



NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2021



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

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NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2021

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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).

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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.

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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.

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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.

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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.

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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.

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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.

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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 it's 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

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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.

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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.

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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.



#VJDay75

Soldiers' Stories: Captain Sir Tom Moore & Private Joseph Hammond

1,010 views • Premiered on 15 Aug 2020

👍 36

💬 0

➦ SHARE

⌵ SAVE

...

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.

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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.

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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.

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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.

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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.

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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.

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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).

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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%

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		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

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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.

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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
Mr Mike O'Connor OBE
Mr Ian Maine
Ms Teresa Scott
Ms Dawn Watkins (NAMTL)

Director and Accounting Officer
Deputy Director (Operations and Resources)
Assistant Director (Collections and Programmes)
Assistant Director (Human Resources)
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;

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- 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.

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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.

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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

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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.

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TRUSTEES REPORT AND REPORT OF COUNCIL
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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.

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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.

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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

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	Accrued pension at pension age as at 31 March 2021 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2021	CETV at 31 March 2020	Real increase in CETV	Employers contribution to NEST pension or personal
	£'000	£'000	£'000	£'000	£'000	£(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
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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.

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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.

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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
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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.

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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.

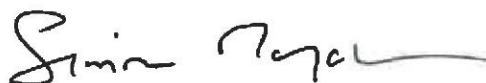
Long-term expenditure trends

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

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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
		6,736	272	7,008	6,750
Trading activities	4	103	47	150	681
Investments		0	6	6	8
		6,839	325	7,164	7,439
Other	4	65	0	65	9
TOTAL		6,904	325	7,229	7,448
Expenditure on:					
Raising funds	5	1,109	77	1,186	1,345
Charitable activities	5	5,766	735	6,501	6,068
TOTAL		6,875	812	7,687	7,413
Operating surplus/(deficit)		29	(487)	(458)	35
Net gains/(losses) on investments		0	47	47	(43)
Net income/(expenditure)		29	(440)	(411)	(8)
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		166	(1,590)	(1,424)	479
RECONCILIATION OF FUNDS					
Total funds brought forward		64,201	43,505	107,706	107,227
Total funds carried forward		64,367	41,915	106,282	107,706

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 43 to 61 form part of these financial statements

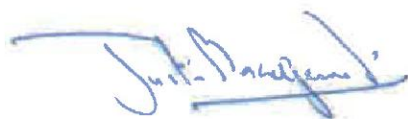
NATIONAL ARMY MUSEUM

CONSOLIDATED BALANCE SHEET


YEAR ENDED 31ST MARCH 2021

NOTE	2021				2020			
	Group	Charity	Group	Charity	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	67,544	67,544	67,429	67,429			
		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	332	313	375	341			
		1,189	1,202	1,152	1,154			
CURRENT LIABILITIES								
CREDITORS:								
Amounts falling due within one year	12a	(757)	(722)	(626)	(626)			
NET CURRENT ASSETS/ (LIABILITIES)		432	480	526	528			
CREDITORS:								
Amounts falling due after more than one year	12b	(180)	(133)	(351)	(351)			
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 the 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
	729	457	1,186	1,345

(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
	3,331	1,614	735	821	6,501	6,068

(c) Governance and support costs comprise:

	2020/21				2019/20	
	Finance	Human Resources	Information Technology	Total Support	Support	Governance
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	252	167	128	547	301	291
Premises costs	50	32	26	108	72	49
Depreciation and loss on disposal	65	43	35	143	93	54
Impairment and impairment reversal	0	0	0	0	0	(24)
General administration costs	22	15	12	49	34	22
External audit	0	0	0	0	34	35
Internal audit	0	0	0	0	12	14
Consultancy	2	1	1	4	3	2
Insurance and professional fees	12	8	7	27	35	19
Trustees expenses and meeting costs	0	0	0	0	0	5
	403	266	209	878	584	467

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
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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

<u>GROUP</u>	<u>Long Leasehold Land and Buildings</u>	<u>Short Leasehold Improvements</u>	<u>Computer Equipment</u>	<u>Fixtures & Fittings</u>	<u>Total</u>
	£'000	£'000	£'000	£'000	£'000
<u>VALUATION</u>					
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
<u>DEPRECIATION</u>					
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
<u>NET BOOK VALUE</u>					
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
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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
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(b) Five year financial summary of heritage asset transactions

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'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
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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
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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

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13. Funds Analysis

	Balance 1 April 20	Income	Expenditure	Transfers	Gains and losses	Balance 31 March 2021
	£'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

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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
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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	<u>1,449</u>	<u>2,535</u>
	<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 £'000	£'000	2020 £'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	<u>1,244</u>	<u>-</u>	<u>1,477</u>	<u>-</u>
	<u>2,405</u>	<u>17</u>	<u>2,638</u>	<u>24</u>

NATIONAL ARMY MUSEUM
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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.