

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Report and Financial Statements

for the year ended 31st December 2018

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 2018.

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	Major J A Harker MBE
Colonel R W Brooks TD	Major P Quegan
Colonel S Davies MBE	Major G R Wright
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	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 2018 was £74,481, of which £69,613 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets (£4,868). Unrestricted funds also includes unrealised gains on investments held at the balance sheet date of £3,962.

Achievements, Performance and Financial Review

In terms of output 2018 was most positive for the Museum, with activity levels well up and a number of projects either completed or well under way.

Continuing uncertainty about the future of Fulwood Barracks continues to prejudice our ability to attract major grants. We have however had great success in attracting smaller grants for 5 separate and varied projects, on which we expended over £20K in 2018. These projects included a mobile shop, World War II oral history, audio tour equipment, medal cabinets and restoration of Regimental Colours.

The purchase of medal cabinets has enabled us to move ahead with displaying a large proportion of that collection. Meanwhile, we continue to research some 1,200 individual medal recipients, whose stories will be accessible on touch-screen computer, and well over 30,000 members of the Regiment who have died in the service of their country, whose digitised details will also be accessible.

There have been other projects which, whilst not involving external finance, have required considerable curatorial and volunteer time, notably preparations for the AMOT-funded World War I Digitisation Project, which will digitise the whole of our very rich archive from 1900 to the 1920s, both documents and photos. This is a very major project, involving over 60,000 items, and we were delighted when AMOT agreed to fund an additional pair of hands for 6 months to assist our staff with preparations.

Other areas where we have enjoyed continuing success include:

- Our Education sessions, which continue to be popular with schools.
- Our Saturday Talks, which have also proved very popular, bringing in additional visitors.
- A successful Military Memorabilia Day, held for the second year in addition to our well-attended Open Days and joint events with ABF The Soldiers Charity and the Waterloo Association.
- Our Website and Media statistics reflect a sustained public interest in the Museum:

Our excellent website averages 422 hits per day.

On Social Media, the Museum Facebook Group now numbers 1,002 members and we have a frequent presence on related interest group sites.

The Museum has 1,371 Facebook page followers and 736 Twitter followers.

However, underlying challenges continue to loom large:

- Although the Defence Estate Optimisation Programme continues to slip, the news that planned alienation of the barracks has been deferred to 2027 only extends the period of uncertainty.
- There is due to be yet another Review of Army Museums in 2019, which in the present MOD financial climate is unlikely to be positive.
- The most certain and immediate threat remains the planned withdrawal of all our Regimental financial support after 2019, leaving a shortfall of around £10K p.a. in Museum running costs. We have requested the Regimental Board to reconsider their decision, and we have plans to close this gap, but in the worst case we may face some hard and unwelcome choices.

Administrative Trustees' Report
(continued)

Achievements, Performance and Financial Review (continued)

Museum Finances have remained sound with adequate support for our activities and projects. We have been able to add a further £5,000 to our reserves, a necessary precaution in view of the threatened loss of our regimental grant. Whilst containing other running costs, we have been pleased to increase staff salaries and have agreed a formula for future annual increases.

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
- 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:

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 2018, 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 2018

	<u>Notes</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
<u>Incoming Resources</u>	2				
Donations and legacies		34,078	-	34,078	27,291
Income from Charitable activities		17,175	-	17,175	11,261
Investment income		3,998	-	3,998	23
<u>Total Income</u>		55,251	-	55,251	38,575
<u>Resources Expended</u>	3				
Expenditure on Charitable activities		48,242	-	48,242	30,276
<u>Total Expenditure</u>		48,242	-	48,242	30,276
<u>Net Income and net movements in funds for the year</u>		7,009	-	7,009	8,299
<u>Reconciliation of funds</u>					
Total funds brought forward		67,472	-	67,472	59,173
Total funds carried forward		74,481	-	74,481	67,472

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 2018

	Notes	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Fixed assets				
Tangible Fixed Assets	6	4,868	4,868	5,657
Current Assets				
Shop Stock		4,940	4,940	3,457
Investments		47,462	47,462	38,500
Cash at Bank and in Hand		18,231	18,231	20,878
<u>Total Current Assets</u>		<u>70,633</u>	<u>70,633</u>	<u>62,835</u>
<u>Current Liabilities</u>				
Creditors falling due within one year	7	1,020	1,020	1,020
Net Current Assets		69,613	69,613	61,815
<u>Total Assets less Current Liabilities</u>		<u>74,481</u>	<u>74,481</u>	<u>67,472</u>
Represented by:				
<u>The Funds of the Charity</u>				
Unrestricted income funds		74,481	74,481	67,472
<u>Total Charity Funds</u>		<u>74,481</u>	<u>74,481</u>	<u>67,472</u>

Approved by the Administrative
Trustees and signed on their behalf by

Lieutenant Colonel E J Downham MBE BA DL

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.

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, which is accounted for on receipt, and gains in market valuation on investments held.

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.

Investments held are valued at market value.

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 £	2018 £	2017 £
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	7,616	-	7,616	3,198
Museum Appeal Donations	30	-	30	135
Museum Sustainment Fund	3,715	-	3,715	3,765
Gift Aid Receipts	2,217	-	2,217	1,850
AIM Donation	2,500	-	2,500	-
Friends of the Regimental Museum Donation	3,000	-	3,000	3,343
	34,078	-	34,078	27,291
 <u>Charitable activities</u>				
Research Charges	1,660	-	1,660	1,450
Museum Special Projects	10,800	-	10,800	5,500
Group Visits and Events	3,453	-	3,453	2,458
Shop Sales	1,262	-	1,262	1,853
	17,175	-	17,175	11,261
 <u>Investment income</u>				
Bank Interest	36	-	36	23
Unrealised investment gains	3,962	-	3,962	-
	3,998	-	3,998	23
 <u>Total Income</u>	55,251	-	55,251	38,575
 3 <u>Analysis of Resources Expended</u>				
<u>Charitable activities</u>				
Conservation	52	-	52	319
Events	1,370	-	1,370	826
Marketing	715	-	715	680
Insurance	800	-	800	905
Shop Cost of Sales	(59)	-	(59)	256
Gross Salaries (2 employees)	18,981	-	18,981	18,394
Reimbursed Expenses - Travel & Subsistence	55	-	55	241
Subscriptions	863	-	863	799
Postage and Stationery	233	-	233	163
Bank Charges	-	-	-	144
Special Projects	20,499	-	20,499	3,553
Sundry expenses	2,341	-	2,341	1,483
Accountancy and Independent Examination	1,020	-	1,020	1,020
Other Legal Fees	-	-	-	-
Depreciation	1,372	-	1,372	1,493
<u>Total Expenditure</u>	48,242	-	48,242	30,276

4 Staff numbers

The average number of employees during the year was 2 (2017: 2).

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

5 Reimbursed Expenses

Expenses reimbursed in the year totalled £55.

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

	2018
	£
Trustees	55
Volunteers	-
	55

6 Tangible Fixed Assets

	£		£
Cost		Net Book Value	
1st January 2018	14,553	Bespoke Mobile Shop/Trolley	3,840
Additions	583	Elo Touch Screen	180
at 31st December 2018	15,136	20" Li20MV Screen	67
		2*Replacement Screens	252
Depreciation		Alba 8" Tablet	34
1st January 2018	8,896	Cash Register	52
Charge for the year	1,372	Pop-up Displays	39
at 31st December 2018	10,268	Garment Rails	82
		Office Interiors	253
Net Book Value		Window Vacuum Cleaner	69
at 31st December 2018	4,868		4,868
Net Book Value			
1st January 2018	5,657		

7 Creditors falling due within one year

	2018	2017
	£	£
<u>Accruals</u>		
Accountancy and Independent Examination	1,020	1,020
	1,020	1,020