

Company Registration No. 04962619 (England and Wales)  
Charity No. 1102661

# **The Tank Museum Limited**

**Trustees' report and financial statements  
for the year ended 31 December 2018**

**The Tank Museum Limited**  
**(A company limited by guarantee)**

**Legal and administrative information**  
**For the year ended 31 December 2018**

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**The Tank Museum Limited**  
**(A company limited by guarantee)**

**Legal and administrative information**  
**For the year ended 31 December 2018**

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**Trustees**

Maj Gen Peter Gilchrist, CB (Resigned 24 May 2018)  
Lt Gen Sir Andrew Ridgway, KBE CB DL  
Mr William Bannister  
Brig Ian Gibb  
Mr Michael Gibb (Resigned 24 May 2018)  
Professor Richard Ogorkiewicz (Resigned 24 May 2018)  
Mr Jeremy Pope, OBE DL FRA gs  
Mr Steve Rowbotham  
Mr Richard Wigley  
Mr Fraser Mark Stafford-Charles (Resigned 15 August 2018)  
Mr David Webb  
Col Guy Deacon, OBE ADC  
Mr William Suttie  
Mr Bryn Hammond  
Ms Kate Adie, OBE DL  
Mr Anthony Woodhouse (Appointed 18 September 2018)  
Mr Alexander Walters (Appointed 18 September 2018)  
Mr Oliver Barnham (Appointed 8 September 2018)

**Secretary**

Paul Dolan

**Company registered number**

04962619

**Charity Commission  
registration number**

1102661

**Registered office**

Bovington Camp  
Wareham  
Dorset  
BH20 6JG

**Museum Director  
Museum Deputy Director**

Richard Smith  
Helen Smith

**Auditors**

Saffery Champness LLP  
Chartered Accountants  
Midland House  
2 Poole Road  
Bournemouth  
BH2 5QY

**Investment advisers**

Investec Wealth and  
Investment  
2 Gresham Street  
London  
EC2V 7QP

**Bankers**

Handelsbanken  
10 Parkstone Road  
Poole  
Dorset  
BH15 2PQ

**Trustees' Report**  
**For the year ended 31 December 2018**

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited consolidated financial statements of The Tank Museum Limited and its trading subsidiary, the Tank Museum Trading Company Limited for the year ended 31 December 2018. The trustees confirm that the Annual Report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

## **Group Strategic Report**

### **Policies and objectives**

Purposes and aims: The charity's purposes are set out in the objects contained in the company's Memorandum of Association:

- To educate the public in the history of armoured warfare;
- To hold together the traditions of the Royal Armoured Corps and the Royal Tank Regiment and to perpetuate their deeds by the provision and maintenance of a museum;
- To preserve, for the benefit of the public, vehicles, documents and other exhibits and artefacts which are of historical importance in the study of armoured warfare.

We summarise our purpose with the phrase 'we tell the story of tanks and the people who serve with them'. The vision of The Tank Museum is to be the world's leader in the heritage of armoured warfare. Our mission is to conserve, develop and interpret the national collection of tanks and armoured fighting vehicles to educate and inspire people with the story of tanks and the people who serve with them; past, present and future.

### **Activities for achieving objectives**

- Collecting - We hold the world's most important collection of armoured fighting vehicles and associated objects. We continue to enhance our collection to maintain this position;
- Conservation- We conserve our collections to ensure their availability for future generations;
- Communication- We use our collections to tell the story of tanks and the people who serve with them. We tell these stories at the Museum to the Army, the general public and to a global online audience.

In delivering our activities we seek to:

- Have a sound financial base and business culture to ensure the museum is sustainable and thrives;
- Control risk to ensure the longevity of the organisation;
- Maximise access, intellectual and physical, for all;
- Interpret the story of armoured warfare to meet audience needs in an enjoyable and engaging way;
- Be a leading authority on the history of armoured warfare;
- Consult and encourage involvement of the wider community in the life of the museum;
- Provide a safe and secure working environment and to promote the professional development of staff and volunteers

### **Ensuring our work delivers our aims**

Every twelve months, the board of trustees reviews our aims, objectives and activities in a forward plan. This plan looks in detail at the year ahead and in summary to a minimum of five years ahead. Progress against this plan is assessed every quarter during the Board meetings. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives that they have set.

### **How our activities deliver public benefit**

Our activities focus on engaging with the general public to educate them in the history of armoured warfare, in particular to try to ensure that the achievements of the Royal Armoured Corps and the Royal Tank Regiment are preserved for posterity. To do this, we hold and interpret the national collection of armoured vehicles.

### **Achievements and performance**

Who used and benefited from our services?

Between January and December 2018, 229,051 people visited the Museum (2017: 231,338). While this was a slight decrease on the previous year, the difference was primarily due to the hottest summer on record for Dorset, with the underlying operation performing well.

The admissions policy allows for serving members of the armed forces and for members of the regimental associations of the Royal Armoured Corps to enter the Museum free of charge. We also encourage families of MoD staff in Bovington to use the Museum at no charge. Uptake on these offers in 2018 remained strong with 8,735 (2017: 8,364) people taking advantage.

In addition, free admission is given to the public on significant occasions, such as Remembrance Sunday where over 1,000 people were given free access to the collections and memorial service.

On all other occasions, while everyone has access to the Museum, there is a charge for entry which extends to an annual membership. During winter months, up to 15% of our audience comes from people taking advantage of the unlimited return visits from their annual membership.

### **Review of activities**

#### **1) Transformational Projects**

In 1998, the Museum began to develop a multi-phase transformation strategy to build the infrastructure needed to flourish into the future. The programme was named 'At Close Quarters' in a 2005 master plan, in which it was stated that the programme would complete by 2018. In May 2018 the fourth and final major capital stage of the 'At Close Quarters' programme was completed with the opening of a new specialist vehicle workshop by HRH The Princess Royal. This project, was the centrepiece of a wider programme called 'Conservation in Action', which looks at how the Museum uses and cares for its vehicle collection and runs until the end of 2020.

Over the course of the last ten years the Museum has now delivered capital programmes of approximately £25m, which has resulted in nearly doubling the physical audience, doubling turnover and reaching millions of people online. The projects have all been delivered on time, within budget and to a transformational quality.

The infrastructure is now complete and available for exploitation as we continue to deliver our charitable objects. In the autumn of 2018 the Board of Trustees agreed a five year strategic plan in which we will continue to expand our scope of exhibitions, our online activity and to develop our collection care.

The Museum continues to pay regard to its long term resilience by establishing designated funds to ensure that it is able to address its long term fixed costs. The Museum is already 80% self-funding, and the designated funds will enable us to remain resilient when our lease with the MOD expires in 2054.

## **2) Engaging, inspiring the public and extending their understanding**

In 2018, The Tank Museum carried out more than fifty live demonstrations in its purpose built arena. Through operating vehicles in our collections, we can achieve a level of representational integrity which is impossible in the confines of a building, ensuring a multi-sensory experience as visitors watch the action, hear the engines, smell the diesel fumes and feel the ground shake. Expert commentary from the Curator means that the majority of our audience receive a live presentation from a subject expert.

In March 2018, we opened our new exhibition 'Tank – Back to the Future', which was an exhibition originally developed by the Dutch National Military Museum. This was the first time that The Tank Museum had taken either a large scale travelling exhibition or used exhibition material originally developed by an overseas museum. The exhibition was in place for one year, returning to Holland in February 2019.

The largest display in 2018 was Tankfest, our annual flagship event and the largest display of working historic armour in the world. In 2018 we displayed over fifty historic vehicles to a record audience of approximately 23,000 people, selling out for the fourth year in a row and expanding the event to a third day. We were able to showcase not only our own collections but items on loan from the British Army, from British private collectors, from the Dutch Army, the French Musée des Blindes and from the Royal Museum of the Army in Belgium. These international loans have become a key feature of the event and give British audiences a unique opportunity to see vehicles which would otherwise be inaccessible. Of the people attending, approximately 15% made trips from overseas to attend the event. Tankfest takes place each year on Armed Forces weekend and gives members of the public a chance to engage with soldiers, finding out more about their lives and the equipment they use.

Our success in engaging our audience is demonstrated by the reach we extend and the range of people who visit us. As well as drawing an unusually large proportion of our visitors from C2, D and E social groupings, our research from the 80% of visitors who filled in their gift aid forms showed the average drive time from their homes was over two hours, vital in order to overcome the challenges we face from our location in rural Dorset.

## **3) Excellence, Innovation and Imagination**

The Tank Museum's reputation for excellence means that we are used as a point of reference both by our international opposite numbers and by museums across the UK. Tank Museum staff provided advice to over forty museums or other collections on issues such as fundraising, collections and commercial activities. The long term results of this work have been borne out in 2018 through the significance of the loans that we have secured from other national collections both for static display and for Tankfest.

The Museum continues to extend its online presence through social media. The YouTube channel is now the largest of any UK museum, with nearly 180,000 subscribers by the end of 2018 and nearly 11.5 million views of the material posted, as opposed to approximately 7m views in 2017. Combined with a reach of over 20 million people on Facebook these tools give a military museum in rural Dorset a national and global reach which has proved particularly attractive to a younger audience than would normally visit physically. Our YouTube channel is

particularly effective at reaching young men aged between 15 and 25 – a notoriously challenging demographic to reach for the heritage community.

#### **4) Original Learning and Outreach Programmes**

The Museum continues to extend its formal education programmes into 'STEM' (Science, Technology, Engineering and Maths) subjects. These programmes have been expanded by new investment as part of the Conservation in Action programme with new workshops and materials available for schools. In 2019 this will be further expanded by participation in the 'Big Bang', a major schools event to stimulate interest in STEM subjects.

In 2018 8,718 school children and accompanying adults visited the Museum as part of formal education programmes, an increase from the 6,924 who visited in the previous year.

The Museum has developed partnerships with universities to deepen our understanding of our collections. We continue to work with Bournemouth University and Cardiff University on issues of collection care, and are collaborating with the Arts University Bournemouth to improve the way we project our collections.

#### **5) Winning the support and enthusiasm of our visitors and users**

All Museums seek to inspire their audiences. With social media, their capabilities in this area are more measurable than ever in the past.

The Tank Museum is the most 'liked' military museum in the world on Facebook, with over 300,000 people following our activity by the end of 2018. The total reach of the material we posted on Facebook in the year was over 22 million people.

Our volunteers continue to provide invaluable support to the Museum. 490 people devoted 27,718 (2017: 13,509) hours of their time during the course of 2018. The commitment and enthusiasm of our volunteers is regularly reflected in our Trip Advisor reviews, which has established the Museum as Dorset's leading year-round visitor attraction.

In October 2017, the Friends of The Tank Museum voted to wind up their role as an independent charity and merged into the Museum charity. The Friends organisation expanded significantly during 2018 and added 374 new members, who make annual donations to further the work of the charity.

#### **6) Commercial operations**

The Museum continues to be successful in generating funds. The philosophy of The Tank Museum is that the Museum's ability to generate income dictates the level of ambition that it can hold in regard to the delivery of its charitable objects. The operations team continue to work hard to generate funds which are used to the benefit of our visitor experience and the continued preservation of the collection. Most of the Museum's trading activities are consolidated into The Tank Museum Trading Company Limited.

Museum trading activities had another successful year in improving economic conditions nationally, generating a gross profit before administration expenses of £932,920 (2017: 960,546). Activities in this area continue to be our shop, restaurant and extensive corporate offering. Our ability to generate income through our online activities is becoming an important adjunct to that from our visitor attraction audience. In 2018 our online shop turnover was £79,437.

### **The Tank Museum Trading Company**

This is the Museum's trading company whose accounts and gift aided donation of £300,566 (2017: £191,891) to the Museum are incorporated into the consolidated accounts. It has again performed successfully.

### **Investment policy and performance**

The investment policy of the Museum is to protect the capital invested and we have adopted a range of risk for our investments depending on the purpose of the funds.

Following a competitive tender process in 2013, Investec were reappointed as our Investment Managers, with full discretionary powers. They manage three funds. The Resource Fund holds funds which are allocated to capital projects in the short term. The 2054 Fund is a designated fund which seeks to cover long term fixed costs and the HLF Catalyst Designated Fund seeks to support the ongoing exhibition development of the Museum.

Despite very challenging conditions in Q4 of 2018, all funds performed in line with the set benchmarks for the financial year, and trustees remain content that the strategy applied for the funds is the correct one in terms of risk profile and required expected returns.

### **Remuneration and key management personnel**

The trustees consider the board of trustees, the museum director, the deputy director, the company secretary, the head of collections, the curator, the head of marketing and engagement and the head of commercial operations to comprise the key management personnel of the charity. All members of the board of trustees give their time voluntarily and receive no financial benefits from the charity. The remuneration of key management personnel other than the trustees is set out in note 10 to the financial statements.

### **Financial review**

The Charity had another strong performing year, even with a slight reduction of 2,287 visitors (1%), Unrestricted Income increased to £5,627,514 (2017: £5,511,185), this however was offset by an increase in total expenditure to £5,084,563 (2017: £4,461,992). The major factors in these movements were a reduction in legacy income and increased expenditure on advertising and salary costs. This resulted in unrestricted funds prior to investment gains of £542,951 (2017: £1,049,193). Restricted funds prior to investment gains and transfers increased in the year to £878,437 (2017: 443,534). Donations and grants in 2018 increased by £567,016 the main purpose being to help finance the construction cost of our new workshop facility.

Visitor numbers have again remained robust and the Museum outperformed the local market. We continue to maintain a high percentage take up on gift aid on admissions, whilst growing our secondary spends in the shop and restaurant, which have continued to exceed benchmark comparisons within our sector. The shop in particular has benefited from the merchandising efforts of the deputy director and management team.

The Ministry of Defence continues to fund the running costs of The Tank Museum's buildings in line with ECAB policy. The board is extremely grateful to the MoD both for their financial support and ongoing technical assistance on all operational matters. The support from the MoD takes the form of paying for services to support the upkeep and operations of buildings, and a number of non-cash items such as depreciation and cost of capital. By combining the MoD's buying power on services and utilities with the private sector management of the operation, The Tank Museum provides an excellent model for public/ private sector partnership. In a change of



policy discussed further in the accounts this income and expenditure is now recognised in the Statement of Financial Activities.

The Museum's liquidity position remains strong with funds invested in a combination of cash, low risk corporate bonds and equities which have performed to benchmarked performance criteria. These investments are currently valued at £5,845,984 (2017: £4,637,194). The intention of these investments is to use the funds towards costs related to major exhibitions planned for 2019-21 and site improvements. During 2018 the Museum transferred £935,300 from cash to the investment funds to strengthen the long-term resilience of the Museum's finances.

The Museum also has cash totalling £835,286 (2017: £2,687,395), which is used to finance the day to day running, and the current building projects of the museum and free reserves.

### **Reserves policy**

The trustees continue to monitor the reserves of the Museum closely and any funds given for specific projects are held as restricted funds which total £12,545,272 (2017: £11,724,936).

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the Museum's objectives in a way that provides inclusive benefit for all. Sufficient free reserves are maintained of a minimum of £700k to finance approximately six months of our basic operational costs.

Free reserves is calculated as unrestricted funds of £11,442,036 (2017: £11,087,018) after deducting designated reserves of £9,406,878 (2017: 8,832,757) resulting in a balance of £2,035,158 (2017: £2,254,261).

### **Plans for the future**

The Tank Museum seeks to continuously improve its visitor experience and its collection management. In the autumn of 2018 the trustees agreed a strategic plan for the next five years. The summary of the plan is:

#### **1) We will improve collection care**

With the completion of the Vehicle Conservation Centre in 2013 and the adjoining workshop in 2018, we now have the facilities to ensure we have a collection that is fit for display for future generations. The organisation will now deliver a long term programme of display, conservation and restoration. This will build on the success that we have with our regular public vehicle displays as well as the completion of the restoration of the Matilda II which was completed in September 2018.

#### **2) We will develop our collections**

The Museum has been successful in building its collection over recent years, with significant long term loans such as the T34-76 from Finland as well as acquisitions such as the Beaverette purchased in 2018. We maintain a list of vehicles for both active and passive collecting as well as a programme of collecting supporting artefacts and documents.

#### **3) We will continue to develop our visitor experience and exhibitions**

Delivering a high quality visitor experience is both the ends and the means of achieving our charitable objects. The quality of a visitor's experience is a key measure of our success in educating the public and also the main driver of encouraging repeat visits and advocating visits by others. Through subscribing to a range of visitor

experience benchmarking services the Museum is now able to measure and manage the visitor experience more closely.

We will deliver a series of thematic displays in the existing buildings to bring to life a variety of aspects of the people and vehicles involved in armoured warfare. The next major programme will be to redisplay the Second World War collections, which will take place between 2019 and 2021.

4) We will develop our online experience to engage more people and improve sustainability

The Museum is a leader in the use of social media in this field, with an audience greater than that which can physically come to the site. We will continue to invest in building this audience and will work to generate income from our on-line activities which will enable us to reach this audience sustainably into the future.

5) We will work closely with major stakeholders

In 2018 we became an Arts Council National Portfolio Organisation. We will develop this relationship to become a leading Arts and Heritage Organisation in the UK, building on our successful work with the National Lottery Heritage Fund over nearly 15 years. We will maintain our close ties with the Army, who provide the key services to support our site. We will continue to work closely with our partners at Wargaming.net who help take us to a global audience through their video game "World of Tanks". In addition we will maintain and build on our relationship with donors and supporters who enable us to achieve our charitable objects.

6) We will improve our sustainability

We will continue to seek to develop our ability to generate income in order to support the delivery of our charitable objects both in the near and long term. This involves maximising our on-site income through the Museum and its associated functions, developing online revenue streams and building a long term designated fund to support our work.

### **Employee involvement and employment of the disabled**

The charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

### **Health & Safety Policy**

In accordance with the charity's Equal Opportunities Policy, the charity has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the charity's offices.

## **Structure, governance and management**

### **Constitution**

The charity was incorporated on 13 November 2003. Previously it existed as an unincorporated association set up by a Declaration of Trust dated 28 July 1977 derived from the Royal Armoured Corps and The Royal Tank Regiment. The registered charity number is 01102661. As of 1 April 2005, the charity commenced trading as a charitable company limited by guarantee registered company number 04962619.

### **Method of appointment or election of Trustees**

The board of trustees is shown on page 1. The composition and size of the board is reviewed regularly to assess the skills requirement of the board for it to meet the needs of the museum. The board is responsible for appointing trustees who are recruited from as broad a base as possible by personal contact, and usually serve for three years with a maximum of nine years.

Normally the full board meets four times a year to provide strategic leadership, set the budget and monitor accounts. An Executive Committee meets for a further four meetings to review the business of the museum, the development strategy and plans. In addition, a collections committee meets quarterly to review and assess collections policy.

### **Policies adopted for the induction and training of Trustees**

All new trustees are required to undertake an induction programme to give them a structured introduction to the operation of the museum and to give them an opportunity to meet key members of staff.

### **Organisational structure and decision making**

The trustees decide the long-term strategy for the Museum; they set budgets, review quarterly performance of the charity and instigate change.

The deputy director manages the day to day operations. The deputy director reports to the museum director who in turn drives strategic change. The deputy director is assisted by the senior management team, the functional areas being: curatorial, collections, operations and marketing.

### **Risk management**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The executive committee of trustees has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate these risks. No specific external risks have been identified. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure they still meet the needs of the charity. The trustees review all these policies annually, which are monitored on their behalf by a nominated trustee, as is the risk register and policies intended to mitigate risk to the Museum.

## **Fundraising**

All fundraising efforts of the Museum are led by the director and the senior management team and are carried out in line with the Code of Fundraising Practice. Approaches to the public are made only on the site or online to people who have actively chosen to engage with the Museum. The board of trustees are updated on activities quarterly. The Museum does not employ any external agencies to carry out fundraising activities on its behalf and has had no complaints about this area of operation. The charity did not subscribe to the Fundraising Regulator levy in 2018 as the primary cost classified as fundraising in the annual report is the advertising spend to attract visitors to the Museum which is regulated through separate mechanisms.

## **Trustees' responsibilities statement**

The trustees (who are also directors of The Tank Museum Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Disclosure of information to auditor**

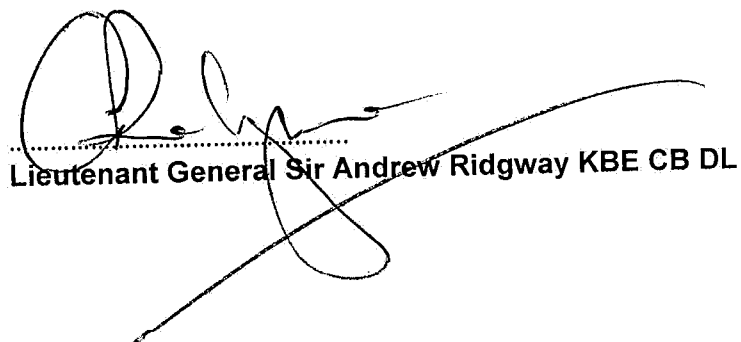
Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

**Auditor**

Saffery Champness LLP were appointed as auditor to the charity and in accordance with Section 485 of the Companies Act 2006, the trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by the trustees on 24 May 2019 and signed on their behalf by:



Lieutenant General Sir Andrew Ridgway KBE CB DL

**The Tank Museum Limited**  
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**Independent auditor's report (continued)**  
**To the members of The Tank Museum Trading Company Limited**

We have audited the financial statements of The Tank Museum Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**The Tank Museum Limited**  
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**Independent auditor's report (continued)**  
**To the members of The Tank Museum Trading Company Limited**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- the group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members and the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Fernyhough (Senior Statutory Auditor)  
For and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors

Midland House  
2 Poole Road  
Bournemouth  
Dorset  
BH2 5QY

Date: 24 May 2019

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



The Tank Museum Limited  
(A company limited by guarantee)

Consolidated Statement of Financial Activities  
For the year ended 31 December 2018

	Note	Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total funds 2018 £	Total funds 2017 Restated £
<b>Income from:</b>					
Donations, legacies and grants	2	1,589,699	926,465	2,516,164	1,949,148
Other trading activities	3	-	1,834,800	1,834,800	1,704,019
Investments	4	-	5,359	5,359	9,025
Charitable activities	5	-	2,860,890	2,860,890	2,890,139
<b>Total income</b>		<u>1,589,699</u>	<u>5,627,514</u>	<u>7,217,213</u>	<u>6,552,331</u>
<b>Expenditure on:</b>					
Costs of generating voluntary income		-	2,019,406	2,019,406	1,745,444
Charitable activities		711,262	3,065,157	3,776,419	3,314,160
<b>Total expenditure</b>	6	<u>711,262</u>	<u>5,084,563</u>	<u>5,795,825</u>	<u>5,059,604</u>
<b>Net income before investment gains</b>		878,437	542,951	1,421,388	1,492,727
Net (losses)/gains on investments		(58,101)	(187,933)	(246,034)	377,942
<b>Net income before transfers</b>		820,336	355,018	1,175,354	1,870,669
Total funds at 1 January 2018		<u>11,724,936</u>	<u>11,087,018</u>	<u>22,811,954</u>	<u>20,941,285</u>
<b>Total funds at 31 December 2018</b>	18	<u>12,545,272</u>	<u>11,442,036</u>	<u>23,987,308</u>	<u>22,811,954</u>

All activities relate to continuing operations.

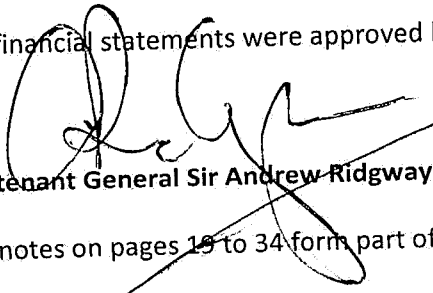
The notes on pages 19 to 34 form part of these financial statements.

**The Tank Museum Limited**  
**(A company limited by guarantee)**

**Consolidated Balance Sheet**  
**As at 31 December 2018**

			2018		As restated 2017
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		17,519,188		15,711,310
Investments	12		3,855,086		2,804,884
			<u>21,374,274</u>		<u>18,516,194</u>
<b>Current assets</b>					
Stocks	14	240,510		223,369	
Debtors	15	242,216		406,011	
Current asset investments	12	1,990,898		1,832,310	
Cash at bank and in hand		835,286		2,687,395	
		<u>3,308,910</u>		<u>5,149,085</u>	
<b>Creditors:</b>					
Amounts falling due within one year	16	(664,092)		(693,164)	
<b>Net current assets</b>			<u>2,644,818</u>		<u>4,455,921</u>
<b>Total assets less current liabilities</b>			<u>24,019,092</u>		<u>22,972,115</u>
<b>Creditors:</b>					
Amounts falling due after more than one year	17		(31,784)		(160,161)
<b>Net assets</b>			<u>23,987,308</u>		<u>22,811,954</u>
<b>Represented by:</b>					
Designated funds	18		9,406,878		8,832,757
Restricted funds	18		12,545,272		11,724,936
Unrestricted funds	18		2,035,158		2,254,261
<b>Total funds</b>			<u>23,987,308</u>		<u>22,811,954</u>

The financial statements were approved by the trustees on 24 May 2019 and signed on their behalf by:

  
**Lieutenant General Sir Andrew Ridgway KBE CB DL**

The notes on pages 15 to 34 form part of these financial statements.  
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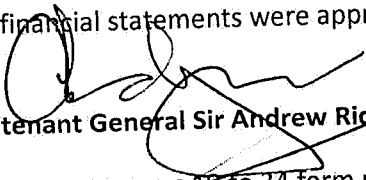
**The Tank Museum Limited**  
(A company limited by guarantee)

**Charity Balance Sheet**  
**For the year ended 31 December 2018**

			2018	As restated
	Note	£	£	2017
			£	£
<b>Fixed assets</b>				
Tangible assets	11		17,519,188	15,711,310
Investments	12		3,855,088	2,804,886
			<u>21,374,276</u>	<u>18,516,196</u>
<b>Current assets</b>				
Stocks	14	702	6,533	
Debtors	15	386,457	735,110	
Current asset investments	12	1,990,898	1,832,310	
Cash at bank and in hand		646,008	2,237,617	
		<u>3,024,065</u>	<u>4,811,570</u>	
<b>Creditors:</b>				
Amounts falling due within one year	16	(554,412)	(657,234)	
<b>Net current assets</b>			<u>2,469,653</u>	<u>4,154,336</u>
<b>Total assets less current liabilities</b>			<u>23,843,929</u>	<u>22,670,532</u>
<b>Creditors:</b>				
Amounts falling due after more than one year	17		(31,784)	(160,161)
<b>Net assets</b>			<u>23,812,145</u>	<u>22,510,371</u>
<b>Represented by:</b>				
Designated funds	18		9,406,878	8,832,757
Restricted funds	18		12,545,272	11,724,936
Unrestricted funds	18		1,859,995	1,952,678
<b>Total funds</b>			<u>23,812,145</u>	<u>22,510,371</u>

The profit for the financial period dealt with in the financial statements of the parent company was £1,301,774 (2017: £1,761,083). As permitted by Section 408 of the Companies Act 2006, no separate profit or loss account or statement of comprehensive income is presented in respect of the parent Company.

The financial statements were approved by the trustees on 24 May 2019 and signed on their behalf by:

  
**Lieutenant General Sir Andrew Ridgway KBE CB DL**

The notes on pages 29 to 34 form part of these financial statements.

**The Tank Museum Limited**  
**(A company limited by guarantee)**

**Consolidated statement of cash flows**  
**For the year ended 31 December 2018**

	Note	2018 £	2017 £
<b>Net cash provided by operating activities</b>	<b>20</b>	<b>2,297,518</b>	<b>2,080,870</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		5,359	9,025
Purchase of property, plant and equipment		(2,579,522)	(1,079,185)
Proceeds from disposal of investments		30,900	-
Purchase of investments		(1,485,724)	(180,000)
<b>Net cash used in investing activities</b>		<b>(4,028,987)</b>	<b>(1,250,160)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(120,640)	(114,152)
<b>Net cash used in financing activities</b>		<b>(120,640)</b>	<b>(114,152)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,852,109)</b>	<b>716,558</b>
Cash and cash equivalents brought forward		2,687,395	1,970,837
<b>Cash and cash equivalents carried forward</b>		<b>835,286</b>	<b>2,687,395</b>

The notes on pages 19 to 34 form part of these financial statements.

## **1 Accounting policies**

The Tank Museum Limited is a company limited by guarantee incorporated in England and Wales. The registered office is Bovington Camp, Wareham, Dorset BH20 6JG.

### **1.1 Basis of preparation of financial statements**

The 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Tank Museum Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

### **1.2 Company status**

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

### **1.3 Incoming resources**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when; the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to the Trustees' Report for more information about their contribution.

The Trustees have decided to recognise the financial contribution of the Ministry of Defence as a gift in kind to the charity, as work on resolving the basis for the 2054 designated fund now means that a realistic estimate can be obtained. Accordingly this amount, for the current and previous year is now included in the accounts and comparatives have been restated in this respect.

## **1 Accounting policies (continued)**

On receipt, the donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in the expenditure in the period of receipt.

### **1.4 Resources expended**

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Cost of generating funds are costs associated with attracting voluntary income.

Charitable expenditure and basis of allocation of costs comprises those costs incurred by the charity in the delivery of its activities and services to enable the charity to meet its charitable aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Staff costs and overhead expenses are allocated to activities on the basis of employee numbers.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

### **1.5 Going concern**

The financial statements have been prepared on the basis that the charity is a going concern. The Trustees consider that there are no material uncertainties on the charity's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2018, the charity has a regular stream of income from visitors and its reserves policy means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

### **1.6 Tangible fixed assets and depreciation**

The museum operates a £500 de minimus value on fixed asset additions, amounts lower than this limit are fully expensed in the year of purchase.

## 1 Accounting policies (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Displays	10 – 33% straight line
Furniture, fittings and equipment	10 – 20% straight line
Buildings	Over the remaining term of the lease & 10 – 33% straight line

### Heritage assets

The majority of the tank collection has been received by donation to the museum. These are considered to be heritage assets under the terms of the Statement of Recommended Practice and consequently no value is placed on either the asset or the donation. The management policy in respect of heritage assets is summarised in note 16.

### 1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock.

### 1.9 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The group also operated a defined benefit pension scheme in the year. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. The scheme is a multi-employer scheme.

### 1.10 Voluntary contributions

The Ministry of Defence provides support in the form of staff salaries, services, buildings and grounds. The Trustees are unable to ascertain precisely the cost of this provision or make a reliable estimate of the value based on the cost of providing such services externally.

## **1 Accounting policies (continued)**

### **1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

### **1.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **1.13 Creditors and provisions**

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **1.14 Financial Instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest method. Financial assets and financial liabilities classified as receivable or payable within one year are not amortised.

### **1.15 Fund accounting**

Funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable projects at the discretion of the trustees.

Designated funds – these are funds set aside by the Trustees out of the unrestricted general funds for specific purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

### **1.16 Taxation**

As a charity, The Tank Museum benefits from various exemptions from taxation afforded by tax legislation and is therefore not liable for corporation tax on income or gains falling within those exemptions.

### **1.17 Restatement of prior period**

The comparative Statement of Financial Activities, balance sheet and associated notes have been restated to reflect the classification of investments between funds and to recognise gifts in kind.



Notes to the financial statements (continued)  
For the year ended 31 December 2018

**2 Donations, legacies and grants**

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	269,150	58,142	327,292	605,302
Legacies	-	826	826	145,045
Grants	1,320,549	120,000	1,440,549	475,183
Gifts in kind	-	747,497	747,497	723,618
Total donations and legacies	<u>1,589,699</u>	<u>926,465</u>	<u>2,516,164</u>	<u>1,949,148</u>

In 2017, of the total income from donations and legacies, £1,764,765 was to restricted funds and £184,383 was to unrestricted funds.

**3 Trading activities**

	Total funds 2018 £	Total funds 2017 £
<b>Charity trading income</b>		
Turnover	<u>1,834,800</u>	<u>1,704,019</u>
	<u>1,834,800</u>	<u>1,704,019</u>
<b>Trading expenses</b>		
Cost of sales	780,239	669,141
Administrative expenses	123,383	86,742
Interest payable	14,803	20,993
Salaries and overheads	<u>646,340</u>	<u>572,563</u>
	<u>1,564,765</u>	<u>1,349,439</u>
Net income from trading activities	<u>270,035</u>	<u>354,580</u>

The subsidiary also received investment income of £95 (2017: £162) which is included in note 4.

On the face of the consolidated statement of financial activities all income is recognised within commercial trading operations and all expenditure is recognised within cost of generating funds, after removal of intercompany consolidation transactions.

The net income figure above is before any distribution of profits to the parent charity.

Notes to the financial statements (continued)  
For the year ended 31 December 2018

**4 Investment income**

	Total funds 2018 £	Total funds 2017 £
Bank interest	5,359	9,025

All of the above in both years relates to unrestricted funds.

**5 Income from charitable activities**

	Total funds 2018 £	Total funds 2017 £
Primary purpose trade	2,730,191	2,759,354
Ancillary trade	130,699	130,785
	<u>2,860,890</u>	<u>2,890,139</u>

All of the above in both years relates to unrestricted funds.

The Tank Museum Limited  
(A company limited by guarantee)

Notes to the financial statements (continued)  
For the year ended 31 December 2018

6 Total expenditure

	Staff costs (Note 10)	Other direct costs	Support costs (Note 7)	Governance costs	Total 2018	Total 2017 Restated
<b>Expenditure on raising funds</b>						
Fundraising	-	2,125	92,491	-	94,616	80,562
Publicity and advertising	-	320,619	-	-	320,619	279,719
Fundraising trading	554,706	1,010,059	-	-	1,564,765	1,349,439
	<u>554,706</u>	<u>1,332,803</u>	<u>92,491</u>	<u>-</u>	<u>1,980,000</u>	<u>1,709,720</u>
<b>Investment costs</b>						
Generation of income	-	39,406	-	-	39,406	35,724
<b>Expenditure on charitable activities</b>						
Primary purpose trade	57,712	1,342,856	1,593,334	35,020	3,028,922	2,590,542
Intangible expenditure	-	747,497	-	-	747,497	723,618
	<u>57,712</u>	<u>2,090,353</u>	<u>1,593,334</u>	<u>35,020</u>	<u>3,776,419</u>	<u>3,314,160</u>
Governance	-	11,898	23,123	(35,020)	-	-
	<u>612,418</u>	<u>3,474,460</u>	<u>1,708,948</u>	<u>-</u>	<u>5,795,825</u>	<u>5,059,604</u>
Support staff costs	1,350,560		(1,350,560)			
	<u>1,962,978</u>		<u>358,388</u>			

7 Support costs

	Costs of generating voluntary income	Governance	Primary purpose	Total 2018	Total 2017
	£	£	£	£	£
Staff related costs	9,108	2,277	216,314	227,699	98,820
Other costs	9,201	2,301	119,187	130,689	116,030
Wages and salaries	66,746	16,686	1,114,715	1,198,147	1,155,866
National insurance	5,297	1,324	92,311	98,932	18,870
Pension cost	2,139	535	50,807	53,481	46,140
	<u>92,491</u>	<u>23,123</u>	<u>1,593,334</u>	<u>1,708,948</u>	<u>1,435,726</u>

The support costs allocation has been based on employee numbers.

Notes to the financial statements (continued)  
For the year ended 31 December 2018

8 Turnover

All turnover arose in the United Kingdom.

9 Net incoming resources

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	771,644	780,095
Auditor's remuneration	14,000	12,206
Cost of stocks recognised as an expense	780,239	669,141
Operating lease rentals	6,327	13,432

During the year, no trustees received any remuneration (2017: £nil)

3 trustees received reimbursement of expenses amounting to £708 in the current year, (2017: 3 trustees, £692) relating to travel and board meeting costs.

10 Staff costs

	2018	2017
	£	£
Staff costs were as follows:		
Wages and salaries	1,771,353	1,573,256
Social security costs	136,479	121,627
Other pension costs	55,146	46,367
	1,962,978	1,741,250

The charity also repaid the full liability of the defined benefit pension scheme amounting to £83,745.

The average monthly number of employees was 100 (2017: 96) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2018	2017
	Number	Number
Museum staff	80	65
Administration staff	5	4
	85	69

1 employee received remuneration amounting to more than £60,000 (2017: nil). Key management personnel received remuneration and benefits totalling £306,060 (2017: £274,020) and pension contributions of £15,862 (2017: £12,318).

Notes to the financial statements (continued)  
For the year ended 31 December 2018

11 Tangible fixed assets

Group	Buildings £	Assets in the course of construction £	Displays £	Furniture fittings & equipment £	Total £
<b>Cost</b>					
1 January 2018	17,626,573	994,348	3,010,336	1,246,210	22,877,467
Additions	-	2,323,258	60,887	195,377	2,579,522
Disposals	-	-	(117,182)	(35,077)	(152,259)
Transfers	3,317,606	(3,317,606)	-	-	-
31 December 2018	20,944,179	-	2,954,041	1,406,510	25,304,730
<b>Depreciation</b>					
1 January 2018	3,405,999	-	2,650,110	1,110,048	7,166,157
Charge for the year	433,112	-	206,693	131,839	771,644
On disposals	-	-	(117,182)	(35,077)	(152,259)
31 December 2018	3,839,111	-	2,739,621	1,206,810	7,785,542
<b>Net book value</b>					
31 December 2018	17,105,068	-	214,420	199,700	17,519,188
31 December 2017	14,220,574	994,348	360,226	136,162	15,711,310

Included in furniture, fittings and equipment are assets held by the trading subsidiary at a cost of £4,075. The assets have been fully written down.

The museum occupies land and buildings owned by the MOD. As noted in the accounting policies, the Ministry of Defence also provides support in the form of utilities and maintenance of the buildings.

**Heritage assets**

Heritage assets have not been capitalised in the current or previous period. The heritage assets consist of the Museum's collections both on and off display. They include some three hundred tanks and armoured fighting vehicles, fifty-five thousand documents, nine thousand books, quarter of a million images and over eighteen thousand other artefacts. The whole of the collection has been "Designated" as of national importance by the Museums, Libraries and Archives Council.

Notes to the financial statements (continued)  
For the year ended 31 December 2018

**11 Tangible fixed assets (continued)**

The table below details the heritage assets in the course of being catalogued and the progress to date.

	<b>Total 2018 Number</b>	<b>Total 2017 Number</b>
Documents <60% completed	54,630	52,282
Journals	1,196	1,183
Maps/technical drawings	3,686	3,643
Photographs and images <20% completed	58,682	59,320
<b>Total</b>	<b>118,194</b>	<b>116,428</b>

**Catalogued heritage assets**

	<b>2018</b>	<b>Net movement</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Vehicles, trailers, turrets etc.	373	5	368	361	361	375
Audio visual	4,185	87	4,098	4,030	3,842	3,675
Books	10,007	208	9,799	9,572	9,373	9,253
Equipment	4,851	65	4,786	4,661	4,546	4,515
Art/silver	827	6	821	799	795	782
Flags	453	17	436	423	422	424
Medals	3,046	30	3,016	2,965	2,914	3,056
Memorabilia	2,838	114	2,724	2,582	2,434	2,494
Models	1,045	33	1,012	988	983	994
Uniforms	6,711	204	6,507	6,188	6,074	6,115
Weapons	936	37	899	836	833	814
<b>Total</b>	<b>35,272</b>	<b>806</b>	<b>34,466</b>	<b>33,405</b>	<b>32,577</b>	<b>32,497</b>

The heritage assets have been excluded from the balance sheet due to the significant costs that would be involved in the valuation, which are onerous compared with the additional benefit that would be derived by users of the accounts in assessing the trustees' stewardship of the accounts. The standards of museum ethics regarding disposal to which The Tank Museum have subscribed as part of being an Accredited Museum do not allow the organisation to dispose of collection items primarily for financial reasons, and objects for disposal must first be offered to other accredited museums free of charge.

Notes to the financial statements (continued)  
For the year ended 31 December 2018

12 Fixed asset investments

Group	Listed Securities £
<b>Market value</b>	4,637,194
At 1 January 2018	1,485,724
Additions	(30,900)
Disposals	(246,034)
Loss on investments	
	<u>5,845,984</u>
At 31 December 2018	

The above market value at 31 December 2018 represent investments held as short term of £1,990,898 and long term of £3,855,086.

The historical cost at 31 December 2018 was £5,597,858 (2017: £3,913,137).

Charity	Listed securities £	Subsidiary company £	Total £
<b>Market value</b>			4,637,196
At 1 January 2018	4,637,194	2	1,485,724
Additions	1,485,724	-	(276,934)
Gain on investments	(276,934)	-	
	<u>5,845,984</u>	<u>2</u>	<u>5,845,986</u>
At 31 December 2018			

The historical cost at 31 December 2018 was £5,597,860 (2017: £3,913,139).

All of the listed securities relate to investment assets held in the UK.

13 Principal subsidiaries

Name of undertaking	Registered office	Class of share held	% Held
The Tank Museum Trading Company Limited (registered no. 02236998)	Bovington Camp, Wareham, Dorset, BH20 6JG	Ordinary	100.00

The activity of the above company includes that of retailing souvenirs and books, and operating the trading of the museum.

Notes to the financial statements (continued)  
For the year ended 31 December 2018

14 Stocks

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Finished goods and goods for resale	240,510	223,369	702	6,533

15 Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	23,752	41,952	8,682	10,478
Amounts due from subsidiary	-	-	187,540	361,666
Other debtors	14,231	27,890	14,059	27,501
Prepayments and accrued income	204,233	336,169	176,176	335,465
	242,216	406,011	386,457	735,110

16 Creditors: Amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	128,286	120,548	128,286	120,548
Trade creditors	221,418	288,773	134,993	262,710
Other taxation and social security	74,656	50,090	72,895	49,077
Other creditors	8,339	6,491	3,245	4,037
Accruals and deferred income	231,393	227,262	214,993	220,862
	664,092	693,164	554,412	657,234

17 Creditors: Amounts falling due after one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	31,784	160,161	31,784	160,161

The period of the loan is twelve years from 1 April 2008 and it bears interest at a fixed rate of 6.27%. No amounts are due over 5 years.



Notes to the financial statements (continued)  
For the year ended 31 December 2018

18 Statement of funds

Movement of funds for the year						
	As restated at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	At 31 December 2018 £
<b>Designated funds</b>						
New Workshop	1,500,000	-	-	-	-	1,500,000
Fixed assets	3,879,090	-	(173,346)	-	-	3,705,744
2054 fund	1,621,357	-	-	185,400	403,479	2,210,236
General resource	1,832,310	-	-	750,000	(591,412)	1,990,898
	<u>8,832,757</u>	<u>-</u>	<u>(173,346)</u>	<u>935,400</u>	<u>(187,933)</u>	<u>9,406,878</u>
<b>General funds</b>						
Reserves	2,254,261	4,880,017	(4,163,720)	(935,400)	-	2,035,158
<b>Total unrestricted funds</b>	<u>11,087,018</u>	<u>5,627,514</u>	<u>(4,911,217)</u>	<u>-</u>	<u>(187,933)</u>	<u>11,442,036</u>
<b>Restricted funds</b>						
Buildings	10,356,858	1,272,285	(425,543)	-	-	11,203,599
Exhibitions	1,201,100	125,330	(11,470)	(25,000)	(58,101)	1,231,860
Revenue	166,978	192,084	(274,249)	25,000	-	109,813
	<u>11,724,936</u>	<u>1,589,699</u>	<u>(711,262)</u>	<u>-</u>	<u>(58,101)</u>	<u>12,545,272</u>
<b>Total funds</b>	<u>22,811,954</u>	<u>6,469,716</u>	<u>(5,048,328)</u>	<u>-</u>	<u>(246,034)</u>	<u>23,987,308</u>

## 18 Statement of funds (continued)

### Fund descriptions

#### Designated fund

**New Workshop**-The trustees have designated £1.5 million towards funding the next capital development being the new Workshop Build which is on course to be completed by 2018.

**Fixed Assets**-The fixed asset designated fund was set up to reflect those assets held by the charity. At the year-end assets with a net book value of £3,705,744 relating to completed capital projects have been derestricted and have been transferred into this reserve.

**2054 fund**-Is a long term fund to support the ongoing running of the Museum if the lease with the MOD is not renewed by 2054.

**General resource fund** is a fund to support the ongoing capital projects of the Museum being New Exhibitions, Buildings and Infrastructure improvements.

#### Restricted Funds

**Buildings** represent our "At Close Quarters" Phase 2 Main Museum redevelopment and our Conservation Workshop building.

**Exhibition funds** are the HLF Catalyst fund to part finance our ongoing exhibition funding and our Tiger exhibition.

**Revenue funds** are the Vehicle Restoration fund and the Charles Burnett III Fund for the restoration of British and Foreign vehicles.

Notes to the financial statements (continued)  
For the year ended 31 December 2018

19 Analysis of net assets between funds

Fund balances at 31 December 2018 are represented by:

	Restricted funds 2018	Unrestricted funds 2018	Total funds 2018
	£	£	£
Tangible fixed assets	11,215,602	6,303,586	17,519,188
Fixed asset investments	1,094,527	2,760,561	3,855,088
Current asset investments	-	1,990,898	1,990,898
Current assets	235,143	798,024	1,033,167
Creditors due within one year	-	(664,092)	(664,092)
Creditors due in more than one year	-	(31,784)	(31,784)
Total	12,545,272	11,442,036	23,987,308

Fund balances as restated at 31 December 2017 are represented by:

	Restricted funds 2017 Restated	Unrestricted funds 2017 Restated	Total funds 2017
	£	£	£
Tangible fixed assets	10,324,431	5,386,879	15,711,310
Fixed asset investments	1,183,528	1,772,563	2,804,884
Current asset investments	-	1,832,310	1,832,310
Current assets	216,977	3,099,798	3,316,775
Creditors due within one year	-	(693,164)	(693,164)
Creditors due in more than one year	-	(160,161)	(160,161)
Total	11,724,936	11,087,018	22,811,954

20 Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of financial activities)	1,175,354	1,870,669
<b>Adjustment for:</b>		
Depreciation charges	771,644	780,095
Losses/(Gains) on investments	246,034	(377,942)
Dividends, interest and rents from investments	(5,359)	(9,025)
Increase in stocks	(17,141)	(16,884)
Decrease/ (increase) in debtors	163,795	(253,151)
(Increase)/ decrease in creditors	(36,810)	87,108
<b>Net cash provided by operating activities</b>	<b>2,297,518</b>	<b>2,080,870</b>

Notes to the financial statements (continued)  
For the year ended 31 December 2018

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**21 Operating lease commitments**

At 31 December 2018 the group had future minimum rentals payable under non-cancellable operating leases as follows:

	2018	2017
	£	£
<b>Group</b>		
<b>Expiry date:</b>		
Within 1 year	4,246	6,327
Between 2 and 5 years	-	4,246
After more than 5 years	-	-
<b>Total</b>	<u>4,246</u>	<u>10,573</u>

**22 Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted of £55,146 (2017: £46,367). Contributions totalling £8,485 (2017: £6,132) were payable to the fund at the balance sheet date and are included in creditors.

The group also operated a defined benefit pension scheme for part of the year. The group ceased to participate in this scheme on 31 March 2018. The group's liability share of £83,745 was paid in full during the year.

**23 Indemnity insurance**

Indemnity insurance for the trustees has been taken out giving £3 million of cover at a cost of £2,587 (2017: £2,587)

**24 Related party transactions**

During the year, a trustee donated £1,298 (2017: £87,791) to the charity

**25 Capital commitments**

The charity has no capital commitments at the year end (2017: £1,698,056).