



NATIONAL ARMY MUSEUM
REGISTERED CHARITY NUMBER 237902
CONSOLIDATED FINANCIAL STATEMENTS
31st MARCH 2023

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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 2023

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Introduction

The accounts of the National Army Museum (NAM) are presented for the financial year ended 31st March 2023. The accounts are prepared in accordance with a direction given by H.M. Treasury in accordance with Article 14 of the National Army Museum Royal Charter 1960 and law applicable to charities in England and Wales.

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

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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 as Accounting Officer on behalf of the governing body, the Council of the National Army Museum. The Trustees of the Museum are known as Council members.

Social Investment and Public Benefit

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

Overall Objectives and Activities

The National Army Museum's objectives were set out in its Royal Charter, first granted in 1960. Its preamble states that the National Army Museum was established 'for the purpose of collecting, preserving and exhibiting objects and records relating to the history of Our Army so that the achievements, history and traditions of Our Army should be better made known'.

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

The current Strategic Plan was agreed by NAM Council in 2018 and the Museum uses this as a basis for future Business Plans. This Strategic Plan had a single aim, to stabilise the Museum in order to set the conditions for growth in 2019-20 and beyond. In addition, the Museum updated its Mission and Core Values as well as introducing a series of values and outputs:

Purpose, Mission, Vision

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

The Museum's Mission is to engage and inspire everyone with the stories of our soldiers and how their service shapes our world; past, present and future.

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

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The current Strategic Plan has five key Objectives:

- Create memorable, relevant and accessible activities aligned to audience need in order to maximise audiences and generate footfall;
- Establish the NAM, nationally and internationally, as the first choice for the history and life of the British Army;
- Maximise financial resilience, organisational efficiency and sustainability;
- Safeguard and make accessible the collections and associated knowledge; and
- Develop a national footprint by establishing a network of partnerships, linkages and working relationships.

Values

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

Outputs

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

Output 1: A National museum, providing free access to the public in Chelsea, that tells the authentic story of our soldiers and the armies in which they have served.

Output 2: A National museum, dedicated to collecting objects and archives and to researching the history and heritage of the Army and making it accessible to the public.

Output 3: An institution dedicated to supporting the UK's network of Regimental and Corps military museums and partnering internationally where there is shared history.

Output 4: Digital resources that provide UK and global audiences with accessible and authoritative histories of our soldiers and their armies.

The Business Plan has five Key Strategic Objectives:

- Strategic Objective 1: - Connect the British public to the story of Our Army
- Strategic Objective 2: - Become the leading authority on the history of Our Army
- Strategic Objective 3: - Safeguard and make accessible our collections and expertise to the widest possible audience
- Strategic Objective 4: - Enable and support networks of military museums and heritage organisations in the UK
- Strategic Objective 5 - (Primary Enabling Objective): Build greater financial resilience and sustainability

Achievements, Objectives and Performance for the Year

This reporting period falls within recovery from the Covid-19 pandemic. The Museum during this time, carried out a phased refresh in the main permanent galleries. This was a planned undertaking post redevelopment considering the care and rotation of the Collections and visitor feedback. Galleries completed in this reporting period include the *Global Gallery* which tells the wide-ranging story of the Army around the world. This gallery was designed to meet needs expressed in our audience research and visitor feedback. As readers are aware, to tell the complete story in the existing Museum footprint would be impossible but, by careful curatorship, this gallery gives visitors a fantastic understanding of where the Army has served and its historical links around the world. This gallery completed on schedule, in budget

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and has enabled a range of post-war stories to be included, as well as exploiting the strengths of the collections from both South Asia and the West Indies. The next gallery as part of the refreshment programme which re-opened in April 2023 is the *Conflict in Europe*.

The Museum had a successful Chelsea History Festival (CHF) in September of this period, later through this report there is mention of some of the highlights and greater accounts of the activities. Building on the success of the CHF and along with the two other founding partners (Royal Hospital Chelsea and Chelsea Physic Garden) the Director and Museum Council are establishing the Chelsea Heritage Quarter (CHQ) which will deliver “*new profitable identity and visitor experience in the CHQ to drive visits to the Royal Hospital Road area*”. This initiative has attracted support from the Royal Borough of Kensington and Chelsea, the Cadogan Estate and other local stakeholders.

The Museum has seen an increase in physical footfall but like other London centered institutions this has been slow to recover to pre-Covid levels but looking forward, the Museum is confident that it will reach at least 80% of pre-Covid levels during 2023-24. What has proven popular and seen an increase are school visits both physically and particularly virtually. The virtual element and learning resources offer a fantastic resource for schools and similar institutions who are unable to travel to Chelsea due to financial or geographic pressures.

In September 2022 the Museum sadly along with the rest of the country, learned of the passing of Her Late Majesty Queen Elizabeth II. The Museum had been selected previously as a venue to support the arrangements of Her Late Majesty’s State funeral (Op London Bridge) whenever it would occur. This necessitated the closure of the Museum to the public to allow the necessary arrangements to take place. Her Late Majesty had a long-standing relationship with NAM and had previously opened the three main stages of its development the last being the re-opening in March 2017. The Director of the Museum as a member of the Honourable Corps of Gentlemen at Arms was called upon to take part in the ceremonies of the lying in state prior to the state funeral, an honour for him reflecting his service.

Chelsea

The Museum at Chelsea continued to be the focus of attention for the Senior Leadership Team (SLT) in an effort to increase visitor numbers and visitor related income. This has been helped by a vibrant programme of temporary exhibitions and a lecture programme which were developed under Covid-19 restrictions.

The Museum recognised that although there were limited opportunities to receive audiences in person in Chelsea during Covid-19 it could reach out virtually utilising Crowdcast and provide these remote audiences with content, lectures, discussions, and other forms of interaction with NAM. This method of communication has continued into the 2022–23 year.

Volunteering during this period has been much reduced with a natural reluctance for the public to commit to working in enclosed environments. That being said, the Museum as a Covid-19 safe environment, has been keen to welcome volunteers back. This keenness has been met with patchy acceptance, but there is now an upward movement as people become more accepting of the removal of Covid-19 measures. The Museum has designed various projects and activities which have traditionally been of benefit both to the individual and the Museum.

The large temporary exhibition space continues to feature ‘Foe to Friend: The British Army in Germany since 1945’. This has provided welcome coverage of the Cold War story, particularly during the closure of both the Battle and Society Galleries for refreshment at the end of summer 2022. On the closure of this exhibition, some of the content within the gallery will be incorporated into the new ‘Conflict in Europe’ gallery which was installed from January to March 2023.

Our exhibitions research and popularity also indicated a need to increase the size of the smaller Focus Gallery, as well as trying to contain costs on large exhibition space changes. The future exhibitions plan reflects this, with the Focus Gallery space being increased from 50m² to approximately 150m² and a corresponding reduction in size of the large space. This will be put into effect from late summer 2024.

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Stevenage

The work of the collections staff based at Stevenage has been as busy as ever, with a strong focus on the conservation and installation programmes associated with exhibition schedules. Work across all types of objects have been co-ordinated ranging from delicate textiles, to work on the restoration of large objects including a Victorian Field Gun. This last piece requiring specialist wheelwrighting skills, which were commissioned from a company in Devon. Changes to staffing at Stevenage have meant more curatorial staff are now based there, to enable closer work directly with collections. The conservation team has also been strengthened enabling the Museum to undertake more work directly on its own collections.

Key Financial Risks and Reserves

The risks to the Museum are regularly reviewed by the Senior Leadership Team and the Performance, Audit & Risk Assurance Committee (PARA). Throughout the period of this report, the main identified risk was the recovery from the consequences and aftermath of Covid-19 and the effect it had on NAM's operational budget of £8.1M (before depreciation) and in particular, its commercial income. The Museum has seen an uptick in commercial income, but this is mainly due to commercial/corporate hire including birthday parties and entry into its soft play area. Disappointingly but understandably retail has been slow to recover but as this is primarily due to physical footfall it is not unsurprising. The NAMTL board are currently working on measures to increase this lack of retail income.

Bearing in mind the pressures on public finances especially the Sponsor Department, which is supporting the conflict in Ukraine but still needs to maintain its efficiency and capabilities with a limited budget. A secondary risk, albeit a very low likelihood, would be the complete withdrawal or large reduction of GiA funding. The Museum Council recognises this but as the Museum remains largely funded from GiA from the MOD and should this happen, it would present the Museum with a major problem. If no alternative was secured, it could have immediate consequences for the Museum, resulting in its possible closure within a three-month period. There are no indications from the Sponsor Department that this option is being considered and the Museum has received repeated assurances of continued funding and the Museum expects to be in a position where it can continue to operate effectively and grow, secure in the knowledge that its Sponsor Department recognises its value to the Army and is supporting it. The future review of Service Museums due in 2023 is expected to support these assurances.

However, and recognising this second risk, the Museum has further assessed its Reserves Policy in accordance with guidance from the Charity Commission as detailed in its publication 'Charity Reserves: Building Resilience' and to meet the requirements of SORP 2015 (FRS 102). This policy recognises the cost of closure, including external contracts, local authority rates, utilities, staff salaries (including redundancy costs for those staff not paid via MoD). This policy assumes that those staff currently on analogous terms to Civil Service pay and conditions and currently paid through MoD, would continue to be funded through to closure by the Sponsor Department, this would include the liability for any redundancy costs. The settling of the Redevelopment Final Account in March 2020 would have ordinarily allowed the Museum to work towards building the Museum's Unrestricted Reserves up to its target of £1,000,000. However, and as mentioned previously, the pandemic severely restricted the Museum's ability to generate additional funds which would have been placed into its Unrestricted Reserves. The Museum now that it is fully open, continues to grow its commercial income via NAMTL and over the next four years by increasing the corporate hire and birthday party offers along with the retail and online opportunities. It is assessed that this, along with the greater emphasis on paid for and hosted visits and events along with greater visibility of the tap to donate system will allow the Museum to achieve its target of £1,000,000.

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

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Current Position

Restricted Reserves

NAM currently holds a Restricted Reserve, excluding land and buildings and heritage assets, of £577,000 (2021-22: £553,000) to support specific elements of acquisition, care or display of collections or specific projects supporting educational, research or outreach activity.

Unrestricted Reserves

The current cash and cash equivalent value of Unrestricted Reserves shows a surplus of £673,000 (2021-22: £441,000), an improvement of £232,000 over the year.

Oversight

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

Delegated Authority to utilise Reserves

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

Assessment of Going Concern

The National Army Museum is a going concern for the foreseeable future. This is evidenced by the support it has received historically and continues to receive with its allocation of GiA. Further evidence of support is contained in the Triennial Review which was published on 9th February 2017 and the expected outcome of the current review of Service Museums. This review recognises the Service Museums support of the heritage objectives of the MoD and recommends their retention as ENDPBs/NDPBs. The current Financial Framework between NAM and the Sponsor Department agreed in 2018 further evidences the Sponsor's continuing support. The Museum after the findings and recommendations of the Review of Service Museums have been published will renegotiate a new Financial Framework. The Museum received its full allocation of the GiA control total for 2022-23 and has received confirmation of continuing GiA operational funding for 2023-24 of £7,040,000 together with an ongoing written commitment for 2024-25. NAMTL was profitable for 2022-23 and continues to be profitable with profits forecast to increase for 2023-24.

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PERFORMANCE ANALYSIS

Strategic Objective 1:

Connect the British Public to the Story of Our Army

1.1 Gallery Refreshment Programme

Work on the permanent gallery refreshment scheme continued with the opening of the ‘Global’ gallery in May 2022. This gallery features the wide-ranging story of the Army around the world, the gallery was designed to meet needs expressed in our audience research and visitor feedback. It enabled a range of post-war stories to be included, as well as exploiting the strengths of the collections from both South Asia and the West Indies.

1.2 Focus Gallery

The Focus Gallery continued to explore a variety of themes. The ‘Brothers in Arms’ exhibition which featured the story of the Sherwood Rangers Yeomanry in the last year of the Second World War, ran until May 2022. It was followed by ‘Road to Recovery’ an exhibition following the challenging journeys of rehabilitation and recovery taken by soldiers who have suffered a life-changing physical or mental injury. The exhibition narrative was carried primarily through the voices of five soldiers and their stories. It features the striking bronze sculpture ‘Looking Forward’ depicting Simon Brown, a soldier seriously injured in Iraq in 2006 by the founder of Help for Heroes, the late Bryn Parry CBE. The exhibition also featured a range of material recently added to the Museum’s collections, including items from the Defence Medical Rehabilitation Centre at Headley Court, as well as a number of audio and video testimonies from those featured in the exhibition. The exhibition was supported by a range of public programme events, including elements in the Chelsea History Festival.

1.3 Museum Foyer Displays

Work has continued to add more content to areas outside of the main gallery spaces.

The most important and prominent addition to the foyer display this year was a bronze bust of Her Late Majesty Queen Elizabeth II, commissioned for her platinum jubilee, and placed on display shortly after her passing.

A ‘Military in Miniature’ display utilised nearly 400 model soldiers, toy soldiers, model vehicles and instructional models to illustrate the different purposes for which scale models are used. They have been arranged and displayed to provide interest for multi-generational groups of visitors.

The Museum also utilises the Atrium space at the lower part of the Museum. Here during this period, the Museum has installed amongst other displays, a photographic display by soldiers of the Royal Signals to mark the centenary of their Corps.

The wide range of the Army’s headdress is regularly updated, most recently with help from the Defence Sikh network, as well as a headdress from the recently formed Ranger Regiment.

1.4 Maximising Museum Footfall

The Museum continued to grow its footfall this year and began building back visitors following the lifting of Covid-19 restrictions. Understandably the overall footfall for the year was down from pre Covid-19 levels, with 166,247 visitors attending the Chelsea Site and a total of 168,626 when you include attendees to events taking place off-site as part of the Chelsea History Festival events.

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Having had success in delivering its public programme and activities to reach audiences digitally, the Museum continued to offer this as part of its regular and free Friday Insights lecture/talk programme.

1.5 Army and Veteran Groups

Working with the Army, regimental associations, and veterans' groups, resulted in 1,308 visitors this year.

1.6 Schools

The last year saw the on-site formal learning visits stabilise with the only restriction being available space for learning sessions thus the number of physical visits was slightly down on the previous year at 4,002 but there was a great increase in virtual sessions given by the Learning Team up from 5,033 to 9,169. The digital delivery methods established during Covid lockdown and the physical visits figure is considerably more than the less than 4,000 combined figure pre Covid. The Learning Team continues to produce new resources for secondary schools.



Key Stage One students studying some of the Florence Nightingale and Mary Seacole Collections

1.7 Other Groups

Museum hosted group visits were put in place once again this year utilising our booking procedures established prior to Covid-19. It was noticeable that from a low point post Covid, returning audiences were starting to grow. The Museum hosted 225 people on group visits, with 11 groups on pre-arranged visits, during this reporting period.

1.8 Public Programme and Special Events

Overall, there were 103 Public Programme and Special Event Activities, 46 of which, were the Friday Insight Programme, during this reporting period.

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Continuing with the popular hybrid approach, the Museum continued to offer its regular Friday Insight programme both physically and in digital format. Friday Insights delivered an audience of 11,366 both nationally and internationally across its live and catch-up service.

Some of the highlights of the programme from this reporting period include the sell-out discussion event hosted by James Holland on the book *Command: How the Allies learnt to win the Second World War* by Al Murray.



Historian James Holland in conversation with comedian Al Murray at his book event - Command

The Museum also launched its workshops programme. This programme is designed to engage with audiences with a strong interest in arts and crafts, who might not typically visit a military museum. This engagement took the form of making known to the audience our collections by curator and conservator led talks and a crafting workshop with a strong link to the Museum. The inaugural workshop was based on embroidery, with a talk on the detailing of items from the collection, and a two-day workshop delivered by Hand & Lock the world's foremost bespoke embroidery atelier.

The Public Programme ran several Saturday Spotlights during this period, with themes such as the Second World War and military medicine. The programme also included a Museum Late focusing on Irish Service in the British Army in conjunction with the Irish Cultural Centre. This period saw the introduction of an Artist in Residence programme. Alongside this, the Museum further developed its Accessible Programming, with the launch of regular British Sign Language Gallery Tours.

Additionally, the Museum participated in the fourth Chelsea History Festival in partnership with the Royal Hospital Chelsea and the Chelsea Physic Garden. As with the Museum's public programme there were some hybrid elements with a combination of in-person and some digital events taking place. The programme was adjusted with the closure for the Queen's Funeral, however a total of 57 activities took place with an in-person attendance of 3,980 across the festival period. As in the previous years the programme consisted of a series of talks, musical performances and family friendly activities and sought to act as a place to pause and reflect on our past. The growth of 'History Street', the interactive event on Burton's Court, engaged visitors, in particular local communities, bringing history to life with living historians, serving military units and local cultural organisations.

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One of the many well attended talks at the Chelsea History Festival 2022. This one by Max Hastings

1.9 Membership Scheme

The Membership scheme was rejuvenated during this reporting period, with the arrival of a Membership and Programmes Support post a programme of member only events and day visits was successfully delivered. This offered members either reduced price access to aspects of the Public Programme or exclusive access to members only talks, trips and curator led gallery tours. Highlights of the Members Programme include a members' Christmas talk with Templar Prize winner Dr Daniel Marston and a visit to Royal Military Academy Sandhurst with a private tour by one of their historians. The Members also had visits to the Royal Hospital Chelsea, London Scottish House and Brighton Pavilion, exploring its history as a First World War Indian Army hospital.

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Members' Visit to the Indian Army Memorial Room at Royal Military Academy Sandhurst

1.10 Special Exhibitions

In addition to the Focus Gallery programme and the main special exhibition, smaller exhibitions and “pop up” displays are a regular feature in the foyer and atrium area. This year these have included the Royal Army Dental Corps 100th anniversary, The Last Hussar (a photographic study of the Queen’s Royal Hussars in Germany in 2019) and Susan Hakuba’s ‘Long Shadow of War’ which comprised photographic portraits of German people and their reflections on the Second World War. The start of the 40th Anniversary of the Falklands War was also marked with a joint exhibition ‘Falklands at 40’ developed with the Falkland Islands government.

1.11 Army Engagement

The Museum has helped the Army to continue to connect with its heritage, in some key locations and those areas where there is high level defence engagement. This year the work at Robertson House at Sandhurst has been completed with the hang of a very large portrait of The Duke of Cambridge (1850-1904). The change in the Chief of the General Staff in London has also enabled different works to be installed in his office. Work to hang images at the residence of the General Officer Commanding London District were also completed this year.

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1.12 Digital Outreach

It has been another record-breaking year for website engagement, with the Museum achieving website visits for the year of 3,285,743, compared to 2,530,361 for 2021-22 which represents a 30% increase on last year's previous record-breaking year.

Digital advertising continues to be a useful and cost-effective part of our media campaigns and has seen our audience segmentation model being utilised to target and attract key audience segments more directly. The focus of these campaigns was largely to drive physical visits to the Museum, its Public Programme and the Focus Gallery temporary exhibitions.

1.13 Marketing Operations

The Museum reduced its marketing operations during Covid-19 but has steadily increased its staffing and presence during this reporting period. The Museum's approach to Marketing has returned to a more traditional model of attracting footfall to Chelsea, but as mentioned previously we were also mindful that pre-pandemic visitor behaviour would not return immediately. Understanding that visitor confidence to return to indoor activities and travel into central London was low the approach was to utilise digital advertising rather than large, expensive out of home campaigns.

The Chelsea History Festival was a key moment in the year and for this we delivered an integrated marketing and communications campaign. The timing of the death of Her Late Majesty Queen Elizabeth II meant that marketing outputs were significantly reduced in line with government guidelines. Despite this, the campaign was still successful with one highlight, a BBC Radio London interview and accompanying BBC online article, reaching a combined audience of 150million.

The Museum's benchmarked brand awareness survey has shown that the Museum's awareness has increased, although this is not fully comparable to previous years due to a different data set used this year than during the Covid-19 period. However, it is noticeable that the Museum's benchmarked brand awareness activity is starting to have greater impact with audiences, increasing our awareness compared to other similar institutions.

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Strategic Objective 2:

Becoming the Leading Authority on the History of Our Army

Establishing NAM as the leading authority on the history of Our Army is a journey that will take years, not months. It will also be something that can only be achieved by working in partnership with other institutions. A detailed four-year plan has been developed. Activity for this year can be grouped into the following areas.

2.1 People

The reorganisation in this period created the new post of Historian and an Archives, Library and Information team. This has significantly enhanced the Museum's skills base, along with creating greater capacity for activity and engagement through conducting and facilitating research. Further research-active staff have subsequently joined the Museum, particularly in the Curatorial departments, supplementing our existing cohort. A third Postdoctoral research fellowship has been secured, focusing on Soldiers and Society, in partnership with the University of Birmingham, as well as a Doctoral fellowship on the Indian Army, in partnership with the University of Greenwich.

2.2 Archives

During this period the Museum, by the utilisation of a mixture of professionals and volunteers worked to consolidate and upgrade the existing archive and library projects and provide improved access to the NAM's research collections. Progress has included the NAAFI collection, the Staveley archive, and the British Forces Germany Legacy Archive, as well as important work started on the papers of Lord Roberts and the Royal Army Education Corps archive collection. A significant donation to the archive has been the papers of the late Field Marshal Sir John Chapple, our former vice patron. This, together with a large transfer of MOD Establishment Tables, will form the basis of future projects, supported by volunteers. Significant other acquisitions and donations to the archive collections range from 17th century ledgers, to papers relating to Sir John Moore and the personal diaries and letters of a Royal Engineer serving with the Indian Army in the Second World War.

2.3 Output

NAM staff and fellows have published their scholarship in a range of formats, from edited collections and academic articles to pieces in the NAM's in-house magazine. The Museum has continued to support the Army by conducting research into candidates for commemoration by the Commonwealth War Graves Commission (see 2.11). Throughout the period, NAM staff have shared their expertise with our audiences through the full and varied public programme and Chelsea History Festival.

2.4 Academic Partnerships

Research has driven the development of partnership work with national and international institutions in Germany, France and Poland, in addition to longstanding collaboration with existing partners such as the United Services Institution of India in Delhi. The NAM has supported several applications to UKRI bodies, including the Arts and Humanities Research Council, on topics ranging from the social history of post-1945 conflict to Napoleonic service records.

2.5 Regimental and Corps Museums

The National Army Museum Regimental Museums Liaison team continued to build on its very successful move to primarily digital delivery during the various stages of Covid lockdown, to transitioning back to mainly face to face engagement while still offering an element of digital engagement to those institutions unable to attend in person venues. Further explanation of this team's work is given under Strategic Objective 4.

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2.6 Templer Study Centre

Visits to the Templer Study Centre (TSC) have continued to increase. The Centre attracted a total of 643 users. The Museum answered 3,778 enquiries. This figure although down on previous numbers reflects the Museum transiting to the new policy to provide more resources for enquirers to find answers to their questions directly. Examples of this are the Museum's Historic Book Collection, and the Royal Army Education Corps archive collection. For the first time, the NAM's unique regimental periodical collection is being listed, preserved and made accessible.

Reader satisfaction has grown, with extended opening hours for the TSC, a steady stream of group visits, and participation in learning programmes. The team has successfully hosted three overseas placements from the CAPA: Global Education Network scheme, and will continue to do so in the coming year, as well as providing additional skills and experience for our front of house team with a programme of "secondment" for specific projects.

2.7 Public Programme

The Public Programmes Team continues to reach out to academics at universities both at home and internationally to take part in or lead the discussions in the Museum's public programme activity. Over the course of the year we have worked with academics from Kings College London, Cambridge, Birmingham, Oxford and Kent universities.

In addition to universities, the programme has partnered with a number of organisations to deliver joint events. These have included the Kent and Sharpshooters Yeomanry Museum, National Museum of the Royal Navy, Royal Air Force Museum, Household Cavalry Museum, Hand & Lock, Western Front Association, Defence Medical Rehabilitation Centre (Headley Court), Royal Logistics Corps, 256 (City of London) Field Hospital, Declassified Podcast Network, Irish Cultural Centre, Machine Gun Corps Association.

Museum staff hosted research-focused panel discussions on subjects ranging from the end of the British-Indian Army, and the history of British Army engagement in Iraq, to an extremely successful evening discussing the historical context of the war in Ukraine.

2.8 Venue of Choice for Subject Matter Expert Groups

Building on last year's success in establishing the Museum as a preferred London venue for military museums and other institutions that are involved with the support, study, research and communication of the history of Our Army the Museum was the venue of choice for 32 Army, MOD, Regimental, Veteran and Service Charities this year. Many of our previous attendees returned this year such as The Army Museums Ogilby Trust (AMOT), Society for Army Historical Research and the British Council for Military. We saw growth in the number of events hosted from new partners, such as the Centre for Army Leadership as well as an increase in working with service charity organisations such as Recruit for Spouses, ABF The Soldiers Charity and The Forces in Mind Trust. In addition, the Museum has also been successful in developing its relationships with the wider defence diplomatic community hosting events with the German General Staff College and British and French Army Staff talks.

2.9 Book Launches

Both public and private book launches took place this year and as in-person events returned without restrictions we hosted 41 book related and sale events, 25 of which were in conjunction with the Friday Insight Programme.

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2.10 Conferences

A series of academic conferences and major lectures have taken place at the Museum, including several delivered in partnership with organisations such as the Western Front Association, the Centre for Army Leadership (CAL), and the International Society for First World War Studies. The Museum also organised and hosted a conference on the subject of ‘Alliances in the History of Armed Conflict’ which brought together an international group of scholars, and showcased research into items from the collection, with papers presented by both NAM staff and external speakers.

2.11 War Graves Research

The NAM provides specialist research on behalf of the Army to assist the MOD’s JCCC and CWGC assess cases of non-commemoration and newly identified graves. Over this period, the focus shifted to casework involving potential identifications in response to the MOD’s requirements. This has included particularly substantial research work for a case involving several tank crews in Normandy in 1944.

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Strategic Objective 3:

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

3.1 Collections Centre, Stevenage

Stevenage has continued to facilitate visits for the public with 22 objects being produced for viewing requests during the year. Changes in staffing have meant that the store tours which were introduced pre-pandemic and were placed on hold, pending a move to a commercial model of delivery, will see a range of Museum staff conducting themed tours, which can be aligned to different aspects of the Museum programme.

3.2 Collections Development

The Museum continues to respond to every offer of donations of collections material which it is offered, as these form the majority of material entering the collections. In addition, all major sales and specialist auctions continue to be monitored. In some cases, extensive work with donors is required to ensure the right material is accessioned to the collection. This year has seen the acquisition of a number of very important medal groups from the renowned Indian Army collection of the late Brian Russell. Activity at auction remains strong, though in some cases success is not always guaranteed.

Transfers from the Army this year have included a wide range of modern ceremonial sealed pattern uniforms, the first time in some years that a transfer of this type has taken place. The transfers of modern firearms have also been approved and are awaiting the approval of transit arrangements.

3.3 Collections Management and Care

The Museum Standards and Care team continues to provide high standards of documentation, care and management of the Museum's collections. This year over 4,500 collection records have been added to the collections database. Additionally thousands of existing database entries have been refined and updated as information has been received.

Significant work has been undertaken by the team to prepare, display and install over 900 objects for the Battle in Europe Gallery including over 1,000 hours of internal conservation. The team focus is currently to continue to progress on the delivery of the Operation Refine project by retrieving, assessing and the conservation and documentation on items for the upcoming At Home Gallery which opened in September 2023.

3.4 Notable Acquisitions

A welcome success at auction this year was the acquisition of the oil on canvas painting of Field Marshal Sir Claude Auchinleck by Edward Seago from 1959. This composition is a study for a larger oil painting already belonging to the Museum and currently on display at Sandhurst.

Another painting illustrates the Museum's continuing work in acquiring work by soldiers. An example of this being watercolour of Navy, Army and Air Force Institutes (NAAFI) personnel serving tea to soldiers, which was completed by Stella Schmolle, Auxiliary Territorial Service (ATS) during the Second World War.

Medal collecting continues to enable the Museum to tell stories of soldiers from 'Our Army'. The Indian Order of Merit, awarded to Lance-Naik Prem Singh, 36th Sikhs in 1916, helps document the gallantry of Indian soldiers of the regiment whilst on campaign in Mesopotamia in the campaign against Ottoman forces. Soldiers from Africa are also illustrated through items like the Military Medal awarded to Corporal Dogo Manga, 1st Battalion, Nigeria Regiment, Royal West African Frontier Force in Burma in 1945.

Work with more recent art commissions also continued. As part of the public programme a bronze portrait bust of the Her Late Majesty Queen Elizabeth II was completed to mark both her service in the Auxiliary Territorial Service (ATS), Platinum Jubilee and her long association with the Museum, starting with the signing of the Royal Charter in 1960.

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Bronze Bust of Her Late Majesty Queen Elizabeth II

3.5 Collections Audit

As previously mentioned, the Collection teams have been focused on preparing objects for display in the refined galleries. However, and despite this they have continued to carry out the audit of the collections in preparation for the purchase of the new Collections Management System which is due to be purchased and populated in 2023-24.

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Strategic Objective 4:

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

4.1 Support to Regimental and Corps Museums

The NAM's Regimental and Corps Liaison team continues to expand and improve the levels of support that the Museum can offer, this growth has allowed NAM to cement its position as the sector lead in the organisation, co-ordination and facilitation of specialist training and advice, as well as crisis response in the event of an emergency, for Regimental and Corps (R&C) Museums across the UK.

As part of its pastoral care to the Regimental and Corps community, the Museum's team runs and offers training to staff, trustees and volunteers. This training provides them with the necessary skills and identifies best practices that they can benefit from. Over twenty courses were run over this period and included:

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

Attendance from the Regimental and Corps Museum community across the board is up, with highly positive feedback. Many new sessions have been offered this year, including *Public Records training*, in co-operation with expert knowledge from the Army Historical branch and the National Archive, *Army 101*, for curators and trustees that do not have a military background as well as staples such as *Firearms in Museums* in co-operation with the Royal Armouries. Training courses are divided between, in person, online and hybrid courses. This flexibility has greatly benefitted attendance. The NAM is now well established as the principal provider of training for all R&C Museums.

4.2 Advisory and Advocacy Service

The team continues to field multiple enquiries from R&C Museums each month along with providing weekly updates via a mail out bulletin. Pastoral visits to museums have increased with the team visiting an average of three museums each month. As part of this service, the NAM team offers an annual museum conference in April. This year's conference (the seventh) was the best attended so far with 100 in person attendees, with a further 33 online. Speakers included such key stakeholders as MOD Heritage Branch, AMOT, the ACE/V&A Purchase Grant Fund and AIM (Association of Independent Museums). AIM is a key collaborator for many smaller museums, offering bursaries, grants and training opportunities. To assist R&C Museums in taking up these offers, NAM now covers the membership fees for all R&C Museums to become part of AIM. Finally, the NAM continues to represent R&C Museums at both MOD Heritage panel and Committee (chaired by the Department of Community and Government Services) and offers free guidance and advocacy in disputes with local councils and other governing bodies as required.

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4.3 Networks

The NAM has been instrumental in setting up and maintaining R&C Museum networks in all parts of the UK. These networks provide a vital opportunity for local museums to network and interact, as well as an opportunity for them to link to NAM, Heritage Branch and the Arts Council directly.

The current established networks include:

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

These network meetings are attended by the NAM team who assist with, convening, administration and project working.

4.4 International Partnerships

The team supports various elements of international partnership work, from hosting multiple visits from both international museums and various military, conducting training courses and workshops and partnering with the NAM Research and Academic team to facilitate international work, specific countries in the past year include:

- India

The British Indian military heritage partnership, established in 2019 between the USI of India and the NAM, supported financially by the British High Commission in New Delhi.

Partnership work includes the annual USI-NAM Military Museum Curators' Course in Delhi, a museum best practice exchange programme for members of staff, assisting the USI in setting up an association of Indian military museums, mutual contribution to USI and NAM public programmes and events, joint publications on the British Indian Army and research initiatives.

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Indian Military Museum's Curator's Course visiting the Rajputanna Rifles Museum in November 2022

- North America

The primary focus is currently on partnerships with heritage organisations in the USA for potential collaborative work for the 250th anniversary of the American War of Independence.

- Ireland

The Liaison Team works with Army museums based in Northern Ireland to support them in a consolidation project. A site has been purchased in Belfast and a project team is working with designers now for the new museum site.

- Poland

The main partnership in Poland has been with the Museum of the Second World War in Gdańsk. We have worked with them to deliver a radio programme on famous battles and have been exploring opportunities for fellowships which Glyn Pryor has been working on. The Museum team has visited the NAM several times and there are potential plans for NAM staff to visit Poland in 2023. They are a keen partner and there is a lot of potential for mutual benefit.

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- Pakistan

The Museum has previously explored opportunities to partner with the Army Historical Centre and military museums based throughout Pakistan. NAM is currently working to support visits of Pakistan Army delegations as well as visits from the Pakistan Embassy.

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Strategic Objective 5:

Build greater Financial Resilience and Sustainability (Primary Enabling Objective)

5.1 Fundraising

The review of the strategy for fundraising as mentioned previously has been streamlined to focus on clear projects that are required to be funded rather than a “global” ask. This is focussed on those signees of the Armed Forces Covenant and more specifically the companies that are members of the Defence Growth Partnership. Exhibition tickets and associated events are now among the benefits to be enjoyed by our Corporate Partners. The Museum is currently focussing on support for research partnerships growing on the current numbers.

5.2 Trading

Trading levels have continued to grow as the Museum has been able to operate all of its usual trading activities without restrictions. Overall trading income was £599K which compares to £418K in the previous year and £681K for 2019-20 being the last pre-pandemic year.

Play Base was the largest source of income this year and we were able to open the space with no restrictions on occupancy. To give our customers confidence that the space was being operated with their safety and comfort in mind the decision was made to keep the enhanced clean in-between sessions and operate 5 rather than 6 sessions per day. For the year it generated an income of £159K, significantly up from the previous year of £75K and compares to the pre-pandemic figure of £153K.

The popular children’s Birthday Party offer was the next largest contributor to income, contributing £131K compared to £68K in the previous year and £94K in the pre-pandemic year. Increases were as a result of price increases for the package and also from an increase in the number of up-sells applied to the packages.

Retail income fell this year, with overall income of £100K, compared to the previous year £122K and a pre-pandemic performance of £201K – this is largely due to the reduction in sales of the Museum’s guidebook which became out of date as the gallery refreshment programme gained traction and galleries were closed or refreshed galleries reopened. There has also been a lack of investment, both in time, as a result of staff losses in this area which were still in place following the redundancy process that took place as a result of the Covid-19 pandemic and money spent in re-ordering and sourcing product.

Venue hire for both corporate and private hire increased, with income of £85K across 70 hires. Both income and number of hires increased compared to the previous years’ performance of £55K and 38 hires, and income superseded the pre Covid figure of £81K across 76 hires. This performance is a result of an increase in corporate bookings as Army, MOD, Regimental, Veteran and Service Charities which operated at a discounted level were at a similar value to pre-covid figures.

5.3 IT Systems

During this reporting period, the Technical Services team has refined its working practices to deliver more focused, incremental improvements to all our deployed services. The Museum’s best-of-breed technology strategy continues to deliver powerful productivity tools whilst ensuring ease-of-use for our users. The team continues to empower the workforce in their use of technology and assisting them in navigating what could be an increasingly complex IT world.

We continue to build new services that solve legacy issues by exploiting the solid foundation of the Museum’s selected software platforms. The development of more flexible, home-grown integration systems is an area offering distinct

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opportunities for improving the experience of our audience. After the disposal of a large amount of “post Covid” IT equipment the Museum has reduced disposals this year dramatically. Any items required to be disposed of due to being time served and where unsupported by manufacturers were disposed of via an externally verified, Zero Waste to Landfill government accredited company who operate under a CCS framework agreement. This work is carried out in their WEEE-compliant recycling facility which operates under an award of Distinction from ADISA.

5.4 Data Protection

Data protection is always at the forefront of the Museum’s operations, and this is a standing item on the PARA Committee agenda. Staff carry out regular training on data handling based on the online software training and this is supplemented by regular meetings of the Information Asset Group which identifies issues and best practice. As a result of a previous Internal Audit identifying short comings in data handling, the Museum has successfully recruited a member of staff (Information Officer) who carries out regular training for new joiners and existing staff on data protection and in particular GDPR. Work continues to ensure that only relevant data is held, the Information Officer has responsibility for assisting Teams to carry out cleansing of data. There were four incidents of data breaches, all were assessed using the ICO assessment tool and deemed minor, they were notified to the Data Subject, were documented, recorded and the appropriate actions taken. An incident is defined as a loss, unauthorised disclosure, or insecure disposal of information. Recent penetration testing did not identify major issues.

5.5 Fraud

The Museum working with the MoD Fraud Defence Team has produced a Fraud Risk Matrix with Heat Map which is regularly reviewed. The last review was carried out in January 2023. The Museum is currently classed as Low/Medium risk. There were no known instances of fraud during this period. Staff carry out compulsory Fraud and Bribery Training as part of their induction this is revisited annually.

5.6 Environmental and Sustainability

Introduction

Since the last period of reporting, the Museum has taken great steps to become a more sustainable organisation through several initiatives and projects, including for example, the installation of electric car charging points across the Museum estate, the introduction of new waste streams for recycling, efforts to reduce energy consumption and improve efficiency, and a rigorous effort to consolidate data from various sources for emission reporting.

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

Carbon Emissions

Overview

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

It is worth noting, that data for the periods after the baseline year, including the current period of reporting, is “inconsistent”. This is due to the various closure and re-openings of the Museum under Covid-19 measures, which directly affected building occupation and visitor numbers, and as a result, affected the generation of emissions.

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As such, the Museum has seen quite a significant decline in its carbon emissions compared to 2019 – 2020. However, as visitor numbers are expected to continue to recover in line with pre-pandemic levels over the coming years, it is expected that this will contribute to an increase in the Museum’s generation of emissions. Primarily, this will likely be a result of an increase in consumption of building services and utilities at the Museum’s public site in Chelsea.

The Museum will utilise the data to monitor progress and inform achievable reduction targets.

Methodology

The data relates to Scope 1, 2, 3 emissions from across the Museum estate, the National Army Museum, Chelsea and the National Army Museum, Stevenage.

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

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

Other resources include the *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance* (March 2019) and the *Sustainability Reporting Guidance: 2022 – 23* published by HM Treasury.

Emissions

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

Scope 2 Emissions

Non-financial indicators (tonnes CO ₂ e)	Electricity (total)	309.34	336.58	337.06	433.49
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Scope 3 Emissions		2022-23	2021-22	2020-21	2019-20 (Benchmark year)
Non-financial indicators (tonnes CO2e)	Transmission and Distribution – Electricity	25.30	29.78	28.98	36.80
	Business Travel - Air	1.95	0.46	0	1.10
	<i>(domestic)</i>	(0.33)	(0)	(0)	(0)
	<i>(international)</i>	(1.62)	(0.46)	(0)	(1.10)
	Business Travel - Land	1.21	0.76	0.55	1.75
	Freighted Goods (Transport of Exhibits)	1.08	0.13	0.34	0
	Waste Disposal	2.66	0.93	0.56	1.49
	Water Supply	0.42	0.37	1.00	1.44
	Total	32.62	32.43	31.43	42.58
Total GHG emissions & Intensity Ratio					
Net Emissions (tonnes CO2e)		538.26	624.68	606.09	728.94
Total annual visitors/ tonnes CO2e		0.003	0.084	0.052	0.003
Full-time staff equivalent/ tonnes CO2e		6.28	8.24	8.22	8.82

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Energy and Water

Energy Consumption ¹		2022-23	2021-22	2020-21	2019-20 (Benchmark year)
Energy Consumption (thousand kWh)	Gas	901,768	1,207,032	1,273,106	1,364,636
	Electricity	1,599,663	1,585,187	1,445,735	1,695,979
	Total	2,501,431	2,792,219	2,718,841	3,060,615
Financial Indicators (£)	Total Energy Costs (£)	289,841	252,843	261,899	277,718

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

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

The Museum is currently looking at options to increase where possible the proportion of energy consumption from renewable sources such as solar and wind. To that end, the Museum is investigating the potential to install solar photovoltaics (PV) panels on its roof at our Chelsea site. This will help cut energy costs and carbon emissions long term.

All lighting in the office, meeting rooms and stairwells are triggered by movement sensors with a set run time.

Office and meeting room lights are sensitive to ambient lux levels.

Gallery lighting are LED and utilise sensors to reduce consumption. Lights automatically dim when not required. Back of House lights are similarly controlled.

New LED lighting has been installed at NAM Stevenage.

To improve efficiency, the Museum made improvements to the fabric of the building at NAM Chelsea including two new windows on the ground floor and making repairs to existing windows by replacing mastic seals both internally and externally on the west side of the building.

Water Consumption ²		2022-23	2021-22	2020-21	2019-20 (Benchmark year)
Non-financial indicators Water (m ³)		2,830	2,490	2,914	4,179
Financial Indicators (£)		7,230	12,627	31,729	9,064
The Museum currently implements a daily flushing programme as part of its building maintenance programme. This is necessary for the protection of staff and the public but has disrupted attempts to reduce consumption and waste.					

¹ Corrections have been made to energy consumption for the previous reporting years, 2021/22, 2020/21, & 2019/20 due to inaccuracies in company metering.

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

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Waste Management and Recycling

Waste Generated ³		2022-23	2021-22	2020-21	2019- 20 (benchmark year)
Non – Financial indicators (metric tonnes)	General Waste (waste to energy)	20.10	14.70	7.88	27.40
	Recycled	20.23	15.32	7.88	27.60
	WEEE	0.02	0.50	0.00	0.00
	Paper	10.27	8.61	8.94	9.11
	Construction	48.00	40.00	40.00	64.00
	Hazardous	0.36	0.92	0.00	0.00
	Metal	0.98	1.89	0.00	2.54
	Acrylic	0.19	0	0.00	0.00
	Total Waste	100.15	81.94	64.70	130.65
Financial indicators (£)	General Waste (waste to energy)	5,166*	3,734*	1,967*	6,414*
	Recycled	3,444*	2,489*	1,311*	4,607*
	WEEE	0	0	0	0
	Paper	3,047	2,335	2,266	1,876
	Construction	2,503	2,060	2,060	2,940
	Hazardous	991	2,367	0	0
	Metal	-9	-317	0	-255
	Acrylic	224	0	0	0
	Total Waste	15,366	12,668	7,604	15,582
Paper Use					
Non-Financial indicators (A4 reams)	Total	305	80	45	345
	% reduction	12	77	87	-
Financial indicators (£)	Total cost	2,414	471	127	1,215
<p>*Costs for General Waste (waste to energy) & Recycled are estimates based on a 60/40 ratio.</p> <p>Alongside regular collections of general waste and recycling, the Museum has dedicated streams for the recycling of metals, wood, paper, acrylic*, batteries, cooking oil, food waste* and hazardous waste and operates a Zero to Landfill policy.</p>					

³ Corrections to the baseline year have been made following recalculation of data.

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

*The Museum has recently added acrylic recycling streams to its waste management and recycling of crisp packets and nitrile gloves.

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

* Food waste produced by the Museum's café is currently collected in a separate waste stream to the General Waste. In addition, the café subscribes to the Too Good to Go app for the disposal of certain food items. Food waste from the staff kitchen is included in the General Waste.

Construction waste is an estimate and was calculated by multiplying the maximum load weight of 16-yard skips with the relevant conversion factor.

Transport

Travel ⁴		2022-23	2021-22	2020-21	2019-20 (benchmark year)
Non-financial indicators (miles)	Distance by train	28,546	12,360	2,726	27,300
	Distance by plane	9,966	2,374	0	5,604
	<i>(Domestic)</i>	1,328	0	0	0
	<i>(international)</i>	8,638	2,374	0	5,604
	Distance by car	745	1,201	1,692	2,168
	Distance by Owned Vehicle	6,607	2,459	2,519	7,059
	<i>(% of which are ULEV)</i>	100	100	100	100
	Total distance travelled (miles)	45,864	18,394	6,937	42,131
Financial Indicators (£)	Total Cost	43,663	21,506	11,767	46,303

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

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

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

⁴ Corrections to the baseline year have been made following recalculation.

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In January & February 2022, the Museum installed seven Electric Vehicle Charging Points across the Museum Estate making use of the available OZEV Workplace Charging Scheme grants. These are available for Staff and Contractor use.

The Museum lease vehicle will be changed to a zero-emission electric vehicle.

Mitigating Climate Change: Working Towards Net Zero by 2050

Progress against headline-target

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

Progress against sub-targets

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

Climate Change Adaption

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

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

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

Progress will be monitored by the Sustainability Group and the National Army Museum Council.

Auxiliary Items

Training

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

Paper/Cardboard

The Museum continues to minimise the use of paper in the office environment. Staff are encouraged to only print essential items. All paper & delivery packaging is recycled and collected as part of the Museum's Mixed Recycling stream.

Sensitive documentation is collected and recycled through an appointed contractor.

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Equipment & Supplies

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

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

Contractors and Suppliers

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

All suppliers are required to provide evidence of an environmental policy.

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

Maintenance and Cleaning

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

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

5.7 Health and Safety (H&S)

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

5.8 Fire Safety

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

5.9 Emergency Planning

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

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Financial Review

Consolidated Results for the Year Ended 31st March 2023

Total incoming resources for the Museum in 2022-23 amounted to £7,867,000 (2021-22 - £7,798,000). The principal funding source of the Museum is Grant-in-Aid funding received from the Ministry of Defence. In 2022-23 this was £7,186,000 (2021-22 - £7,000,000).

Total resources expended amounted to £7,021,000 (2021-22 - £2,653,000). £3,893,000 of the increase of £4,368,000 is due to a reduction in the non-cash credit for the year in respect of the depreciation of tangible fixed assets and the reversal of previous impairment provisions.

After adjustment for the revaluation of the Museum's leasehold property and other recognised gains and losses, the net movement in funds for the year showed an increase of £2,723,000 (2021-22 - £6,105,000).

The Museum's net assets as at 31st March 2023 amounted to £115,110,000 (31st March 2022 - £112,387,000).

Changes in Tangible Fixed Assets

Movements in tangible fixed assets are shown in note 6 to the accounts. During the year, the Museum spent £629,000 on additions to tangible fixed assets.

Future Plans

The Museum is continuing to concentrate on its refinement of the galleries taking into account audience feedback and the need to rotate collections on display to ensure that exposure restrictions are not exceeded. On many of the delicate items that are on display. While the gallery refinements have been carried out and to ensure continuity of the story of Our Army, the Museum extended the exhibition 'Foe to Friend' to maximise availability for viewing this well received exhibition which will be deinstalled in the late summer of 2024. Audience feedback and restrictions on the size of the total temporary galleries space has highlighted the need to change the physical size of both galleries within the total "footprint". To allow this work to be carried out, once the Foe to Friend exhibition is demounted, work will be undertaken to reconfigure the total space to allow a slightly smaller main gallery (300m²) and more useful Focus Gallery of 150m². This change will still allow the installation of larger exhibitions in both areas.

As highlighted elsewhere in this report the Museum working with the founding partners will develop further the Chelsea History Festival and Chelsea Heritage Quarter.

Working with the Sponsor Department further the relationship with the Army Museum's Ogilby Trust and grow the pastoral care element to the Regimental and Corps network.

Review and agree the Sponsor Department's guidance on the provision of Grant in Aid - the Financial Framework.

The Museum will purchase an external potentially "off the shelf" Collections Management System that is fully supported and meets the needs of all stakeholders both within the Museum and external audiences.

Fundraise and expand the NAM fellowship scheme and working with external bodies e.g. RMAS develop the NAM Institute and working to become an Independent Research Organisation to unlock potential additional funding streams.

Grow the unrestricted reserve to the target figure of £1 million.

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Targets and Key Performance Indicators

Summarised below is the performance of the Museum against some key performance indicators over the last year with 2021-22 being the revised baseline since Covid 19:

		2021-22	2022-23	Variance
Audiences	Play Base	18,831	54,720	191%
	School visits (physical/virtual)	5,033/2,819	9,169/4,002	82%
	TSC visitors	340	643	89%
	General visitors	49,371	101,715	106%
	Total footfall	73,575	166,247	126%
	Digital footfall	2,530,361	3,285,743	30%
	Online: collections	14%	13%	-7%
	Online: what's on/stories	82%	85%	4%
	Members (Patrons)	476/(39)	411/(37)	-14%/(-5%)
	Trip Advisor rating	82%	79%	-4%

Collections	Enquiries	4,306	3,778	-12%
	Objects photographed/digitised	2,057/2,591	555/2,989	-73%/15%
	Objects published online	4,612	1,946	-58%
	Accessions (archives and objects)	352	195	-45%

People	FTE	75.7	85.6	13%
	Volunteers (active)	15	27	80%
	Turnover	31.9%	27.7%	-13%

Finance (Consolidated Group Accounts)	Income	£7,798,000	£7,867,000	1%
	Expenditure including depreciation	£2,653,000	£7,021,000	165%
	Surplus/(Deficit) (before gains and losses)	£5,145,000	£846,000	-84%
	Donations	£306,000	£48,000	-84%

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		2021-22	2022-23	Variance
NAMTL	Venue Hire	£54,917	£85,109	55%
	Other Revenue	£301,842	£432,018	43%
	Total Revenue	£356,759	£517,127	45%
	Expenditure	£274,660	£380,897	39%
	Net Profit before tax	£82,099	£136,230	66%

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

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

7th November 2023

National Army Museum
7th November 2023

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

The Council has chosen to subscribe to the principles of the Commissioner for Public Appointments Code of Practice for Public Appointments Procedures. In particular, Members of the Council have affirmed their commitment to the Principles of Public Life.

Register of Interests

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

Members of Council

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

Lieutenant General Sir Simon Mayall KBE CB (Chair)
Lieutenant General Sir George Norton KCVO CBE (Deputy Chair)
Mrs Judith Donovan CBE
Mr Guy Perricone
Professor the Lord Andrew Roberts of Belgravia
Dr Paul Schreier
Mrs Sabine Vandenbroucke

Professor Ali Ansari (joined Council November 2022)
Mr Tim Cooke OBE (joined Council November 2022)
Mrs Sue Mackenzie (joined Council November 2022)

Mr Patrick Aylmer (resigned from Council June 2022)
Dr Jonathan Boff (resigned from Council November 2022)
Mr John Duncan OBE (resigned from Council November 2022)
Mr William Wells (resigned from Council November 2022)

In addition to The Council there are two honorary advisors:

Mr Richard Hughes – Honorary Advisor on legal matters
Ms Brenda Hobday – Honorary Advisor on public relations and marketing matters (resigned February 2023)

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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 where appropriate, by external assessors. The Museum follows OCPA guidelines in the appointments which are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff.

Organisation Structure and Decision-Making Process

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

The NAM Council has established a number of committees for specific purposes and to ensure the effective conduct of and oversight of Museum business. In 2018 the NAM Council agreed to address the areas of responsibility of these Committees. The result of that work is the following revised list of committees:

Collections & Research Committee

Performance, Audit & Risk Assurance Committee

People and Appointments Committee (formerly Remuneration & Appointments Committee)

Development Committee

Enterprise Committee/NAMTL Board

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

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

Brigadier Justin Maciejewski DSO MBE
Mr Mike O'Connor OBE
Mr Ian Maine
Ms Teresa Scott
Ms Dawn Watkins (NAMTL)

Director and Accounting Officer
Deputy Director
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.

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STATEMENT OF TRUSTEES AND ACCOUNTING OFFICER'S RESPONSIBILITIES

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

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

- Observe the accounts direction issued by the Secretary of State in compliance with Charity Law, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards and statements of recommended practice as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

Under law applicable to charities in England and Wales, the Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable the Council to ensure that the financial statements comply with the applicable law. The Council is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

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GOVERNANCE STATEMENT

This Governance Statement sets out the arrangements for the governance of the NAM, including the Council and Committee structure for the Members. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chairman of the NAM Council and Accounting Officer. The arrangements and systems for governance have been in place for the year under review and up to the date of the approval of the annual report and financial statements.

The Governance Framework

The NAM is a charity registered with the Charity Commission (registration number 237902) governed in accordance with its Royal Charter originally issued in April 1960 and subsequent amendments, the latest being in July 2009.

The Museum is a national museum as defined in the National Heritage Act 1983 Schedule 2 and Executive Non-Departmental Public Body (ENDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place dated May 2018, that defines the arrangements between the Museum and its Sponsor Department - the Ministry of Defence, relating to the receipt of Grant-in-Aid and the conditions for its expenditure. This document is due to be re-issued 2023/2024. The Museum also complies with applicable government functional standards.

The NAM Council and the Committee Structure

The NAM is governed by the NAM Council. The Charities Act 2011 requires the Council Members to exercise proper stewardship over the Museum and to take care of its collections.

The Director of the Museum as the Accounting Officer responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money. The Accounting Officer has received full induction and access to all records to satisfy themselves on the Governance and the Financial Statements of the Museum.

Council Members are appointed by the NAM Council and approved by the Army Board. They are appointed for a term of three years and can be appointed for a further term of equivalent length. The NAM Council may appoint nominated external members to serve on specific committees to supplement the experience of main Council Members. The nominated external members offer a level of expertise and independence that the Council members may not have.

Full minutes of all NAM Council and Committee meetings are maintained and the attendance of Council Members are recorded therein. Copies of NAM Council minutes are published on the NAM website.

The NAM Council Members receive induction training under the direction of the Director and are encouraged to familiarise themselves with the Museum's operations through work in committees where they are supported by the Museum's divisional Assistant Directors. Additionally, all Members of Council received trustee training from the Museum's legal advisors early in their tenure.

The NAM Council met for four meetings during 2022-23. However, the Council continued to meet both in person and for some members, on Zoom. The lessons of Covid-19 proved that this was an efficient way of ensuring maximum attendance at meetings. Listed below are the Council Members and their attendance at Council meetings.

Post	Name	Meeting held/Attendance at Meetings whilst Member
Chair	Lieutenant General Sir Simon Mayall KBE CB	4/4
Deputy Chair	Lieutenant General Sir George Norton KCVO CBE	4/3
Members	Mr Patrick Aylmer resigned June 2022	2/1
	Dr Jonathan Boff resigned November 2022	3/3
	Mrs Judith Donovan CBE	4/4
	Mr John Duncan OBE resigned November 2022	3/2
	Mr Guy Perricone	4/4

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Professor The Lord Andrew Roberts of Belgravia	4/2
Dr Paul Schreier	4/3
Mrs Sabine Vandenbroucke	4/4
Mr William Wells resigned November 2022	3/3
Professor Ali Ansari joined Council November 2022	2/2
Mr Tim Cooke OBE joined Council November 2022	2/2
Mrs Sue MacKenzie joined Council November 2022	2/2

Register of Interests

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

NAM Council Committees

The Committees are listed below with their membership and attendance at meetings. Post Covid, all meetings are held "face to face" with "Zoom" being used on rare exceptions.

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

Recruitment, Appointment and Training of Council Members

New members of Council are sought through national channels with applicants being interviewed by members of Council assisted by external assessors. Appointments are then approved by the Army Board. All new members receive information as laid down by the Charity Commission. They also visit the Museum for induction training provided by the Director and other members of staff. The Trustees received a briefing from the Sponsor Department on the relationship with the Museum and from the Museum's legal advisors on the Charity SORP in November 2022.

Performance, Audit & Risk Assurance Committee

During 2022-23 the Performance, Audit & Risk Assurance (PARA) Committee had three planned meetings. The Committee members and their attendance at the meetings are listed below:

Post	Name	Meeting held/Attendance at Meetings whilst Member
Chair	Mr Patrick Aylmer Chair to June 2022, resigned June 2022	1/1
	Mrs Sabine Vandenbroucke Chair from July 2022	3/3
Members	Mr John Duncan resigned November 2022	2/2
	Mr Guy Perricone	3/3
	Mr Robin Grimston external member	3/2
	Ms Brenda Hobday external member resigned February 2023	3/1

The Committee scrutinised the draft Annual Accounts for 2021-22 and recommended them to be approved by NAM Council in November 2022. They selected the Internal Audit topics and reviewed the reports produced by the Internal Auditors. Additionally, at their November meeting, they were briefed on the Performance Awards for the previous reporting period, which were in line with MoD guidance. The Committee reviews the abridged version of the Risk Matrix at each meeting where high risks to the Museum operations are discussed.

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Collections & Research Committee

This Committee held two planned meetings during 2022-23. Listed below are the members of the Committee and their attendance at the meetings:

Post	Name	Meeting held/Attendance at Meetings whilst Member
Chair	Lieutenant General Sir George Norton	2/2
Members	Mr John Duncan resigned November 2022	1/1
	Dr Jonathan Boff resigned November 2022	1/1
	Professor William Philpott external	2/1

The Committee reviewed the development of research activity and collections development. They also approved a number of collections disposals.

People and Appointments Committee (formerly Remuneration & Appointments Committee)

This held one planned meeting during 2022-23 where they discussed the Director's salary and remuneration in accordance with the SCS scheme. Listed below are the members of the Committee and their attendance at the meetings:

Post	Name	Meeting held/Attendance at Meetings whilst Member
Chair	Lieutenant General Sir Simon Mayall	1/1
Members	Mrs Sabine Vandenbroucke	1/1
	Mr William Wells resigned November 2022	1/0

Development Committee

This held four meetings during 2022-23. Listed below are the members of the Committee and their attendance at the meetings:

Post	Name	Meeting held/Attendance at Meetings whilst Member
Chair	Mr William Wells Chair to August 2022, resigned November 2022	2/2
	Dr Paul Schreier Chair from August 2022	4/4
Members	Mr Patrick Aylmer resigned June 2022	1/0
	Mrs Judith Donovan	4/4
	Mr Guy Perricone	4/4
	Mr Tim Cooke OBE	2/1

The Committee as part of the Covid recovery refocussed its plans and revised its fundraising focus to coincide with the launch of and financial support for the NAM Institute, and a corporate funded strategy in line with the Chelsea History Festival.

Enterprise Committee

This Committee of NAM Council was formed with effect from 9 February 2023. It fulfils two functions: as both the Board of NAMTL, the legally registered company, and in addition beyond its legal duties as a Company Board, as an advisory body to the NAM Council on corporate communications and marketing campaigns in support of the Museum as well as its programme and commercial income generation opportunities. The Enterprise Committee has no executive powers.

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Members of the Committee are also NAMTL Board directors. As NAMTL Board and latterly from 9 February as Enterprise Committee, it held three meetings and three extraordinary meetings.

Post	Name	Meeting held/Attendance at Meetings whilst Member
Chair	Mrs Judith Donovan	6/6
Board Members	Mr Jonathan Webb	6/5
	Dr James Naylor	6/3
	Mr Matthew Hayes	6/3
	Mr Robin Grimston	6/6
	Brigadier Justin Maciejewski resigned October 2022	5/3

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

NAM Council Members' Performance.

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

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

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

Review of Risk Management and Internal Control Systems

Risk Management

A Risk Management Statement has been drawn up with reference to the HM Treasury Publication - Risk Management Assessment Framework (2009), JSP 462 (April 2017) Financial Management and Charging Policy Manual, and the Cabinet Office & HM Treasury publication, *Your Delivery Strategy* (September 2001).

The NAM Council confirms that the Risk Management Systems in place for this reporting period (2022-23) affirms that in all situations where MOD Grant-in-Aid is concerned, the appetite for risk is conservative. The need to pay the staff, fund the provision of utilities, ensure compliance with Health & Safety at Work and other legislation/mandatory requirements and curate the Collections leaves no room for the assumption of more extreme risks. In all other instances, Council's risk assessment is made on a case-by-case basis, and is reviewed by Council at its periodic meetings, having regard to the NAM's Strategic Plan, Business Plan and investment and other professional advice taken by Council and the Director of the Museum, who reports to Council.

The NAM assesses its risks under the following categories:

- a. Governance;
- b. Finance;

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- c. Building;
- d. Security;
- e. Employment;
- f. Collections.

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

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

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

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

Finance – A framework contained within the Financial Procedures Manual was updated in Autumn 2019 i.e. pre Covid-19. The Museum deferred the replacement of its financial system post Covid. After several cost savings arrived at by the removal of certain costly elements of the software coupled with the compatibility of the existing system with the invoice payment software of the Sponsor Department, NAM has decided to remain with the existing system. This document lays down the procedures and systems that all staff employed at the NAM must sign up to ensure that financial controls are in place to reduce wasted expenditure and produce value for money. Access to the Museum's accountancy system is restricted to the role of the individual. Levels of access are password protected which expire and must be renewed every thirty days. There is a clear line of responsibility for the authorisation of purchase orders and all staff as part of their induction receive a briefing on financial matters by the Deputy Director. Staff are also required to carry out regular training on the Bribery Act, Data Protection Act and copies of these policies can be found on the NAM Intranet and as part of the induction procedure and Staff Handbook.

Additionally, the SLT reviews budgets and cost centres on a monthly basis to ensure that the spend profile is maintained and any anomalies are accounted for.

The Museum works with the MoD Fraud Team to produce and review a Fraud Risk Matrix which forms part of the MoD global Fraud Risk Register. The reviews are carried out in accordance with the MoD team's programme with the most recent carried out in January 2023.

Building – The Museum premises at Chelsea was redeveloped in 2017 which included major structural alterations and the installation of plant which maintains the correct climatic conditions for the protection of the collections, staff and visitors. The Museum tendered for and replaced its contracted maintenance company to ensure that the building and

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plant are maintained to the correct levels. The Museum storage facilities at Stevenage are leased properties which the Museum is responsible for, contracts are in place for their maintenance.

Security – The Museum has both 24/7 physical and digital alarm systems in place for the protection of the collections, staff and visitors from loss, damage and injury. All alarm systems are fully maintained and monitored 24/7 off site. The Museum works closely with the local police and counter terrorism teams and regularly carries out appropriate training. The security company tendered for and in post in December 21 was replaced in August 22 due non-compliance with the contract. This necessitated an urgent operational replacement “single tender” appointment to maintain security. This service was subsequently re-tendered with the replacement company contracted to start in July 2023.

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

Collections – The Museum, as an accredited Museum, complies with all recommendations of the accreditation awarding body. Collection are collected, located and maintained in line with these standards which are overseen and regularly audited by the Collections Care and Standards Team with the Collections Research Committee who authorise any substantial disposals. The same processes are followed for Archive Accreditation.

Internal Auditors

The Museum’s current internal auditors, RSM Risk Assurance Services LLP (RSM) were appointed in October 2019 as part of a joint tender process by the NAM, the National Museum of the Royal Navy and the RAF Museum. RSM work to the Public Sector Internal Audit Standards and provide an independent opinion on the matters subject to review through the internal audit programme. They will also work across the three service Museums to provide a “joined up service” that will measure, where possible, each Museum to achieve best practice.

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

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

Fundraising – Reasonable Assurance

Risk Management – Reasonable Assurance

Governance – Reasonable Assurance

Thematic Review – Equality, Diversity and Inclusion – Reasonable Assurance

The necessary procedures have been implemented to address the recommendations made.

The overall Internal Audit Opinion for 2022-23 is that the work provides moderate assurance, and that some improvements are required to enhance the adequacy and effectiveness of the controls.

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External Auditors

The external auditor of the Museum is the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The accounts are consolidated with the accounts of the NAM's trading subsidiary (NAMTL) which are audited by Hillier Hopkins LLP who were at the request of the NAMTL Board, appointed in December 2022. The NAO is invited to attend the regular meetings of the PARA Committee which includes the "end of year" presentation of the Consolidated Financial Statements where the NAO discusses their findings with the Committee.

Information Risk Management

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

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

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

Whistleblowing

The Museum has a whistleblowing policy in place available to all staff and contained in the Staff Handbook. Whistleblowing is a standard agenda item for the Performance Audit and Risk Assurance Committee reporting to NAM Council. This was responded to in a written statement by the Director.

Statement of Assurance

The Accounting Officer has responsibility, on behalf of the full NAM Council, for the overall effectiveness of the Museum's governance arrangements and their compliance with Corporate Governance in Central Government Departments Code of Practice 2018 so far as this may be seen to apply to an 'Arms-Length Body' (as defined in *Managing Public Money*).

Auditors

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

The cost of the audit of the Museum and its trading company for 2022-23 is £43,375 (2021-22: £38,750) of which £37,400 (2021-22: £32,700) relates to the audit of the Museum and £5,975 (2021-22: £6,050) to the audit of NAMTL.

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

NATIONAL ARMY MUSEUM
TRUSTEES REPORT AND REPORT OF COUNCIL
YEAR ENDED 31ST MARCH 2023

REMUNERATION AND STAFF REPORT

Remuneration Policy

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

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

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

Salary and Pension Entitlements (Subject to audit)

The salary and pension entitlements of the Senior Management Team (SMT) of the Museum as detailed on page 36 were as follows (with comparative salary disclosures for 2021/22).

	Salary (£'000)		Performance Pay (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000)		Total remuneration (£'000)	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Justin Maciejewski <i>Director</i>	145-150	140-145	5-10	0-5	-	-	-	-	155-160	145-150
Mike O'Connor <i>Deputy Director</i>	75-80	70-75	-	-	-	-	(6)	3	70-75	75-80
Teresa Scott <i>Assistant Director - Human Resources</i>	70-75	65-70	0-5	0-5	-	-	(3)	17	70-75	85-90
Ian Maine <i>Assistant Director – Collections and Programmes</i>	70-75	65-70	0-5	0-5	-	-	-	-	70-75	70-75
Dawn Watkins <i>Assistant Director – Enterprise</i>	70-75	65-70	0-5	0-5	-	-	-	-	70-75	70-75

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	Accrued pension at pension age as at 31 March 2023 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2023	CETV at 31 March 2022	Real increase in CETV ¹	Employers' contribution to NEST pension or personal
	£'000	£'000	£'000	£'000	£'000	£(nearest £100)
Justin Maciejewski <i>Director</i>	-	-	-	-	-	7,700
Mike O'Connor <i>Deputy Director</i>	25-30	-	480	450	(6)	-
Teresa Scott <i>Assistant Director - Human Resources</i>	25-30 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0	463	425	(11)	-
Ian Maine <i>Assistant Director – Collections and Programmes</i>	-	-	-	-	-	4,100
Dawn Watkins <i>Assistant Director – Enterprise</i>	-	-	-	-	-	4,100

None of the above received any benefits in kind during the year (2021/22 £Nil).

No members of the Council received any remuneration during the year (2021/22 £Nil). During the year reimbursements were made to members of the Council totalling £4,402 (2021/22 £1,012) for travel and subsistence and £1,302 (2021/22 £3,091) for hospitality. A Trustee was paid £200 (2021/22 £Nil) for speaking at the Chelsea History Festival.

¹Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Salary

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

Performance pay

Performance pay relates to bonuses on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2022-23 relate to performance in 2021-22 and the comparative bonuses reported in 2021-22 relate to the performance in 2020-21.

Benefits in Kind

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

Pension Benefits

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

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

Principal Civil Service Pension Scheme (PCSPS)

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

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

Cash Equivalent Transfer Values and Real increase in CETV

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

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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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 Leadership Team for the current or preceding year.

Fair pay disclosure (Subject to audit)

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

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

	2022/23	2021/22
	%	%
Salary:		
Highest paid director	3.5	0
Staff Average	4.9	(0.4)
Performance pay:		
Highest paid director	200.0	(66.7)
Staff Average	10.7	10.1

Total performance pay is limited by guidance issued by the Museum's Sponsor Department.

The mid-point of the banded remuneration of the highest-paid director in the National Army Museum in the financial year 2022-23 was £157,500 (2021-22, £147,500). This was 5.9 times (2021-22, 6.4) the 25th percentile remuneration, which was £26,560 (2021-22, £23,077), 5.0 times (2021-22, 4.9) the median remuneration of the workforce, which was £31,768 (2021-22, £30,200) and 3.9 times (2021-22, 3.6) the 75th percentile remuneration, which was £40,126 (2021-22, £40,921). Changes in ratios result from minor changes in the staff mix at NAM. Comparative amounts have been adjusted from those previously reported to reflect total remuneration. No staff received any benefits in kind in 2022-23 or 2021-22.

The salary element of the total remuneration noted above for the 25th percentile salary was £26,560 (2021-22, £22,647), £31,179 (2021-22, £30,200) for the median salary and £39,384 (2021-22, £40,717) for the 75th percentile salary.

In 2022-23 0 (2021-22, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £21,548 to £157,500 (2021-22, £15,938 to £147,500).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer-value of pensions.

Median total remuneration is calculated by excluding the remuneration of the highest paid director on an annualised basis and by including full time equivalent remuneration for all staff.

NATIONAL ARMY MUSEUM
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Staff Report

Staff costs and staff numbers (Subject to audit)

	2022/23	2021/22
	£'000	£'000
Staff costs comprise:		
Wages and salaries	2,854	2,677
Social security costs	299	274
Pension costs	302	307
Redundancy costs	0	131
Temporary staff	659	655
	<u>4,114</u>	<u>4,044</u>

Excluding the Director and members of the Senior Management Team, no employees received remuneration for 2022-23 excluding pension contributions, greater than £60,000 (2021-22 no employees).

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

	2022/23	2021/22
Collections	43	42
Curatorial	21	23
Education	12	8
Publicity	2	2
Trading	11	7
Fundraising	0	2
	<u>89</u>	<u>84</u>

30 (2021-22: 25) of the above staff are male and 59 (2021-22: 59) female (unaudited). 5 (2021-22: 9) staff are employed on short term contracts with all other staff employed on a full-time contract. The above includes an average of 24 (2021-22: 20) part time staff members for the year.

The staff turnover for the year represented 27.7% of the total workforce (2021-22: 31.9%).

Consultancy and off-payroll arrangements

NAM has engaged no individuals during the year under short term arrangements that could be seen to be similar to those envisaged by HM Treasury Guidance on off- payroll arrangements (2022: no individuals). Total expenditure for other consultancy services in the year was £25,032 (2022: £946).

Sickness and Absence data

The NAM employed 96 members of staff at 31 March 2023 (73 full-time and 23 part-time) and monitored sick absence as part of its commitment in promoting the health, safety and welfare of all members of staff. Information collated from the Department of Human Resources is available to the Museum's Management Team who are responsible for identifying potential risks arising from any patterns that may occur and also made available to NAM Council. During 2022-23, there were 688 (full time equivalent) days lost to sick absence compared to 490 days lost in 2021-22.

During the period, the average number of days' sickness absence per employee was 7.2 compared to 5.8 days in 2021-22 (long-term incidents of sickness absence have been excluded to give a more accurate picture of sickness absence at NAM). A policy on the management of attendance is in place to promote arrangements for dealing with sickness absence in a manner, which is fair and sensitive to staff, as well as minimising the effect of absences on operational requirements. In addition, the NAM has introduced a wellbeing initiative, which includes establishing and training Mental Health First Aiders, and training all line managers to raise awareness of mental health and wellbeing.

NATIONAL ARMY MUSEUM
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Equality, Diversity & Access

The NAM is an Equal Opportunities Employer.

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

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

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

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

Employee Consultation and Involvement

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

Communication and involvement with the staff is also maintained through various committees/groups, which include the Health & Safety Committee, regular Departmental and Divisional meetings, one-to-ones, monthly staff briefings and internal memoranda.

Employer Pensions

For 2022-23 employers' pension contributions for the Museum of £184,000 were payable to the PCSPS (2021-22 £216,000) at rates based on salary bands as follows:

Band one	-	£23,000 and under	26.6%
Band two	-	£23,001 - £45,500	27.1%
Band three	-	£45,501 - £77,000	27.9%
Band four	-	£77,001 and over	30.3%

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

Members of staff not eligible to join the PCSPS are automatically enrolled in the National Employment Savings Trust (NEST) with employer pension contributions of 6 per cent from September 2022 (previously 5 per cent). Total employer contributions in this regard were £118,000 (2021-22 £91,000).

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Civil service and other compensation schemes – exit packages (Subject to audit)
(Comparative data for the prior year is shown in brackets)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	- (4)	- (-)	- (4)
£10,000 - £25,000	- (-)	- (-)	- (-)
£25,000 - £50,000	- (1)	- (-)	- (1)
£50,000 - £75,000	- (-)	- (-)	- (-)
£75,000 - £100,000	- (1)	- (-)	- (1)
Total number of approved exit packages	- (6)	- (-)	- (6)
Total resource cost/£	- (131,233)	- (-)	- (131,233)

There were no special severance packages paid by the Museum for 2022-23 or 2021-22.

Trade Union Facility Time

	2022/23	2021/22
Table 1		
Number of employees who were relevant union officials during the period	0	0
Table 2		
Percentage of time		
0%	0	0
1-50%	0	0
51-99%	0	0
100%	0	0
Table 3		
Total cost of facility time	£0	£0
Total pay bill	£3,455,000	£3,389,000
Percentage of the total pay bill spent on facility time	0%	0%
Table 4		
Time spent on paid trade union activities as a percentage of total paid facility time	0%	0%

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of Expenditure (Subject to Audit)

NAM receives Grant-in-Aid (GiA) from MOD in support of its overall activities.

The total operating GiA for the last five financial years being as follows:

	£'000
2022-23	7,056
2021-22	6,870
2020-21	6,713
2019-20	6,486
2018-19	7,084

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Part of the GiA is used to cover the salaries of staff paid directly by MOD whilst the remaining GiA is received by NAM in a separate bank account. Included in the operating GiA for 2022-23 is £100,000 which was restricted to supporting NAM's operations in relation to the Commonwealth War Graves Commission and scholarship research activities.

In addition NAM received additional GiA for the purchase of Heritage Assets of £130,000 in each of the last four financial years. For 2018-19, this additional GiA was £126,000.

Controls and procedures are in place to ensure only allowable expenditure is incurred on this account. Annual budgets are prepared for the expenditure of this GiA with monthly reporting of actual expenditure and anticipated outturns being made to the Management Team coupled with regular reporting to the PA&RA Committee.

These procedures help ensure that GiA is appropriately managed and that there is no overspend of GiA that cannot be funded from the Museum's other resources.

Other considerations (Subject to Audit)

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

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

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Long-term expenditure trends

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

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Staff costs	4,114	4,044	4,199	4,160	3,685
Premises costs	1,106	888	1,028	1,050	1,074
Collection maintenance	696	542	530	357	574
Events and promotion	324	398	270	528	472
Depreciation and (profit)/ loss on disposal	1,206	884	970	862	894
Impairment and impairment reversal	(1,327)	(4,898)	0	(378)	(649)
Administration and other	902	795	690	834	853
	<u>7,021</u>	<u>2,653</u>	<u>7,687</u>	<u>7,413</u>	<u>6,903</u>

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

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

7th November 2023

National Army Museum
7th November 2023

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
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THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the National Army Museum and its Group for the year ended 31 March 2023 under the Charities Act 2011 and under Royal Charter relating to the National Army Museum 1960.

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

- Consolidated and Charity Balance Sheet as at 31 March 2023;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the National Army Museum and its Group's affairs as at 31 March 2023 and its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Royal Charter relating to the National Army Museum 1960 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the National Army Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2023

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises information included in the Trustees' Report, but does not include the financial statements nor my auditor's report. The Trustees and Accounting Officer are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

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

- adequate accounting records have not been kept by the National Army Museum or its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2023

- the financial statements and the parts of the Trustees' Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Royal Charter relating to the National Army Museum 1960 and the Charities Act 2011.

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

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

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

NATIONAL ARMY MUSEUM

AUDITORS' REPORT

YEAR ENDED 31ST MARCH 2023

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

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

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

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

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

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Performance, Audit and Risk Assurance Committee concerning actual and potential litigation and claims;

NATIONAL ARMY MUSEUM
AUDITORS' REPORT
YEAR ENDED 31ST MARCH 2023

- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, assessing the recognition of revenue in line with the accounting framework and undertaking procedures to test the completeness of revenue.

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

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

Other auditor's responsibilities

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

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

Gareth Davies

Date 14th November 2023

Comptroller and Auditor General

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

NATIONAL ARMY MUSEUM
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2023

	NOTE	Unrestricted Funds	Restricted Funds	Total Funds 2022/23	Unrestricted Funds	Restricted Funds	Total Funds 2021/22
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and legacies	3						
Grant-in-Aid		6,956	230	7,186	6,870	130	7,000
Other		20	28	48	62	244	306
		6,976	258	7,234	6,932	374	7,306
Trading activities	3	553	46	599	352	66	418
Investments		1	3	4	0	6	6
		7,530	307	7,837	7,284	446	7,730
Other	3	26	4	30	68	0	68
TOTAL		7,556	311	7,867	7,352	446	7,798
Expenditure on:							
Raising funds	4	859	(45)	814	942	(450)	492
Charitable activities	4	6,413	(206)	6,207	5,808	(3,647)	2,161
TOTAL		7,272	(251)	7,021	6,750	(4,097)	2,653
Operating surplus/(deficit)		284	562	846	602	4,543	5,145
Net gains/(losses) on investments	8	0	(20)	(20)	0	12	12
Net income/(expenditure)		284	542	826	602	4,555	5,157
Transfers between funds		(519)	519	0	0	0	0
Other recognised gains/(losses):							
Gains/(losses) on revaluation of fixed assets		245	1,652	1,897	101	847	948
Net movement in funds		10	2,713	2,723	703	5,402	6,105
RECONCILIATION OF FUNDS							
Total funds brought forward		65,070	47,317	112,387	64,367	41,915	106,282
Total funds carried forward		65,080	50,030	115,110	65,070	47,317	112,387

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

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

The notes of pages 61 to 80 form part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED AND CHARITY BALANCE SHEET
YEAR ENDED 31ST MARCH 2023

	NOTE	2023				2022			
		Group	Charity	Group	Charity	Group	Charity	Group	Charity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FIXED ASSETS									
Tangible assets	6	46,302		46,301		43,657		43,655	
Heritage assets	7	68,083		68,083		67,971		67,971	
Investments	8	402		452		0		50	
			114,787		114,836		111,628		111,676
CURRENT ASSETS									
Stocks		31		0		76		0	
Debtors	9	607		781		880		997	
Investments	10/11	0		0		365		365	
Cash at bank and in hand	11	594		317		415		242	
		1,232		1,098		1,736		1,604	
CURRENT LIABILITIES									
CREDITORS:									
Amounts falling due within one year	12a	(909)		(824)		(939)		(866)	
NET CURRENT ASSETS/ (LIABILITIES)			323		274		797		738
CREDITORS:									
Amounts falling due after more than one year	12b	0		0		(38)		0	
TOTAL NET ASSETS			115,110		115,110		112,387		112,414
RESERVES									
Unrestricted Funds			64,460		64,460		64,695		64,722
Unrestricted Revaluation			620		620		375		375
Total Unrestricted Funds	13		65,080		65,080		65,070		65,097
Restricted Funds			45,625		45,625		44,564		44,564
Restricted Revaluation			4,405		4,405		2,753		2,753
Total Restricted Funds	14		50,030		50,030		47,317		47,317
	14		115,110		115,110		112,387		112,414

The financial statements were approved by the Council on 7th November 2023 and signed on its behalf by:

BRIGADIER JUSTIN MACIEJEWSKI DSO MBE
DIRECTOR AND ACCOUNTING OFFICER

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

The notes on pages 61 to 80 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022/23 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021/22 £'000
Cash flows from operating activities:						
Net cash provided by/(used in) operating activities	391	270	661	700	258	958
Cash flows from investing activities:						
Purchase of tangible assets	(110)	(519)	(629)	(209)	0	(209)
Proceeds from sale of tangible assets	2	0	2	0	0	0
Purchase of heritage assets	0	(112)	(112)	0	(391)	(391)
Purchase of fixed asset investments	0	(57)	(57)	0	0	0
Net cash provided by/(used in) investing activities	(108)	(688)	(796)	(209)	(391)	(600)
Cash flows from financing activities:						
Repayments of borrowing	(51)	0	(51)	(154)	0	(154)
Net cash provided by/(used in) financing activities	(51)	0	(51)	(154)	0	(154)
Change in cash and cash equivalents in the reporting period	232	(418)	(186)	337	(133)	204
Cash and cash equivalents at the beginning of the reporting period	441	339	780	104	472	576
Cash and cash equivalents at the end of the reporting period	673	(79)	594	441	339	780

An analysis of cash and cash equivalents together with an analysis of changes in net debt is given in note 10 of the financial statements.

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022/23 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021/22 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	284	542	826	602	4,555	5,157
Adjustments for:						
Depreciation charges	287	921	1,208	166	718	884
Loss/(profit) on the disposal of tangible assets	(2)	0	(2)	0	0	0
Interest payable	3	0	3	2	0	2
Impairment and impairment reversal	0	(1,327)	(1,327)	0	(4,898)	(4,898)
Transfer of quoted investments to fixed assets	0	(365)	(365)	0	0	0
Donated heritage assets	0	0	0	0	(36)	(36)
Transfer between funds	(519)	519	0	0	0	0
(Increase)/decrease in stocks	45	0	45	45	0	45
(Increase)/decrease in debtors	313	(40)	273	(314)	(74)	(388)
Increase/ (decrease) in creditors	(20)	0	(20)	199	(7)	192
Net unrealised investment loss/(gains)	0	20	20	0	0	0
Net cash provided by/(used in) operating activities	391	270	661	700	258	958

The notes on pages 61 to 80 form a fundamental part of these financial statements

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

1. ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

(b) Basis of Consolidation

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

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

The financial statements of NAMTL used in consolidation are those for the period ended 31 March 2023.

(c) Going Concern

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Museum’s needs. We have considered a period of at least twelve months from the date of approval of the financial statements. The assumption relies on the continuation of Ministry of Defence funding at a similar level for the foreseeable future. The Museum has received confirmation of funding for 2023-24 together with an ongoing commitment and letter of support from its Sponsor Department for the period to March 2025. In order to ensure financial stability NAM Council has reviewed and approved budgets and cash flows through to March 2025.

(d) Incoming Resources

Incoming resources are included gross without the deduction of expenditure.

(e) Donations and Legacies

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

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

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

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

(f) Other Voluntary Income

The Museum derives voluntary income from donations, legacies, gifts and monies placed in donation boxes in the Museum. The income is recognised in the statement of financial activities where there is evidence of entitlement, receipt is probable and its

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

amount can be measured reliably. Donated services and facilities are included as income based on management's judgement of their market value.

(g) Expenditure on Charitable activities

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

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

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

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

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

(h) Allocation of support and governance costs

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

(i) Pensions Cost

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

(j) Taxation

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

All of the income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. All of the taxable profits of the trading subsidiary are distributed to the Charity under Gift Aid. The Corporation Tax liability of the trading subsidiary for the period ending 31 March 2023 was £127 (2022: £Nil).

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

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

(k) Tangible Fixed Assets and Depreciation

Fixed assets are stated at their estimated current cost. For land and buildings this estimate is based on independent professional valuations obtained every five years, updated in the intervening years by the application of appropriate government issued indices provided by the Ministry of Defence. The land and buildings were professionally revalued at 31st March 2022 (see note 6). For other assets, the estimate is based on historic cost updated thereafter by the application of these indices. Fixed assets with a cost of less than £1,000 are not capitalised.

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

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

Leasehold Buildings	52 years from 1st April 2022
Fit-out of Buildings	43 years from 1st April 2022
Plant and Machinery	27 years from 1st April 2022
Short Leasehold Improvements	41 years
Computer Equipment	5-10 years
Fixtures and Fittings	10-20 years

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

The Museum does not capitalise website costs and development costs on internally generated projects, but treats these as expenditure as they are incurred. Expenditure on permanent exhibitions is capitalised in accordance with this policy whilst all expenditure on temporary exhibitions is written off as the expenditure is incurred.

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

(l) Heritage Assets

(i) Valuation and Management

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

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

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

Heritage assets comprise of approximately one million items. For the 2010 valuation the Collection was divided into two categories. The first category comprised Victoria Crosses, George Crosses, field marshals' batons, oil paintings and other high-value items of fine and decorative art, coatees, rare books, oral history interviews, sound discs and film records. These were valued by expert members of staff, some of them with the assistance of former colleagues. The valuations of the historic military vehicles part of the

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

collection is supported by a third-party valuation of the historic military vehicles made in 2008-9 by Julian Shoolheifer Limited (Fine Art Valuers) PO Box 186, Saffron Walden, CB10 9AY.

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

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

(ii) Depreciation

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

(iii) Preservation Costs and Management

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

(iv) Acquisitions and Disposals

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

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

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

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

(m) Investments

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

(n) Stocks

Stocks are stated at the lower of cost or net realisable value.

(o) Debtors

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

(p) Liabilities

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

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

(q) Operating lease agreements

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

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

(r) Financial Instruments

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

(s) Restricted and unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor, details of restricted funds are given in note 14 of the financial statements. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

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

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

2. Statement of Financial Activities for the Charity alone

	Unrestricted Funds	Restricted Funds	Total Funds 2022/23	Unrestricted Funds	Restricted Funds	Total Funds 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and legacies						
Grant-in-Aid	6,956	230	7,186	6,870	130	7,000
Other	20	28	48	62	244	306
	6,976	258	7,234	6,932	374	7,306
Trading activities	43	46	89	42	66	108
Investments	2	3	5	2	6	8
Gift aid from subsidiary undertaking	102	0	102	0	0	0
	7,123	307	7,430	6,976	446	7,422
Other	26	4	30	38	0	38
TOTAL	7,149	311	7,460	7,014	446	7,460
Expenditure on:						
Raising funds	435	(45)	390	670	(450)	220
Charitable activities	6,457	(206)	6,251	5,808	(3,647)	2,161
TOTAL	6,892	(251)	6,641	6,478	(4,097)	2,381
Operating surplus/(deficit)	257	562	819	536	4,543	5,079
Net gains/(losses) on investments	0	(20)	(20)	0	12	12
Net income/(expenditure)	257	542	799	536	4,555	5,091
Transfers between funds	(519)	519	0	0	0	0
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets	245	1,652	1,897	101	847	948
Net movement in funds	(17)	2,713	2,696	637	5,402	6,039
RECONCILIATION OF FUNDS						
Total funds brought forward	65,097	47,317	112,414	64,460	41,915	106,375
Total funds carried forward	65,080	50,030	115,110	65,097	47,317	112,414

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

3. Income and endowments

	Unrestricted Funds	Restricted Funds	Total Funds 2022/23	Unrestricted Funds	Restricted Funds	Total Funds 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
(a) Donations and legacies comprise:						
Grant-in-Aid:						
-Operating	6,956	100	7,056	6,870	0	6,870
-Exhibits	0	130	130	0	130	130
	6,956	230	7,186	6,870	130	7,000
Grants towards acquisition of heritage assets:						
-The Art Fund	0	0	0	0	145	145
-National Army Museum Development Trust	0	0	0	0	50	50
	0	0	0	0	195	195
Other restricted donations						
- Donated heritage assets	0	0	0	0	36	36
- Grant towards tank installation display	0	0	0	0	(21)	(21)
- Research fellowship	0	20	20	0	33	33
- Other projects	0	8	8	0	1	1
	0	28	28	0	49	49
Other unrestricted donations						
- National Army Museum Foundation	0	0	0	44	0	44
- Other	20	0	20	18	0	18
	20	0	20	62	0	62
Total other donations	20	28	48	62	244	306
Total donations and legacies	6,976	258	7,234	6,932	374	7,306
(b) Trading income comprises						
- Shop sales	100	0	100	122	0	122
- Play Base and childrens parties	290	0	290	143	0	143
- Exhibitions	43	46	89	42	66	108
- Room hire	85	0	85	55	0	55
-Catering commission	39	0	39	2	0	2
- Other	3	0	3	4	0	4
	560	46	606	368	66	434
Taxation on NAMTL profit	(7)	0	(7)	(16)	0	(16)
	553	46	599	352	66	418
(c) Other operating income comprises						
- Government Covid-19 support grants	0	0	0	30	0	30
- Membership income	23	0	23	36	0	36
- Other	3	4	7	2	0	2
	26	4	30	68	0	68

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2023

4. Expenditure

(i) Year ended 31st March 2023

(a) Expenditure on Raising Funds comprise:

	Trading	Fundraising	Total 2022/23
	£'000	£'000	£'000
Staff costs	261	109	370
Premises costs	55	18	73
Cost of sales	157	0	157
Subsidiary overheads	19	0	19
Collections maintenance	0	(2)	(2)
Depreciation and (profit)/loss on disposal	84	28	112
Impairment and impairment reversal	(93)	(31)	(124)
General administration costs	28	38	66
Consultancy	2	1	3
Insurance and professional fees	12	4	16
Support costs	57	18	75
Governance	37	12	49
	619	195	814

(b) Expenditure on Charitable Activities comprise:

	Collections	Curatorial	Education	Publicity	Total 2022/23
	£'000	£'000	£'000	£'000	£'000
Staff costs	1,642	810	353	162	2,967
Premises costs	628	179	64	34	905
Collections maintenance	698	0	0	0	698
Event costs	16	0	114	0	130
Promotion costs	0	0	0	194	194
Depreciation and (profit)/loss on disposal	472	275	99	53	899
Impairment and impairment reversal	(519)	(303)	(108)	(58)	(988)
General administration costs	162	92	34	18	306
Consultancy	11	7	2	1	21
Insurance and professional fees	64	38	14	7	123
Interest payable	0	0	0	0	0
Support costs	351	122	63	45	581
Governance costs	224	78	40	29	371
	3,749	1,298	675	485	6,207

(c) Governance and support costs comprise:

	Finance	Human Resources	Information Technology	Total Support	Governance
	£'000	£'000	£'000	£'000	£'000
Staff costs	194	154	179	527	250
Premises costs	33	29	16	78	50
Depreciation and (profit)/loss on disposal	50	45	24	119	76
Impairment and impairment reversal	(55)	(49)	(27)	(131)	(84)
General administration costs	18	14	10	42	25
External audit	0	0	0	0	43
Internal audit	0	0	0	0	29
Consultancy	1	1	1	3	2
Interest payable	2	0	0	2	1
Insurance and professional fees	7	6	3	16	22
Trustees expenses and meeting costs	0	0	0	0	6
	250	200	206	656	420

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(ii) Year ended 31st March 2022

(a) Expenditure on Raising Funds comprise:

	Trading	Fundraising	Total 2021/22
	£'000	£'000	£'000
Staff costs	351	136	487
Premises costs	37	18	55
Cost of sales	125	0	125
Subsidiary overheads	14	0	14
Collections maintenance	0	46	46
Depreciation and (profit)/loss on disposal	52	26	78
Impairment and impairment reversal	(288)	(145)	(433)
General administration costs	30	14	44
Consultancy	1	1	2
Insurance and professional fees	8	4	12
Support costs	30	9	39
Governance	18	5	23
	378	114	492

(b) Expenditure on Charitable Activities comprise:

	Collections	Curatorial	Education	Publicity	Total 2021/22
	£'000	£'000	£'000	£'000	£'000
Staff costs	1,466	839	315	167	2,787
Premises costs	499	148	46	27	720
Collections maintenance	411	0	0	85	496
Event costs	10	0	73	0	83
Promotion costs	0	0	0	315	315
Depreciation and (profit)/loss on disposal	333	210	65	38	646
Impairment and impairment reversal	(1,841)	(1,164)	(364)	(211)	(3,580)
General administration costs	164	100	32	18	314
Consultancy	4	2	1	0	7
Insurance and professional fees	51	32	10	6	99
Interest payable	1	0	0	0	1
Support costs	100	15	16	41	172
Governance costs	58	9	10	24	101
	1,256	191	204	510	2,161

(c) Governance and support costs comprise:

	Finance	Human Resources	Information Technology	Total Support	Governance
	£'000	£'000	£'000	£'000	£'000
Staff costs	186	123	172	481	289
Premises costs	21	23	16	60	53
Depreciation and (profit)/loss on disposal	29	34	22	85	75
Impairment and impairment reversal	(162)	(184)	(125)	(471)	(414)
General administration costs	15	15	12	42	35
External audit	0	0	0	0	39
Internal audit	0	0	0	0	18
Consultancy	0	1	0	1	1
Interest payable	0	0	0	0	1
Insurance and professional fees	5	5	3	13	23
Trustees expenses and meeting costs	0	0	0	0	4
	94	17	100	211	124

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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 £4,402 (2022: £1,012) relate to travel expenses reimbursed for 5 trustees (2022 – 3 trustees). In addition, NAM incurred £1,302 (2022: £3,091) in relation to Trustee meeting costs. A Trustee was paid £200 (2022: £Nil) for speaking at the Chelsea History Festival.

5. Total expenditure is stated after charging the following items:	Unrestricted Funds	Restricted Funds	Total 2022/23	Unrestricted Funds	Restricted Funds	Total 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Auditors' remuneration						
- audit services	43	0	43	39	0	39
Staff costs						
- wages and salaries	2,854	0	2,854	2,677	0	2,677
- social security costs	299	0	299	274	0	274
- pension costs	302	0	302	307	0	307
- redundancy costs	0	0	0	131	0	131
- temporary staff	659	0	659	655	0	655
	4,114	0	4,114	4,044	0	4,044
Operating lease costs						
- land and buildings	284	0	284	238	0	238
- other	15	0	15	14	0	14
	299	0	299	252	0	252

The external audit fee for the Charity was £37,400 (2022: £32,700). During the year NAM did not contract any non-audit services from its external auditor, the National Audit Office (NAO).

The external audit fee for the subsidiary NAMTL was £5,975 (2022: £6,050). No non-audit services were provided by the auditor of NAMTL.

There were no approved exit packages during the year (2022: six). There were no special severance packages for 2022/23 or 2021/22.

NATIONAL ARMY MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
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6. Tangible Fixed Assets

	Long Leasehold Land and Buildings	Short Leasehold Improvements	Computer Equipment	Fixtures & Fittings	Total
<u>GROUP</u>					
	£'000	£'000	£'000	£'000	£'000
<u>VALUATION</u>					
At commencement of year	42,087	831	524	2,057	45,499
Additions at cost	519	0	36	74	629
On revaluation	2,979	71	17	157	3,224
Disposals	0	0	0	(4)	(4)
At end of year	45,585	902	577	2,284	49,348
<u>DEPRECIATION</u>					
At commencement of year	0	213	404	1,225	1,842
Charge for year	837	20	40	150	1,047
On revaluation	84	2	10	65	161
Disposals	0	0	0	(4)	(4)
At end of year	921	235	454	1,436	3,046
<u>NET BOOK VALUE</u>					
At 31 March 2023	44,664	667	123	848	46,302
At 31 March 2022	42,087	618	120	832	43,657

All fixed assets are owned by the Charity with the exception of £2,000 of fixtures and fittings owned by National Army Museum Trading Limited with a net book value of £1,000 (2022: £2,000).

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Included in long leasehold land and buildings is a sum of £9,165,000 (2021/22 £9,352,000) for land, which has not been depreciated.

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

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

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

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

7. Heritage Assets

(a) Carrying value

	Museum Collection £'000	
At commencement of year	67,971	
Additions	112	
Disposals	<u>0</u>	
At end of year	<u>68,083</u>	
Net Book Value at 31 March 2023	<u>68,083</u>	
Net Book Value at 31 March 2022	<u>67,971</u>	
	2023 £'000	2022 £'000
The carrying value comprises:		
Exhibits	35,750	35,686
Fine and decorative arts	20,634	20,598
Archives, photographs, film and sound	10,546	10,534
Printed books	1,153	1,153
	<u>68,083</u>	<u>67,971</u>

NATIONAL ARMY MUSEUM
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(b) Five year financial summary of heritage asset transactions

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
<u>Additions</u>					
Purchases	112	391	145	300	256
Donations	-	36	40	21	-
Total Additions	112	427	185	321	256
<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 (2022 - £130,000) as part of its Grant-in-Aid funding. These grants were used to fund the purchase of heritage assets noted above with any unspent grants being carried forward to fund future acquisitions.

8. Fixed Asset Investments

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Investment in subsidiary undertaking (note 8a and 8b)	-	50	-	50
<u>Quoted investments (note 8c)</u>				
Market value at beginning of year	-	-	-	-
Transfer from current asset investments	365	365	-	-
Add: acquisitions at cost	52	52	-	-
Dividends reinvested net of management fees	5	5	-	-
Net unrealised investment (loss)/gains	(20)	(20)	-	-
Market value at end of year	402	402	-	-
Total unlisted investments	402	452	-	50

8a. Investment in Subsidiary Undertaking

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

NATIONAL ARMY MUSEUM
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The assets and liabilities of the subsidiary were:

	2023	2022
	£'000	£'000
Fixed assets	1	2
Current assets	321	266
Creditors: amounts falling due within one year	(236)	(112)
Creditors: amounts falling due after more than one year	(36)	(134)
	<u>50</u>	<u>22</u>
	<u>50</u>	<u>22</u>
	2023	2022
	£'000	£'000
Share capital	50	50
Surplus/(deficit) retained in subsidiary	0	(28)
	<u>50</u>	<u>22</u>
	<u>50</u>	<u>22</u>

The issued share capital of National Army Museum Trading Limited is £50,000 (2022: £50,000).

A summary of the Company's trading results is shown in note 8b. Audited accounts will be filed with the Registrar of Companies.

8b. Income from Trading Company

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

National Army Museum Trading Limited

	2023	2022
	£'000	£'000
Turnover	517	326
Cost of sales and administrative expenses	(381)	(274)
Other Operating income	0	30
Net profit/(loss) before taxation	<u>136</u>	<u>82</u>
Taxation	6	16
Net profit/(loss) after taxation	<u>130</u>	<u>66</u>
	<u>130</u>	<u>66</u>

8c. Quoted Investments

Quoted investments represent a portfolio managed by Brewin Dolphin Limited. The historic cost of these investments was £417,000 (2022 - £360,000). The quoted investments represent surplus cash that has been invested with the aim of achieving additional income for the Museum.

These investments were previously recorded as current assets but have now been reclassified as fixed assets as following the recovery of cash flows post Covid-19, NAM has taken the decision to invest these funds for the medium term and does not expect to utilise these funds within the next 12 months.

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9. Debtors	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Trade debtors	58	48	20	11
VAT debtor	197	221	167	175
Prepayments and accrued income	326	325	463	461
Amounts due from subsidiary undertaking	0	61	0	127
Gift aid due from subsidiary undertaking	0	102	0	0
Other debtors	26	24	230	223
	<u>607</u>	<u>781</u>	<u>880</u>	<u>997</u>

Amounts due from subsidiary undertaking includes an unsecured loan to NAMTL of £60,000 (2022:£124,000). The loan is repayable over 5 years and carries interest at 1% per annum. Included in the amount due is £36,000 (2022: £96,000) repayable after more than one year.

Other debtors for the group include £Nil (2022: £6,000) for a deferred tax asset in relation to trading losses of NAMTL which will be carried forward and offset against the tax arising on future NAMTL taxable profits.

10. Current Asset Investments	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
<u>Quoted investments</u>				
Market value at beginning of year	365	365	244	244
Add: acquisitions at cost	-	-	360	360
Less: disposals	-	-	(251)	(251)
Net unrealised investment (loss)/gains	-	-	12	12
Transfer to fixed asset investments	(365)	(365)	-	-
Market value at end of year	<u>-</u>	<u>-</u>	<u>365</u>	<u>365</u>

As per note 8c, these investments have been reclassified as fixed assets in the current year.

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11. Cash and Cash Equivalents

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Cash at bank and in hand	594	317	415	242
Current asset investments	0	0	365	365
	<u>594</u>	<u>317</u>	<u>780</u>	<u>607</u>

As per note 8c, the current asset investments at 31st March 2022 have now been reclassified as fixed assets and are therefore no longer regarded as cash equivalents.

Analysis of changes in net debt

	At start of year £'000	Cash- flows £'000	Interest payable £'000	Transfer to fixed asset investments £'000	At end of year £'000
Cash	415	179	0	0	594
Cash equivalents - investments	365	0	0	(365)	0
	<u>780</u>	<u>179</u>	<u>0</u>	<u>(365)</u>	<u>594</u>
Loans falling due within one year	10	(13)	3	0	0
Loans falling due after more than one year	38	(38)	0	0	0
	<u>48</u>	<u>(51)</u>	<u>3</u>	<u>0</u>	<u>0</u>
Total	<u>732</u>	<u>230</u>	<u>(3)</u>	<u>(365)</u>	<u>594</u>

12a. Creditors: Amounts falling due within one year

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Bank loans and overdrafts	0	0	10	0
Trade creditors	321	308	198	195
Accruals and deferred income	588	516	731	671
	<u>909</u>	<u>824</u>	<u>939</u>	<u>866</u>

12b. Creditors: Amounts falling due after more than one year

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Bank loans and overdrafts	0	0	38	0
	<u>0</u>	<u>0</u>	<u>38</u>	<u>0</u>

Bank loans and overdrafts represents a £50,000 unsecured loan received in the year ended March 2021 under the Government backed bounce back loan scheme which was repaid in full in March 2023.

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13. Funds Analysis

	Balance 1 April 21	Income	Expenditure	Transfers	Gains and losses	Balance 31 March 22	Income	Expenditure	Transfers	Gains and losses	Balance 31 March 23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESTRICTED FUNDS											
NAM Land and Buildings	35,611	0	4,180	(457)	0	39,334	0	406	519	0	40,259
NAM Land and Buildings revaluation	1,449	0	0	457	847	2,753	0	0	0	1,652	4,405
Restricted Heritage Assets	4,315	231	0	131	0	4,677	0	0	112	0	4,789
Grant-in-Aid exhibits reserve	1	130	0	(131)	0	0	130	0	(112)	0	18
Grant-in-Aid operations reserve	0	0	0	0	0	0	100	(100)	0	0	0
Funds for upkeep and maintenance of specific parts of NAM collection	522	6	0	0	12	540	3	0	0	(20)	523
Funds received for specific NAM projects	12	13	(17)	0	0	8	32	(4)	0	0	36
Chelsea History Festival sponsorship	0	66	(66)	0	0	0	46	(46)	0	0	0
Brothers in Arms (Esmée Fairbairn)	5	0	0	0	0	5	0	(5)	0	0	0
	41,915	446	4,097	0	859	47,317	311	251	519	1,632	50,030
UNRESTRICTED FUNDS											
Unrestricted funds	64,093	7,352	(6,750)	0	0	64,695	7,556	(7,272)	(519)	0	64,460
Unrestricted funds revaluation	274	0	0	0	101	375	0	0	0	245	620
	64,367	7,352	(6,750)	0	101	65,070	7,556	(7,272)	(519)	245	65,080
TOTAL FUNDS	106,282	7,798	(2,653)	0	960	112,387	7,867	(7,021)	0	1,877	115,110

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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 Late Majesty and her predecessors and hence their classification as a restricted fund.

The NAM Land and Buildings revaluation reserve (Restricted Funds) represents the result of revaluations subsequent to initial recognition. As at 31 March 2023 this includes part of the revaluation gains on Long Leasehold Buildings, being the excess of the revaluation gains over previous impairment charges for the asset (NAM Museum Building in Chelsea). Revaluations of the building have resulted in previous charges for impairment being reversed and accrued for as credits to expenditure in the Statement of Financial Activities, in accordance with the Charities SORP (FRS 102).

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

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

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

The Grant-in-Aid restricted operations reserve relates to specific Grant-in-Aid received to support NAM's work with the Commonwealth War Graves Commission and scholarship research activities. This income was fully expensed during the year.

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

Funds received for specific NAM projects relates to donations and sponsorships received for specified purposes and events. At 31 March 2023 there were £36,000 of unspent funds in relation to donations received for fellowship research.

The Brothers in Arms Esmée Fairbairn Fund was used to research the NAM's Indian Army collection, and to digitise related objects within the collection.

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14. Analysis of Group Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	1,638	44,664	46,302	1,570	42,087	43,657
Heritage fixed assets	63,294	4,789	68,083	63,294	4,677	67,971
Fixed asset investments	-	402	402	-	-	-
Other net assets	148	175	323	206	553	759
	<u>65,080</u>	<u>50,030</u>	<u>115,110</u>	<u>65,070</u>	<u>47,317</u>	<u>112,387</u>

The above net assets include Revaluation Reserves of:

	2023 £'000	2022 £'000
Tangible fixed assets		
Unrestricted	620	375
Restricted	<u>4,405</u>	<u>2,753</u>
	<u>5,025</u>	<u>3,128</u>

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

15. Operating Lease Commitments

At 31 March 2023, the Museum had total future minimum commitments under non-cancellable operating leases as follows:

	2023 £'000		2022 £'000	
	Land and buildings	Other	Land and buildings	Other
Due within one year	284	13	271	11
Due between one and five years	1,102	-	1,086	-
Due after five years	<u>945</u>	<u>-</u>	<u>1,197</u>	<u>-</u>
	<u>2,331</u>	<u>13</u>	<u>2,554</u>	<u>11</u>

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

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16. Related Party Transactions

National Army Museum Trading Limited

The relationship to NAMTL is disclosed in note 8a together with summary financial information, and the balances due with NAMTL at the year end are disclosed in note 9. Mrs Donovan and Mr Maciejewski acted as directors of National Army Museum Trading Limited and also Members of Council or the Senior Management Team of the Museum during the year.

National Army Museum Development Trust

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

The funds of the Trust may be applied, at the discretion of the Trust’s trustees, to further the charitable purposes of the Museum or other charitable purposes or institutions. The trustees may not, unless they see special reason, make a payment to the Museum without specifying the particular purpose for which it is to be used, being a purpose for which public funds are not expected to be available. During the year the Trust donated £20,000 (2022: £12,000) to the Museum to assist in meeting the costs of a research fellowship and £nil (2022: £50,000) towards the acquisition of heritage assets.

The net assets of the Trust at 31 December 2022, it’s most recent financial year end, were £572,455 (31 December 2021 £578,341). The control and administration of these funds remains, at all times, the full responsibility of the Trust’s trustees.

Ministry of Defence

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

17. Capital Commitments

	2023	2022
	£'000	£'000
Authorised and contracted for at 31st March 2023	-	-
Authorised at 31st March 2023 but not contracted for	-	-

18. Post Balance Sheet Events

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