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The Duke of Lancaster's Regiment Lancashire Infantry Museum

Report and Financial Statements

for the year ended 31st December 2017

The Duke of Lancaster's Regiment Lancashire Infantry Museum

<u>Contents</u>	<u>Page No</u>
Administrative Trustees' Report	1 - 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 10

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 2017.

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	Dr S B Bull PhD PGCM DMS MBA MIFA
Colonel S Davies MBE	R I Goodwin Esq
Colonel G B Stam TD BSc	P Kenyon Esq
Colonel M J Glover TD MA AMA	D Rogan Esq
Colonel M P Kenyon OBE	C Vere Esq
Lieutenant Colonel J G Lighten MBE BA PGCE	
Major G R Wright	

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 2017 was £67,472, of which £61,815 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.

As noted in our last review, the Museum has been unable to proceed with planned major projects following the November 2016 announcement by the former Secretary of State of an intention to dispose of Fulwood Barracks. However, most challenges also present opportunities, and our present situation is no exception. The Museum has taken advantage of the enforced pause on major elements of its Forward Plan to forge ahead with a wide range of smaller projects and new initiatives, as a result of which we have seen a general lift in activity levels. Among the many projects and activities launched or substantially progressed in the past year we would draw attention to the following:

- Community Engagement and Education projects have included two Open Days, Armed Forces Day and, in addition to our normal Schools sessions, outreach art and education programmes, and external talks.
- Saturday Talks have proved very popular and are now settling down as a regular monthly feature of the Museum programme.
- We have applied for a Heritage Lottery Fund (HLF) grant for a 1918 temporary display and engagement project.
- A World War I Archive Digitisation Project covering the period 1900-1929, funded and organised by the Army Museums Ogilby Trust (AMOT), starts in June/July this year. We have already completed the necessary preparatory work.
- We are also digitalising our very extensive photograph archive, and to date some forty DVD's have been completed and are selling well.
- Custom software has been developed for the Remembrance Corner, where over 30,000 men who have died during regimental service will be commemorated.
- A start has been made to researching some 1,200 individual Medal Recipients, whose stories will be accessible on touch-screen computer.
- Reprints of all our antecedent Regimental History are now complete and are now available at affordable prices from the Museum and from Amazon in hard copy and as e-books. Several new publications based on original research are in preparation.
- The D-Day Oral History Project was launched in June 2017.
- A Military Memorabilia Day in November was very successful and will be repeated this year.
- The Museum Mobile Shop, built with a grant from the Association of Independent Museums (AIM), is now operational.
- An Arts Council grant has enabled the Museum to purchase audio guides, currently being scripted and trialled, which should be in use by April this year.

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Administrative Trustees' Report (continued)

Achievements, Performance and Financial Review (continued)

- Our archive holdings of World War I and II Battalion War Diaries have been completed and copies of Historic Film have been acquired from the Imperial War Museum.
- Our associated Museum Friends have continued with their high quality programme of Study Evenings and Battlefield Tours, including joint events with ABF, The Soldiers Charity.

Regarding the uncertain future of Fulwood Barracks, there have been a number of developments over the past year, all propitious, and we are now rather more optimistic about a good outcome for the Museum than we were immediately after the Secretary of State's announcement. There is general recognition of the value of both the Museum and the Barracks as heritage assets, and we have received Ministerial assurance that, if disposal should go ahead, the MOD will honour its commitment to provide 'alternative comparative accommodation .. to the same standard that currently exists' and to fund any concomitant move and re-provision. That said, no decisions have been made, and anything could still happen.

Museum Finances have remained sound, and we have been able to add to our reserves, a necessary precaution because from 2020 we face the loss of our regimental grant, a known future challenge we continue to address.

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
(continued)

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:

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 2017, which are set out on pages 6 to 10.

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.

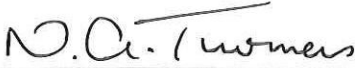
Basis of Independent Examiner's Report

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

13 June 2018
Date

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Statement of Financial Activities
for the year ended 31st December 2017

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total Funds</u> 2017 £	<u>Total Funds</u> 2016 £
<u>Incoming Resources</u>	2				
Donations and legacies		27,291	-	27,291	48,123
Income from Charitable activities		11,261	-	11,261	5,607
Investment income		23	-	23	81
<u>Total Income</u>		38,575	-	38,575	53,811
<u>Resources Expended</u>	3				
Expenditure on Charitable activities		30,276	-	30,276	26,792
<u>Total Expenditure</u>		30,276	-	30,276	26,792
<u>Net Income and net movements in funds for the year</u>		8,299	-	8,299	27,019
<u>Reconciliation of funds</u>					
Total funds brought forward		59,173	-	59,173	32,154
Total funds carried forward		67,472	-	67,472	59,173

The notes on pages 8 to 10 form part of these accounts.

The Duke of Lancaster's Regiment Lancashire Infantry Museum

Balance Sheet
at 31st December 2017

	Notes	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Fixed assets				
Tangible Fixed Assets	6	5,657	5,657	1,611
Current Assets				
Shop Stock		3,457	3,457	1,435
Investments		38,500	38,500	25,500
Cash at Bank and in Hand		20,878	20,878	31,647
<u>Total Current Assets</u>		62,835	62,835	58,582
<u>Current Liabilities</u>				
Creditors falling due within one year	7	1,020	1,020	1,020
Net Current Assets		61,815	61,815	57,562
<u>Total Assets less Current Liabilities</u>		<u>67,472</u>	<u>67,472</u>	<u>59,173</u>
Represented by:				
<u>The Funds of the Charity</u>				
Unrestricted income funds		67,472	67,472	59,173
<u>Total Charity Funds</u>		<u>67,472</u>	<u>67,472</u>	<u>59,173</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 8 to 10 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 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 £	2017 £	2016 £
2 Analysis of Incoming Resources				
<u>Donations and legacies</u>				
Grant Duke of Lancaster's Regimental Charity	15,000	-	15,000	15,000
Various Museum Donations	3,198	-	3,198	10,152
Museum Appeal Donations	135	-	135	4,389
Museum Sustainment Fund	3,765	-	3,765	4,220
Gift Aid Receipts	1,850	-	1,850	1,862
AIM Donation	-	-	-	2,500
Friends of the Regimental Museum Donation	3,343	-	3,343	10,000
	<u>27,291</u>	<u>-</u>	<u>27,291</u>	<u>48,123</u>
 <u>Charitable activities</u>				
Research Charges	1,450	-	1,450	2,010
Museum Special Projects	5,500	-	5,500	2,461
Group Visits and Events	2,458	-	2,458	673
Shop Sales	1,853	-	1,853	463
	<u>11,261</u>	<u>-</u>	<u>11,261</u>	<u>5,607</u>
 <u>Investment income</u>				
Bank Interest	23	-	23	81
 Total Income	<u>38,575</u>	<u>-</u>	<u>38,575</u>	<u>53,811</u>
 3 Analysis of Resources Expended				
<u>Charitable activities</u>				
Conservation	319	-	319	982
Events	826	-	826	277
Marketing	680	-	680	-
Insurance	905	-	905	901
Shop Cost of Sales	256	-	256	749
Gross Salaries (2 employees)	18,394	-	18,394	19,708
Reimbursed Expenses - Travel & Subsistence	241	-	241	66
Subscriptions	799	-	799	747
Postage and Stationery	163	-	163	111
Bank Charges	144	-	144	172
Special Projects	3,553	-	3,553	135
Sundry expenses	1,483	-	1,483	916
Accountancy and Independent Examination	1,020	-	1,020	1,020
Other Legal Fees	-	-	-	241
Depreciation	1,493	-	1,493	767
Total Expenditure	<u>30,276</u>	<u>-</u>	<u>30,276</u>	<u>26,792</u>

4 Staff numbers

The average number of employees during the year was 2 (2016: 2).

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

5 Reimbursed Expenses

Expenses reimbursed in the year totalled £241.

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

	2017 £
Trustees	241
Volunteers	-
	<u>241</u>

6 Tangible Fixed Assets

Cost	£	Net Book Value	£
1st January 2017	9,014	Bespoke Mobile Shop/Trolley	4,320
Additions	5,539	2 Lenovo Laptops	167
at 31st December 2017	<u>14,553</u>	Apple Mac Mini	226
		Elo Touch Screen	360
Depreciation		20" Li20MV Screen	133
1st January 2017	7,403	Pop-up displays	53
Charge for the year	1,493	Garment rails	108
at 31st December 2017	<u>8,896</u>	Office Interiors	290
			<u>5,657</u>
Net Book Value			
at 31st December 2017	<u>5,657</u>		
Net Book Value			
1st January 2017	<u>1,611</u>		

7 Creditors falling due within one year

	2017 £	2016 £
<u>Accruals</u>		
Accountancy and Independent Examination	1,020	1,020
	<u>1,020</u>	<u>1,020</u>