ended March 2021 under the Government backed bounce back loan scheme.

NATIONAL ARMY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2022

13. Funds Analysis

| | Balance 1 April 21 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 2022 |
|---|-------------------------------|---------------|--------------------|------------------|-----------------------------|----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| RESTRICTED FUNDS | | | | | | |
| NAM Land and Buildings | 35,611 | 0 | 4,180 | (457) | 0 | 39,334 |
| NAM Land and Buildings revaluation | 1,449 | 0 | 0 | 457 | 847 | 2,753 |
| Restricted Heritage Assets | 4,315 | 231 | 0 | 131 | 0 | 4,677 |
| Grant-in-Aid exhibits reserve | 1 | 130 | 0 | (131) | 0 | 0 |
| Funds for upkeep and maintenance of specific parts of NAM collection | 522 | 6 | 0 | 0 | 12 | 540 |
| Funds received for specific NAM projects | 12 | 13 | (17) | 0 | 0 | 8 |
| Chelsea History Festival sponsorship | 0 | 66 | (66) | 0 | 0 | 0 |
| Brothers in Arms (Esmée Fairbairn) | 5 | 0 | 0 | 0 | 0 | 5 |
| | <u>41,915</u> | <u>446</u> | <u>4,097</u> | <u>0</u> | <u>859</u> | <u>47,317</u> |
| UNRESTRICTED FUNDS | | | | | | |
| Unrestricted funds | 64,093 | 7,352 | (6,750) | 0 | 0 | 64,695 |
| Unrestricted funds revaluation | 274 | 0 | 0 | 0 | 101 | 375 |
| | <u>64,367</u> | <u>7,352</u> | <u>(6,750)</u> | <u>0</u> | <u>101</u> | <u>65,070</u> |
| TOTAL FUNDS | <u>106,282</u> | <u>7,798</u> | <u>(2,653)</u> | <u>0</u> | <u>960</u> | <u>112,387</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

The NAM Land and Buildings Fund represents the net book value of its Long Leasehold Land and Buildings. These assets were funded entirely by public donations in the period leading up to and after the acquisition of the lease and the building of the Museum in 1967. Under the terms of NAM's lease of the land and buildings they can only be used for the purposes of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Majesty and her predecessors and hence their classification as a restricted fund.

The NAM Land and Buildings revaluation reserve (Restricted Funds) represents the result of revaluations subsequent to initial recognition. As at 31 March 2022 this does not include revaluation gains on Long Leasehold Buildings. This is because revaluation gains do not yet exceed previous impairment charges for the asset (NAM Museum Building in Chelsea). Revaluation of the building has resulted in previous charges for impairment being reversed through credits to expenditure in the Statement of Financial Activities, in accordance with the Charities SORP (FRS 102).

Restricted Heritage Assets represent those assets acquired by NAM from restricted donations including the annual exhibits Grant-in-Aid.

The Grant-in-Aid exhibits reserve relates to specific Grant-in-Aid received for the purchase of heritage assets which remains unspent at the end of the financial year.

Funds for the upkeep and maintenance of specific parts of the NAM Collection relate to amounts transferred to NAM towards the upkeep and maintenance of various items of the Collection when these items were transferred or bequeathed to NAM which remained unspent at the end of the financial year.

Funds received for specific NAM projects relates to donations and sponsorships received for specified purposes and events. At 31 March 2022 there were £8,000 of unspent funds in relation to donations received for fellowship research.

The Brothers in Arms Esmée Fairbairn Fund is to be used to research the NAM's Indian Army collection, and to digitise related objects within the collection.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

14. Analysis of Group Net Assets Between Funds

| | Unrestricted Funds | Restricted Funds | Total 2022 |
|-----------------------|-------------------------------|-----------------------------|-----------------------|
| | £'000 | £'000 | £'000 |
| Tangible fixed assets | 1,570 | 42,087 | 43,657 |
| Heritage fixed assets | 63,294 | 4,677 | 67,971 |
| Other net assets | 206 | 553 | 759 |
| | 65,070 | 47,317 | 112,387 |

The above net assets include Revaluation Reserves of:

| | 2022 £'000 | 2021 £'000 |
|------------------------------|-----------------------|-----------------------|
| Tangible fixed assets | | |
| Unrestricted | 375 | 274 |
| Restricted | 2,753 | 1,449 |
| | 3,128 | 1,723 |

The restricted revaluation reserve relates to revaluations of the Long Leasehold Land and Buildings.

15. Operating Lease Commitments

At 31 March 2022, the Museum had total future minimum commitments under non-cancellable operating leases as follows:

| | 2022 | | 2021 | |
|--------------------------------|-----------------------|--------------|-----------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| | Land and buildings | Other | Land and buildings | Other |
| Due within one year | 271 | 11 | 232 | 9 |
| Due between one and five years | 1,086 | - | 929 | 8 |
| Due after five years | 1,197 | - | 1,244 | - |
| | 2,554 | 11 | 2,405 | 17 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

16. Related Party Transactions

National Army Museum Trading Limited

The relationship to NAMTL is disclosed in note 10a together with summary financial information, and the balances due with NAMTL at the year end are disclosed in notes 9 and 12a. Mrs Donovan, Ms Spungin and Mr Maciejewski acted as directors of National Army Museum Trading Limited and also Members of Council or the Senior Management Team of the Museum during the year.

National Army Museum Foundation

The National Army Museum Foundation was incorporated under the Companies Act 2006 as a private company limited by guarantee, it is also a separate independent registered charity. It was set up with the primary purpose of raising funds to support the development of the National Army Museum. The Foundation had four trustees of which one is also a trustee of NAM.

At all times the control and administration of the Funds of the Foundation have remained the responsibility of its own trustees. During the year the Foundation took the decision to close and to donate all its remaining assets to NAM. This resulted in a donation for the year from the Foundation of £44,000 (2021: £nil).

National Army Museum Development Trust

The National Army Museum Development Trust (“the Trust”) is a registered charity, number 278939, connected with the Museum.

The funds of the Trust may be applied, at the discretion of the Trust’s trustees, to further the charitable purposes of the Museum or other charitable purposes or institutions. The trustees may not, unless they see special reason, make a payment to the Museum without specifying the particular purpose for which it is to be used, being a purpose for which public funds are not expected to be available. During the year the Trust donated £12,000 (2021: £10,000) to the Museum to assist in meeting the costs of a research fellowship and £50,000 (2021:£nil) towards the acquisition of heritage assets.

The net assets of the Trust at 31 December 2021 were £578,341 (31 December 2020 £555,123). The control and administration of these funds remains, at all times, the full responsibility of the Trust’s trustees. None of the Trust’s trustees are also trustees of NAM.

Ministry of Defence

The National Army Museum is classified for administrative purposes by the Ministry of Defence (“the MOD”) as an Executive Non-Departmental Public Body (ENDPB) which it sponsors. The MOD is regarded as a related party. Grant-in-Aid funding from the MOD is separately disclosed in note 4(a) of the Financial Statements.

17. Capital Commitments

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Authorised and contracted for at 31st March 2022 | - | - |
| Authorised at 31st March 2022 but not contracted for | - | - |

18. Post Balance Sheet Events

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the auditors’ report was signed by the Comptroller and Auditor General.

ISBN 978-0-901721-51-8



9 780901 721518

THE NATIONAL ARMY MUSEUM

England & Wales - Charity number 237902

Accounts

NATIONAL
ARMY
MUSEUM

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2021

NATIONAL
ARMY
MUSEUM

NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2021

Presented to Parliament with reference to the Royal Charter (relating to National Army Museum, 1960)

Ordered by the House of Commons to be printed on 13 January 2022

Copyright @National Army Museum 2022

All rights reserved. No part of this publication may be reproduced, or transmitted, in any form or by any means, electronic or mechanical, including photography, recording or any other storage or retrieval system, without prior permission in writing from the publisher, nor otherwise be circulated in any form of binding or cover other than in which it is published and without a similar condition including this condition being imposed on the subsequent publisher

ISBN-13 978-0-901721-49-5

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

| CONTENTS | PAGE |
|--|-------------|
| Trustees Report and Report of Council | |
| Reference and Administrative Information | 2 |
| Performance Report | |
| Overview | 3 |
| Performance Analysis | 7 |
| Accountability Report | |
| Corporate Governance Report | 21 |
| Statement of Trustees and Accounting Officer's Responsibilities | 22 |
| Governance Statement | 23 |
| Remuneration and Staff Report | 29 |
| Parliamentary Accountability and Audit Report | 34 |
| | |
| The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament | 36 |
| | |
| Consolidated Statement of Financial Activities | 40 |
| | |
| Consolidated Balance Sheet | 41 |
| | |
| Consolidated Cash Flow Statement | 42 |
| | |
| Notes to the Financial Statements | 43 |

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

REFERENCE AND ADMINISTRATIVE INFORMATION

Introduction

The accounts of the National Army Museum (NAM) are presented for the financial year ended 31st March 2021. The accounts are prepared in accordance with a direction given by HM Treasury in accordance with article 14 of the National Army Museum Royal Charter 1960 and law applicable to charities in England and Wales.

The NAM is a charity registered with the Charity Commission (reference no. 237902).

Address and principal office of the Museum

National Army Museum, Royal Hospital Road, Chelsea, London SW3 4HT.

Professional Advisers

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Auditors

National Army Museum

The Comptroller and Auditor General
National Audit Office
157 – 197 Buckingham Palace Road
London
SW1W 9SP

National Army Museum Trading Limited (NAMTL)

Kreston Reeves LLP
Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Internal Auditors

RSM Risk Assurance Services LLP
Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

PERFORMANCE REPORT

OVERVIEW

Background Information

The National Army Museum (NAM) was established by Royal Charter in 1960 to collect, preserve, and exhibit objects and records relating to the Regular and Auxiliary forces of the British Army and of the Commonwealth, and to encourage research into their history and traditions. Devolved status was accorded to the Museum under the terms of the National Heritage Act 1983. The annual Grant-in-Aid (GiA), made through the Ministry of Defence (MoD), is administered by the Director of the Museum on behalf of the governing body, the Council of the National Army Museum.

Social Investment and Public Benefit

The Council of the Museum recognises its responsibilities with regard to social investment and public benefit. The Museum pays due regard to the Charity Commission guidance, and in particular PB1, PB2 and PB3. The following sections of these accounts show that commitment to the investment and how the Charity Commission guidance has been complied with.

Overall Objectives and Activities

The National Army Museum's objectives were set out in its Royal Charter, first granted in 1960. Its preamble states that the National Army Museum was established 'for the purpose of collecting, preserving and exhibiting objects and records relating to the history of Our Army so that the achievements, history and traditions of Our Army should be better made known'.

'Our Army' is defined by Her Majesty The Queen in Council as including 'the Standing Army, Militia, Yeomanry, Volunteers, Territorial Army of the British Islands, Territorial Army and Volunteer Reserve of the United Kingdom, Our Predecessors' Army in India and the Armies of the East India Company and the Land Forces of Our and Our Predecessors' possessions beyond the seas'.

The current Strategic Plan was agreed by NAM Council in 2018 and the Museum uses this as a basis for future Business Plans. This Strategic Plan had a single aim, to stabilise the Museum in order to set the conditions for growth in 2019-20 and beyond. In addition, the Museum updated its Mission and Core Values as well as introducing a series of values and outputs:

Mission

'To tell the story of Our Army and the people who have served in it. To inspire, engage and educate through our world class Museum and Collections.

The current Strategic Plan has five key Objectives:

- Create memorable, relevant and accessible activities aligned to audience need in order to maximise audiences and generate footfall;
- Establish the NAM, nationally and internationally, as the first choice for the history and life of the British Army;
- Maximise financial resilience, organisational efficiency and sustainability;
- Safeguard and make accessible the collections and associated knowledge; and
- Develop a national footprint by establishing a network of partnerships, linkages and working relationships.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Values

Integrity, Rigour, Empathy, Creativity, Teamwork, Accessibility

Outputs

The Museum's main sponsor department, MoD, provides Grant-in-Aid to NAM for three reasons. Firstly, it wants to engage and inspire the public with the story of Our Army. Secondly, it expects NAM to support the education and research of those with an interest in British military history. Thirdly, it views NAM as a place where the historical provenance of the Army's values and ethos are explained using history and the stories of those that have served. NAM fulfils its objects and meets the Army's needs by providing two outputs:

- Output 1: A Museum in London with free access to the public that tells the story of Our Army and the people who served in it.
- Output 2: Institutional historical research service that is accessible to the public.

The Business Plan has five Key Strategic Objectives:

- Strategic Objective 1: - Connect the British public to the story of Our Army
- Strategic Objective 2: - Become the leading authority on the history of Our Army
- Strategic Objective 3: - Safeguard and make accessible our collections and expertise to the widest possible audience
- Strategic Objective 4: - Enable and support networks of military museums and heritage organisations in the UK
- Strategic Objective 5 - (Primary Enabling Objective): Build greater financial resilience and sustainability

Achievements, Objectives and Performance for the Year

This reporting period has coincided with Covid-19 and as such some of the planned objectives have either been put on hold or deferred until there is a clearer understanding of the effects and aftermath of the pandemic. That said, the Council of the National Army Museum continues to believe that the most important objective for the Museum is to increase the widest possible access to its Collections which includes those items on display at Chelsea, and at its Reserve Collection store in Stevenage which, while maintaining the security of the Collections, has been adapted to allow greater controlled access via an appointment system with the expert subject matter staff.

Covid -19 had many consequences for the Museum which are dealt with in greater detail within this report. However, the spread of the Covid-19 pandemic at the start of this reporting period placed severe restrictions on the ability for the Museum to grow audiences, raise non-public income and attract fundraising. The Museum recognised this at the outset and to ensure the Museum was maintained as a going concern, immediately reforecast its budget and agreed the necessary policies and procedures to be put in place, some with painful consequences, as the length of lockdown and restrictions became clearer. Grant in Aid (GiA) paid staff were not eligible for the furlough scheme, however in order to minimise loss of staff at the outset, those staff not paid directly via GiA were eligible and were quickly placed on this scheme or in some cases reassigned to support the Museum's work. The NAM Council met in an extraordinary meeting on 15 October 2020 to look at options for the Museum going forward. Decisions made were then implemented for completion by the end of the financial year.

Chelsea

The Museum at Chelsea has continued to be the focus of attention for the Senior Management Team in an effort to increase visitor numbers and visitor related income. This has been helped by a vibrant programme of temporary exhibitions which were developed and installed under Covid-19 restrictions.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

The Museum recognised that although there were limited opportunities to receive audiences in person in Chelsea it could reach out virtually and provide these remote audiences with content, lectures, discussions, and other forms of interaction with NAM. These remote activities have allowed NAM to reach audiences from across the world with inputs from as far afield as New Zealand and Chile.

The large temporary exhibition space now houses 'Foe to Friend: The British Army in Germany since 1945'. This exhibition opened in the middle of the pandemic in September 2020 and will run, due to Covid-19, beyond the normal annual cycle for temporary exhibitions, to ensure that as many people as possible can view it. It has already proven popular with the large veteran's community who had previously served in Germany.



Foe to Friend Exhibition, showing the entrance into the entrance of the exhibition

The smaller Focus Gallery has included several exhibitions. 'Tribute Ink', a joint touring project between the Royal British Legion and the National Memorial Arboretum which the Museum hosted had to be closed early because of the pandemic lockdown. This was followed with an important exhibition 'The Unknown Warrior', which was opened in October 2020 to mark the centenary of the burial of the Unknown Warrior in Westminster Abbey. Much important material was loaned into the exhibition, including an important oil painting from the Royal Collection, and a work from the parliamentary archive. A linked pop-up exhibition was also installed at Victoria Station with the helpful assistance of Network Rail. A virtual conference and considerable digital content was also produced, including learning resources, which will have longevity following the deinstallation of the exhibition in Spring 2021. A number of venues have also expressed interest in hosting a "pop up" version of the exhibition which will now "travel" in late 2021.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Stevenage

During this year, objects from the stored collections have continued to be produced whenever possible under Covid-19 restrictions for researchers on booked visits to the Museum's Collection Centre at Stevenage.

Reasons for research visits have also been categorised to enable the Museum to understand different types of use of the collection. This is currently split between collections research, family links to material produced, collections objects used to assist with production of replicas or copies, and other uses – including a fashion house looking for inspiration from different types of military footwear.

Use of the stored collections in publications from specialist societies has been actively encouraged, with the Museum's collection of rare and unusual Brodrick Caps, featuring in a special number of the Military Historical Society (MHS). This was combined with the collection being fully photographed and published on-line. Further projects with the society are planned.

Unfortunately, the monthly scheduled stores tours programme had to be suspended and was not re-introduced until September 2021.

Key Risks and Reserves

The risks to the Museum are regularly reviewed by the Senior Management Team and the Performance, Audit & Risk Assurance Committee (PA&RA). Throughout the period of this report the main identified risk was that of Covid -19 and the effect that it would have on NAM's operational budget of £7.5M (before depreciation) and in particular, its commercial income.

During this reporting period, the Museum like other similar institutions suffered under lockdown due to the outbreak of Covid-19. This meant that the Museum's trading arm, NAMTL, effectively lost over £600k in revenue. This was fed into the NAM group budget, with a very rapid reforecasting of the previously agreed forecast budget for 2020/21 carried out and approved by the NAM Council. The consequences have been covered in several relevant areas of this report.

A secondary risk remaining on the Risk Matrix, albeit a very low likelihood, would be the withdrawal of GiA funding. The Museum remains largely funded from GiA from the MOD and as such should this happen, it would present the Museum with a major problem. If no alternative was secured, it could have immediate consequences for the Museum, resulting in its possible closure within a three-month period. There are no indications from the Sponsor Department that this option is being considered and the Museum has received repeated assurances of ongoing funding and the Museum expects to be in a position where it can continue to operate effectively and grow, secure in the knowledge that its Sponsor recognises its value to the Army and is supporting it.

However, and recognising this second risk, the Museum has further assessed its Reserves Policy in accordance with guidance from the Charity Commission as detailed in its publication 'Charity Reserves: building resilience' and to meet the requirements of SORP 2015 (FRS 102). This policy recognises the cost of closure, including external contracts, local authority rates, utilities, staff salaries (including redundancy costs for those staff not paid via MoD). This policy assumes that those staff currently on analogous terms to Civil Service pay and conditions and currently paid through MoD, would continue to be funded through to closure by the Sponsor Department, this would include the liability for any redundancy costs. The settling of the Redevelopment Final Account in March 2020 would have ordinarily allowed the Museum to work towards building the Museum's Unrestricted Reserves up to its target of £1,000,000. However, and as mentioned previously, the pandemic has severely restricted the Museum's ability to generate additional funds which would have been placed into its Unrestricted Reserves. It is the NAM Council's view that this Reserves Policy once the value is raised to the target figure will provide the Museum with adequate financial stability and the means for it to meet its charitable objectives and operational expenditure for at least three months.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Current Position

Restricted Reserves

NAM currently holds a Restricted Reserve, excluding land and buildings and heritage assets, of £540,000 (2019-20: £474,000) to support specific elements of acquisition, care or display of collections or specific projects supporting educational, research or outreach activity.

Unrestricted Reserves

The current cash and cash equivalent value of Unrestricted Reserves shows a surplus of £104,000 compared to a surplus of £97,000 at the end of the previous year, an improvement of £7,000 over the year.

Oversight

The Council of NAM, via its PA&RA Committee, reviews the level of funds in both Restricted and Unrestricted Reserves four times a year. The Policy is reviewed annually at the Council's autumn meeting, prior to the Business Plan for the following year being finalised.

Delegated Authority to utilise Reserves

The Director as Accounting Officer has the delegated authority to utilise both Unrestricted and Restricted Reserves within his delegated financial limits. Any expenditure beyond these limits is to be referred to NAM Council for confirmation.

Assessment of Going Concern

The National Army Museum is a going concern for the foreseeable future. This is evidenced by the support it has received historically and continues to receive with its allocation of GiA. Further evidence of support is contained in the Triennial Review which was published on 9th February 2017. This review recognises the Service Museum's support of the heritage objectives of the MoD and recommends their retention as ENDPBs/NDPBs. The revised Financial Framework document agreed between NAM and the Sponsor Department on change of Director in 2018 further evidences the Sponsor's continuing support. The Museum received its full allocation of the GiA control total for 2020-21 and has received confirmation of continuing GiA operational funding for 2021-22 of £6,873,350 together with an ongoing written commitment for 2022-23 issued on 23 September 2021. NAMTL has been profitable for 2021-22 to date and these profits are forecast to increase during the remainder of this year.

PERFORMANCE ANALYSIS

Strategic Objective 1:

Connect the British Public to the Story of Our Army

1.1.1 Gallery Refreshment Programme

Using the Museum's Master Narrative as the key parts of the Army's story, the Museum was able to complete the first major component of the gallery refreshment programme. This was the 'Formation' gallery, which provides the Museum with an introductory gallery, and a place where all visitors are encouraged to start their visit.

The gallery refreshment programme will use the majority of the physical infrastructure and technical equipment provided as part of the 'Building for the Future project', capitalise on the investment in the conservation programme that accompanied it, and introduce some of the many acquisitions to the collections that the Museum continues to make. The programme will use both existing visitor feedback, as well as visitor research both at the formative and summative stages of gallery development, enabling lessons from each stage of the refreshment programme to be built into the next, as well as continued adjustments to completed projects.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

1.1.2 Refining Museum Gallery Displays

Work has continued to refine the gallery displays and more strongly link the interior and exterior of the Museum with Our Army. Work in non-gallery areas has continued to include provision of displays of historic photographs in connecting stairwells, used during one-way systems in place under COVID guidance; the completion of the modern Army headdress display, which now numbers over 80 items.

Additionally, the Museum has installed as a “gate guardian” a Challenger II at the front of the Museum to give it more presence at the roadside. The Challenger was gifted to the Museum by Headquarters Royal Armoured Corps, refurbished by the Museum, and painted in “urban camouflage”. This installation was supported in part by FCC, who previously, were supporters of the Museum redevelopment project completed in 2017.



Challenger II MBT

1.1.3 Maximising Museum Footfall

Maximising in person Museum footfall was a challenge this year, with Government restrictions and closures having a significant impact not only on the opportunity for audiences to visit the Museum but also the conditions under which they could attend. Having said that, the Museum successfully and safely re-opened to the public alongside the Government reopening dates for the Museum and Galleries sector and was one of the first to do so.

Understandably the overall footfall for the year was down, with only 11,536 visitors between July and December when the Museum was permitted to be open.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Considering the limited physical audience, the Museum pivoted and prioritised the delivery of its public programme and activities to reach audiences digitally which resulted in 79,179 participants/engagements over the period.

1.1.2.1 Army and Veteran Groups:

Working with the Army, regimental associations and veterans' groups, NAM Army and Veteran groups produced 1,277 visitors this year.

1.1.2.2 Schools:

The programme delivered to schools over the last year has been significantly affected. This enabled the learning team to focus their delivery primarily using digital means. In most cases they used existing curriculum-based workshops, which remained unchanged from the requirement of the National Curriculum. Digital delivery produced an unparalleled reach cross the country with sessions reaching schools in Cheshire, Somerset, Birmingham and many other places. Overall school sessions were delivered digitally to 7,207 children, while there were 135 physical visits to the Museum.

1.1.2.3 Other Groups:

Group visits were not possible during this year due to Covid-19 restrictions.

1.1.2.4 Family Activities:

Family activities were significantly affected by the lockdown; however a number were run on a virtual basis, enabling families at home to participate in activities. In addition, some family films were also produced in a short series called 'Operation Science'. These covered a number of themes including camouflage, supply drops, body armour and signalling. Each film was closely linked to items from the Museum's collections. 10,846 views of various family activities on-line took place during the reporting period.

Onsite family events attracted 137 children and 127 adults, whilst 464 people participated in live on-line events.

Family learning activity was also incorporated into the Museum's exhibition programme, including the new Formation gallery, where family visitors are encouraged to use the prompts 'Explore, Discover, Imagine'.

1.1.2.5 Public Programme and Special Events:

The need to deliver digitally this year was quickly realised and to kick off the digital public programme the Museum delivered a virtual VE Day Festival in May 2020 in partnership with The National Museum of the Royal Navy and The Royal Air Force Museum. The festival programme saw engagement of 14,268 across the events programme. The success of this partnership resulted in the delivery of the VJ75 programme and expanding the partnership to collaborate with the Commonwealth War Graves Commission, this programme of events reached an audience of 13,579.

Immediately following the Festival, the Museum re-commenced the regular Friday Insight Series, delivering digitally and subsequently in a hybrid format once in-venue activity could begin. Friday Insights delivered an audience of 17,556 both nationally and internationally across its live and catch-up service.

Overall, there were 109 public programme and Special Event Activity, 44 of which were the Friday Insight Programme.

Other highlights included the creation and delivery of the Foe to Friend Exhibition Tour to support the newly opened

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

gallery and give audiences the opportunity to see the Gallery when closed to the public.

In addition, the Museum participated in the second Chelsea History Festival in partnership with the Royal Hospital Chelsea and the Chelsea Physic Garden. As with the Museum's public programme this was a hybrid model with a combination of in-person and digital events taking place. A total of 36 events took place with a combined audience of 11,535. As in the previous year the programme consisted of a series of talks, musical performances and family friendly activities and sought to act as a place to pause and reflect on our past.



Opening of the 2020 Chelsea History Festival by the Director - Brigadier Justin Maciejewski DSO MBE and The Worshipful the Mayor of the Royal Borough of Kensington and Chelsea, Councillor Gerald Hargreaves

1.1.2.6 Special Exhibitions:

A programme for Special Exhibitions up to 2025 was planned during the year, enabling the Museum team to begin developing a number of them well ahead of their anticipated delivery dates and aligning capacity with the permanent gallery refreshment programme.

In addition to the exhibitions in both the major exhibition and focus galleries was the installation in September 2020 of the 'Kingsman Experience' in collaboration with Disney and 20th Century Fox. This provided an immersive installation of sets and props from the film 'The King's Man', and was installed in the Atrium and Formation Gallery space. This was also linked with a gallery trail of exhibits. Unfortunately, the revised release date for the film at the end of 2020 was deferred, and further lockdowns did not enable the benefits of the installation to be fully realised. The visitors to the Museum, while it was on, enjoyed the mixture of fact and fiction of the film's subject and how it linked to some of the Museum's content.

An unusual project required the de-installation and 3-D scanning of the skeleton of 'Marengo' from the Battle Gallery, to assist with an art installation project with the Musee de L'Armee. This work involved the Collections and Conservation team of the Museum working closely with colleagues from the Natural History Museum and the Musee de L'Armee conservation team digitally photographing the skeleton to allow a 3D printed model to be made. This model is now suspended above Napoleon's tomb.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

In addition, smaller exhibitions and “pop up” displays in the foyer and atrium area, which were scheduled for this year have been re-programmed for 2021/22 these included the Royal Army Dental Corps 100th anniversary pop up.

1.1.2.9 Venue hire did not take place this year due to Covid-19 restrictions and this was another factor in the reduction of income to the NAM Group.

1.1.2.10 Sandhurst:

The Museum has continued to work closely with The Royal Military Academy Sandhurst (RMAS). Despite the challenges of the pandemic, the first phase of works in Robertson House were completed, with a number of works of art hung in the Commandant’s office. Robertson House, along with the Indian Army Memorial Room (IAMR), is an important centre for Army engagement and a subsequent phase of work will see further works of art and memorial plaques installed to complete the Robertson House project.

1.1.2.11 Army Outreach:

Work with the serving Army and provision of exhibitions at MOD Main Building, the Royal Hospital Chelsea, Army Headquarters and Home Command has been curtailed this year. It is planned to reintroduce this activity as soon as is practicable. The Museum has provided support to the Army Sergeant Major with the provision of two short histories for use as part of the Army’s training resources. These are an introduction to the Army, which will be issued to all Army recruits. The second was for the ‘Becoming an NCO’ booklet, which gave the history of the Non-Commissioned Officer, illustrated with a number of historical examples.

The Museum continues to provide images for high level presentations for senior officers. This has included a number for the Chief of the Defence staff and Commander Strategic Command for presentation as part of international engagement activity

1.1.2.12 Digital Outreach

It has been another record-breaking year for website engagement, with the Museum achieving website visits for the year of 2,012,705, compared to 1,723,206 for 2019/20 which represents a 17% increase on last year’s previous record breaking year.

The main success story of this year has been the growth in visits to the collection section of the website. The significant increase in digital visitors visiting these pages suggests that the Museum’s online collection has increased its reach this year ensuring the Museum appeared always open online with the delivery of the ‘Highlights from Home’ series contributing to this success.

The ‘Highlights from Home’ series was one of the first series initiated to deliver content and access to collections to the public whilst the Museum was not accessible due to lockdowns. These specially created video series saw the production of 11 films in the first half of the year, using the Museums expert teams to tell the stories of these amazing objects and signposting the online collection to these engaged audiences. The videos were published using our owned channels, with You Tube being the most successful platform for this content.

Digital advertising continues to be a useful and cost-effective part of our media campaigns this year and has seen our audience segmentation model being utilised to more directly target and attract key audience segments.

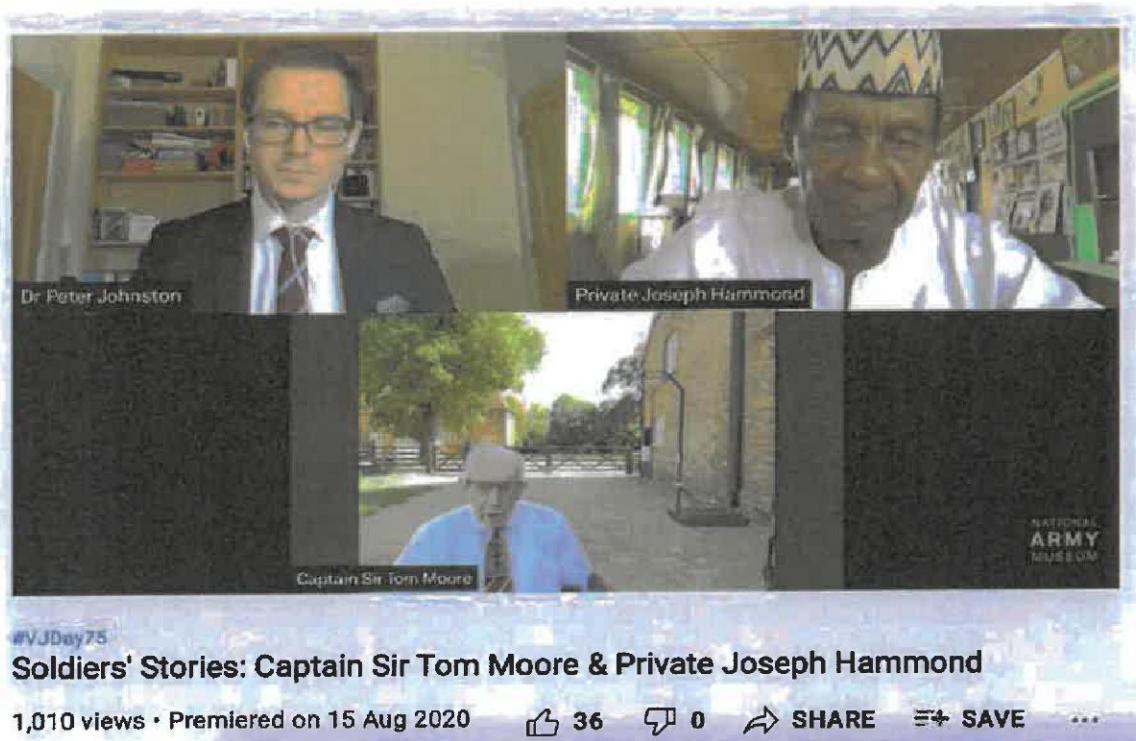
**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

1.1.2.13 Marketing and Communications

As the external environment drastically changed this year the marketing and communication approach also had to change in order to meet the different behaviours of our existing and emerging audiences.

With the closure of the Museum in the first quarter of the year the marketing and communications effort was centered around creating and re-purposing content to ensure that the Museum maintain its approach to be always open online.

The Virtual VE Day Festival saw the Museum and the partner Museums, The Royal Air Force Museum and The National Museum of the Royal Navy deliver a project in partnership which increased the reach and reputation of the individual institutions. The Festival saw in excess of 500 unique media articles with an estimated advertising value of over £200,000 and a reach in excess of 140 million, with the Museum's social channels delivering a reach of over 1.7 million. The VJ75 campaign which followed later in the year had an estimated advertising equivalent of £660,000 and a reach in excess of 126 million. With the unveiling of the Captain Sir Tom Moore portrait having the biggest influence on press coverage reach.



The re-opening of the Museum in Q2 offered the opportunity to re-engage with our physical audiences. As the first National Museum to re-open in July the Museum secured press coverage in The Times, The i and The Daily Express. The Museum's re-opening campaign was done in support of Government guidance, targeting local audiences via a limited print campaign which was focussed very closely to those with a 30 minute walk to the Museum and a wider digital campaign across owned and earned channels. The campaign delivered 1.7 million impacts and the print collateral had a recall rate of 41%. The digital campaign had success reaching a younger audience, with over 75% of the impressions generated from 18 to 34 year-olds. The combination of these factors resulted in an increase in visitors to the Museum either discovering NAM for the first time or making the decision to visit.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Following on from the re-opening campaign, the Marketing and Communications Plan focussed on the 'King's Man Exhibition' which the Museum hosted between August and October. The integrated campaign saw both an out of home campaign combined with a digital campaign across owned and earned channels. The digital campaign delivered over 3.8 million impressions and drove new audiences to the Museum.

The 'Foe to Friend' Exhibition which opened in September was supported by a soft launch campaign which was highly audience focussed – targeting those with a connection to those who have served in Germany as well as our key historian and identifier audiences. As this was highly targeted the campaign focussed in on specialist print titles and advertising rather than a large out of home campaign. The digital campaign delivered over 640,000 impressions.

The closure of the Museum in December 2020 and in the first quarter of 2021 saw the marketing and communications effort returning to that of always being open online and promoting the online public programme.

Our benchmarked brand awareness survey has shown that much of this activity is starting to have greater impact with our audiences, with our awareness growing 16 percentage points year-on-year from 24 to 40%.

Strategic Objective 2:
Becoming the Leading Authority on the History of Our Army

Establishing NAM as the leading authority on the history of Our Army is a journey that will take years, not months. It will also be something that can only be achieved by working in partnership with other institutions. A detailed four-year plan has been developed. Activity for this year can be grouped into the following areas.

2.2.1 Research and Collections Advisory Group

The group has continued to meet virtually during this year and continues to be consulted on a number of areas including the academic programme, and the refurbishment of the Museum's permanent galleries. This has included the review of the content for the Museum's new Global Gallery, which will form the next component of the Museum's permanent gallery refreshment programme.

2.2.2 Academic Partnerships

The partnership with the University of Kent which resulted in the development of a Massive Open Online Course (MOOC). 'The British Army 1815-1945' was made freely available during lockdown periods, enabling many staff and others to benefit from this course. Meetings with the Historical Branch (Army) have also been maintained virtually, enabling the Museum to understand and engage with that part of the Army's activity.

2.2.3 Regimental and Corps Museums

The National Army Museum Regimental Museums Liaison team continued to build on its work in 2020-21, with a very successful shift to primarily digital delivery. The annual Regimental Museums conference took place entirely digitally with record attendance, and is now firmly embedded within the Museum calendar. It is designed around the needs of the Regimental and Corps Museums community. Further explanation of this team's work is given under Strategic Objective 4.

2.2.4 Templer Study Centre

Visits to the Templer Study Centre (TSC) have been severely curtailed this year and a pre-booking system has been introduced to manage readers into the facility. The total of TSC users this year numbered 83. The number of public enquiries fielded by the Museum was 4,466, which was broadly in line with previous years. The opportunity to progress work on the books and archives collections, whilst the TSC has been closed, has been taken. Backlog cataloguing activity on both the printed books and archives collections has also been further advanced.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

2.2.5 Public Programme

The Public Programmes Team has been reaching out to academics at Universities both at home and internationally to take part in or lead the discussions in the Museum's public programme activity. Over the course of the year we have worked with academics from Kings College London, Cambridge, Bristol, Birmingham, Exeter, Oxford, Glasgow, Nottingham, Wolverhampton, Kent, Manchester Metropolitan, Essex and Syracuse Universities.

In addition to this, the programme has partnered with a number of organisations to deliver joint events, these have included the Museum of Military Medicine, The Western Front Association, The Commonwealth War Graves Commission and Combat Stress.

2.2.6 Venue of Choice for Subject Matter Expert Groups

The Museum established itself as a preferred London venue for military museums and other institutions that are involved with the study, research and communication of the history of Our Army. The Army Museums Ogilby Trust (AMOT), Society for Army Historical Research, The Centre for Historical Analysis and Conflict Research, and British Council for Military History all hosted events at the Museum this year. In addition, the Museum has also been successful in developing its relationships with the wider defence diplomatic community hosting events with the Embassies of Kosovo and Egypt as well as an event with the Bangladesh High Commission.

2.2.7 Book Launches

Under Covid-19 restrictions the Museum continued to take part in book launches but understandably these were very limited both in number and value. They mainly took place in conjunction with the Friday Insight Programme and some hybrid events programmes.

2.2.8 Conferences

Academic Conferences have also been delivered digitally during the course of the year, being organised by the Museum in partnership with others.

In November 2020 the Museum worked with the Commonwealth War Graves Commission to produce a two day conference, 'Remembrance in Focus: The past, present and future of commemoration'. This conference attracted 1,510 views across six events, either live or on catch up. 'Illusions of Peace' in January 2021 was run in partnership with the British Council for Military History and the Western Front Association and attracted views of 1,220 both live and on catch up.

2.2.9 War Graves Adjudication Unit (WGAU)

Historically, since the foundation of the National Army Museum's War Graves Adjudication Unit (WGAU) at the beginning of 2014, the aim has been for its researchers to complete and return to the Commonwealth War Graves Commission (CWGC) an average of fifteen verdicts a month in response to any cases of the apparent non-commemoration of eligible military personnel raised by members of the public. Over the period of this year the unit consisting of one full time member of staff, has returned over eighteen per month. This comprised 201 non-commemoration cases and 18 identification cases.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Strategic Objective 3:

Safeguard, and make accessible, our collections, and expertise, to the widest possible audience

3.3.1 Collections Centre, Stevenage

Due to Covid-19 restrictions opportunities have been limited for research visits. However, where practical under the relevant restrictions, visits have taken place.

3.3.2 Collections Development

The Museum continues proactively to collect material either through auction, discussions with the Army or by commissioning work. The pandemic initiated a COVID collecting project. As part of this, the artist George Butler was commissioned for the first time for ten works on the Army's response to the Covid-19 pandemic.

Collecting activity includes all collection types, as well as archives. Special attention is also paid to under-represented groups. This year this has included the Indian Distinguished Service medal awarded to an Indian Soldier who was decorated for gallantry in Italy and a Military Medal (MM) awarded to a locally recruited soldier in the East African Pioneer Company.

The Museum also continues to react to the many offers of donations of collections objects which are offered to it. This year this included the medals and other Second World War material relating to John Gilmour, Special Air Service.

3.3.3 Collections Management and Care

The Museum Standards and Care team is now a well-established team, providing high professional standards to their areas of work. They have successfully managed the programme for loans, both in and out, and completed all required audit activity. The conservation function has been strengthened this year with the addition of a textile conservator, primarily employed to support the gallery refreshment programme.

A large amount of collections information enhancement has been completed during lockdown to enhance records relating to people represented in the Museum's collections. Some of this was helped with National Archives record sets which had been made available, without charge, on-line. Some of this activity was undertaken by some of the Museum's volunteer cohort who were keen to support the Museum's work during lockdown. This included the digitisation and dataset of over 6,500 names from the Lloyd's Patriotic Fund killed and wounded roll of payments made during 1803-1819.

The photography of Field Marshal Sir John Chapple's Indian Army badge collection has also been completed, some 8,500 badges. Much of this will support the United Services Institute of India (USI) with the production of a reference work based on some of the badges.

3.3.4 Archives

This year has also seen further work on the archive of the Coldstream Guards, which is being added to the permanent collections. The acquisition of a large group of papers to the Staveley family was also acquired and forms a large cataloguing project across a multi-generational collection. This year an important collection of Crimean war letters and papers relating to George Charles Bingham, 3rd Earl of Lucan were purchased at auction and have also been added to the archive.

3.3.5 Notable Acquisitions

The Museum was able to strengthen its collections with a number of important acquisitions. A standout acquisition was the portrait of Captain Sir Tom Moore, the only one painted from life, painted by the Army veteran Alex Chamberlain. In addition, the Museum also acquired the photographic archive and medals of Captain W F Richardson, who served in the North Russia Campaign and died on active service there in 1920. An oil painting of Brigadier General Cecil Aspinall-Oglander CB CMG DSO, late Royal Munster Fusiliers, was also purchased at auction. Aside from his regimental service he wrote the official history of the Gallipoli Campaign, for which the Museum already has the working drafts in the Archives.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

3.3.6 Disposals

Disposals are an important part of collections activity and good progress had been made. A DUKW (amphibious vehicle) previously approved for disposal was sold in auction at Bonham's for £26,120. This money can be reinvested in the purchase of exhibits fund for future activity.

3.3.8 Loans Out

Between April 2020 and March 2021, the Museum loaned 14 objects to 7 UK venues and one international venue. We have loaned to Tate Britain twice in the past year as well as the School of Oriental and Asian Studies, The Wallace Collection, National Museum of Scotland, the Science Museum and the Florence Nightingale Museum. This also enabled conservation work, paid for by the lenders, to conserve a rare Chinese Labour Corps recruiting poster and a printed cotton handkerchief depicting the Battle of Waterloo.

3.3.9 Collections Audit

The Museum has employed three posts as temporary collections support roles to continue the programme of re-packing and collections audit. Much of this is included within the photography workflow to ensure that those parts of the collection that are poorly documented can be better understood. This work has been linked with the existing documentation plan, and a newly produced storage plan enabling the Museum to make best use of the storage space it has available.

Strategic Objective 4:

Enable and Support Networks of Military Museums and Heritage Organisations, in the UK

4.4.1 Support to Regimental and Corps Museums

In 2020-21 the NAM Regimental & Corps Museums Liaison team launched a new virtual training offer in response to the impact of the pandemic and the requirements of the network and organised 21 live virtual training courses accessible for staff, trustees and volunteers working in UK Army museums and collections in skills development and best practice, examples of which include:

- Regimental Curator's Course, a week-long course ran virtually over Zoom in October 2020
- Radiation Awareness & Supervisor courses, organised in partnership with Defence Science Technology Laboratory (DSTL)
- Collections Hazards
- Modes Collections Management System courses
- Emergency Planning & Salvage webinar
- Firearms in Museums training, organised in partnership with the Royal Armouries in Leeds

The live virtual NAM courses trained 232 curators, trustees and volunteers from Regimental and Corps Museums throughout the UK in 2020-21.

The Regimental & Corps Museums Liaison team also organised and released pre-recorded training videos on Army collection identification, history and best practice that were released on a specific YouTube channel for Regimental Museum curators. These pre-recorded training videos have had 1,937 views during 2020-21 from the particular group of over 140 UK museums and collections. 17 videos were created that include topics such as Introduction to Head Dress Badges, Auxiliary Forces, Contemporary Collecting and Medal identification.

The NAM Regimental & Corps Museums Liaison team dealt with an average of 25 enquiries per month for advisory support to museum curators. The Museum additionally continues to support regimental colleagues working alongside MOD Heritage Branch and the Army Museums Ogilby Trust to provide advice and support to the Regimental and Corps Museum network.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

4.4.2 International Partnerships

The NAM has worked to develop international partnerships based on shared military heritage in 2020-21. This includes facilitating virtual work and exploring collaboration with military museums and relevant heritage organisations from Ireland, the United States, India and other countries.

An example of this work is in October 2020 the NAM ran the second annual Military Museum Curator's Course in partnership with the United Service Institution of India (USI) and supported by the British High Commission. The course was delivered virtually due to the pandemic to museum staff from military museums throughout India with sessions on museum best practice and project updates.

4.4.3 Networks

The Museum has continued to work with Regimental & Corps Museum curators to establish and organise regional network hubs for military museums which aim to help them to share museum best practice, advice and guidance relating to the military museums sector, as well as exploring the potential for sharing resources and collaborative initiatives. The Museum encourages each network to initiate collaborative projects amongst museums in their regions for mutual support and benefit and the NAM particularly assists with project planning, coordinating, and seeking funding.

All regional network meetings took place virtually in this past year which helped enable the meetings to be more accessible to a wider range of each network's membership. The virtual meetings in 2020-21 subsequently had excellent representation from most of the member museums and the networks have proved to be helpful platforms for the museums to discuss Covid-19 responses and ideas for engaging with the public in new digital ways.

Strategic Objective 5:

Build greater Financial Resilience and Sustainability (Primary Enabling Objective)

5.5.1 Fundraising

The review of the strategy for funding has been streamlined to focus on clear projects that are required to be funded rather than a "global" ask. This is focussed on those signees of the Armed Forces Covenant and more specifically the companies that are members of the Defence Growth Partnership. Exhibition tickets and associated events are now among the benefits to be enjoyed by our Corporate Partners. The transfer that brought the Society of Friends of the National Army Museum (SOFNAM) into the Museum's new Membership scheme has now been fully bedded in with an increase of numbers even allowing for Covid-19.

5.5.2 Trading

Trading income totalled £128,000 compared to £681,000 for 2019/20. These impact of closure and reduced footfall as well as the inability to run all of the Museum's commercial activities due to Covid-19 restrictions had a significant impact on both income and profit.

The Museum's retail outlet was able to generate income of £39k. This was significantly reduced due to the limited trading period and low footfall. Online sales contributed 1% of total sales.

There was a small income of £4k generated from Play Base which was only able to open for 1 month in-between the periods of national lockdown.

Utilisation of our spaces for venue hire was limited to small children's activity classes. Other venue hire activity was not permitted under Covid-19 restrictions. This line of activity generated income of £4k between the months of September and December.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Other income received in year included support in the form of local restrictions funds for retail, hospitality and leisure, national lockdown grants, and the restart grant alongside furlough scheme payments.

5.5.3 IT Systems

At the start of this reporting period the Museum had to accelerate its provision for mobile working and cloud-based systems. IT systems which were under review and, by the diversion of funding, were quickly re-purposed to allow all staff to work from home either via the issue of laptop or desk top computer or, although providing limited access, iPads. Licences for the use of Zoom and Teams conferencing software were purchased to allow the Museum to still operate albeit remotely.

5.5.4 Data Protection

Data protection is always at the forefront of the Museum's operations and this is a standing item on the PARA Committee agenda. This was even more relevant with the mobile working format. Staff are briefed on induction and carry out regular refresher training via the Museum's E-learning system software. Work continues on GDPR to ensure that only relevant data is held. To assist in this work, the Museum at the end of the reporting period recognised the need to ensure that sufficient attention was given to resourcing a post that would look at the retention of data. Currently this is carried out as an "aside" to the Records Manager's post. Unfortunately due to the pandemic and lockdowns the Museum has struggled to fill this post but it is hoped that this is resourced fully in 2021/22. There have been no known incidents of loss of data during this reporting period. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Recent penetration testing did not identify major issues.

5.5.5 Health and Safety (H&S)

The Museum continues to ensure that all staff, volunteers and contractors comply with the H&S procedures in place. Accidents are few and regularly reported to the PARA Committee as a standing agenda item. During lockdown, the Museum did suffer an outbreak of legionella due to lack of turnover of stored water. The Museum quickly put in place a regime of turning over water, reduction of stored water and an increased testing regime. The result was a clean signed off "bill of health" prior to re-opening.

5.5.6 Fire Safety

Fire safety training both theory and practical are carried out regularly at the Museum. The Museum has regular visits from the local fire brigade where they acquaint all new members of the "watch" on the layout of the building and the potential hazards of the items stored within.

5.5.7 Emergency Planning

The Museum has its Emergency Plan which is regularly tested. Items requiring attention have all been closed. The Emergency Plan procedures were also examined as part of the H&S internal audit.

Financial Review

Consolidated Results for the Year Ended 31st March 2021

Total incoming resources for the Museum in 2020-21 amounted to £7,229,000 (2019-20 - £7,448,000). The principal funding source of the Museum is Grant-in-Aid funding received from the Ministry of Defence. In 2020-21 this was £6,843,000 (2019-20 - £6,616,000).

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Total resources expended amounted to £7,687,000 (2019-20 - £7,413,000). Resources expended includes non-cash expenditure in respect of the depreciation of tangible fixed assets and the reversal of previous impairment provisions of £970,000 (2019-20 - £484,000).

After adjustment for the revaluation of the Museum's leasehold property and other recognised gains and losses, the net movement in funds for the year showed a decrease of £1,424,000 (2019-20 – increase £479,000).

The Museum's net assets as at 31st March 2021 amounted to £106,282,000 (31st March 2020 - £107,706,000).

Changes in Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 7 to the accounts. During the year, the Museum spent £367,000 on additions to tangible fixed assets.

Future Plans

The focus of the NAM over this reporting period was to look at gallery refinements and where funding allowed, carry out work in accordance with the new Master Narrative and Interpretation Strategy. The Museum recognises the pressures on budgets and staff resources, and will now focus on producing one large temporary exhibition in the main exhibition space and several smaller exhibitions in the Focus Gallery, Atrium and front entrance area. It will continue to build on the success of the large exhibitions and, working with partners, will further develop the Focus Gallery exhibitions in line with the Master Narrative. The Museum obtained permission from the Sponsor Department to transfer a Lynx Mk 9A helicopter to NAM, which was installed in the Atrium in May 2021. Academic partnerships will continue to be a focus for the Academic Research Department who, working with Cambridge University, have funded a post graduate post for 2020.

Targets and Key Performance Indicators

Summarised below is the performance of the Museum against some key performance indicators over the last year

| | | 2019/20 | 2020/21 | Variance |
|------------------|---------------------------|-----------|-----------|----------|
| Audiences | Play Base | 75,283 | 953 | -99% |
| | School visits | 11,022 | 300 | -97% |
| | TSC visitors | 1,106 | 170 | -85% |
| | General visitors | 153,661 | 10,113 | -93% |
| | Total footfall | 241,072 | 11,536 | -95% |
| | Digital footfall | 1,723,206 | 2,012,705 | 17% |
| | Online: collections | 15% | 18% | 20% |
| | Online: what's on/stories | 83% | 79% | -5% |
| | Members (Patrons) | 578(30) | 582(26) | 1%(-13)% |
| | Trip Advisor rating | 83% | 79% | -5% |

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

| | | 2019/20 | 2020/21 | Variance |
|-------------|-----------------------------------|---------|---------|----------|
| Collections | Enquiries | 4,144 | 4,306 | 4% |
| | Objects photographed | 11,827 | 2,057 | -83% |
| | Objects published online | 2,186 | 4,612 | 110% |
| | Accessions (archives and objects) | 178 | 352 | 98% |

| | | | | |
|--------|------------|-------|------|------|
| People | FTE | 82.5 | 73.7 | -11% |
| | Volunteers | 82 | 7 | -91% |
| | Turnover | 19.6% | 13% | -34% |

| | | Actual 2019/20 | Actual 2020/21 | Variance |
|---------------------------------------|---|-------------------|-------------------|------------|
| Finance (Consolidated Group Accounts) | Income | £7,448,000 | £7,229,000 | -3% |
| | Expenditure including depreciation | £7,413,000 | £7,687,000 | 4% |
| | Surplus/(Deficit) (before gains and losses) | £35,000 | (£458,000) | (£493,000) |
| | Donations | £134,000 | £165,000 | 23% |

| | | | | |
|-------|-------------------|----------|------------|-------|
| NAMTL | Venue Hire | £81,085 | £4,257 | -95% |
| | Other Revenue | £494,685 | £115,050 | -77% |
| | Total Revenue | £575,770 | £119,307 | -79% |
| | Expenditure | £481,830 | £235,566 | -51% |
| | Net Profit/(Loss) | £93,940 | (£116,259) | -224% |



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

11th January 2022

National Army Museum
11th January 2022

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTOR'S REPORT

Members of Council

At a Privy Council Meeting on 8th July 2009, Her Majesty The Queen approved amendments to the Royal Charter of the National Army Museum. In line with para 7(2) of the amended Royal Charter, vacancies in the Membership occurring after the coming into effect of the amended Royal Charter are filled by persons nominated by the Council and approved by the Army Board. Para 8(1) of the amended Royal Charter states that the Chairman of the Council of the National Army Museum shall be nominated by the Council from among its Members and shall hold office (unless he or she shall earlier resign) for the residue of the period for which he or she has been appointed a Member. The relevant clause relating to the appointment of Members of Council is as follows: "7(1) The Membership of the Council shall be such number of persons as the Council shall from time to time determine being not more than twelve nor fewer than five".

The Council has chosen to subscribe to the principles of the Commissioner for Public Appointments Code of Practice for Public Appointments Procedures. In particular, Members of the Council have affirmed their commitment to the Principles of Public Life.

Register of Interests

A Register of Interests is maintained for Members of Council. This may be inspected on request at the Museum by prior appointment with the Director. No matters are noted in this Register which have given rise to specific conflicts with regard to Council's management responsibilities. In this period no such interests were declared.

Members of Council

Members of Council who served during the reporting period were as follows:

General Sir Richard Shirreff KCB CBE (Chair until 30 September 2021)
Lieutenant General Sir Simon Mayall KBE CB (Chair from 30 September 2021)
Mr Patrick Aylmer
Dr Jonathan Boff
Mrs Judith Donovan CBE
Mr John Duncan OBE
Mr Guy Perricone
Professor Andrew Roberts PhD – joined Council November 2020
Dr Paul Schreier
Ms Jessica Spungin – resigned from Council February 2021
Mrs Sabine Vandenbroucke
Mr William Wells

In addition to The Council there are two honorary advisors:

Mr Richard Hughes – Honorary Advisor on legal matters
Ms Brenda Hobday – Honorary Advisor on public relations and marketing matters

Recruitment, Appointment and Training of Council Members

New Members of Council are sought through national channels with applicants being interviewed by members of Council assisted by external assessors. Appointments are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

Organisation Structure and Decision-Making Process

The overall direction and operation of the NAM is vested in the Council of the Museum. The Council of the National Army Museum consists of up to twelve Members who serve for an initial period of three years from the date of their nomination.

The NAM Council has established a number of committees for specific purposes and to ensure the effective conduct of business. In 2018 the NAM Council agreed to address the areas of responsibility of these Committees. The result of that work is the following revised list of committees:

Collections & Research Committee

Performance, Audit & Risk Assurance Committee

Remuneration & Appointments Committee

Development Committee

The full Council has approved the terms of reference of each of these committees and, where it is practical, members do not sit on more than two committees.

The day-to-day operations are controlled by the Director of NAM with the assistance of the Senior Management Team (SMT). The following were the members of the Management Team during the year:

| | |
|--------------------------------------|---|
| Brigadier Justin Maciejewski DSO MBE | Director and Accounting Officer |
| Mr Mike O'Connor OBE | Deputy Director (Operations and Resources) |
| Mr Ian Maine | Assistant Director (Collections and Programmes) |
| Ms Teresa Scott | Assistant Director (Human Resources) |
| Ms Dawn Watkins (NAMTL) | Assistant Director (Enterprise) |

Towards the end of 2020 the Museum undertook a re-organisation across several departments to meet the on-going needs of the Museum. Regular meetings of the SMT take place, together with meetings involving heads of department and subject specialists, to ensure the smooth running of the NAM, with reference to the Museum's Mission Statement and Purpose, Strategic Plan, Business Plan and the Museum's Risk Management Policy & Risk Matrix. The Risk Matrix, which is regularly updated, is used as the basis of Internal Audit. The Museum is also subject to visits and receives advice from the MoD Fraud office who maintain a Fraud Risk Register and heat map across the MoD. The Museum is recognised as low risk.

STATEMENT OF TRUSTEES AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under directions given by HM Treasury in accordance with article 14 of the National Army Museum Royal Charter 1960 and law applicable to charities in England and Wales, the Council, as Trustees, is required to prepare financial statements for each financial year which give a true and fair view of the National Army Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements, that give a true and fair view, the Accounting Officer and Council are required to:

- Observe the accounts direction issued by HM Treasury in compliance with Charity Law, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31st MARCH 2021**

- State whether applicable accounting standards and statements of recommended practice as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures 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.

Under law applicable to charities in England and Wales, the Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable the Council to ensure that the financial statements comply with the applicable law. The Council is 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.

The Secretary of State has appointed the Director, the senior full time Museum official, as the Accounting Officer for the National Army Museum. Their relevant responsibilities as Accounting Officer, including their responsibility for the propriety and regularity of Parliamentary funded (Grant-in-Aid) finances for which they are answerable, for the keeping of proper records and safeguarding of the National Army Museum's assets are set out in the Non-Departmental Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

The Accounting Officer confirms that, as far as he is aware, there is no relevant audit information of which the Museum's auditor are unaware, and that all steps have been taken to make himself aware of relevant audit information and to make this available to the Museum's auditors.

The Accounting Officer confirms that the annual report and accounts as a whole are fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

GOVERNANCE STATEMENT

This Governance Statement sets out the arrangements for the governance of the NAM, including the Council and Committee structure for the Members. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chairman of the NAM Council and Accounting Officer previously contained in the Statement on Internal Control.

The Governance Framework

The NAM is a charity registered with the Charity Commission (registration number 237902) governed in accordance with its Royal Charter originally issued.

The Museum is a national museum as defined in the National Heritage Act 1983 Schedule 2 and Executive Non-Departmental Public Body (ENDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place that defines the arrangements between the Museum and its Sponsor Department - the Ministry of Defence, relating to the receipt of Grant-in-Aid and the conditions for its expenditure.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

The NAM Council and the Committee Structure

The NAM is governed by the NAM Council. The Charities Act 2011 requires the Council Members to exercise proper stewardship over the Museum and to take care of its collections.

The Director of the Museum is the Accounting Officer responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money. Each Accounting Officer has received full induction and access to all records to satisfy themselves on the Governance and the Financial Statements of the Museum.

Council Members are appointed by the NAM Council and approved by the Army Board. They are appointed for a term of three years and can be appointed for a further term of equivalent length. The NAM Council may appoint nominated external members to serve on specific committees to supplement the experience of Main Council Members. The nominated external members offer a level of expertise and independence that the Council members may not have.

Full minutes of all NAM Council and Committee meetings are maintained and the attendance of Council Members are recorded therein. Copies of NAM Council minutes are published on the NAM website.

The NAM Council Members receive induction training under the direction of the Director and are encouraged to familiarise themselves with the Museum's operations through work in committees where they are supported by the Museum's divisional Assistant Directors. Additionally, all Members of Council received trustee training from the Museum's legal advisors early in their tenure.

Due to the Covid-19 pandemic the NAM Council met on Zoom for four scheduled Council meetings during 2020-21. Additionally, the full NAM Council met for two extraordinary meetings to discuss the finances and recovery plans from Covid-19. Listed below are the Council Members and their attendance at Council meetings.

| Post | Name | Meetings whilst Member/Meeting Attendance |
|-------------|--|--|
| Chair | General Sir Richard Shirreff KCB CBE | 6/6 |
| Members | Mr Patrick Aylmer | 6/6 |
| | Dr Jonathan Boff | 6/6 |
| | Mrs Judith Donovan CBE | 6/6 |
| | Mr John Duncan OBE | 6/4 |
| | Lieutenant General Sir Simon Mayall KBE CB | 6/6 |
| | Mr Guy Perricone | 6/6 |
| | Professor Andrew Roberts PhD | 2/2 |
| | Dr Paul Schreier | 6/6 |
| | Ms Jessica Spungin | 6/6 |
| | Mrs Sabine Vandenbroucke | 6/6 |
| | Mr William Wells | 6/6 |

Register of Interests

A register of Members' relevant interests is maintained and is the first item on the agenda at all meetings of the Council and committees. Members are required to declare the fact that if they have an interest, pecuniary or otherwise, in any matter being considered by the Council. In this period no such interests were declared.

NAM Council Committees

The Committees are listed below with their membership and attendance at meetings.

The full Council has approved the terms of reference of each of these committees and, where it is practical, members do not sit on more than two committees. Due to Covid-19 restrictions the majority of meetings were held on Zoom.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Recruitment, Appointment and Training of Council Members

New members of Council are sought through national channels with applicants being interviewed by members of Council assisted by external assessors. Appointments are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff.

Performance, Audit & Risk Assurance Committee

During 2020-21 the Performance, Audit & Risk Assurance (PA&RA) Committee had four planned meetings. The Committee members and their attendance at the meetings are listed below:

| Post | Name | Meetings whilst Member/Meeting Attendance |
|-------------|--------------------------|--|
| Chair | Mr Patrick Aylmer | 4/4 |
| Members | Mr John Duncan | 4/4 |
| | Mr Guy Perricone | 4/4 |
| | Mrs Sabine Vandenbroucke | 4/4 |
| | Mr Robin Grimston | 4/4 |
| | Ms Brenda Hobday | 4/2 |

The Committee scrutinised the draft Annual Accounts for 2019-20 and recommended them to be approved by NAM Council in November 2020. They selected the Internal Audit topics and reviewed the reports produced by the Internal Auditors. Additionally, at their November meeting, they were briefed on the Performance Awards for the previous reporting period, which were in line with MoD guidance. The Committee reviews the abridged version of the Risk Matrix at each meeting where high risks to the Museum operations are discussed.

Collections & Research Committee

This held two planned meetings during 2020-21. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meetings whilst Member/Meeting Attendance |
|-------------|--|--|
| Chair | Lieutenant General Sir Simon Mayall KBE CB | 2/2 |
| Members | Mr John Duncan OBE | 2/2 |
| | Dr Jonathan Boff | 2/2 |
| | Mrs Sabine Vandenbroucke | 2/2 |
| | Professor William Philpott | 2/2 |

The Committee reviewed the development of research activity and collections development. They also approved a number of collections disposals.

Remuneration & Appointments Committee

This held one planned meeting during 2020-21. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meetings whilst Member/Meeting Attendance |
|-------------|--------------------------------------|--|
| Chair | General Sir Richard Shirreff KCB CBE | 1/1 |
| Members | Ms Jessica Spungin | 1/1 |
| | Mr William Wells | 1/1 |

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

Development Committee

This held four planned meetings during 2020-21. Listed below are the members of the Committee and their attendance at the meetings:

| Post | Name | Meeting whilst Member/Meeting Attendance |
|-------------|------------------------|---|
| Chair | Mr William Wells | 4/4 |
| Members | Mr Patrick Aylmer | 4/3 |
| | Dr Paul Schreier | 4/2 |
| | Mrs Judith Donovan CBE | 4/4 |
| | Mr Guy Perricone | 4/3 |
| | Mr Tim Cooke | 4/2 |

Due to Covid-19, the Development Committee refocussed its plans and revised its fundraising strategy to coincide with the launch of and financial support for the NAM Institute, a corporate funded strategy in line with the third year of the Chelsea History Festival and a partnership with the Telegraph Extra.

NAMTL

National Army Museum Trading Limited (NAMTL) is the established trading arm of the Museum. Its Board consists of five directors. The Board updates the NAM Council on its accounts and decisions made. Decisions taken by this company remain the responsibility of the Directors of NAMTL.

NAM Council Members' Performance.

The principal achievements of the Museum during the year are highlighted elsewhere in the Financial Statements, NAM Council Minutes and Business Plan. The Director attends meetings of the Army Heritage Committee where he reports on the plans of the NAM. Additionally, meetings were held with the Sponsor Department including Director Army Resources and the Chief Accountant Army Resources. These meetings are reported to the full NAM Council. Additionally, Army Resources are invited to attend NAM Council meetings to update the Council on matters affecting the Museum and to receive assurance on governance and the use of GiA.

NAM Council minutes are circulated to all Council Members with routine papers for all Council meetings. Committee chairs brief all NAM Council meetings and highlight any matters of particular concern.

There is a wide range of information and data (financial and otherwise) routinely available to Council Members, including management accounts. The Director works closely with the Deputy Director and the Head of Finance to refine the financial information supplied to Council. Members are satisfied that the information is available both on time and in a format that enables the Members to exercise proper oversight of the Museum.

Review of Effectiveness of Internal Control

To meet the responsibilities above, the NAM has in place a system of internal control. A framework contained within the Financial Procedures Manual was updated in Autumn 2019. This document lays down the procedures and systems that all staff employed at the NAM must sign up to ensure that financial controls are in place to reduce wasted expenditure and produce value for money. Access to the Museum's accountancy system is restricted to the role of the individual. Levels of access are password protected which expire and must be renewed every thirty days. All staff receive regular training on the Bribery Act, Data Protection Act and copies of these policies can be found on the NAM Intranet and as part of the induction procedure and Staff Handbook. An Information Asset Group responsible for all information assets has been established which reports annually to NAM Council via the PA&RA Committee.

Additionally, the Senior Management Team (SMT) reviews budgets and cost centres on a monthly basis to ensure that the spend profile is maintained and any anomalies are accounted for. To support the system, additional input is received from independent internal and external audit.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Internal Auditors

The Museum's current internal auditors, RSM Risk Assurance Services LLP (RSM) were appointed in October 2019 as part of a joint tender process by the NAM, the National Museum of the Royal Navy and the RAF Museum. RSM work to the Public Sector Internal Audit Standards and provide an independent opinion on the matters subject to review through the internal audit programme. They will also work across the three service Museums to provide a "joined up service" that will measure, where possible, each Museum to achieve best practice.

The Museum has a Risk Matrix to support its management of risk in the normal operations of the Museum. This Risk Matrix is used to identify the work to be undertaken by the internal auditors. Council's PA&RA Committee signs off the work programme and the same committee receives the internal auditors report at its end of year meeting.

The risks contained in the Risk Matrix have also been taken into account in the development of the Museum's strategic direction (through a process of cross-referencing between the specific risks and the principal strategic objectives) thereby mitigating some or all of those risks. During this reporting period, the Internal Auditors reported on the previous year's internal audit reports and additionally looked at Budgeting and Management Accounts, Return to Work, Safeguarding and Collections Management. The majority of the audit due to Covid-19 restrictions was carried out remotely. The overall Internal Audit Opinion for 2020-21 is that the governance, risk management and control framework provides moderate assurance, and that some improvements are required to enhance the adequacy and effectiveness of the controls.

External Auditors

The external auditor of the Museum is the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The accounts are consolidated with the accounts of the NAM's trading subsidiary (NAMTL) who are audited by Kreston Reeves LLP. The NAO is invited to attend the regular meetings of the PA&RA Committee which includes the "end of year" presentation of the Consolidated Financial Statements where it discusses their findings with the Committee.

Risk Management

A Risk Management Statement has been drawn up with reference to the HM Treasury Publication - Risk Management Assessment Framework (2009), JSP 462 (April 2017) Financial Management and Charging Policy Manual, and the Cabinet Office & HM Treasury publication, *Your Delivery Strategy* (September 2001).

The NAM Council affirms that in all situations where MOD Grant-in-Aid is concerned, the appetite for risk is conservative. The need to pay the staff, fund the provision of utilities, ensure compliance with Health & Safety at Work and other legislation/mandatory requirements and curate the Collections leaves no room for the assumption of more extreme risks. In all other instances, Council's risk assessment is made on a case-by-case basis, and is reviewed by Council at its periodic meetings, having regard to the NAM's Strategic Plan, Business Plan and investment and other professional advice taken by Council and the Director of the Museum, who reports to Council.

Regular reviews are carried out of the Risk Matrix and risks that are identified are addressed but, in all cases, the PA&RA Committee, acting on behalf of the NAM Council, reviews the matrix annually at its autumn meeting. The identification and evaluation of risk is an integral part of the NAM's performance management. Input into the Risk Matrix is Museum-wide and all departments are required to provide input via their Heads of Division.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

The NAM assesses its risks under the following categories:

- a. Governance;
- b. Finance;
- c. Building;
- d. Security;
- e. Employment;
- f. Collections.

The Museum's Risk Matrix is maintained under the guidance of the PA&RA Committee and focuses on the key risks posed to the Museum. These risks are assessed in terms of likelihood of occurrence and their potential impact. Appropriate mitigation activity is identified and recorded.

Information Risk Management

The NAM's Information Asset Ownership group comprises of the Senior Information Risk Officer (SIRO) and Information Asset Owners (IAO) from across the Museum's divisions. The group ensures that the Museum's Information Assurance Policy, Data Protection Act and Freedom of Information Act Legislation is complied with. The group meets regularly and discusses the management of information held by the NAM.

All staff are required as part of their induction to carry out online training in accordance with the National Archives directives. Information Sharing Agreements are in place with bodies that share NAM information.

Any information issues that arise are handled by the appropriate IAOs and referred to the group where necessary. Any incident of data loss or mishandling is handled in accordance with the Information Commissioner's guidance and reported to his office as required.

NAM has received no complaints in respect of its fundraising activities.

Statement of Assurance

The Accounting Officer has responsibility, on behalf of the full NAM Council, for the overall effectiveness of the Museum's governance arrangements and their compliance with Corporate Governance in Central Government Departments Code of Practice 2017 so far as this may be seen to apply to an 'Arms-Length Body' (as defined in *Managing Public Money*).

Auditors

These accounts are audited by the NAO on behalf of the Comptroller and Auditor General in accordance with current legislation and the Museum's Royal Charter. No non-audit services are provided to the Museum by the auditor.

The cost of the audit of the Museum and its trading company for 2020-21 is £33,690 (2019-20: £35,415) of which £28,840 relates to the audit of the Museum including £Nil (2019-20: £2,000) in relation to additional work on the 2019-20 audit expensed in the current year and £4,850 to the audit of NAMTL.

So far as the Accounting Officer (AO) and Council Members are aware, there is no relevant audit information of which the Museum's auditors are unaware. Furthermore, the AO and Council Members have taken all the necessary steps to make sure they are aware of any relevant information and to establish that the Museum's auditors are also aware of that information.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Director of the Museum is employed by the Council of the National Army Museum on terms and conditions that are similar to MOD senior civil servants. He holds an open-ended appointment and his salary is set on an annual basis by the Remuneration and Appointments Committee of Council by reference to the recommendations of the Senior Salaries Review Body. He is the only senior civil service staff or equivalent employee of the Museum.

Other members of the Senior Management Team are also employed on terms and conditions similar to MOD civil servants. Staff salaries are set by the Museum's Human Resources Department by reference to strict MOD guidelines and approved by the Director.

The NAM operates a performance appraisal review (PAR) system, which broadly follows the guidelines of the MOD civilian system. The marking system is based on agreed aims and objectives between the Line Manager (LM) and the member of staff. Dependent on direction from MOD on whether it is paying performance awards for the year, the Performance Award Group meet and assigns a value to marks in line with the MOD levels of award. The findings of the Group are then passed to the PA&RA Committee for a further check before being passed to the Council for approval.

Salary and Pension Entitlements (Subject to audit)

The salary and pension entitlements of the Senior Management Team of the Museum as detailed on page 22 were as follows (with comparative salary disclosures for 2019/20).

| | Salary (£'000) | | Performance Pay (£'000) | | Benefits in kind (to nearest £100) | | Pension benefits (£'000) | | Total remuneration (£'000) | |
|---|----------------|---------|-------------------------|---------|------------------------------------|---------|--------------------------|---------|----------------------------|---------|
| | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 |
| Justin Maciejewski <i>Director</i> | 140-145 | 140-145 | 0-5 | 5-10 | - | - | - | - | 145-150 | 150-155 |
| Mike O'Connor <i>Deputy Director</i> | 70-75 | 70-75 | - | - | - | - | 25 | 22 | 95-100 | 90-95 |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 65-70 | 65-70 | 0-5 | 0-5 | - | - | 27 | 37 | 95-100 | 105-110 |
| Ian Maine <i>Assistant Director - Collections and Programmes</i> | 65-70 | 65-70 | 0-5 | 0-5 | - | - | - | - | 70-75 | 65-70 |
| Dawn Watkins <i>Assistant Director - Enterprise</i> | 65-70 | 65-70 | 0-5 | 0-5 | - | - | - | - | 70-75 | 65-70 |

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

| | Accrued pension at pension age as at 31 March 2021 and related lump sum £'000 | Real increase in pension and related lump sum at pension age £'000 | CETV at 31 March 2021 £'000 | CETV at 31 March 2020 £'000 | Real increase in CETV £'000 | Employers contribution to NEST pension or personal £(nearest £100) |
|---|--|---|--------------------------------|--------------------------------|--------------------------------|---|
| Justin Maciejewski <i>Director</i> | - | - | - | - | - | 7,000 |
| Mike O'Connor <i>Deputy Director</i> | 20-25 | 0-2.5 | 442 | 424 | 23 | - |
| Teresa Scott <i>Assistant Director - Human Resources</i> | 25-30 plus a lump sum of 45-50 | 0-2.5 plus a lump sum of 0-2.5 | 397 | 367 | 13 | - |
| Ian Maine <i>Assistant Director - Collections and Programmes</i> | - | - | - | - | - | 3,500 |
| Dawn Watkins <i>Assistant Director - Enterprise</i> | - | - | - | - | - | 3,500 |

None of the above received any benefits in kind during the year (2019/20 £Nil).

No members of the Council received any remuneration during the year (2019/20 £Nil). During the year reimbursements were made to members of the Council totalling £124 (2019/20 £2,536) for travel and subsistence and £Nil (2019/20 £Nil) for hospitality.

Salary

“Salary” includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument.

Pension Benefits

Pension benefits are provided through the Principal Civil Service Pension Schemes (PCSPS). This scheme is an unfunded multi-employer defined benefits scheme but the NAM is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation is carried out periodically. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Principal Civil Service Pension Scheme (PCSPS)

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS) which has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year and pensions payable are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha between 1 June 2015 and 1 February 2022.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.). Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values and Real increase in CETV

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax. The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

Compensation for loss of office (Subject to audit)

No amounts were paid in respect of compensation for loss of office to any of the Management Team.

Fair pay disclosure (Subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration report of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-director in the National Army Museum in the financial year 2020-21 was £140,000-£145,000 (2019-20, £150,000-£155,000). This was 4.7 times (2019-20, 5.1) the median remuneration of the workforce, which was £30,749 (2019-20, £30,019).

In 2020-21 0 (2019-20, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £20,573 to £140,000-£145,000 (2019-20, £20,573 to £150,000-£155,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer-value of pensions.

Median total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

Staff Report

Staff costs and staff numbers (Subject to audit)

| | 2020/21 | 2019/20 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Staff costs comprise: | | |
| Wages and salaries | 2,934 | 2,888 |
| Social security costs | 283 | 284 |
| Pension costs | 326 | 331 |
| Redundancy costs | 61 | 0 |
| Temporary staff and recruitment costs | 595 | 657 |
| | <u>4,199</u> | <u>4,160</u> |

Excluding the Director and members of the Senior Management Team, no employees received remuneration for 2020-21 excluding pension contributions, greater than £60,000 (2019-20 no employees).

The average number of senior management and staff was:

| | 2020/21 | 2019/20 |
|-------------|-----------|-----------|
| Collections | 42 | 44 |
| Curatorial | 21 | 24 |
| Education | 7 | 4 |
| Publicity | 5 | 5 |
| Trading | 12 | 14 |
| Fundraising | 4 | 2 |
| | <u>91</u> | <u>93</u> |

26 (2019-20: 24) of the above staff are male and 65 (2019-20: 69) female. 6 (2019-20: 4) staff are employed on short term contracts with all other staff employed on a full time contract. The above includes an average of 22 (2019-20: 23) part time staff members for the year.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

Consultancy and off-payroll arrangements

NAM has engaged no individuals during the year under short term arrangements that could be seen to be similar to those envisaged by HM Treasury Guidance on off- payroll arrangements (2020: no individuals). Total expenditure for other consultancy services in the year was £23,425 (2020: £23,867).

Sickness and Absence data

The NAM employed 79 members of staff at 31 March 2021 (63 full-time and 16 part-time) and monitored sick absence as part of its commitment in promoting the health, safety and welfare of all members of staff. Information collated from the Department of Human Resources is available to the Museum's Management Team who are responsible for identifying potential risks arising from any patterns that may occur and also made available to NAM Council. During 2020-21, there were 223 (full time equivalent) days lost to sick absence compared to 548 days lost in 2019-20.

During the period, the average number of days' sickness absence per employee was 2.8 compared to 5.8 days in 2019-20 (long-term incidents of sickness absence have been excluded to give a more accurate picture of sickness absence at NAM). A policy on the management of attendance is in place to promote arrangements for dealing with sickness absence in a manner, which is fair and sensitive to staff, as well as minimising the effect of absences on operational requirements. In addition, the NAM has introduced a wellbeing initiative, which includes establishing and training Mental Health First Aiders, and training all line managers to raise awareness of mental health and wellbeing.

Equality, Diversity & Access

The NAM is an Equal Opportunities Employer.

The NAM is committed to providing a working environment in which members of staff are able to realise their full potential and contribute to the Museum's success.

The NAM will also take all reasonable steps to provide a work environment in which all workers are treated with respect and dignity and that is free of harassment. In order to create conditions, in which this goal can be realised, the NAM is committed to identifying and eliminating barriers, discriminatory practices, procedures, and attitudes throughout the Museum. Members of staff are expected and required to support this commitment, assisting in its realisation in all possible ways.

It is the NAM's policy not to discriminate against its workers on the basis of their gender, sexual orientation, marital or civil partnership status, any gender reassignment, disability, race, religion or belief, colour, nationality, ethnic or national origin, disability or age, pregnancy or trade union membership or employment status. The NAM will not condone any form of harassment, whether engaged in by workers or by third parties such as clients, customers, contractors and suppliers. Our workers and applicants for employment shall not be disadvantaged by any policies or conditions of service, which cannot be justified as necessary for operational purposes.

The NAM shall, at all times, strive to work within legislative requirements as well as promoting best practice, and is committed to the development of a diverse workforce. The Museum has issued an Equal Opportunities Policy Statement, and undertakes equal opportunities monitoring.

Employee Consultation and Involvement

The Director and Senior Management Team consult with the staff through the NAM's Staff/Management Forum, which was set up to encourage increased levels of communication and consultation across the whole of the Museum, and in shifting to a different and more progressive, delivery-focussed culture of working, exchanging views and ideas, discussing problems and planning for the future.

Communication and involvement with the staff is also maintained through various committees/groups, which include the Health & Safety Committee, regular Departmental and Divisional meetings, one-to-ones, monthly staff briefings and internal memoranda.

**NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021**

Employer Pensions

For 2020-21 employers' pension contributions for the Museum of £234,000 were payable to the PCSPS (2019-20 £246,000) at rates based on salary bands as follows:

| | | | |
|------------|---|-------------------|-------|
| Band one | - | £23,000 and under | 26.6% |
| Band two | - | £23,001 - £45,500 | 27.1% |
| Band three | - | £45,501 - £77,000 | 27.9% |
| Band four | - | £77,001 and over | 30.3% |

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Members of staff not eligible to join the PCSPS are automatically enrolled in the National Employment Savings Trust (NEST) with employer pension contributions of 5 per cent. Total employer contributions in this regard were £92,000 (2019-20 £85,000).

Civil service and other compensation schemes – exit packages (Subject to audit)

There were thirteen approved exit packages during the year at a cost of £61,782 (2019-20 £Nil).

Trade Union Facility Time (these tables are not subject to audit)

| | 2020/21 | 2019/20 |
|---|------------|------------|
| Table 1 | | |
| Number of employees who were relevant union officials during the period | 0 | 0 |
| Table 2 | | |
| Percentage of time | | |
| 0% | 0 | 0 |
| 1-50% | 0 | 0 |
| 51-99% | 0 | 0 |
| 100% | 0 | 0 |
| Table 3 | | |
| Total cost of facility time | £0 | £0 |
| Total pay bill | £3,604,000 | £3,503,000 |
| Percentage of the total pay bill spent on facility time | 0% | 0% |
| Table 4 | | |
| Time spent on paid trade union activities as a percentage of total paid facility time | 0% | 0% |

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of Expenditure (Subject to Audit)

NAM receives Grant-in-Aid (GiA) from MOD in support of its overall activities.

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

The total operating GiA for the last five financial years being as follows:

| | £'000 |
|---------|-------|
| 2020-21 | 6,713 |
| 2019-20 | 6,486 |
| 2018-19 | 7,084 |
| 2017-18 | 7,219 |
| 2016-17 | 5,906 |

Part of the GiA is used to cover the salaries of staff paid directly by MOD whilst the remaining GiA is received by NAM in a separate bank account.

In addition NAM received additional GiA for the purchase of Heritage Assets of £130,000.

Controls and procedures are in place to ensure only allowable expenditure is incurred on this account. Annual budgets are prepared for the expenditure of this GiA with monthly reporting of actual expenditure and anticipated outturns being made to the Management Team coupled with regular reporting to the PA&RA Committee.

These procedures help ensure that GiA is appropriately managed and that there is no overspend of GiA that cannot be funded from the Museum's other resources.

Other considerations (Subject to Audit)

NAM has no remote contingent liabilities that require notification to HM Treasury.

There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosure that have not been reported elsewhere in these financial statements.

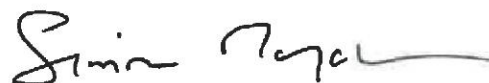
Long-term expenditure trends

Expenditure over the last five financial years as reported in the financial statements is summarised as follows:

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------------------------|--------------|--------------|--------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 4,199 | 4,160 | 3,685 | 3,544 | 3,250 |
| Premises costs | 1,028 | 1,050 | 1,074 | 946 | 415 |
| Collection maintenance | 530 | 357 | 574 | 694 | 1,443 |
| Events and promotion | 270 | 528 | 472 | 783 | 504 |
| Depreciation and loss on disposal | 970 | 862 | 894 | 901 | 482 |
| Impairment and impairment reversal | 0 | (378) | (649) | (1,192) | 7,659 |
| Administration and other | 690 | 834 | 853 | 973 | 935 |
| | <u>7,687</u> | <u>7,413</u> | <u>6,903</u> | <u>6,649</u> | <u>14,688</u> |



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
CHAIRMAN, ON BEHALF OF COUNCIL

11th January 2022

National Army Museum
11th January 2022

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2021

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the National Army Museum Group for the year ended 31 March 2021 under the Charities Act 2011 and under Royal Charter relating to the National Army Museum 1960. The financial statements comprise: the Consolidated and Parent Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), and directions issued under the Royal Charter relating to the National Army Museum 1960.

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the group's and of the National Army Museum's affairs as at 31 March 2021 and of the group's and the parent's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011 and HM Treasury directions issued thereunder.
- have been properly prepared in accordance with the applicable Royal Charter relating to the National Army Museum 1960 and the directions thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the National Army Museum in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Army Museum's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2021

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Army Museum's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises information included in the Trustees' Report, but does not include the financial statements and my auditor's report thereon. The Trustees and Accounting Officer are responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with directions made under the Royal Charter relating to the National Army Museum 1960; and
- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Army Museum and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report,

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008, require me to report to you if, in my opinion

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer

As explained more fully in the Statement of Trustees and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2021

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as Trustees and the Accounting Officer determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the group's and the National Army Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with the section 151 of the Charities Act 2011 and the Royal Charter relating to the National Army Museum 1960.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the National Army Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Army Museum's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Army Museum's and the Group's controls relating to the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960, the NAM Financial Framework, and Managing Public Money
- discussing among the engagement team (including significant component audit teams) and involving relevant internal and or external specialists, including regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, bias in management's estimates and posting of unusual journals;
- obtaining an understanding of National Army Museum's and the Group's framework of authority as well as other legal and regulatory frameworks that the National Army Museum and Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the National Army Museum and Group. The key laws and regulations I considered in this

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2021

context included the Charities Act 2011, the applicable Royal Charter relating to the National Army Museum 1960, the NAM Financial Framework, Managing Public Money, employment law, tax legislation and the Coronavirus Act 2020.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Performance, Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Council;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of revenue recognition due to fraud, assessing the recognition of income in line with the accounting framework and undertaking procedures to test the completeness of income.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Gareth Davies
Comptroller and Auditor General

Date 12 January 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

NATIONAL ARMY MUSEUM
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2021

| | NOTE | Unrestricted Funds | Restricted Funds | Total Funds 2020/21 | Total Funds 2019/20 |
|---|------|-----------------------|----------------------|------------------------|------------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Donations and legacies | 4 | | | | |
| Grant-in-Aid | | 6,713 | 130 | 6,843 | 6,616 |
| Other | | 23 | 142 | 165 | 134 |
| | | <u>6,736</u> | <u>272</u> | <u>7,008</u> | <u>6,750</u> |
| Trading activities | 4 | 103 | 47 | 150 | 681 |
| Investments | | 0 | 6 | 6 | 8 |
| | | <u>6,839</u> | <u>325</u> | <u>7,164</u> | <u>7,439</u> |
| Other | 4 | 65 | 0 | 65 | 9 |
| TOTAL | | <u><u>6,904</u></u> | <u><u>325</u></u> | <u><u>7,229</u></u> | <u><u>7,448</u></u> |
| Expenditure on: | | | | | |
| Raising funds | 5 | 1,109 | 77 | 1,186 | 1,345 |
| Charitable activities | 5 | 5,766 | 735 | 6,501 | 6,068 |
| TOTAL | | <u><u>6,875</u></u> | <u><u>812</u></u> | <u><u>7,687</u></u> | <u><u>7,413</u></u> |
| Operating surplus/(deficit) | | 29 | (487) | (458) | 35 |
| Net gains/(losses) on investments | | 0 | 47 | 47 | (43) |
| Net income/(expenditure) | | <u>29</u> | <u>(440)</u> | <u>(411)</u> | <u>(8)</u> |
| Transfers between funds | | 64 | (64) | 0 | 0 |
| Other recognised gains/(losses): | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 73 | (1,086) | (1,013) | 487 |
| Net movement in funds | | <u>166</u> | <u>(1,590)</u> | <u>(1,424)</u> | <u>479</u> |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 64,201 | 43,505 | 107,706 | 107,227 |
| Total funds carried forward | | <u><u>64,367</u></u> | <u><u>41,915</u></u> | <u><u>106,282</u></u> | <u><u>107,706</u></u> |

None of the Museum's activities were acquired or discontinued during the year. All of the Museum's recognised gains and losses for the year are included above.

The Statement of Financial Activities for the Charity alone is detailed in note 2 to the financial statements.


NATIONAL ARMY MUSEUM
CONSOLIDATED BALANCE SHEET
YEAR ENDED 31ST MARCH 2021

| NOTE | 2021 | | | | 2020 | | | |
|---|-------|----------------|---------|----------------|---------|----------------|---------|----------------|
| | Group | | Charity | | Group | | Charity | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | | | | |
| Tangible assets | 7 | 38,486 | | 38,484 | | 40,102 | | 40,100 |
| Heritage assets | 8 | <u>67,544</u> | | <u>67,544</u> | | <u>67,429</u> | | <u>67,429</u> |
| | | | 106,030 | | 106,028 | | 107,531 | |
| | | | | | | | | 107,529 |
| CURRENT ASSETS | | | | | | | | |
| Stocks | | 121 | | 0 | | 132 | | 0 |
| Debtors | 9 | 492 | | 595 | | 448 | | 616 |
| Investments | 10/11 | 244 | | 294 | | 197 | | 197 |
| Cash at bank and in hand | 11 | <u>332</u> | | <u>313</u> | | <u>375</u> | | <u>341</u> |
| | | 1,189 | | 1,202 | | 1,152 | | 1,154 |
| CURRENT LIABILITIES | | | | | | | | |
| CREDITORS: | | | | | | | | |
| Amounts falling due within one year | | | | | | | | |
| | 12a | <u>(757)</u> | | <u>(722)</u> | | <u>(626)</u> | | <u>(626)</u> |
| NET CURRENT ASSETS/ (LIABILITIES) | | | | | | | | |
| | | | 432 | | 480 | | 526 | |
| | | | | | | | | 528 |
| CREDITORS: | | | | | | | | |
| Amounts falling due after more than one year | | | | | | | | |
| | 12b | <u>(180)</u> | | <u>(133)</u> | | <u>(351)</u> | | <u>(351)</u> |
| TOTAL NET ASSETS | | | | | | | | |
| | | <u>106,282</u> | | <u>106,375</u> | | <u>107,706</u> | | <u>107,706</u> |
| RESERVES | | | | | | | | |
| Unrestricted Funds | | 64,093 | | 64,186 | | 64,000 | | 64,000 |
| Unrestricted Revaluation | | 274 | | 274 | | 201 | | 201 |
| Total Unrestricted Funds | 13 | <u>64,367</u> | | <u>64,460</u> | | <u>64,201</u> | | <u>64,201</u> |
| Restricted Funds | | 40,466 | | 40,466 | | 40,970 | | 40,970 |
| Restricted Revaluation | | 1,449 | | 1,449 | | 2,535 | | 2,535 |
| Total Restricted Funds | 13 | <u>41,915</u> | | <u>41,915</u> | | <u>43,505</u> | | <u>43,505</u> |
| | 14 | <u>106,282</u> | | <u>106,375</u> | | <u>107,706</u> | | <u>107,706</u> |

The financial statements were approved by the Council on 11th January 2022 and signed on its behalf by:



BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
 DIRECTOR AND ACCOUNTING OFFICER



LIEUTENANT GENERAL SIR SIMON MAYALL KBE CB
 CHAIRMAN, ON BEHALF OF COUNCIL

The notes on pages 43 to 61 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2021

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2020/21 £'000 | Total Funds 2019/20 £'000 |
|---|--------------------------------|------------------------------|------------------------------------|------------------------------------|
| Cash flows from operating activities: | | | | |
| Net cash provided by (used in) operating activities | 678 | 116 | 794 | 367 |
| Cash flows from investing activities: | | | | |
| Purchase of tangible assets | (367) | 0 | (367) | (184) |
| Proceeds from sale of heritage assets | 0 | 26 | 26 | 0 |
| Purchase of heritage assets | 0 | (145) | (145) | (300) |
| Net cash provided by (used in) investing activities | (367) | (119) | (486) | (484) |
| Cash flows from financing activities: | | | | |
| Repayments of borrowing | (354) | 0 | (354) | (19) |
| Cash inflows from new borrowing | 50 | 0 | 50 | 0 |
| Net cash provided by (used in) financing activities | (304) | 0 | (304) | (19) |
| Change in cash and cash equivalents in the reporting period | 7 | (3) | 4 | (136) |
| Cash and cash equivalents at the beginning of the reporting period | 97 | 475 | 572 | 708 |
| Cash and cash equivalents at the end of the reporting period | 104 | 472 | 576 | 572 |

An analysis of cash and cash equivalents together with an analysis of changes in net debt is given in note 11 of the financial statements.

Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | | | | |
|--|-----|-------|-------|-------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 29 | (440) | (411) | (8) |
| Adjustments for: | | | | |
| Depreciation charges | 259 | 711 | 970 | 862 |
| Interest payable | 14 | 0 | 14 | 18 |
| Impairment and impairment reversal | 0 | 0 | 0 | (378) |
| Loss/(profit) on the disposal of heritage assets | 0 | 44 | 44 | 0 |
| Tangible fixed asset adjustments | 0 | 0 | 0 | 60 |
| Donated heritage assets | 0 | (40) | (40) | (21) |
| Transfer between funds | 64 | (64) | 0 | 0 |
| (Increase)/decrease in stocks | 11 | 0 | 11 | 2 |
| (Increase)/decrease in debtors | 58 | (102) | (44) | 249 |
| Increase/ (decrease) in creditors | 243 | 7 | 250 | (417) |
| Net cash provided by (used in) operating activities | 678 | 116 | 794 | 367 |

The notes on pages 43 to 61 form a fundamental part of these financial statement

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) – (Charities SORP (FRS 102)) and guidance issued by H.M. Treasury in that the Financial Reporting Manual is applied insofar as it does not contradict the Statement of Recommended Practice.

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

(b) Basis of Consolidation

Consolidated financial statements have been prepared in respect of the charity and its wholly owned subsidiary, National Army Museum Trading Limited (“NAMTL”).

The Consolidated Statement of Financial Activities and Balance Sheet include the results and net assets of NAMTL on a line by line basis.

The financial statements of NAMTL used in consolidation are those for the period ended 31 March 2021.

(c) Going Concern

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Museum’s needs. We have considered a period of twelve months from the date of approval of the financial statements. The assumption relies on the continuation of Ministry of Defence funding at a similar level for the foreseeable future. The Museum has received confirmation of funding for 2021-22 together with an ongoing commitment and letter of support from its Sponsor Department for the period to March 2023. In order to ensure financial stability NAM Council has reviewed and approved budgets and cash flows through to March 2023.

(d) Incoming Resources

Incoming resources are included gross without the deduction of expenditure.

(e) Donations and Legacies

Grant-in-Aid is recorded on a received basis.

Grant-in-Aid is a payment by a public sector funder to finance part of NAM’s operations in support of NAM’s overall activities. Except where Grant-in-Aid has been awarded for a specific purpose such as the purchase of exhibits or redevelopment of NAM it is regarded as an unrestricted fund as it relates to the general operations of NAM without significant restrictions being placed on how the funds can be spent.

Other revenue grants are credited to incoming resources on the earlier of the date of receipt or when they are receivable, unless they relate to a grant for expenditure in future accounting periods, in which case they are deferred.

Grants for the purchase of fixed and heritage assets are credited to a restricted fund within incoming resources when receivable.

(f) Other Voluntary Income

The Museum derives voluntary income from donations, legacies, gifts and monies placed in donation boxes in the Museum. The income is recognised in the statement of financial activities where there is evidence of entitlement, receipt is probable and its

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

amount can be measured reliably. Donated services and facilities are included as income based on management's judgement of their market value.

(g) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the Museum will comply with the conditions attaching to them and the grants will be received. Grants relating to claims made under the Government job retention scheme and in respect of interest under the bounce back loan scheme are recognised as income in respect of the period to which they relate. Grants under the local restrictions support scheme are recognised when the Museum became entitled to the grant.

(h) Expenditure on Charitable activities

NAM has allocated its expenditure on charitable activities to the following areas of activity:

Collections costs are those incurred in acquiring and preserving objects and records relating to the British Army for the education, inspiration and enjoyment of the present generation and its successors, together with the presentation of the Museum's collections to its users.

Curatorial costs are those incurred in the research and interpretation of the Museum's collections to its users, including dealing with enquiries from the general public.

Education costs are those incurred in engaging and educating the general public, including children, in historic and contemporary issues relating to the British Army.

Publicity costs are those costs that are incurred in promotion of the Museum, specific exhibitions and in support of the off site activities of the NAM.

(i) Allocation of support and governance costs

Support and governance costs are those functions that assist NAM but do not directly undertake either Charitable or Fundraising activities. These costs include general administration, finance, personnel and governance costs which support NAM's activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. Costs not directly attributable to a specific category have been allocated based on the cost of staff time incurred.

(j) Pensions Cost

Long serving Museum staff, are covered by the provisions of the Principal Civil Service Pension Scheme ("PCSPS"), which provides benefits based on final pensionable pay. The pensions cost charged to the Statement of Financial Activities is represented by the contributions payable under the PCSPS to the Cabinet Office at rates determined from time to time by the Government Actuary's Department. PCSPS is a multi-employer scheme and NAM is unable to identify its share of any pension liability. Those staff not covered by the PCSPS are also entitled and are paid contributions to National Employment Savings' Trust or personal pension policies.

(k) Taxation

As a Registered Charity, the National Army Museum's charitable status has been recognised by HM Revenue & Customs. Non-recoverable Value Added Tax (VAT) arising from expenditure is charged to the statement of financial activities. All expenditure including capital expenditure is stated net of any recoverable VAT. VAT is then reclaimed from HM Revenue & Customs in accordance with section 33 of the VAT Act 1994.

All of the income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. All of the taxable profits of the trading subsidiary are distributed to the Charity under Gift Aid. The Corporation Tax liability of the trading subsidiary for the period ending 31 March 2021 was £Nil (2020:£Nil).

Deferred tax is recognised on any tax losses in the trading subsidiary to the extent that it is probable that these will be recovered

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

against future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

(l) Tangible Fixed Assets and Depreciation

Fixed assets are stated at their estimated current cost. For land and buildings this estimate is based on independent professional valuations obtained every five years, updated in the intervening years by the application of appropriate government issued indices provided by the Ministry of Defence. For other assets, the estimate is based on historic cost updated thereafter by the application of these indices. Fixed assets with a cost of less than £500 are not capitalised.

As a result of COVID-19, the circumstances and impact on markets has led to an increased level of uncertainty in indices used to revalue land and property. In the view of management however, the level of uncertainty attributable to revaluation of NAM's land and buildings would not be material to the financial statements as a result of the nature of the land and buildings held and the resultant indices applied. There is no evidence to show that the indices used are materially incorrect, and they remain the most appropriate indices to employ, although management do recognise that the inherent uncertainty may lead to a revision of values, albeit not considered to be material, when the potential impact of market changes are recognised in future indices.

Depreciation is provided on all tangible fixed assets on a straight-line basis over their estimated useful lives. These were principally:

| | |
|------------------------------|------------|
| Leasehold Buildings | 57 years |
| Fit-out of Buildings | 48 years |
| Plant and Machinery | 34 years |
| Short Leasehold Improvements | 41 years |
| Computer Equipment | 5-10 years |
| Fixtures and Fittings | 10 years |

The useful lives for leasehold buildings, fit-out of buildings and plant and machinery have been based on those advised as part of the 2017 property revaluation (see note 7).

The Museum does not capitalise website costs and development costs on internally generated projects, but treats these as expenditure as they are incurred. Expenditure on permanent exhibitions is capitalised in accordance with this policy whilst all expenditure on temporary exhibitions is written off as the expenditure is incurred.

The Museum continuously reviews its fixed assets to ensure they do not fall below recoverable amounts. Any asset that falls below its recoverable amount is adjusted to reflect the fall in value or is disposed of.

(m) Heritage Assets

(i) Valuation and Management

Heritage assets are recorded at the deemed cost carrying value established at 31st March 2010 with the introduction of FRS 30 adjusted for the cost of additions and the value of disposals since this date and any impairments in respect of material elements of the collection.

NAM conducts periodic reviews of its heritage assets for any impairment to the collection. No impairments were identified for the current or preceding year.

Donated assets are included based on internal estimates by the relevant curator using their experience and judgement and by reference to third parties, if considered appropriate.

Heritage assets comprise of approximately one million items. For the 2010 valuation the Collection was divided into two categories. The first category comprised Victoria Crosses, George Crosses, field marshals' batons, oil paintings and other high-value items of fine and decorative art, coatees, rare books, oral history interviews, sound discs and film records. These were

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

valued by expert members of staff, some of them with the assistance of former colleagues. The valuations of the historic military vehicles part of the collection is supported by a third party valuation of the historic military vehicles made in 2008-9 by Julian Shoolheifer Limited (Fine Art Valuers) PO Box 186, Saffron Walden, CB10 9AY.

The remainder of the Collection was valued by expert members of staff on the basis of auction realisations, knowledge of their specialist areas and inflation-adjusted prices paid for exhibits purchased by the Museum.

(ii) Depreciation

Depreciation is not provided on historic heritage assets due to the fact that they have an indefinite life. The carrying value of individual items is periodically reviewed and written down where required.

(iii) Preservation Costs and Management

Expenditure which, in the Council's view, is required to preserve or clearly prevent further deterioration of individual collection items is written off and recognised in the Statement of Financial Activities when it is incurred.

(iv) Acquisitions and Disposals

The Museum's collecting activities are subject to the availability of objects and financial resources with every effort made to achieve a balanced collection in terms of both geography and chronology. The Acquisition and Disposals Policy also takes into account the needs of other museums.

By definition, the Museum has a long-term purpose and maintains a permanent Collection in relation to its stated objectives. The Council accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items from the Museum's Collection.

Final approval for the disposal of a heritage asset rests with the Acquisition and Disposal Committee and this authority is devolved from the Museum's Trustees, the Council of the NAM. A curator recommends the object for disposal and relevant paperwork is counter-signed by the head of department concerned and the Assistant Director (Collections).

A copy of the Museum's Full Acquisition & Disposal Policy is available on its website.

(n) Investments

Investments are included at their market value as at the year-end. Gains or losses arising from disposals of fixed asset investments, together with unrealised gains and losses are included in the statement of financial activities.

(o) Stocks

Stocks are stated at the lower of cost or net realisable value.

(p) Liabilities

Where expenditure has been incurred but remains unpaid at the year-end a liability is recorded by the Museum. Where amounts have not been invoiced an estimate is made of the amount to be accrued and included as a liability.

(q) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

All Museum leases are currently operating leases and it has no finance leases.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

(r) Financial Instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, trade debtors, trade creditors, and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

The loan from the Royal Borough of Kensington and Chelsea has been assessed as a basic financial liability and is being measured using an amortised cost basis.

(s) Restricted and unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor, details of restricted funds are given in note 14 of the financial statements. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

Unrestricted funds are donations and other incoming resources received or generated for the Museum's charitable purposes.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

2. Statement of Financial Activities for the Charity alone

| | Unrestricted Funds | Restricted Funds | Total Funds 2020/21 | Total Funds 2019/20 |
|---|-----------------------|---------------------|------------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | |
| Donations and legacies | | | | |
| Grant-in-Aid | 6,713 | 130 | 6,843 | 6,616 |
| Other | 23 | 142 | 165 | 273 |
| | <u>6,736</u> | <u>272</u> | <u>7,008</u> | <u>6,889</u> |
| Trading activities | 26 | 47 | 73 | 106 |
| Investments | 3 | 6 | 9 | 10 |
| | <u>6,765</u> | <u>325</u> | <u>7,090</u> | <u>7,005</u> |
| Other | 0 | 0 | 0 | 8 |
| TOTAL | <u>6,765</u> | <u>325</u> | <u>7,090</u> | <u>7,013</u> |
| Expenditure on: | | | | |
| Raising funds | 900 | 77 | 977 | 882 |
| Charitable activities | 5,743 | 735 | 6,478 | 6,052 |
| TOTAL | <u>6,643</u> | <u>812</u> | <u>7,455</u> | <u>6,934</u> |
| Operating surplus/(deficit) | 122 | (487) | (365) | 79 |
| Net gains/(losses) on investments | 0 | 47 | 47 | (43) |
| Net income/(expenditure) | <u>122</u> | <u>(440)</u> | <u>(318)</u> | <u>36</u> |
| Transfers between funds | 64 | (64) | 0 | 0 |
| Other recognised gains/(losses): | | | | |
| Gains/(losses) on revaluation of fixed assets | 73 | (1,086) | (1,013) | 487 |
| Net movement in funds | <u>259</u> | <u>(1,590)</u> | <u>(1,331)</u> | <u>523</u> |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 64,201 | 43,505 | 107,706 | 107,183 |
| Total funds carried forward | <u>64,460</u> | <u>41,915</u> | <u>106,375</u> | <u>107,706</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

3. Consolidated Statement of Financial Activities analysis of comparative amounts for year ended 31st March 2020

| | Unrestricted Funds | Restricted Funds | Total Funds 2019/20 |
|---|-----------------------|----------------------|------------------------|
| | £'000 | £'000 | £'000 |
| Income and endowments from: | | | |
| Donations and legacies | | | |
| Grant-in-Aid | 6,486 | 130 | 6,616 |
| Other | 93 | 41 | 134 |
| | <u>6,579</u> | <u>171</u> | <u>6,750</u> |
| Trading activities | 681 | 0 | 681 |
| Investments | 0 | 8 | 8 |
| | <u>7,260</u> | <u>179</u> | <u>7,439</u> |
| Other | 9 | 0 | 9 |
| TOTAL | <u><u>7,269</u></u> | <u><u>179</u></u> | <u><u>7,448</u></u> |
| Expenditure on: | | | |
| Raising funds | 1,313 | 32 | 1,345 |
| Charitable activities | 5,750 | 318 | 6,068 |
| TOTAL | <u><u>7,063</u></u> | <u><u>350</u></u> | <u><u>7,413</u></u> |
| Operating surplus/(deficit) | 206 | (171) | 35 |
| Net gains/(losses) on investments | 0 | (43) | (43) |
| Net income/(expenditure) | <u><u>206</u></u> | <u><u>(214)</u></u> | <u><u>(8)</u></u> |
| Transfers between funds | 49 | (49) | 0 |
| Other recognised gains/(losses): | | | |
| Gains/(losses) on revaluation of fixed assets | 27 | 460 | 487 |
| Net movement in funds | <u><u>282</u></u> | <u><u>197</u></u> | <u><u>479</u></u> |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 63,919 | 43,308 | 107,227 |
| Total funds carried forward | <u><u>64,201</u></u> | <u><u>43,505</u></u> | <u><u>107,706</u></u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

4. Income and endowments

| | Unrestricted Funds | Restricted Funds | Total Funds 2020/21 | Total Funds 2019/20 |
|--|-----------------------|---------------------|---------------------------|---------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| (a) Donations and legacies comprise: | | | | |
| Grant-in-Aid: | | | | |
| -Operating | 6,713 | 0 | 6,713 | 6,486 |
| -Exhibits | 0 | 130 | 130 | 130 |
| | <u>6,713</u> | <u>130</u> | <u>6,843</u> | <u>6,616</u> |
| Grants towards acquisition of heritage assets: | | | | |
| -The Art Fund | 0 | 16 | 16 | 0 |
| | <u>0</u> | <u>16</u> | <u>16</u> | <u>0</u> |
| Other restricted donations | | | | |
| - Donated heritage assets | 0 | 40 | 40 | 21 |
| - Development of Foyle learning suite | 0 | 0 | 0 | 20 |
| - Grant towards tank installation display | 0 | 65 | 65 | 0 |
| - Other projects | 0 | 21 | 21 | 0 |
| | <u>0</u> | <u>126</u> | <u>126</u> | <u>41</u> |
| Other unrestricted donations | 23 | 0 | 23 | 93 |
| Total other donations | <u>23</u> | <u>142</u> | <u>165</u> | <u>134</u> |
| Total donations and legacies | <u>6,736</u> | <u>272</u> | <u>7,008</u> | <u>6,750</u> |
| (b) Trading income comprises | | | | |
| - Shop sales | 39 | 0 | 39 | 201 |
| - Playbase and childrens parties | 4 | 0 | 4 | 247 |
| - Exhibitions | 27 | 47 | 74 | 81 |
| - Room hire | 7 | 0 | 7 | 81 |
| - Other | 4 | 0 | 4 | 71 |
| | <u>81</u> | <u>47</u> | <u>128</u> | <u>681</u> |
| Deferred tax on NAMTL loss | 22 | 0 | 22 | 0 |
| | <u>103</u> | <u>47</u> | <u>150</u> | <u>681</u> |
| (c) Other operating income comprises | | | | |
| - Government Covid-19 support grants | 65 | 0 | 65 | 0 |
| - Other | 0 | 0 | 0 | 9 |
| | <u>65</u> | <u>0</u> | <u>65</u> | <u>9</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

5. Expenditure

(a) Expenditure on Raising Funds comprise:

| | Trading | Fundraising | Total 2020/21 | Total 2019/20 |
|------------------------------------|------------|-------------|------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 471 | 226 | 697 | 723 |
| Premises costs | 30 | 31 | 61 | 57 |
| Cost of sales | 23 | 0 | 23 | 169 |
| Subsidiary overheads | 6 | 0 | 6 | 24 |
| Collections maintenance | 0 | 29 | 29 | 9 |
| Depreciation and loss on disposal | 39 | 40 | 79 | 62 |
| Impairment and impairment reversal | 0 | 0 | 0 | (27) |
| General administration costs | 13 | 35 | 48 | 78 |
| Consultancy | 1 | 1 | 2 | 2 |
| Insurance and professional fees | 8 | 8 | 16 | 9 |
| Support costs | 83 | 52 | 135 | 154 |
| Governance | 55 | 35 | 90 | 85 |
| | <u>729</u> | <u>457</u> | <u>1,186</u> | <u>1,345</u> |

(b) Expenditure on Charitable Activities comprise:

| | Collections | Curatorial | Education | Publicity | Total 2020/21 | Total 2019/20 |
|------------------------------------|--------------|--------------|------------|------------|------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 1,143 | 859 | 368 | 284 | 2,654 | 2,558 |
| Premises costs | 532 | 145 | 58 | 52 | 787 | 826 |
| Collections maintenance | 501 | 0 | 0 | 0 | 501 | 348 |
| Event costs | 0 | 0 | 49 | 0 | 49 | 101 |
| Promotion costs | 0 | 0 | 0 | 221 | 221 | 427 |
| Depreciation and loss on disposal | 322 | 189 | 76 | 68 | 655 | 617 |
| Impairment and impairment reversal | 0 | 0 | 0 | 0 | 0 | (270) |
| General administration costs | 115 | 70 | 26 | 25 | 236 | 251 |
| Consultancy | 10 | 6 | 2 | 2 | 20 | 16 |
| Insurance and professional fees | 62 | 37 | 15 | 13 | 127 | 95 |
| Interest payable | 14 | 0 | 0 | 0 | 14 | 18 |
| Support costs | 380 | 184 | 85 | 94 | 743 | 699 |
| Governance costs | 252 | 124 | 56 | 62 | 494 | 382 |
| | <u>3,331</u> | <u>1,614</u> | <u>735</u> | <u>821</u> | <u>6,501</u> | <u>6,068</u> |

(c) Governance and support costs comprise:

| | 2020/21 | | | | 2019/20 | | |
|-------------------------------------|------------|--------------------|---------------------------|------------------|------------|------------|------------|
| | Finance | Human Resources | Information Technology | Total Support | Governance | Support | Governance |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff costs | 252 | 167 | 128 | 547 | 301 | 588 | 291 |
| Premises costs | 50 | 32 | 26 | 108 | 72 | 118 | 49 |
| Depreciation and loss on disposal | 65 | 43 | 35 | 143 | 93 | 129 | 54 |
| Impairment and impairment reversal | 0 | 0 | 0 | 0 | 0 | (57) | (24) |
| General administration costs | 22 | 15 | 12 | 49 | 34 | 52 | 22 |
| External audit | 0 | 0 | 0 | 0 | 34 | 0 | 35 |
| Internal audit | 0 | 0 | 0 | 0 | 12 | 0 | 14 |
| Consultancy | 2 | 1 | 1 | 4 | 3 | 4 | 2 |
| Insurance and professional fees | 12 | 8 | 7 | 27 | 35 | 19 | 19 |
| Trustees expenses and meeting costs | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| | <u>403</u> | <u>266</u> | <u>209</u> | <u>878</u> | <u>584</u> | <u>853</u> | <u>467</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

Governance and support costs in respect of staff, premises, depreciation and administration have been allocated based on the estimated time spent by staff on these activities and the cost of these staff. Other costs have been allocated based on the amounts invoiced for these services.

Trustees expenses of £124 (2020: £2,536) relate to travel expenses reimbursed for 2 trustees (2020 – 4 trustees). In addition, NAM incurred £Nil (2020: £2,482) in relation to Trustee meeting costs.

| 6. Total expenditure is stated after charging the following items: | Unrestricted Funds | Restricted Funds | Total 2020/21 | Total 2019/20 |
|---|---------------------------|-------------------------|----------------------|----------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Auditors' remuneration | | | | |
| - audit services | 34 | 0 | 34 | 35 |
| Staff costs | | | | |
| - wages and salaries | 2,934 | 0 | 2,934 | 2,888 |
| - social security costs | 283 | 0 | 283 | 284 |
| - pension costs | 326 | 0 | 326 | 331 |
| - redundancy costs | 61 | 0 | 61 | 0 |
| - temporary staff and recruitment costs | 585 | 10 | 595 | 657 |
| | <u>4,189</u> | <u>10</u> | <u>4,199</u> | <u>4,160</u> |
| Operating lease costs | | | | |
| - land and buildings | 242 | 0 | 242 | 235 |
| - other | 13 | 0 | 13 | 13 |
| | <u>255</u> | <u>0</u> | <u>255</u> | <u>248</u> |

The external audit fee for the Charity was £28,840 (2020: £30,000). This fee includes £Nil in relation to additional work on the 2019-20 audit expensed in the current year (2020: £2,000). During the year NAM did not contract any non-audit services from its external auditor, the National Audit Office (NAO).

The external audit fee for the subsidiary NAMTL was £4,850 (2020: £5,415).

Redundancy costs for 2020/21 related to thirteen approved exit packages during the year.

NATIONAL ARMY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

7. Tangible Fixed Assets

| GROUP | Long Leasehold Land and Buildings | Short Leasehold Improvements | Computer Equipment | Fixtures & Fittings | Total |
|-------------------------|--|-------------------------------------|---------------------------|--------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| VALUATION | | | | | |
| At commencement of year | 41,031 | 838 | 447 | 1,458 | 43,774 |
| Additions at cost | 0 | 4 | 49 | 314 | 367 |
| On revaluation | (1,086) | (25) | 5 | 93 | (1,013) |
| Disposals | 0 | (33) | 0 | 0 | (33) |
| At end of year | 39,945 | 784 | 501 | 1,865 | 43,095 |
| DEPRECIATION | | | | | |
| At commencement of year | 2,174 | 157 | 353 | 988 | 3,672 |
| Charge for year | 718 | 28 | 31 | 119 | 896 |
| On revaluation | (7) | 0 | 3 | 52 | 48 |
| Disposals | 0 | (7) | 0 | 0 | (7) |
| At end of year | 2,885 | 178 | 387 | 1,159 | 4,609 |
| NET BOOK VALUE | | | | | |
| At 31 March 2021 | 37,060 | 606 | 114 | 706 | 38,486 |
| At 31 March 2020 | 38,857 | 681 | 94 | 470 | 40,102 |

All fixed assets are owned by the Charity with the exception of £2,000 of fixtures and fittings owned by National Army Museum Trading Limited.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

Included in long leasehold land and buildings is a sum of £8,505,000 (2019/20 £9,074,000) for land, which has not been depreciated.

Gerald Eve, Chartered Surveyors undertook a valuation of the long leasehold land and buildings as at 31st March 2017 following the reopening of the Museum. The valuation was undertaken in accordance with the RICS Appraisal and Valuation Manual and valued on the Depreciated Replacement Cost basis given the specialist nature of the property.

The valuation apportioned the total land and buildings as follows:

| | £'000 |
|------------------------|---------------|
| Land | 8,800 |
| Structure of buildings | 13,858 |
| Fit-out of buildings | 4,201 |
| Plant and machinery | 11,995 |
| | <u>38,854</u> |

The Museum is housed in a purpose built property in Chelsea on land owned by the Royal Hospital Chelsea, the lease is for 999 years at a peppercorn rent of one guinea per annum. The lease restricts the use of the building to that of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Majesty and her predecessors etc. All material tangible fixed assets are used in Direct Charitable Activities.

8. Heritage Assets

(a) Carrying value

| | Museum Collection £'000 |
|---------------------------------|--|
| At commencement of year | 67,429 |
| Additions | 185 |
| Disposals | (70) |
| At end of year | <u>67,544</u> |
| Net Book Value at 31 March 2021 | <u>67,544</u> |
| Net Book Value at 31 March 2020 | <u>67,429</u> |

| | 2021 £'000 | 2020 £'000 |
|---------------------------------------|-----------------------|-----------------------|
| The carrying value comprises: | | |
| Exhibits | 35,658 | 35,640 |
| Fine and decorative arts | 20,202 | 20,109 |
| Archives, photographs, film and sound | 10,531 | 10,527 |
| Printed books | 1,153 | 1,153 |
| | <u>67,544</u> | <u>67,429</u> |

During the year the Museum disposed of a DUKW tank for £26,120, which was included in the Collection at £70,000.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

(b) Five year financial summary of heritage asset transactions

| | 2021 £'000 | 2020 £'000 | 2019 £'000 | 2018 £'000 | 2017 £'000 |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| <u>Additions</u> | | | | | |
| Purchases | 145 | 300 | 256 | 105 | 253 |
| Donations | 40 | 21 | - | 30 | 150 |
| Total Additions | 185 | 321 | 256 | 135 | 403 |
| <u>Disposals</u> | | | | | |
| Sales Proceeds | 26 | - | - | - | - |
| Carrying Value | (70) | - | (141) | - | - |
| | (44) | - | (141) | - | - |

(c) Grant Received

During the year the Museum received grants towards the purchase of items for its collection of £130,000 (2020 - £130,000) as part of its Grant-in-Aid funding. These grants were used to fund the purchase of heritage assets noted above with any unspent grants being carried forward to fund future acquisitions.

| 9. Debtors | Group | Charity | Group | Charity |
|---|--------------|----------------|--------------|----------------|
| | 2021 | 2021 | 2020 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 21 | 15 | 53 | 21 |
| VAT debtor | 152 | 151 | 154 | 168 |
| Prepayments and accrued income | 191 | 189 | 239 | 238 |
| Amounts due from subsidiary undertaking | 0 | 140 | 0 | 187 |
| Other debtors | 128 | 100 | 2 | 2 |
| | 492 | 595 | 448 | 616 |

Amounts due from subsidiary undertaking represents an unsecured loan to NAMTL. During the year a further loan of £50,000 was made and the terms of the existing loan renegotiated. The loan is repayable over 5 years and carries interest at 1% per annum. Included in the amount due is £124,000 (2020: £38,000) repayable after more than one year.

Other debtors for the group includes £22,000 (2020: £nil) for a deferred tax asset in relation to trading losses of NAMTL which will be carried forward and offset against the tax arising on future NAMTL taxable profits.

| 10. Unlisted Investments | Group | Charity | Group | Charity |
|---|--------------|----------------|--------------|----------------|
| | 2021 | 2021 | 2020 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Investment in subsidiary undertaking (note 10a) | - | 50 | - | - |
| <u>Other investments</u> | | | | |
| Market value at beginning of year | 197 | 197 | 240 | 240 |
| Add: acquisitions at cost | - | - | - | - |
| Less: disposals | - | - | - | - |
| Net unrealised investment (loss)/gains | 47 | 47 | (43) | (43) |
| Market value at end of year | 244 | 244 | 197 | 197 |
| Total unlisted investments | 244 | 294 | 197 | 197 |

Other investments consist of investments in collective investment schemes. The historic cost of these investments was £111,000 (2020 - £111,000).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

10a. Investment in Subsidiary Undertaking

Investment in subsidiary undertakings represents the charity's interest in 100% of the issued share capital of National Army Museum Trading Limited which is incorporated in England and Wales and operates a souvenir shop and other trading activities for the Museum. The company's aggregate capital and reserves were as follows:

The assets and liabilities of the subsidiary were:

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Fixed assets | 2 | 2 |
| Current assets | 176 | 255 |
| Creditors: amounts falling due within one year | (51) | (219) |
| Creditors: amounts falling due after more than one year | (171) | (38) |
| | <u>(44)</u> | <u>-</u> |
| | 2021 £'000 | 2020 £'000 |
| Share capital | 50 | - |
| Surplus/(deficit) retained in subsidiary | (94) | - |
| | <u>(44)</u> | <u>-</u> |

The issued share capital of National Army Museum Trading Limited is £50,000 (2020: £1).

A summary of the Company's trading results is shown in note 10b. Audited accounts will be filed with the Registrar of Companies.

10b. Income from Trading Company

The Consolidated Statement of Financial Activities includes the result of the trading subsidiary as follows:

National Army Museum Trading Limited

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Turnover | 54 | 575 |
| Cost of sales and administrative expenses | (235) | (481) |
| Interest receivable | 0 | 0 |
| Other Operating income | 65 | 0 |
| Net profit/(loss) before taxation | <u>(116)</u> | <u>94</u> |
| Taxation -deferred tax | (22) | 0 |
| Net profit/(loss) after taxation | <u>(94)</u> | <u>94</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

11. Cash and Cash Equivalents

| | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Cash at bank and in hand | 332 | 313 | 375 | 341 |
| Investments | 244 | 294 | 197 | 197 |
| | <u>576</u> | <u>607</u> | <u>572</u> | <u>538</u> |

Analysis of changes in net debt

| | At start of year £'000 | Cash- flows £'000 | Interest payable £'000 | Other non- cash changes £'000 | At end of year £'000 |
|--|------------------------------|-------------------------|------------------------------|-------------------------------------|----------------------------|
| Cash | 375 | (43) | 0 | 0 | 332 |
| Cash equivalents - investments | 197 | 0 | 0 | 47 | 244 |
| | <u>572</u> | <u>(43)</u> | <u>0</u> | <u>47</u> | <u>576</u> |
| Loans falling due within one year | 139 | (351) | 14 | 218 | 20 |
| Loans falling due after more than one year | 351 | 47 | 0 | (218) | 180 |
| | <u>490</u> | <u>(304)</u> | <u>14</u> | <u>0</u> | <u>200</u> |
| Total | <u>82</u> | <u>261</u> | <u>(14)</u> | <u>47</u> | <u>376</u> |

12a. Creditors: Amounts falling due within one year

| | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|---------------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Bank loans and overdrafts | 3 | 0 | 0 | 0 |
| Trade creditors | 223 | 221 | 129 | 120 |
| Accruals and deferred income | 514 | 484 | 358 | 310 |
| Amounts due to subsidiary undertaking | 0 | 0 | 0 | 57 |
| Other creditors | 17 | 17 | 139 | 139 |
| | <u>757</u> | <u>722</u> | <u>626</u> | <u>626</u> |

12b. Creditors: Amounts falling due after more than one year

| | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|---------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Bank loans and overdrafts | 47 | 0 | 0 | 0 |
| Other creditors | 133 | 133 | 351 | 351 |
| | <u>180</u> | <u>133</u> | <u>351</u> | <u>351</u> |

During the year ended March 2018, the Museum received an unsecured loan of £1,000,000 from the Royal Borough of Kensington and Chelsea. The loan is repayable in instalments over 5 years. Other creditors falling due within one year represent the capital repayments of this loan falling due within 12 months of the balance sheet date. In 2021-22, NAM decided that it would repay the loan early. The loan was repaid in full in August 2021.

Bank loans and overdrafts represents a £50,000 unsecured loan under the Government backed bounce back loan scheme.

NATIONAL ARMY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

13. Funds Analysis

| | Balance 1 April 20 | Income | Expenditure | Transfers | Gains and losses | Balance 31 March 2021 |
|---|-----------------------|--------|-------------|-----------|---------------------|--------------------------|
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| RESTRICTED FUNDS | | | | | | |
| NAM Land and Buildings | 36,322 | 0 | (711) | 0 | 0 | 35,611 |
| NAM Land and Buildings revaluation | 2,535 | 0 | 0 | 0 | (1,086) | 1,449 |
| Restricted Heritage Assets | 4,174 | 56 | (44) | 129 | 0 | 4,315 |
| Grant-in-Aid exhibits reserve | 0 | 130 | 0 | (129) | 0 | 1 |
| Funds for upkeep and maintenance of specific parts of NAM collection | 469 | 6 | 0 | 0 | 47 | 522 |
| Funds received for specific NAM projects | 0 | 133 | (57) | (64) | 0 | 12 |
| Brothers in Arms (Esmée Fairbairn) | 5 | 0 | 0 | 0 | 0 | 5 |
| | 43,505 | 325 | (812) | (64) | (1,039) | 41,915 |
| UNRESTRICTED FUNDS | | | | | | |
| Unrestricted funds | 64,000 | 6,904 | (6,875) | 64 | 0 | 64,093 |
| Unrestricted funds revaluation | 201 | 0 | 0 | 0 | 73 | 274 |
| | 64,201 | 6,904 | (6,875) | 64 | 73 | 64,367 |
| TOTAL FUNDS | 107,706 | 7,229 | (7,687) | 0 | (966) | 106,282 |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

The NAM Land and Buildings Fund represents the net book value of its Long Leasehold Land and Buildings. These assets were funded entirely by public donations in the period leading up to and after the acquisition of the lease and the building of the Museum in 1967. Under the terms of NAM's lease of the land and buildings they can only be used for the purposes of a Museum for the collection, preservation and exhibition of objects and records relating to the history of the Military Forces of Her Majesty and her predecessors and hence their classification as a restricted fund.

Restricted Heritage Assets represent those assets acquired by NAM from restricted donations including the annual exhibits Grant-in-Aid.

The Grant-in-Aid exhibits reserve relates to specific Grant-in-Aid received for the purchase of heritage assets which remains unspent at the end of the financial year.

Funds for the upkeep and maintenance of specific parts of the NAM Collection relate to amounts transferred to NAM towards the upkeep and maintenance of various items of the Collection when these items were transferred or bequeathed to NAM which remained unspent at the end of the financial year.

Funds received for specific NAM projects relates to donations and sponsorships received for specified purposes and events. At 31 March 2021 there were £12,000 of unspent funds in relation to donations received from the British High Commission.

The Brothers in Arms Esmée Fairbairn Fund is to be used to research the NAM's Indian Army collection, and to digitise related objects within the collection.

The net transfer in the year of £64,000 from restricted to unrestricted funds represents a transfer in respect of expenditure on the tank installation display which is included in unrestricted tangible fixed assets.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

14. Analysis of Group Net Assets Between Funds

| | Unrestricted Funds | Restricted Funds | Total 2021 |
|-----------------------|-----------------------|---------------------|----------------|
| | £'000 | £'000 | £'000 |
| Tangible fixed assets | 1,426 | 37,060 | 38,486 |
| Heritage fixed assets | 63,229 | 4,315 | 67,544 |
| Other net assets | (288) | 540 | 252 |
| | <u>64,367</u> | <u>41,915</u> | <u>106,282</u> |

The above net assets include Revaluation Reserves of:

| | 2021 £'000 | 2020 £'000 |
|------------------------------|---------------|---------------|
| Tangible fixed assets | | |
| Unrestricted | 274 | 201 |
| Restricted | 1,449 | 2,535 |
| | <u>1,723</u> | <u>2,736</u> |

The restricted revaluation reserve relates to revaluations of the Long Leasehold Land and Buildings.

15. Operating Lease Commitments

At 31 March 2021, the Museum had total future minimum commitments under non-cancellable operating leases as follows:

| | 2021 | | 2020 | |
|--------------------------------|-----------------------|-----------|-----------------------|-----------|
| | £'000 | £'000 | £'000 | £'000 |
| | Land and buildings | Other | Land and buildings | Other |
| Due within one year | 232 | 9 | 232 | 13 |
| Due between one and five years | 929 | 8 | 929 | 11 |
| Due after five years | 1,244 | - | 1,477 | - |
| | <u>2,405</u> | <u>17</u> | <u>2,638</u> | <u>24</u> |

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

16. Related Party Transactions

National Army Museum Trading Limited

The relationship to NAMTL is disclosed in note 10a together with summary financial information, and the balances due with NAMTL at the year end are disclosed in notes 9 and 12a. Mrs Donovan, Ms Spungin and Mr Maciejewski acted as directors of National Army Museum Trading Limited and also Members of Council or the Senior Management Team of the Museum during the year.

National Army Museum Foundation

The National Army Museum Foundation was incorporated under the Companies Act 2006 as a private company limited by guarantee, it is also a separate independent registered charity. It was set up with the primary purpose of raising funds to support the development of the National Army Museum.

At all times the control and administration of the Funds of the Foundation have remained the responsibility of its own trustees. During the year the Foundation donated £nil (2020: £nil) towards the redevelopment of the Museum. The net assets of the Foundation at 31 March 2021 were £60,035.

The Foundation has four trustees of which one is also a trustee of NAM. As such NAM has influence over 25% of the voting rights of the Foundation and therefore the Foundation meets the requirement to be treated as an associate of NAM. If the Foundation had been treated as an associate of NAM in these financial statements it would have increased the net assets of the Group by £15,000.

National Army Museum Development Trust

The National Army Museum Development Trust ("the Trust") is a registered charity, number 278939, connected with the Museum.

The funds of the Trust may be applied, at the discretion of the Trust's trustees, to further the charitable purposes of the Museum or other charitable purposes or institutions. The trustees may not, unless they see special reason, make a payment to the Museum without specifying the particular purpose for which it is to be used, being a purpose for which public funds are not expected to be available. During the year the Trust donated £10,000 (2020: £nil) to the Museum to assist in meeting the costs of a research fellowship.

The net assets of the Trust at 31 December 2020 were £555,123 (31 December 2019 £607,459). The control and administration of these funds remains, at all times, the full responsibility of the Trust's trustees. None of the Trust's trustees are also trustees of NAM.

Ministry of Defence

The National Army Museum is classified for administrative purposes by the Ministry of Defence ("the MOD") as an Executive Non-Departmental Public Body (ENDPB) which it sponsors. The MOD is regarded as a related party. Grant-in-Aid funding from the MOD is separately disclosed in note 4(a) of the Financial Statements.

17. Capital Commitments

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Authorised and contracted for at 31st March 2021 | - | - |
| Authorised at 31st March 2021 but not contracted for | - | - |

18. Post Balance Sheet Events

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the audit certificate was signed by the Comptroller and Auditor General.