

THE CHESHIRE MILITARY MUSEUM
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE CHESHIRE MILITARY MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Colonel M W Forgrave OBE QGM Colonel A W A Spiegelberg MBE TD DL Colonel H W Williams Major M E Hockedy Major M G Huntriss Mr J B Etherington
Charity number	272108
Principal address	Regimental Headquarters The Mercian Regiment The Castle Chester Cheshire CH1 2DN
Independent examiner	McLintocks (NW) Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9PX
Bankers	Barclays Bank PLC 30 St Weburgh Street Chester Cheshire CH1 2DY

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THE CHESHIRE MILITARY MUSEUM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 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

Charitable activities

Unfortunately the museum was closed on 18 March 2020 due a Government national lockdown in response to the Covid 19 pandemic and remained closed for most of the financial period. The museum opened briefly between Covid lockdowns but saw very few visitors and despite the availability of an internet shopping facility, shop sales were also reduced significantly. There were no temporary exhibits mounted during 2020/21. The fund performance was disappointing and very little was achieved during the financial period due to circumstances beyond our and others control.

Financial review

Financial position

The charity had income for the year of £35,256 and expenditure of £45,062. As a result there was an annual deficit of £9,806 (2020 - surplus £19,304). The balance sheet shows fixed assets of £156,922 and net current assets of £238,657 giving total net assets of £395,579.

At 31 March 2021 restricted funds were £29,178 and unrestricted funds £366,401.

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 considers 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.

Investment policy and objectives

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

Risk management

The trustees has 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.

THE CHESHIRE MILITARY MUSEUM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

Plans for the operating year 2021/22 are tentative given the impact of Coronavirus but a programme of refurbishment to various aspects of the building remain, including work to the building roof that is now scheduled for 2022/23. The museum returned to partial re-opening in June 2021 and has been operating within Government guidelines and the 'recovery roadmap'. Museum volunteers will be encouraged to return to support the work of the museum and our first temporary exhibit, Military Dentistry, should be open in September 2021. The future for many small businesses remain precarious in these uncertain times but we are confident that the museum will recover during the latter part of 2021 and into 2022/23.

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:

Colonel M W Forgrave OBE QGM

Colonel A W A Spiegelberg MBE TD DL

Professor T J Wheeler DL

(Retired 31 December 2020)

Colonel H W Williams

Major M E Hockedy

Major M G Huntriss

Mr J B Etherington

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.



Colonel M W Forgrave OBE QGM

Trustee

Dated: 19 November 2021

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 2021.

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.

Michael Caputo FCA
McLintocks (NW) Limited
2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

Dated: 19 November 2021

THE CHESHIRE MILITARY MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
Income from:						
Donations and legacies	3	3,514	22,572	26,086	7,658	38,238
Charitable activities	4	1,158	2,235	3,393	24,881	27,611
Other trading activities	5	5,584	-	5,584	21,960	21,960
Investments	6	171	22	193	411	443
Total income		10,427	24,829	35,256	54,910	88,252
Expenditure on:						
Raising funds	7	1,895	-	1,895	12,030	12,030
Charitable activities	8	20,445	22,722	43,167	27,028	56,918
Total resources expended		22,340	22,722	45,062	39,058	68,948
Gross transfers between funds		-	-	-	1,310	(1,310)
Net (expenditure)/income for the year/						
Net movement in funds		(11,913)	2,107	(9,806)	17,162	19,304
Fund balances at 1 April 2020		378,314	27,071	405,385	361,152	386,081
Fund balances at 31 March 2021		366,401	29,178	395,579	378,314	405,385

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		156,922		158,216
Current assets					
Stocks	13	7,736		8,250	
Cash at bank and in hand		231,756		239,754	
		<u>239,492</u>		<u>248,004</u>	
Creditors: amounts falling due within one year	14	<u>(835)</u>		<u>(835)</u>	
Net current assets			238,657		247,169
Total assets less current liabilities			<u>395,579</u>		<u>405,385</u>
Income funds					
Restricted funds	15	29,178		27,071	
Unrestricted funds		366,401		378,314	
		<u>395,579</u>		<u>405,385</u>	

The financial statements were approved by the Trustees on 19 November 2021



Colonel M W Forgrave OBE QGM
Trustee

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Despite the fall in income caused by the Covid-19 pandemic, 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 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 2021

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.

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.

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

1.9 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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Donations	3,514	150	3,664	7,658
Grants	-	22,422	22,422	30,580
	3,514	22,572	26,086	38,238
For the year ended 31 March 2020	7,658	30,580		38,238

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Military Museum 2021 £	Military Museum 2020 £
Education/school visits	67	1,683
Research	330	1,526
Subscriptions - Friends	2,235	2,730
Admissions	761	21,672
	<u>3,393</u>	<u>27,611</u>
Analysis by fund		
Unrestricted funds	1,158	24,881
Restricted funds	2,235	2,730
	<u>3,393</u>	<u>27,611</u>
For the year ended 31 March 2020		
Unrestricted funds	24,881	
Restricted funds	2,730	
	<u>27,611</u>	

5 Other trading activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Shop income	<u>5,584</u>	<u>21,960</u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Investments

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Bank interest	131	22	153	367
NSB interest	40	-	40	76
	<u>171</u>	<u>22</u>	<u>193</u>	<u>443</u>
For the year ended 31 March 2020	<u>411</u>	<u>32</u>		<u>443</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Trading costs</u>		
Merchandise	1,895	12,030
	<u>1,895</u>	<u>12,030</u>

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

	Military Museum 2021 £	Charitable Expenditure Headings 2021 £	Total 2021 £	Military Museum 2020 £
Staff costs	9,720	22,422	32,142	33,942
Depreciation	1,294	-	1,294	1,294
Volunteers allowance	-	-	-	1,317
Friends - office costs	300	-	300	170
Display and exhibition	636	-	636	8,742
Insurance	2,613	-	2,613	2,440
Training	-	-	-	945
	<u>14,563</u>	<u>22,422</u>	<u>36,985</u>	<u>48,850</u>
Share of support costs (see note 9)	5,396	-	5,396	7,074
Share of governance costs (see note 9)	786	-	786	994
	<u>20,745</u>	<u>22,422</u>	<u>43,167</u>	<u>56,918</u>
Analysis by fund				
Unrestricted funds	20,445	-	20,445	27,028
Restricted funds	300	22,422	22,722	29,890
	<u>20,745</u>	<u>22,422</u>	<u>43,167</u>	<u>56,918</u>
For the year ended 31 March 2020				
Unrestricted funds	27,028	-		
Restricted funds	29,890	-		
	<u>56,918</u>	<u>-</u>		

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Postage and stationery	1,096	-	1,096	2,031
Advertising	688	-	688	2,376
Office expenses	970	-	970	780
Sundries	584	-	584	499
Training and education	1,264	-	1,264	80
Card save costs	509	-	509	621
Subscriptions	257	-	257	255
Community relations	28	-	28	314
Conferences and meetings	-	-	-	118
Independent examiners fees	-	786	786	750
Trustees' expenses	-	-	-	244
	<u>5,396</u>	<u>786</u>	<u>6,182</u>	<u>8,068</u>
Analysed between				
Charitable activities	<u>5,396</u>	<u>786</u>	<u>6,182</u>	<u>8,068</u>

10 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 £- (2020: £244).

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>3</u>	<u>3</u>
Employment costs	2021 £	2020 £
Wages and salaries	<u>32,142</u>	<u>33,942</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 (2020: £nil).

No employees received emoluments in excess of £60,000.

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

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Appeal property improvements £	Computers £	Total £
Cost			
At 1 April 2020	487,867	1	487,868
At 31 March 2021	487,867	1	487,868
Depreciation and impairment			
At 1 April 2020	329,652	-	329,652
Depreciation charged in the year	1,294	-	1,294
At 31 March 2021	330,946	-	330,946
Carrying amount			
At 31 March 2021	156,921	1	156,922
At 31 March 2020	158,215	1	158,216

All fixed assets are used for charitable purposes. Heritage assets are excluded for accounting purposes.

13 Stocks

	2021 £	2020 £
Stock	7,736	8,250

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	835	835

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds		Transfers	Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
		Income	Expenditure			Income	Expenditure	
	£	£	£	£	£	£	£	£
Donations from friends	24,929	3,622	(170)	(1,310)	27,071	2,257	300	29,178

THE CHESHIRE MILITARY MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	156,922	-	156,922	158,216	-	158,216
Current assets/ (liabilities)	209,479	29,178	238,657	220,098	27,071	247,169
	<u>366,401</u>	<u>29,178</u>	<u>395,579</u>	<u>378,314</u>	<u>27,071</u>	<u>405,385</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).