

THE CHESHIRE MILITARY MUSEUM
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE CHESHIRE MILITARY MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees'	Professor H O'Sullivan BSc MBA	
	Lt Col Richard Sernberg	
	Brigadier Benjamin Wilde (Chairman)	
	Colonel H W Williams	
	Major M E Hockedy	
	Mr J B Etherington	
	Mr N Glazebrook	(Appointed 28 February 2024)
	Mr R Forde-Johnston	(Appointed 16 January 2024)
Charity number	272108	
Principal address	Regimental Headquarters The Mercian Regiment The Castle Chester Cheshire CH1 2DN	
Independent examiner	Xeinadin North West Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP	

THE CHESHIRE MILITARY MUSEUM

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 14

THE CHESHIRE MILITARY MUSEUM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees' present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note note,note01 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects are to promote the efficiency of the Regiments; and to advance the education of the public in the history of the regiments and former regiments and any other military unit, regiment or service with past or present connections to the County of Cheshire; by the provision and maintenance of the regimental collection.

The trustees' have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

A number of small temporary exhibitions ran alongside the main exhibit. These being the Cheshire Army Cadets exhibition and preparations for the upcoming Bosnia exhibition.

Links with local schools and youth organisations continue to grow with a number of educational visits hosted by the staff.

The digitalisation of the Cheshire Regiment archive continues with much of the work in this area being undertaken with the aid of volunteers whose input, together with that of volunteers in other areas of the Museum including refurbishment is invaluable. The trustees are immensely grateful.

The museum funds received a welcome boost from a number of generous donations which will enable us to carry forward our work.

Finally the Friends of the museum have increased considerably in number during the last year and there subscriptions have enabled us to launch a new website and fund specific displays.

Financial review

The charity had income for the year of £96,001 and expenditure of £81,084. As a result there was an annual surplus of £14,917 (2023 - deficit £12,526). The balance sheet shows fixed assets of £153,040, and net current assets of £253,687, giving total net assets of £403,214.

At 31 March 2024 restricted funds were £nil and unrestricted funds £403,214.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees' consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

THE CHESHIRE MILITARY MUSEUM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Investment policy and objectives

The trustees have the power to make investments as they see fit.

Risk management

The trustees' have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

The Museum Friends have a number of special events planned for the future. Now the revamp of the museum website has been completed further attempts to improve marketing continue to be investigated. The trustees are also undertaking work to secure the future of the museum and the necessary funding streams.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The trustees' who served during the year and up to the date of signature of the financial statements were:

Professor H O'Sullivan BSc MBA

Alexander Siddell

(Resigned 28 February 2024)

Lt Col Richard Sernberg

Brigadier Benjamin Wilde (Chairman)

Colonel H W Williams

Major M E Hockedy

Mr J B Etherington

Mr N Glazebrook

(Appointed 28 February 2024)

Mr R Forde-Johnston

(Appointed 16 January 2024)

Recruitment and appointment of trustees

Trustees are either nominated by the Mercian Regiment or recruited by the board of trustees. They receive training as appropriate.

The Trustees' report was approved by the Board of Trustees'.



13 December 2024

THE CHESHIRE MILITARY MUSEUM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES' OF THE CHESHIRE MILITARY MUSEUM

I report to the trustees' on my examination of the financial statements of The Cheshire Military Museum (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees' of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Xeinadin North West Limited

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

Dated: 13 December 2024

THE CHESHIRE MILITARY MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income and endowments from:					
Donations and legacies	2	47,496	7,978	22,751	30,729
Charitable activities	3	31,267	19,390	-	19,390
Other trading activities	4	15,180	16,759	-	16,759
Investments	5	1,835	340	-	340
Other income	6	223	2,267	-	2,267
Total income		<u>96,001</u>	<u>46,734</u>	<u>22,751</u>	<u>69,485</u>
Expenditure on:					
Raising funds	7	6,575	10,267	-	10,267
Charitable activities	8	74,510	47,993	23,751	71,744
Total expenditure		<u>81,085</u>	<u>58,260</u>	<u>23,751</u>	<u>82,011</u>
Net income/(expenditure)		14,916	(11,526)	(1,000)	(12,526)
Transfers between funds		-	43,041	(43,041)	-
Net movement in funds	10	14,916	31,515	(44,041)	(12,526)
Reconciliation of funds:					
Fund balances at 1 April 2023		<u>388,297</u>	<u>356,782</u>	<u>44,041</u>	<u>400,823</u>
Fund balances at 31 March 2024		<u>403,213</u>	<u>388,297</u>	<u>-</u>	<u>388,297</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE CHESHIRE MILITARY MUSEUM

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	13		153,039		154,334
Current assets					
Stocks	14	12,408		10,620	
Debtors	15	252		-	
Cash at bank and in hand		241,027		224,177	
		253,687		234,797	
Creditors: amounts falling due within one year	16	(3,513)		(834)	
Net current assets			250,174		233,963
Total assets less current liabilities			403,213		388,297
Net assets excluding pension liability			403,213		388,297
The funds of the charity					
Unrestricted funds			403,213		388,297
			403,213		388,297

The financial statements were approved by the trustees' on 13 December 2024

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The Cheshire Military Museum is an unincorporated charity. The principle address is Regimental Headquarters, The Mercian Regiment, The Castle, Chester, Cheshire, CH1 2DN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees' in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Appl Property Improvements	in accordance with the property
Computers	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	23,833	-	23,833	14,818	-	14,818
Other	23,663	-	23,663	(6,840)	22,751	15,911
	<u>47,496</u>	<u>-</u>	<u>47,496</u>	<u>7,978</u>	<u>22,751</u>	<u>30,729</u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable activities		
Education/school visits	1,310	2,654
Research	1,350	810
Subscriptions - Friends	9,675	3,258
Admissions	18,932	12,668
	<u>31,267</u>	<u>19,390</u>

4 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Shop income	<u>15,180</u>	<u>16,759</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Bank interest	1,829	95
NSB interest	6	245
	<u>1,835</u>	<u>340</u>

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	<u>223</u>	<u>2,267</u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Merchandise	6,575	10,267
	<u> </u>	<u> </u>

8 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	54,551	45,715
Depreciation and impairment	1,294	1,294
Volunteers allowance	1,850	3,540
Friends - office costs	1,544	651
Display, exhibition and marketing	7,958	7,877
Insurance	3,187	3,631
Payments to Chester Cathedral	-	97
	<u> </u>	<u> </u>
	70,384	62,805
 Share of support and governance costs (see note 9)		
Support	3,166	6,837
Governance	960	2,102
	<u> </u>	<u> </u>
	74,510	71,744
	<u> </u>	<u> </u>
 Analysis by fund		
Unrestricted funds	74,510	47,993
Restricted funds	-	23,751
	<u> </u>	<u> </u>
	74,510	71,744
	<u> </u>	<u> </u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Support costs allocated to activities

	2024 £	2023 £
Postage and stationery	1,635	917
Office expenses	785	1,552
Sundries	150	101
Training and education	327	2,350
Subscriptions	269	266
Community relations	-	1,651
Governance costs	960	2,102
	<u>4,126</u>	<u>8,939</u>

Analysed between:

Charitable activities	<u>4,126</u>	<u>8,939</u>
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	2024 £	2023 £
Governance costs comprise:		
Audit fees	960	810
Trustees Expenses	-	1,292
	<u>960</u>	<u>2,102</u>

10 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	960	810
Depreciation of owned tangible fixed assets	<u>1,294</u>	<u>1,294</u>

11 Trustees'

None of the trustees' (or any persons connected with them) received any remuneration or benefits from the charity during the year. Trustees expenses totalled £nil (2023: £1,292).

12 Employees

The average monthly number of employees during the year was:

2024 Number	2023 Number
<u>3</u>	<u>3</u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	49,067	41,934
Social security costs	3,695	2,267
Other pension costs	1,789	1,514
	<u>54,551</u>	<u>45,715</u>

The key management personnel of the Charity comprise the Trustees. The total employee benefits of the key management personnel of the Museum were £nil (2023: £nil).

There were no employees whose annual remuneration was more than £60,000.

13 Tangible fixed assets

	Appeal Property Improvements £	Computers £	Total £
Cost			
At 1 April 2023	487,867	1	487,868
Disposals	-	(1)	(1)
At 31 March 2024	<u>487,867</u>	<u>-</u>	<u>487,867</u>
Depreciation and impairment			
At 1 April 2023	333,534	-	333,534
Depreciation charged in the year	1,294	-	1,294
At 31 March 2024	<u>334,828</u>	<u>-</u>	<u>334,828</u>
Carrying amount			
At 31 March 2024	<u>153,039</u>	<u>-</u>	<u>153,039</u>
At 31 March 2023	<u>154,333</u>	<u>1</u>	<u>154,334</u>

All fixed assets are used for charitable purposes.

14 Stocks

	2024 £	2023 £
Stocks	<u>12,408</u>	<u>10,620</u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	252	-
	<u>252</u>	<u>-</u>

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	1,715	-
Trade creditors	27	-
Other creditors	1,771	834
	<u>3,513</u>	<u>834</u>

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Donations from friends	(46,502)	-	-	-	(46,502)
Grants	46,502	-	-	-	46,502
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Donations from friends	31,138	-	-	(31,138)	-
Grants	12,903	22,751	(23,751)	(11,903)	-
	<u>44,041</u>	<u>22,751</u>	<u>(23,751)</u>	<u>(43,041)</u>	<u>-</u>
	<u>44,041</u>	<u>22,751</u>	<u>(23,751)</u>	<u>(43,041)</u>	<u>-</u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	388,297	96,001	(81,085)	-	403,213
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
General funds	356,782	46,734	(58,260)	43,041	388,297
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).