

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Report and Financial Statements

for the year ended 31st December 2016

The Duke of Lancaster's Regiment Lancashire Infantry Museum

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The Duke of Lancaster's Regiment Lancashire Infantry Museum

Administrative Trustees' Report

The Trustees present their annual report and financial statements of the charity for the year ended 31st December 2016.

The financial statements have been prepared in accordance with the accounting policies set out on page 7 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and SORP (FRS 102): The Statement of Recommended Practice - Accounting and Reporting by Charities 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 2015) which was published on 16 July 2014.

Reference and Administrative Details of the Charity, its Trustees and Advisers

The charity is governed by the terms of a Declaration of Trust dated 8th June 1978, is registered with the Charity Commission under the number 276150 and is operated by the Administrative Trustees.

The Trustees who have served during the year and since the year end are listed below. The Trustees are appointed by the board of Trustees.

Address Regimental Headquarters
The Duke of Lancaster's Regiment
Fulwood Barracks
Preston
PR2 8AA

Administrative Trustees The trustees of the Charity are:-

Lieutenant Colonel E J Downham MBE BA DL	Lieutenant Colonel J G Lighten MBE BA PGCE
Colonel R W Brooks TD	Major G R Wright
Colonel S Davies MBE	Major J A Harker MBE
Colonel G B Stam TD BSc	Dr S B Bull PhD PGCM DMS MBA MIFA
Colonel M J Glover TD MA AMA	R I Goodwin Esq
Colonel M P Kenyon OBE	R Turp Esq
Lieutenant Colonel J Hacking	P Kenyon Esq
Lieutenant Colonel J Garratt TD	D Rogan Esq

Independent

Examiner Norman A Thomas FCA
Accountants Turner and Brown Limited
Chartered Accountants
105 Garstang Road
Preston
PR1 1LD

Structure, Governance and Management

The charity is governed by a trust deed and is operated by the Administrative Trustees incorporated as a body. Its property is held by the Trustees on behalf of the charity and they are subject to covenants set out in the Declaration of Trust dated 8th June 1978.

The Trustees also act as the council of the charity as defined in the said deed.

The Trustees meet six-monthly.

Objectives and activities of the Charity for the public benefit

The objects of the charity are to educate the public and members of the Regiment in the history and military accomplishments of the Regiment and to promote military efficiency and encourage recruitment by public exhibition of the collection in a museum or museums or such other public places as the Trustees may from time to time decide, and to conserve, restore, repair, reconstruct and preserve objects in the collection.

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Administrative Trustees' Report

(continued)

Reserves policy

The trustees aim to maintain sufficient free reserves in unrestricted funds to respond to applications for grants and ensure that support and governance costs are covered.

The balance held as unrestricted funds at 31 December 2016 was £59,173, of which £57,562 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets.

Achievements, Performance and Financial Review

When planning the activities for the year, the trustees have considered the Commission's guidance on public benefit. They also ensured that the Museum continued to meet the requirements of its Internal Business Agreement with the Ministry of Defence and the standards set by the Arts Council.

The central object of our Forward Plan for 2016 was to gain a Heritage Lottery Fund (HLF) major grant to continue our programme of enhancements to our displays, public access and services, and reserve collection conservation. Progress was most unfortunately halted by an unheralded Ministerial announcement on 7 November 2016 that Fulwood Barracks, part of which is leased to the Museum, is scheduled for alienation in 2022. We have received confirmation that, if disposal goes ahead, alternative suitable accommodation for the Museum will be provided; but in the meantime we lack the continuity of tenure required for HLF grants, putting major features of our Forward Plan on hold.

Despite this ongoing limitation, the Museum has continued to make substantial progress in several areas:

The Arts Council have reviewed and confirmed our Full Accreditation.

Both footfall and virtual visits have remained buoyant, and our well-received schools education sessions have been fully subscribed.

The Museum has continued to receive donations of objects and archive materials, and research on our collection of over three thousand medals is well advanced.

The Museum has continued its programme of making the regimental heritage of Lancashire more accessible by reprinting our histories (and making them available as e-books), and by making many thousands of our archive photographs available as digital images on DVD.

As advised in our 2015 report, we have put considerable effort into fundraising to ensure the Museum's longer term sustainability when some existing sources of income may cease or decrease. This has been exceptionally fruitful in 2016, enabling the Trustees to invest surplus income to provide both an operational reserve and an additional future income stream.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Administrative Trustees' Report

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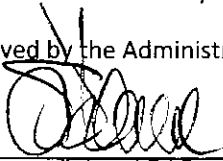
Trustees' responsibilities in relation to the financial statements (continued)

- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Administrative Trustees and signed on their behalf by



Lieutenant Colonel E J Downham MBE BA DL

Date: 16 May 2017

Independent Examiner's Report
to the Administrative Trustees of The Duke of Lancaster's Regiment Lancashire Infantry Museum

I report on the accounts of the charity for the year ended 31st December 2016, which are set out on pages 5 to 9.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

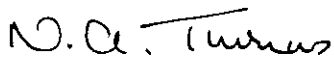
Basis of Independent Examiner's Report

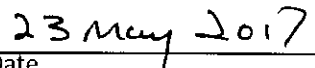
My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Norman A Thomas FCA
Turner and Brown Limited
Chartered Accountants
105 Garstang Road
Preston
PR1 1LD


Date

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Statement of Financial Activities
for the year ended 31st December 2016

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> <u>2016</u> £	<u>Total</u> <u>Funds</u> <u>2015</u> £
<u>Incoming Resources</u>	2				
Donations and legacies		48,123	-	48,123	25,993
Income from Charitable activities		3,146	2,461	5,607	11,825
Investment income		81	-	81	88
<u>Total Income</u>		51,350	2,461	53,811	37,906
<u>Resources Expended</u>	3				
Expenditure on Charitable activities		24,331	2,461	26,792	35,098
<u>Total Expenditure</u>		24,331	2,461	26,792	35,098
<u>Net Income and net movements in funds for the year</u>		27,019	-	27,019	2,808
<u>Reconciliation of funds</u>					
Total funds brought forward		32,154	-	32,154	29,346
Total funds carried forward		59,173	-	59,173	32,154

The notes on pages 7 to 9 form part of these accounts.

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Balance Sheet
at 31st December 2016

	Notes	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Fixed assets				
Tangible Fixed Assets	6	1,611	1,611	837
Current Assets				
Shop Stock		1,435	1,435	1,495
Investments		25,500	25,500	-
Cash at Bank and in Hand		31,647	31,647	30,842
		<hr/>	<hr/>	
<u>Total Current Assets</u>		58,582	58,582	32,337
<u>Current Liabilities</u>				
Creditors falling due within one year	7	1,020	1,020	1,020
		<hr/>	<hr/>	
Net Current Assets		57,562	57,562	31,317
		<hr/>	<hr/>	
<u>Total Assets less Current Liabilities</u>		<u>59,173</u>	<u>59,173</u>	<u>32,154</u>
Represented by:				
<u>The Funds of the Charity</u>				
Unrestricted income funds		59,173	59,173	32,154
		<hr/>	<hr/>	
<u>Total Charity Funds</u>		<u>59,173</u>	<u>59,173</u>	<u>32,154</u>

Approved by the Administrative
Trustees and signed on their behalf by



Lieutenant Colonel E J Downham MBE BA DL

16 May 2017

Date

The notes on pages 7 to 9 form part of these accounts.

The Duke of Lancaster's Regiment Lancashire Infantry Museum
Notes to the Accounts

1 Accounting Policies

Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to those accounts.

The accounts (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 1 January 2015) which was published on 16 July 2014, and the Charities Act 2011 and applicable regulations.

Transition to FRS102

In preparing the accounts, the trustees have considered whether, in applying the accounting policies required by FRS102 and the Charities SORP FRS102, a reinstatement of comparative items was needed. The charity transitioned to FRS102 on 1 January 2015. No reinstatements were required.

Income recognition

Voluntary Income is accounted for on receipt, except where it is deemed that a constructive obligation is in place, in which case they are accounted for on an accruals basis. Incoming resources from Charitable Activities comprise income from shop sales, research charges, group visits, archive income and special projects and are accounted for on becoming receivable.

Investment Income comprises income from the charity's Bank Accounts and is accounted for on receipt. The method of allocating Incoming Resources is shown in the Notes to the Accounts.

Expenditure recognition

Expenditure is included on an accruals basis. Costs of Charitable Activities comprise the cost of shop sales and costs in connection with fulfilling the objects of the charity, and satisfying its regulatory requirements. The method of allocating Resources Expended is shown in the Notes to the Accounts.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Shop Fittings	10% on cost	Computer Equipment	33% on cost
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Shop stock

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

Current asset investments

These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

Heritage assets

The charity holds and maintains the contents of the Regimental Collection of The Duke of Lancaster's Regiment and its predecessors and there is a strong presumption against disposals. This collection is considerable and is made up of historical artefacts and other regimental military memorabilia and regalia, which has been added to the collection over time. Much, but not all, of the regimental collection, is held on public display. The vast majority of the collection has been donated over a considerable period of time. No value of these assets is included in the charity's balance sheet because reliable cost information is not available and, in the view of the Trustees, the significant costs of valuing such a unique collection outweigh the benefits to users of assessing the Trustees' stewardship of the assets, bearing in mind the charity's principal object.

The Duke of Lancaster's Regiment Lancashire Infantry Museum
Notes to the Accounts

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
2 <u>Analysis of Incoming Resources</u>				
<u>Donations and legacies</u>				
Grant Duke of Lancaster's Regimental Charity	15,000	-	15,000	15,000
Various Museum Donations	10,152	-	10,152	2,487
Museum Appeal Donations	4,389	-	4,389	1,262
Museum Sustainment Fund	4,220	-	4,220	-
Gift Aid Receipts	1,862	-	1,862	744
AIM Donation	2,500	-	2,500	-
Friends of the Regimental Museum Donation	10,000	-	10,000	6,500
	<u>48,123</u>	<u>-</u>	<u>48,123</u>	<u>25,993</u>
 <u>Charitable activities</u>				
Research Charges	2,010	-	2,010	2,064
Museum Special Projects	-	2,461	2,461	8,310
Group Visits and Events	673	-	673	1,139
Shop Sales	463	-	463	312
	<u>3,146</u>	<u>2,461</u>	<u>5,607</u>	<u>11,825</u>
 <u>Investment income</u>				
Bank Interest	81	-	81	88
	<u>81</u>	<u>-</u>	<u>81</u>	<u>88</u>
 <u>Total Income</u>	<u>51,350</u>	<u>2,461</u>	<u>53,811</u>	<u>37,906</u>
 3 <u>Analysis of Resources Expended</u>				
<u>Charitable activities</u>				
Conservation	982	-	982	4,990
Events	277	-	277	960
Marketing	-	-	-	710
Insurance	901	-	901	873
Shop Cost of Sales	749	-	749	375
Gross Salaries (2 employees)	17,247	2,461	19,708	17,051
Reimbursed Expenses - Travel & Subsistence	66	-	66	897
Subscriptions	747	-	747	931
Postage and Stationery	111	-	111	120
Bank Charges	172	-	172	271
Special Projects	135	-	135	5,741
Sundry expenses	916	-	916	788
Accountancy and Independent Examination	1,020	-	1,020	1,020
Other Legal Fees	241	-	241	-
Depreciation	767	-	767	371
	<u>24,331</u>	<u>2,461</u>	<u>26,792</u>	<u>35,098</u>
<u>Total Expenditure</u>	<u>24,331</u>	<u>2,461</u>	<u>26,792</u>	<u>35,098</u>

4 Staff numbers

The average number of employees during the year was 2 (2015: 2).

The Duke of Lancaster's Regiment Lancashire Infantry Museum
Notes to the Accounts

5 Reimbursed Expenses

Expenses reimbursed in the year totalled £66.

Expenses claimed for travel costs and subsistence were done so by individuals as shown below :

	2016 £
Trustees	66
Volunteers	-
	66

6 Tangible Fixed Assets

	£		£
Cost		Net Book Value	
1st January 2016	7,473	MacBook Pro Laptop	287
Additions	1,541	HP Wi-Fi Printer	11
at 31st December 2016	9,014	Pop-up displays	67
		Garment rails	134
Depreciation		2 Lenovo Laptops	333
1st January 2016	6,636	Apple Mac Mini	453
Charge for the year	767	Office Interiors	326
at 31st December 2016	7,403		
Net Book Value			
at 31st December 2016	1,611		1,611
Net Book Value			
1st January 2016	837		

7 Creditors falling due within one year

	2016 £	2015 £
<u>Accruals</u>		
Accountancy and Independent Examination	1,020	1,020
	1,020	1,020