

National Memorial Arboretum Company Ltd

Company Registration No. 2927443  
Registered Charity No. 1043992

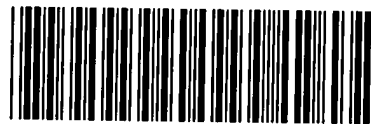


National Memorial Arboretum Company Ltd  
Report and Financial Statements

Year ended 30 September 2019



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COMPANIES HOUSE

A member of The Royal British Legion family of charities

# **National Memorial Arboretum Company Ltd**

## **CONTENTS**

|  | <b>Page</b>  |
|--|--------------|
| <b>Reference and Administrative Details</b>  | <b>1</b>     |
| <b>Trustees' Report (including the Strategic Report)</b>                               | <b>2</b>     |
| <b>Trustees' Responsibility Statement</b>  | <b>10</b>    |
| <b>Independent Auditor's Report</b>  | <b>11</b>    |
| <b>Statement of Financial Activities (including an Income and Expenditure Account)</b> | <b>14</b>    |
| <b>Balance Sheet</b>   | <b>15</b>    |
| <b>Cash Flow Statement</b>   | <b>16</b>    |
| <b>Notes to the Financial Statements</b>   | <b>17-34</b> |

**REFERENCE AND ADMINISTRATIVE DETAILS**

**TRUSTEES AND OFFICERS**

David Whimpenny – Chairman

Andrew Farquhar

Jason Coward

Gary Ryan

Paul Harris

Kate Logan (nee Davies) (From 23<sup>rd</sup> November 2018)

**COMPANY SECRETARY**

Mr Luke Joannou

**PRINCIPAL OFFICERS – Key Management Personnel**

|                        |   |
|------------------------|---|
| Mrs Sarah Montgomery   | Managing Director (to 14 <sup>th</sup> June 2019)     |
| Mrs Philippa Rawlinson | Managing Director (from 19 <sup>th</sup> August 2019) |
| Mrs Lorna Price        | Head of Finance                                       |
| Mr Peter Orgill        | Head of Operations (to 24 <sup>th</sup> May 2019)     |
| Mrs Aysha Afridi       | Head of Heritage and Learning                         |
| Mrs Sarah Oakden       | Head of Marketing                                     |
| Mr Mark Ellis          | Head of Visitor Experience                            |
| Mrs Angela Ham         | Head of Support Services                              |
| Mr Andy Ansell         | Head of Estates (from 1 July 2019)                    |

**BANKERS**

|                                       |                  |
|---------------------------------------|------------------|
| Lloyds TSB Commercial                 | HSBC Bank PLC    |
| Public and Community Sector           | 49 Market Street |
| 3 <sup>rd</sup> Floor, Gresham Street | Lichfield        |
| London                                | Staffordshire    |
| EC2V 8EH                              | WS13 6LB         |

**AUDITOR**

Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

**REGISTERED & PRINCIPAL OFFICE**

Croxall Road  
Alrewas  
Staffordshire  
DE13 7AR

**Charity Registration Number:** 1043992

**Company Registration Number:** 2927443

## **TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)**

The Trustees, who are also Directors of the charitable company, present their annual report, which incorporates a strategic report, and audited financial statements for the year ended 30 September 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 (revised 1 January 2016)). The reference and administrative details on page 1 form part of this report.

### **OBJECTIVES AND ACTIVITIES**

The National Memorial Arboretum (NMA) is a member of the Royal British Legion family of charities, which is the UK's national custodian of Remembrance; supporting and delivering nationwide events through its network of branches, members and volunteers and locally in communities across the country. The NMA is the United Kingdom's year-round centre for Remembrance in the heart of our country; a spiritually uplifting place which honours those who have fallen in the service of their country, recognising service, suffering and sacrifice, fostering a pride in our country. The NMA's vision is to create a world class Remembrance centre worthy of those who have given so much to our country. This is key to the charitable group's core charitable objective of championing Remembrance, promoting its observance and participation and ensuring the torch is passed on to future generations.

The NMA's specific charitable objectives are to:

- promote an appreciation by the public of the role of the armed forces of the Crown by providing and maintaining the Arboretum as a public memorial to commemorate and remember those who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service of the public;
- relieve the distress and suffering of those who are bereaved; and
- educate the public and personnel of the armed forces of the Crown in citizenship, military history, the effects of armed conflict, conflict resolution and reconciliation.

The key strategic priorities of the NMA during the year were:

- **The NMA site** - maintain and improve the site as the most significant place for Remembrance, complementary to the cenotaph in the national consciousness, specifically including the opening of the 'Aspects' Function Pavilion to host over 250 Remembrance services/dedications per annum.
- **Visitors** - take steps to increase visitor numbers now the major construction projects are complete, particularly during the culmination of the WW1 centenary and D-Day 75 commemorations.
- **Learning** - work closely with The Royal British Legion, the NMA's parent charity, to provide leadership in the development and understanding of Remembrance, educating the general public about Remembrance and its importance to the future life of the nation.

**TRUSTEES' REPORT (continued)**

- **Sustainability** - ensure the longevity of the NMA by raising by implementing infrastructure improvements to:
  - sustain and enhance the visitor experience;
  - ensure the commercial potential of the site is maximised in a sensitive way;
  - generate support and revenue from stakeholders and supporters of the NMA to continue to develop its mission as a centre for veterans, service and ex-service families and the wider diaspora connected with Remembrance; and
  - create a landscape where visitors can relax, enjoy the trees and contemplate their special significance.

## **ACHIEVEMENTS AND PERFORMANCE**

### **The NMA site:**

Building on the success of the award winning Remembrance Centre in 2016, during the year the NMA opened the long awaited permanent functions pavilion, to host the growing number of Remembrance services/dedications and other commemorative services each year (currently in excess of 250 per annum). The facility was delivered on time and to budget and has been instrumental in opening up the NMA to new audiences by providing a unique venue to host corporate events and conferences. The new facility opened in October 2018 and performance for the first year of operation has exceeded expectations, with around 25,000 Remembrance and Corporate visitors being hosted in the facility during the year.

The project to put the NMA onto mains sewage and mains gas was finally completed in September 2019. This has been ongoing for a number of years and has encountered numerous delays relating to obtaining the necessary legal permissions and drilling under the railway line. This represents a huge step forward and will help drive operational efficiency and effectiveness, particularly during peak periods.

### **Visitors:**

During the year, the NMA received a record 342,186 visitors (2018: 294,922), a 16% increase compared to 2018. The significant increase is due to the following factors:

- Unprecedented volumes of visitors attending throughout the Armistice 100 Remembrance period;
- Highest ever volumes across the winter, February half term and Easter period due to relatively mild weather conditions;
- December's Illuminated Arboretum which proved extremely popular and was successful in driving new audiences at what is normally a relatively quiet time of year;
- Record numbers of school visitors undertaking both facilitated and self guided activities, with over 22,000 attending during the year, a 33% increase on the previous year;
- The Tornado farewell flypast which attracted more than 3,000 visitors to site; and
- The most successful Armed Forces weekend programme to date, which saw 11,000 visitors attending across the two day period.

### **Landscape:**

One of the key objectives of the NMA is to provide a public memorial to commemorate and remember those who have lost their lives or suffered injury in service to the public. During the year, the NMA played host to over 250 Remembrance services and commemorations.

**TRUSTEES' REPORT (continued)**

As the Arboretum matures and becomes a site of national significance, demand for new memorials is steadily increasing. Consequently going forward the NMA will need to open up areas of the site which are currently under utilised. With this in mind, during the year the NMA revisited its landscape masterplan which identified a number of exciting opportunities for future development which in time will improve both the visitor journey and engagement with the site and Remembrance.

The dedication of eight new memorials took place in the year, including the London Scottish Regiment, Queens own Buffs, and Spirit of the Horse.

**Learning:**

The 'Landscapes of Life' permanent interpretation exhibition remains an important component in the fulfilment of the NMA's charitable objectives of learning, by helping visitors to engage with the Remembrance. However, take up for the exhibition has always been lower than anticipated and whilst research has suggested that this is not due to the quality of the exhibit, take-up has remained virtually static despite a number of initiatives to improve performance. Consequently, the decision was taken to make the exhibition free to enter from May 2019 in order to improve footfall and visitor engagement with Remembrance.

**Sustainability:**

The NMA remains committed to growing its self generated income sources as much as possible to reduce the reliance on its parent charity for funding. However, receiving a record number of visitors in 2019 did not result in an equivalent impact on financial performance as different visitor types have different propensities to spend.

Despite wet weather, the main annual fundraising event of the year, "Ride to the Wall", proved to be one of the most successful to date, generating £140,000 (an equivalent amount to 2018) thanks to the high volumes of pre-registrations for the event and bespoke merchandise sales.

Despite the uncertain economic climate, business as usual fundraising has held up reasonably well, with on site donations only 6% lower than the previous year. Income has been boosted by the receipt of £35,000 of grants and donations to help replace the HLF Funding for the Learning team (see below), funding for a new visitor buggy and a number of legacies.

During the year, the NMA received a final instalment of £63,000 (2018 £275,000) from the Heritage Lottery Fund to support the activity plan. This is the end of a 3 year programme which has been successful in developing new audiences, as well as providing funding to cover the salary costs for four key learning posts.

**FINANCIAL REVIEW**

Income for the year was £3.4 million (2018: £10.6 million); the £7.2 million decrease on the previous year mainly relates to £7.2m in restricted grants and donations, received during 2018 relating to the new functions pavilion. New restricted funds received from the parent charity in 2019 included £282,000 for the infrastructure project, £50,000 for brown tourism signs and £34,000 towards the future strategic development of the site, including the updating of the landscape masterplan and the updating of the cost plan for the new overflow car park required from 2023.

The NMA is a free to enter site; its main sources of income are voluntary donations, grant funding and profits from its trading subsidiary NMA Enterprises Ltd. In the current year the NMA received annual funding in the form of a Remembrance grant of £724,000 (2018: £624,000) from its parent

**TRUSTEES' REPORT (continued)**

charity, The Royal British Legion, towards Remembrance activity, and £159,000 (2018: £161,000) Grant in Aid funding from the Ministry of Defence for the ongoing maintenance of the Armed Forces Memorial. The latter was originally guaranteed until March 2019, but has been extended with an unspecified end date.

During the year, the NMA also received gifts in kind of £2,000 relating to a pallet truck and sweeper from Briggs Equipment Ltd, who were also the main sponsor of the Armed Forces Weekend activities.

Expenditure was £4.1 million (2018: £4.4 million), a year on year decrease of £0.3 million. Costs of raising funds have remained broadly similar to 2018, (2019: £542,000, 2018: £538,000). As the NMA is a visitor attraction and a relatively young charity, it is very much dependent on footfall on site. The majority of expenditure therefore relates to advertising and other promotional activities to drive visitor numbers and general awareness of the NMA. Expenditure on Charitable Activities decreased by £0.3 million to £3.6 million (2018: £3.9 million), the decrease being mainly due to lower hire costs related to temporary facilities now the functions pavilion project is complete.

This resulted in a net decrease in funds of £767,000 (2018: increase of £6.2 million). Whilst underlying performance is broadly similar to 2018, the 2018 figures were boosted by the capital grants received for the functions pavilion project.

Capital expenditure for the year was £534,000, (2018: £6.5 million), predominantly relating to the costs of the Gas and Sewage infrastructure project.

The trading subsidiary, NMA (Enterprises) Ltd, continues to benefit from the new, larger and improved facilities provided by the Remembrance Centre and the Aspects functions pavilion with an improved operating surplus of £647,000 (2018: £559,000).

**RESERVES POLICY AND GOING CONCERN**

As the NMA is part of the Royal British Legion group, its policy is to not seek to hold reserves as this leads to a duplication of reserves at a group level. A 'letter of comfort' has been agreed by the RBL trustees under which The Royal British Legion will continue to provide any financial support (either through the waiver of intercompany debt, the provision of further intercompany funds or equity) that may be required in order for the NMA to pay its liabilities as they fall due, for a period of at least 12 months from the date of approval of the 2019 accounts.

Total charity funds decreased by £0.7m, to £22.6m at the end of the year. Total charity funds comprise unrestricted funds of £21.1 million (2018: £21.4 million) and restricted funds of £1.4 million (2018: £1.9 million).

Total unrestricted funds comprise designated funds of £20.8 million (2018: £20.0 million) and general funds of £0.4m (2018: £1.4m); the general funds figure includes free unrestricted funds of £105,000 (2018: £351,000).

Designated funds represent the net book value of completed fixed assets relating to grounds and buildings. The increase in the designated funds balance is mainly due to the completion of the infrastructure project, resulting in a transfer of £1.2 million from unrestricted to designated funds. Designated funds have also been increased by a £90,000 legacy which is to be used for the future development of the site and audience engagement activity.

**Registered Company number 2927443**  
**TRUSTEES' REPORT (continued)**

Total restricted funds at the end of the year were £1.4 million (2018: £1.9 million). This includes the remaining funds required for the payment of retention at the end of the defects period for the functions pavilion and £848,000 (2018: £840,000) of maintenance endowments for memorial maintenance and insurance for specific memorials. During the year the NMA was successful in securing a further £33,000 (2018: £111,000) of maintenance endowments for a mixture of new and existing memorials, which will help contribute to the NMA's longevity. The majority of restricted expenditure incurred during the year related to the Functions Pavilion, Heritage Lottery Fund, activity plan and general maintenance relating to the Armed Forces Memorial.

The continuing operation of the NMA is dependent on donations and grants from supporters, together with funding from The Royal British Legion. The Trustees are taking steps to engage more fully with the existing supporter donor base and also plan to build on new relationships forged by the Remembrance Centre appeal, to increase income and ensure a sound financial base for the future work of the NMA. Given the close operational relationship with The Royal British Legion, the letter of support in place, the funding supplied for the Remembrance Centre and the new Functions Pavilion, and the key role the NMA now plays in the fulfilment of the Legion's Remembrance strategy, the Trustees are confident that funding will be available to support the NMA's activities into the future. Reflecting on this, the Trustees have therefore prepared the accounts on a going concern basis.

#### **RISK MANAGEMENT**

The Trustees are responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage major risks to which the charity is exposed. The process in place regarding risk management and internal control includes the following:

- The risk analysis is reviewed monthly by the management team and scrutinised quarterly by the Board of Trustees. The Trustees are satisfied that for risks identified a planned schedule of activity is being undertaken so the impact on the charitable company will be minimised should any of the risks materialise.
- Internal audit, which is provided by a third party, undertake a programme of examinations, ensuring the effectiveness of risk management and controls.



----- Company, -----  
**Registered Company number 2927443**  
**TRUSTEES' REPORT (continued)**

The key risks and how they are managed are:

| Principal risk  | Mitigation   |
|---|--|
|   |  |
| Fundraising and grant income does not meet targets.   | <ul style="list-style-type: none"><li>- Progress against business plan is assessed.</li><li>- Financial support available from parent charity to meet funding gap.</li></ul>   |
| Investment in new attractions does not increase visitor numbers.                              | <ul style="list-style-type: none"><li>- Prepare sound business cases prior to embarking on projects.</li><li>- Increase advertising and marketing spend to create awareness.</li></ul>   |
| Visitors are deterred from visiting due to site flooding.                                     | <ul style="list-style-type: none"><li>- The website is kept up to date detailing any accessibility issues. The temporary exhibition programme should help preserve visitor numbers during periods of inclement weather and minor localised flooding.</li></ul> |
| Maintenance endowments given to cover repairs of memorials are not sufficient to cover costs. | <ul style="list-style-type: none"><li>- Funds are pooled to obtain best rates.</li><li>- The NMA has a fundraising strategy with the primary objective of achieving growth in unrestricted income over the medium to long term.</li></ul>                      |

The company is not unduly exposed to price, credit, liquidity or foreign exchange risk.

The company is included in The Royal British Legion's group insurance policy which provides a comprehensive package of insurance against foreseeable risks including public and product liability.

The charity is covered by insurance from loss arising from neglect or default of its Trustees, and to indemnify the Trustees against the consequences of neglect or default on their part.

#### **FUTURE DEVELOPMENTS**

During the 2019/20 financial year the Trustees are planning to review the NMA's strategy to build on achievements to date with a refreshed strategic plan, showing clear benefits to the RBL's Remembrance mission and synergy gained from the NMA as a year round visitor attraction.

#### **PUBLIC BENEFIT STATEMENT**

In considering the operation, achievements, performance and finances of the charitable company the Trustees are satisfied that public benefit has been provided in accordance with the Charities Act 2011 and guidance provided by the Charity Commission.

### **STRUCTURE GOVERNANCE AND MANAGEMENT**

The NMA was incorporated in 1994 as a charitable company limited by guarantee not having a share capital and registered in 1995 as a charity. The NMA has been part of The Royal British Legion (the RBL) family of charities since 2003. The RBL is the sole member of the company and controls the appointment of all Trustees.

The Board of Trustees consists of six Trustees appointed by the RBL with one Trustee appointed as chairman. Three of the Trustees are also on the Trustee board of the RBL, one Trustee is a member of the executive management team of the RBL with line management responsibility for the NMA, and the remaining two members are independent Trustees with significant military and visitor attraction experience respectively. Meetings of the NMA Board of Trustees take place quarterly. In accordance with its Articles of Association a term of any Trustee's appointment cannot exceed three years, but a Trustee is eligible for reappointment for a further two terms and can be removed from office by the RBL at any time. Training for all Trustees is provided through The Royal British Legion.

Responsibility for the day to day operations of the NMA is delegated to the Managing Director, who is supported by a management team, administrative support staff and a team of volunteers. The Managing Director has established an executive management structure for the NMA to undertake operational activities with a clearly defined management and reporting structure. The management team meets weekly to discuss operational issues and new initiatives and take any action as required.

The NMA has a subsidiary company, NMA (Enterprises) Limited, which carries out the trading activities of the charity; principally the operation of restaurant and café facilities, concessions and business functions.

The Managing Director is supported by the following boards and committees:

- Landscape and Memorials Committee – this committee reviews and agrees proposals for new memorials and landscaping development and is critical to the future direction and management of the Arboretum grounds
- NMA Enterprises Board – the board of NMA's subsidiary company, NMA (Enterprises) Ltd

### **Key management personnel remuneration policy**

The key management personnel remuneration policy has been harmonised with that of the parent charity. Roles are initially evaluated at the group job evaluation committee, which uses the Hay System, and salaries are benchmarked with similar roles in the local area in order to attract the appropriate calibre of candidate. The company then operates an annual appraisal scheme at which performance is assessed against set objectives. The annual pay award is set by the parent charity.

### **Equal opportunities**

The company is an equal opportunities employer and is committed to a policy of employment based on aptitude and ability without discrimination of any kind.

### **Volunteers**

The Trustees recognise the hard work contributed by staff, volunteers and the NMA friends who in many ways keep the site going. Active volunteers gave over 60,000 hours (2018: 60,000 hours) of invaluable help during the year. Volunteer activities include the provision of educational support for facilitated learning visits, guiding visitors around the site, and grounds maintenance which approximately equates to an additional 30 full time staff. The contribution is recognised by all who visit the site and many visitors write to express thanks for the way volunteers help with their visit and comment on the pride the volunteers take in all they do.

### **Fundraising**

As a location based charity the NMA does not have a national network of fundraisers or agents acting on its behalf. The majority of fundraising is derived directly from on site activities and donation boxes. In addition the NMA undertakes 2 direct mail campaigns per annum to registered supporters and applies for grants to fund specific initiatives to further its charitable objectives.

**TRUSTEES' REPORT (continued)**

**TRUSTEES' RESPONSIBILITY STATEMENT**

The Trustees (who are also Directors of The National Memorial Arboretum Company Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

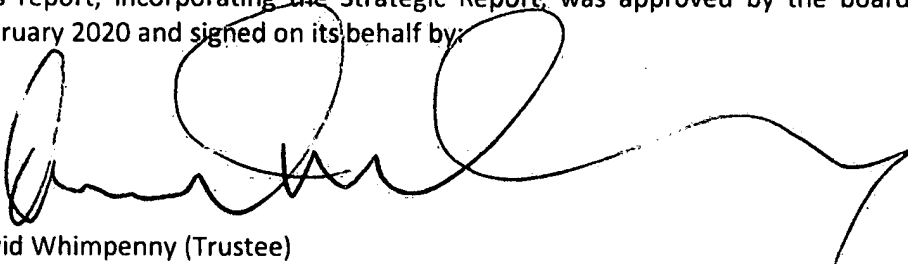
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report, incorporating the Strategic Report, was approved by the board of Trustees on 28<sup>th</sup> February 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'David Whimpenny', with a long, sweeping horizontal line extending to the right.

David Whimpenny (Trustee)

Date: 28th February 2020

**National Memorial Arboretum Company Ltd**  
**Registered Company number 2927443**

**Independent auditor's report to the members of National Memorial Arboretum Company Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of National Memorial Arboretum Company (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2019 and of its 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 27.

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).

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

**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.

**Independent auditor's report to the members of National Memorial Arboretum Company Limited**

**Report on the audit of the financial statements (Continued)**

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 respect of these matters.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose 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 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 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 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**

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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**Opinions 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' report, which includes the strategic report and the directors report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

**National Memorial Arboretum Company Ltd**  
**Registered Company number 2927443**

**Independent auditor's report to the members of National Memorial Arboretum Company Limited**

**Report on the audit of the financial statements (Continued)**

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

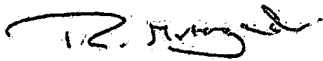
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the charitable company's members, 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 those matters we are required to state to them in an auditor's 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Reza Motazed, FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London  
UK

28th February 2020

**National Memorial Arboretum Company Ltd**  
**Registered Company number 2927443**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)**  
**Year ended 30 September 2019**

|  |             | <b>Unrestricted<br/>Funds<br/>£000's</b> | <b>Restricted<br/>Funds<br/>£000's</b> | <b>Endowment<br/>Funds<br/>£000's</b> | <b>Total<br/>Funds<br/>2019<br/>£000's</b> | <b>Total<br/>Funds<br/>2018<sup>(1)</sup><br/>£000's</b> |
|--|-------------|--|--|---------------------------------------|--|--|
|  | <b>Note</b> |  |  |                                       |  |  |
| <b>INCOME AND ENDOWMENTS</b>                 |             |  |  |                                       |  |  |
| <b>FROM:</b>                                 |             |  |  |                                       |  |  |
| Donations and Legacies                       | 3           | 1,338                                    | 659                                    | 33                                    | 2,030                                      | 9,309  |
| Charitable Activities                        | 4           | 570                                      | 57                                     | -                                     | 627  | 715  |
| Other Trading Activities                     |             | 47                                       | -                                      | -                                     | 47   | 51   |
| <b>Investments:</b>                          |             |  |  |                                       |  |  |
| Gift aid from NMA (Enterprises)              | 5           | 664                                      | -                                      | -                                     | 664  | 563  |
| Bank interest                                | 6           | -  | -                                      | 7                                     | 7  | 3  |
| <b>TOTAL INCOME</b>                          |             | <b>2,619</b>                             | <b>716</b>                             | <b>40</b>                             | <b>3,375</b>                               | <b>10,641</b>  |
| <b>EXPENDITURE ON:</b>                       |             |  |  |                                       |  |  |
| Raising Funds                                | 7           | 542                                      | -                                      | -                                     | 542  | 538  |
| Charitable Activities                        | 8           | 2,967                                    | 601                                    | 32                                    | 3,600                                      | 3,885  |
| <b>TOTAL EXPENDITURE</b>                     |             | <b>3,509</b>                             | <b>601</b>                             | <b>32</b>                             | <b>4,142</b>                               | <b>4,423</b>   |
| <b>Net (expenditure)/income for the year</b> |             | <b>(890)</b>                             | <b>115</b>                             | <b>8</b>                              | <b>(767)</b>                               | <b>6,218</b>   |
| Transfer between Funds                       | 20          | 600                                      | (600)                                  | -                                     | -  | -  |
| <b>NET MOVEMENT IN FUNDS</b>                 |             | <b>(290)</b>                             | <b>(488)</b>                           | <b>8</b>                              | <b>(767)</b>                               | <b>6,218</b>   |
| <b>RECONCILIATION OF FUNDS</b>               |             |  |  |                                       |  |  |
| <b>Total funds brought forward</b>           |             | <b>21,448</b>                            | <b>1,039</b>                           | <b>840</b>                            | <b>23,327</b>                              | <b>17,109</b>  |
| <b>Net movement in funds for the year</b>    |             | <b>(290)</b>                             | <b>(485)</b>                           | <b>8</b>                              | <b>(767)</b>                               | <b>6,218</b>   |
| <b>Total funds carried forward</b>           |             | <b>21,158</b>                            | <b>554</b>                             | <b>848</b>                            | <b>22,560</b>                              | <b>23,327</b>  |

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

(1) See note 19 for 2018 detailed Statement of Financial Activities

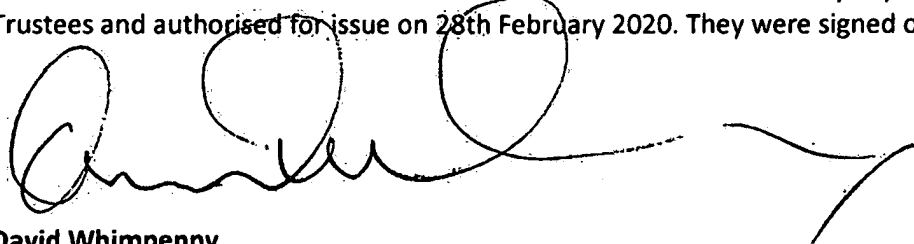


**BALANCE SHEET**  
**At 30 September 2019**

|   |      | 2019<br>£000's | 2018<br>£000's |
|---|------|----------------|----------------|
|   | Note |                |                |
| <b>FIXED ASSETS</b>                             |      |                |                |
| Tangible assets                                 | 14   | 20,705         | 20,749         |
| Heritage assets                                 | 15   | 348            | 348            |
| Fixed asset investments                         | 16   | -              | -              |
| <b>Total Fixed Assets</b>                       |      | <b>21,053</b>  | <b>21,097</b>  |
| <b>CURRENT ASSETS</b>                           |      |                |                |
| Debtors   | 17   | 564            | 1,100          |
| Cash at bank and in hand                        |      | 1,750          | 2,210          |
| <b>Total Current Assets</b>                     |      | <b>2,314</b>   | <b>3,310</b>   |
| Creditors – amounts falling due within one year | 18   | (807)          | (1,080)        |
| <b>NET CURRENT ASSETS</b>                       |      | <b>1,507</b>   | <b>2,230</b>   |
| <b>TOTAL NET ASSETS</b>                         |      | <b>22,560</b>  | <b>23,327</b>  |
| <b>FUNDS</b>                                    |      |                |                |
| General Funds                                   | 20   | 363            | 1,416          |
| Designated Funds                                | 20   | 20,795         | 20,032         |
| Restricted Funds                                | 20   | 554            | 1,039          |
| Expendable Endowment Funds                      | 20   | 848            | 840            |
| <b>Total Funds</b>                              |      | <b>22,560</b>  | <b>23,327</b>  |

The notes on pages 17 to 34 form part of these financial statements.

These financial statements of The National Memorial Arboretum Company Ltd were approved by the Board of Trustees and authorised for issue on 28th February 2020. They were signed on its behalf by:



**David Whimpenny**  
Chair of Trustees

**CASHFLOW STATEMENT**  
**Year ended 30 September 2019**

|  | Note      | Total Funds<br>2019<br>£000's | Total Funds<br>2018<br>£000's |
|--|-----------|-------------------------------|-------------------------------|
| <b>Net cash provided by operating activities</b>             | <b>26</b> | <b>67</b>                     | <b>6,808</b>                  |
| <b>Cash flows from investing activities</b>                  |           |                               |                               |
| Interest receivable  |           | 7                             | 3                             |
| Purchase of property, plant and equipment                    |           | (534)                         | (6,455)                       |
| Purchase of heritage assets                                  |           | -                             | -                             |
| <b>Net cash used in investing activities</b>                 |           | <b>(527)</b>                  | <b>(6,452)</b>                |
| <b>Net (Decrease)/ increase in cash and cash equivalents</b> |           | <b>(460)</b>                  | <b>356</b>                    |
| Cash and cash equivalents at the beginning of the year       |           | 2,210                         | 1,854                         |
| <b>Cash and cash equivalents at the end of the year</b>      |           | <b>1,750</b>                  | <b>2,210</b>                  |

There are no cash equivalents, therefore cash and cash equivalents comprise cash at bank and in hand

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Year ended 30 September 2019**

#### **1) ACCOUNTING POLICIES**

##### **Company and Charitable Status**

The National Memorial Arboretum Company Ltd, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having any share capital. There are currently six Trustees who are also members of the company. Each member has undertaken to contribute to the assets in the event of a winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

##### **Basis of Accounting**

The financial statements are prepared under the historical cost convention in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) effective 1 January 2015 and revised January 2016 (SORP 2015); and the Companies Act 2006.

The principal accounting policies are set out below:

##### **Basis of Preparation**

The results presented are the accounts of the charitable company. The NMA group is included in the accounts of the NMA's parent charity – The Royal British Legion, and therefore accounts have not been prepared which consolidate the results of NMA (Enterprises) Ltd.

##### **Going Concern**

The accounts have been prepared on a going concern basis as set out on page 5 of the Trustees' Report. There are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income**

Income is recognised when the charity has entitlement to funds, performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations including amounts received for fixed assets are recognised immediately on receipt. The only exception to this is where there are predetermined conditions to be met, in these instances income is recognised once the required conditions have been met in full.

Grant income is recognised on written confirmation of the grant once any inherent performance related conditions of the grant have been met in full.

Legacy receipts are recognised when it is probable it will be received. This is deemed when:

- there has been a grant of probate;
- the executors have determined there are sufficient assets in the estate; and
- conditions attached to the legacy or within the control of the charity have been met.

Interest receivable relates to interest on bank deposits and current accounts, under the terms of FRS102 this does not require adjustment using the effective interest rate method laid down by the standard, as the rate receivable is deemed to reflect the effective interest rate applicable.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2019**

**1) ACCOUNTING POLICIES**

**Income (continued)**

Donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have paid to obtain services or facilities for equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised on an accruals basis.

In accordance with the Charities SORP (FRS 102) no income is recognised in respect of general volunteer time received – information on volunteer contributions is disclosed in the Trustees' Report on page 9.

**Expenditure**

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

*Raising funds* – includes costs incurred in generating fundraising income, advertising, and direct mail.

*Charitable activities* – includes direct costs of operating the charity and maintaining the grounds and memorials along with the costs of commemorative events held in furtherance of the charitable objectives.

*Support costs* – are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, premises costs and governance costs. These costs are allocated between the cost of raising funds and expenditure on charitable activities. The bases of cost allocation are set out in note 9.

**Fund Accounting**

The charity holds the following funds:

Restricted funds represent grants, donations, legacies and appeal monies received which are allocated by the donor for specific purposes and are expendable only in accordance with the donor's wishes.

Designated funds represent funds set aside for the net book value of completed fixed assets relating to grounds buildings, and supporting infrastructure.

Unrestricted funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company.

Maintenance endowments are expended in line with the terms of their respective donation agreements.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2019

### Taxation

The company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax, however all profits are paid to the charitable company by way of gift aid.

### Tangible Fixed Assets and Depreciation

#### i) Tangible Assets:

Tangible Assets are included at acquisition cost less depreciation. The capitalisation threshold is £20,000. Land held on long-term lease and landscaping costs to bring the grounds into use are not depreciated. Depreciation is provided on other tangible fixed assets at rates calculated on a straight line basis over their expected useful lives.

|  |  |
|--|--|
| Long leasehold and ground improvements | Long leasehold land and initial landscaping - not depreciated<br>Ground improvements and drainage - 6.67%<br>Roadways and paths - 8.33%<br>Car Park (lease until September 2019) - 20% |
| Heritage Assets                        | Not depreciated  |
| Visitor facilities and fixtures        | Building and fixtures 2%<br>Catering equipment 20%   |
| Office equipment                       | Office equipment 20%   |

Depreciation is not provided until an asset is brought into use. Depreciation is then charged over the asset's economic life based on the percentages above as appropriate. Depreciation is not charged in the year of disposal but is included in the profit/loss on disposal calculation.

Capital projects with a life of more than 1 year are managed via a capital work in progress account. Projects are transferred to fixed assets and depreciated over their economic life once they come into use.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any costs of sale and its value in use.

#### ii) Heritage Assets

The charitable company has capitalised trees held on site for Remembrance value within the financial statements. The trees are managed as part of the Arboretum ensuring that they are accessible to the public in line with the objectives of the charitable company.

Trees are included at cost as the Trustees deem a valuation policy to be inappropriate. The trees are deemed to have indeterminable lives as they are preserved through ongoing maintenance of the Arboretum and the Trustees do not therefore consider it appropriate to charge depreciation. However a review for impairment is carried out each year and in the case of any damage, for example as a result of a severe storm or disease, the value of the trees will be adjusted and the impairment recognised in the Statement of Financial Activities.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2019**

**ii) Heritage Assets (continued)**

The Armed Forces Memorial (AFM) is included as a Heritage Asset. Given the significant repairs required to the AFM on acquisition from the Armed Forces Memorial Trust in 2015,

and the cost of ascertaining a definitive value through a surveyor's valuation significantly outweighing any benefit gained due to the unique nature of the asset, the AFM is included in the accounts at the nominal value of £1.

**iii) Memorials**

Under the current policy issued in 2010 new memorials are built by the commissioning organisation/association who retain ownership. Memorial holders are requested to either pay an annual maintenance charge for the upkeep of the grounds surrounding their memorial or make an upfront maintenance endowment to facilitate the 'lifetime' maintenance of their memorial in the event their organisation should cease to exist in the future. These are regarded as expendable endowments and the capital can be used to fund ongoing maintenance costs. All funds received for annual maintenance are included in the tree plaques, benches and pavements income category under income from charitable activities. Lump sum maintenance endowments are recognised under voluntary income and any subsequent expenditure is shown in the cost of charitable activities (endowment).

Prior to the introduction of the policy outlined above, historically any donations received for memorial construction were credited to income from charitable activities and any unspent balance transferred to endowment funds. These remaining balances will be used to cover maintenance on the specific memorials in the future.

**Employee Benefits**

The company operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension contributions and other retirement benefits is the contributions payable in the year. The difference between this and contributions actually paid is shown as either accruals or prepayments in the balance sheet. All costs relate to unrestricted activities.

**Financial Instruments**

The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially valued at transaction value and subsequently measured at their settlement value as follows:

Trade and other debtors are recognised at the settlement amount after any discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount to settle the obligation can be measured reliably. Creditors and provisions are recognised at their settlement value after allowing for trade discounts due.

**iv) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 September 2019**

associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## **2) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)**

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

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

## **3) ANALYSIS OF INCOME FROM DONATIONS AND LEGACIES**

|                               | Unrestricted | Restricted | Endowments | 2019         | 2018         |
|-------------------------------|--------------|------------|------------|--------------|--------------|
|                               | £000's       | £000's     | £000's     | £000's       | £000's       |
| Donations                     | 439          | 42         | 33         | 514          | 655          |
| Gifts in kind*                |              | 2          | -          | 2            | 35           |
| Legacies                      | 170          | -          | -          | 170          | 103          |
| General grants (see 3a below) | 729          | 615        | -          | 1,344        | 8,516        |
| <b>Total</b>                  | <b>1,338</b> | <b>659</b> | <b>33</b>  | <b>2,030</b> | <b>9,309</b> |

\*2019 gifts in kind relate to the donation of a pallet truck and sweeper by Briggs Equipment Ltd. 2018 gifts in kind relate to improvement works to the Croxall Road entrance carried out by the main contractor for the Functions pavilion project, Stepnell Ltd (£28,000), Crockery for the functions pavilion donated by Dudsons (£1,500) and use of a van during summer 2018 to transport equipment around site by Arnold Clark (£6,000). All valuations represent the market value for the works completed.

### **3a) General grants comprise the following:**

|  | 2019         | 2018         |
|--|--------------|--------------|
|  | £000's       | £000's       |
| LIBOR Grant – construction project                           | -            | 500          |
| Birmingham Local Enterprise Partnership                      | -            | 500          |
| Veolia Environmental Trust – Functions Pavilion              | -            | 251          |
| Veolia Environmental Trust – pathway improvements            | -            | 59           |
| Grant in Aid – Armed Forces Memorial                         | 159          | 161          |
| The Royal British Legion – Infrastructure                    | 282          | 100          |
| The Royal British Legion – Remembrance                       | 724          | 624          |
| The Royal British Legion – construction/development projects | 84           | 6,013        |
| The Royal British Legion – other activity                    | -            | 21           |
| Heritage Lottery Fund  | 63           | 275          |
| Memorial Grant Scheme  | 7            | 4            |
| Learning Grants*   | 25           | -            |
| Veolia Pathways grant**                                      | (5)          | -            |
| Other Grants   | 5            | 8            |
| <b>Total</b>   | <b>1,344</b> | <b>8,516</b> |

\*During the year the NMA was successful in securing grants from Sackler Trust, PF Charitable Trust and the Clarke Charitable Trust to replace HLF funding for learning activities which ceased in March 2019.

\*\*Due to an underspend on the scheme £5k was returned to Veolia during the year

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 2019

**4) ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES**

This note provides an analysis of activities specifically undertaken to generate income for the charity. It includes performance related grants for the Passchendaele centenary and Armed Forces Day, primary purpose trading in the form of tree plaque, inscribed pavior and bench sales and the recharge of overhead expenses to the NMA's trading subsidiary NMA (Enterprises) Ltd.

|  | <b>2019</b><br><b>£000's</b> | <b>2018</b><br><b>£000's</b> |
|--|------------------------------|------------------------------|
| Performance related grants:              |                              |                              |
| - Armed Forces Day                       | 5                            | 5                            |
| - Commemoration Activity                 | 52                           | 240                          |
| Car park                                 | 226                          | 189                          |
| Exhibition Tickets                       | 11                           | 22                           |
| Learning services                        | 51                           | 29                           |
| NMA Enterprises overhead recharge        | 215                          | 152                          |
| Tree plaques/benches/ annual maintenance | 43                           | 78                           |
| Insurance claims                         | 24                           | -                            |
| <b>Total</b>                             | <b>627</b>                   | <b>715</b>                   |

**5) NET INCOME FROM TRADING SUBSIDIARY**

The charitable company has a trading subsidiary NMA (Enterprises) Limited, which is registered in England and Wales. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies. NMA (Enterprises) Limited primarily carries out the operation of a retail shop, restaurant and functions.

|  | <b>2019</b><br><b>£000's</b> | <b>2018</b><br><b>£000's</b> |
|--|------------------------------|------------------------------|
| Turnover   | 2,789                        | 2,556                        |
| Cost of sales  | (1,733)                      | (1,661)                      |
| <b>Gross profit</b>  | <b>1,056</b>                 | <b>895</b>                   |
| Administrative expenses  | (409)                        | (336)                        |
| <b>Operating profit on ordinary activities before taxation</b> | <b>647</b>                   | <b>559</b>                   |
| Taxation   | -                            | -                            |
| <b>Operating profit on ordinary activities after taxation</b>  | <b>647</b>                   | <b>559</b>                   |
| Payment under the gift aid scheme                              | (664)                        | (563)                        |
| <b>Retained loss for the financial year</b>                    | <b>(17)</b>                  | <b>(4)</b>                   |
| Assets   | 503                          | 579                          |
| Liabilities  | (396)                        | (455)                        |
| <b>Net assets</b>  | <b>107</b>                   | <b>124</b>                   |



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2019

## 6) ANALYSIS OF INCOME FROM INVESTMENTS

|                               | 2019<br>£000's | 2018<br>£000's |
|-------------------------------|----------------|----------------|
| Gifted from NMA (Enterprises) | 664            | 563            |
| Bank interest                 | 7              | 3              |
| <b>Total</b>                  | <b>671</b>     | <b>566</b>     |

## 7) ANALYSIS OF EXPENDITURE ON RAISING FUNDS

|  | Direct<br>Costs<br>2019<br>£000's | Support<br>Costs<br>2019<br>£000's | Total<br>2019<br>£000's | Direct<br>Cost<br>2018<br>£000's | Support<br>Cost<br>2018<br>£000's | Total<br>2018<br>£000's |
|--|-----------------------------------|------------------------------------|-------------------------|----------------------------------|-----------------------------------|-------------------------|
| Raising donations, grants<br>and legacies. | 84                                | 15                                 | 99                      | 108                              | 13                                | 121                     |
| Advertising, marketing<br>and direct mail  | 404                               | 39                                 | 443                     | 386                              | 31                                | 417                     |
| <b>Total</b>                               | <b>488</b>                        | <b>54</b>                          | <b>542</b>              | <b>494</b>                       | <b>44</b>                         | <b>538</b>              |

## 8) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

|  | Direct<br>costs<br>2019<br>£000's | Support<br>costs<br>2019<br>£000's | Total<br>2019<br>£000's | Direct<br>Cost<br>2018<br>£000's | Support<br>Cost<br>2018<br>£000's | Total<br>2018<br>£000's |
|--|-----------------------------------|------------------------------------|-------------------------|----------------------------------|-----------------------------------|-------------------------|
| Commemorative events                   | 331                               | 47                                 | 375                     | 538                              | 28                                | 566                     |
| Grounds and memorial<br>upkeep         | 536                               | 70                                 | 606                     | 521                              | 64                                | 585                     |
| Visitor operations                     | 1,311                             | 1,090                              | 2,398                   | 1,716                            | 866                               | 2,582                   |
| NMA (Enterprises)<br>overhead recharge | -                                 | 215                                | 215                     | -                                | 152                               | 152                     |
| <b>Total</b>                           | <b>2,178</b>                      | <b>1,422</b>                       | <b>3,600</b>            | <b>2,775</b>                     | <b>1,110</b>                      | <b>3,885</b>            |

## 9) ANALYSIS OF SUPPORT COSTS

|                           | Raising<br>funds<br>£000's | Commemorative<br>events<br>£000's | Grounds and<br>Memorials<br>£000's | Visitor<br>operations<br>£000's | Recharge<br>to NMA<br>Enterprises<br>£000's | Total<br>2019<br>£000's | Basis of<br>allocation<br>£000's |
|---------------------------|----------------------------|-----------------------------------|------------------------------------|---------------------------------|---|-------------------------|----------------------------------|
| Governance                | 7                          | 7                                 | 9                                  | 76                              | -   | 99                      | Headcount                        |
| Central<br>Management     | 5                          | 4                                 | 6                                  | 48                              | 96  | 159                     | Headcount                        |
| Administration            | 5                          | 4                                 | 7                                  | 53                              | -   | 69                      | Headcount                        |
| Premises                  | 36                         | 31                                | 47                                 | 385                             | 85  | 584                     | Usage                            |
| Depreciation              | -                          | -                                 | -                                  | 521                             | 34  | 555                     | Usage                            |
| Legal and<br>Professional | 1                          | 1                                 | 1                                  | 7                               | -   | 10                      | Headcount                        |
| <b>Total</b>              | <b>54</b>                  | <b>47</b>                         | <b>70</b>                          | <b>1,090</b>                    | <b>215</b>                                  | <b>1,476</b>            |                                  |

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 2019

**9) ANALYSIS OF SUPPORT COSTS continued**

**2018 COMPARATIVE ANALYSIS OF SUPPORT COSTS**

|                                   | Raising funds | Commemorative events | Grounds and Memorials | Visitor operations | Recharge to NMA Enterprises | Total 2018   | Basis of allocation |
|-----------------------------------|---------------|----------------------|-----------------------|--------------------|-----------------------------|--------------|---------------------|
|                                   | £000's        | £000's               | £000's                | £000's             | £000's                      | £000's       | £000's              |
| Governance                        | 7             | 4                    | 8                     | 75                 | -                           | 94           | Headcount           |
| Central Management Administration | 7             | 4                    | 9                     | 74                 | 89                          | 183          | Headcount           |
| Premises                          | 4             | 3                    | 6                     | 46                 | 2                           | 61           | Headcount           |
| Depreciation                      | 25            | 16                   | 32                    | 270                | 36                          | 379          | Usage               |
| Legal and Professional            | -             | -                    | 8                     | 394                | 25                          | 427          | Usage               |
|                                   | 1             | 1                    | 1                     | 7                  | -                           | 10           | Headcount           |
| <b>Total</b>                      | <b>44</b>     | <b>28</b>            | <b>64</b>             | <b>866</b>         | <b>152</b>                  | <b>1,154</b> |                     |

**10) NET (EXPENDITURE)/INCOME FOR THE YEAR**

|   | 2019<br>£000's | 2018<br>£000's |
|---|----------------|----------------|
| <b>Net (expenditure)/income is after charging:</b>                              |                |                |
| Depreciation of owned assets  | 555            | 427            |
| Loss on disposal fixed assets   | 23             | -              |
| Profit on disposal fixed assets   | (2)            | -              |
| Auditor's remuneration:   |                |                |
| Fees payable to the charity's auditor for the audit of the financial statements | 16             | 16             |

**11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL**

The average number of employees was:

|                       | 2019      | 2018      |
|-----------------------|-----------|-----------|
| Raising funds         | 4         | 4         |
| Charitable operations | 39        | 39        |
| Support               | 5         | 5         |
| <b>Total</b>          | <b>48</b> | <b>48</b> |

Their aggregate remuneration comprised:

|                       | 2018<br>£000's | 2018<br>£000's |
|-----------------------|----------------|----------------|
| Wages and salaries    | 1,132          | 1,037          |
| Social security costs | 101            | 91             |
| Pension costs         | 106            | 88             |
| Severance             | 2              | 3              |
| <b>Total</b>          | <b>1,341</b>   | <b>1,219</b>   |

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 2019

**11) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)**

During the year a severance payment was made to 1 member of staff who had reached the end of a 3 year fixed term contract.

The number of employees whose emoluments excluding pension contributions but including benefits in kind were in excess of £60,000 was:

|                   | 2019     | 2018     |
|-------------------|----------|----------|
| £60,000-£70,000   | 1        | -        |
| £80,000-£90,000   | 1        | -        |
| £110,000-£120,000 | -        | 1        |
| <b>Total</b>      | <b>2</b> | <b>1</b> |

The key management personnel of the charity are listed on page 1. The total remuneration (including pension contributions but excluding employer's NIC) of the key management personnel of the charity for the year totalled £445,000 (2018: £421,000). Total employer's NIC paid in respect of key management personnel totalled £41,000 (2018: £39,000).

**Trustees' Remuneration**

No Trustees received remuneration during the current or prior year. £1,000 of expenses were paid to one Trustee during 2019 (2018: nil) for travel expenses.

**12) TAXATION**

The activities of the charitable company are exempt from corporation tax. The activities of the charitable company's wholly owned trading subsidiary are subject to corporation tax, however all profits are paid to the charitable company by way of gift aid therefore no tax liability will arise.

**13) IRRECOVERABLE VAT**

The charitable company was unable to recover £117,000 VAT for the 2019 financial year (2018: £432,000). This has been allocated back to the individual expenditure categories to which it relates. The significantly higher figure for 2018 can be attributed to expenditure on the Functions Pavilion construction project.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2019

## 14) TANGIBLE FIXED ASSETS

|                                      | Long<br>Leasehold and<br>Ground<br>Improvements | Visitor<br>Facilities and<br>Fixtures | Office<br>Equipment | Assets<br>Under<br>Construction | Totals        |
|--------------------------------------|---|---------------------------------------|---------------------|---------------------------------|---------------|
|                                      | £000's  | £000's                                | £000's              | £000's                          | £000's        |
| <b>Cost:</b>                         |   |                                       |                     |                                 |               |
| <b>At 1 October 2018</b>             | 2,161   | 20,488                                | 25                  | 696                             | 23,370        |
| Additions                            | -   | -                                     | -                   | 534                             | 534           |
| Disposals                            | -   | (88)                                  | -                   | -                               | (88)          |
| Transfers                            | -   | 1,230                                 | -                   | (1,230)                         | -             |
| <b>At 30 September 2019</b>          | <b>2,161</b>                                    | <b>21,630</b>                         | <b>25</b>           | <b>-</b>                        | <b>23,816</b> |
| <b>Accumulated<br/>Depreciation:</b> |   |                                       |                     |                                 |               |
| <b>At 1 October 2018</b>             | 1,100   | 1,497                                 | 24                  | -                               | 2,621         |
| Disposals                            | -   | (65)                                  | -                   | -                               | (65)          |
| Charge for the year                  | 126   | 428                                   | 1                   | -                               | 555           |
| <b>At 30 September 2019</b>          | <b>1,226</b>                                    | <b>1,860</b>                          | <b>25</b>           | <b>-</b>                        | <b>3,111</b>  |
| <b>Net Book Value:</b>               |   |                                       |                     |                                 |               |
| <b>At 30 September 2019</b>          | <b>935</b>                                      | <b>19,770</b>                         | <b>-</b>            | <b>-</b>                        | <b>20,705</b> |
| <b>At 1 October 2018</b>             | <b>1,061</b>                                    | <b>18,991</b>                         | <b>1</b>            | <b>696</b>                      | <b>20,749</b> |

In 1994 the NMA site of 152 acres was gifted by Lafarge Aggregates on a 999 year lease at a peppercorn rent. Included in the cost of the long leasehold land is land with an ascribed value of £120,000 (2018: £120,000) and landscaping costs to bring the grounds into use at £827,000 (2018: £827,000) which is not depreciated.

The completion of the infrastructure project has resulted in a transfer of £1.2 million from Assets Under Construction relating to visitor facilities and fixtures.

**National Memorial Arboretum Company Ltd**

**Registered Company number 2927443**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2019**

**15) HERITAGE ASSETS**

| <b>Basis of capitalisation</b>              | <b>Trees<br/>At cost<br/>£000's</b> | <b>Total<br/>£000's</b> |
|---|-------------------------------------|-------------------------|
| <b>Carrying amount at 1 October 2018</b>    | <b>348</b>                          | <b>348</b>              |
| <b>Carrying amount at 30 September 2019</b> | <b>348</b>                          | <b>348</b>              |

|                        | <b>2019<br/>£000's</b> | <b>2018<br/>£000's</b> | <b>2017<br/>£000's</b> | <b>2016<br/>£000's</b> | <b>2015<br/>£000's</b> |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Purchases:</b>      |                        |                        |                        |                        |                        |
| <b>Trees</b>           | -                      | -                      | 2                      | 57                     | -                      |
| <b>Total Additions</b> | -                      | -                      | 2                      | 57                     | -                      |

Trees are an inherent part of the Arboretum and have been designated Heritage Assets and are not depreciated as described in note 1. These trees are included at cost as the majority have been selected for their symbolic meaning rather than from an arboreal collection perspective. The trees were originally planted as saplings and are now quite mature specimens. In the Trustees' opinion no provision for impairment is required at this time. During the year no new mature trees were planted.

The Armed Forces Memorial is included in the accounts at a deemed cost of £1. This reflects the dilapidated state in which the memorial was transferred to the NMA in 2015. The cost of ascertaining a value for the memorial through a surveyor's valuation significantly outweighs any benefit that will be derived by the organisation. Ongoing repairs and maintenance costs to the memorial were expensed in the year.

**16) FIXED ASSET INVESTMENTS**

The Trustees of the charitable company own the entire issued share capital of two ordinary shares of £1 each at a cost of £2 of NMA (Enterprises) Ltd. During the year NMA (Enterprises) gifted profits of £664,000 (2018: £563,000) to the NMA and at the end of the year had aggregate reserves of £107,000 (2018: £124,000).

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2019**

**17) DEBTORS**

|   | <b>2019</b>   | <b>2018</b>   |
|---|---------------|---------------|
|   | <b>£000's</b> | <b>£000's</b> |
| <b>Amounts falling due within one year:</b> |               |               |
| Trade Debtors                               | 52            | 63            |
| Amounts owed by subsidiary undertaking      | 252           | 292           |
| VAT debtor                                  | -             | 82            |
| Prepayments and accrued income              | 260           | 663           |
| <b>Total</b>                                | <b>564</b>    | <b>1,100</b>  |

**18) CREDITORS**

|   | <b>2019</b>   | <b>2018</b>   |
|---|---------------|---------------|
|   | <b>£000's</b> | <b>£000's</b> |
| <b>Amounts falling due within one year:</b> |               |               |
| Trade creditors                             | 126           | 330           |
| Amounts owed to parent undertaking          | 142           | 131           |
| HMRC- PAYE and NI                           | 35            | -             |
| VAT creditor                                | 19            | -             |
| Accruals and deferred income                | 485           | 619           |
| <b>Total</b>                                | <b>807</b>    | <b>1,080</b>  |

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2019

## 19) COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

|  |      | Unrestricted<br>Funds<br>£000's | Restricted<br>Funds<br>£000's | Endowment<br>Funds<br>£000's | Total<br>Funds<br>2018<br>£000's |
|--|------|---------------------------------|-------------------------------|------------------------------|----------------------------------|
|  | Note |                                 |                               |                              |                                  |
| <b>INCOME AND ENDOWMENTS FROM:</b>           |      |                                 |                               |                              |                                  |
| Donations and Legacies                       | 3    | 1,216                           | 7,947                         | 146                          | 9,309                            |
| Charitable Activities                        | 4    | 470                             | 245                           | -                            | 715                              |
| Other Trading Activities                     |      | 51                              | -                             | -                            | 51                               |
| Investments:                                 |      |                                 |                               |                              |                                  |
| Gift aid from NMA (Enterprises)              | 5    | 563                             | -                             | -                            | 563                              |
| Bank interest                                | 6    | -                               | -                             | 3                            | 3                                |
| <b>TOTAL INCOME</b>                          |      | <b>2,300</b>                    | <b>8,192</b>                  | <b>149</b>                   | <b>10,641</b>                    |
| <b>EXPENDITURE ON:</b>                       |      |                                 |                               |                              |                                  |
| Raising Funds                                | 7    | 538                             | -                             | -                            | 538                              |
| Charitable Activities                        | 8    | 2,526                           | 1,338                         | 21                           | 3,885                            |
| <b>TOTAL EXPENDITURE</b>                     |      | <b>3,064</b>                    | <b>1,338</b>                  | <b>21</b>                    | <b>4,423</b>                     |
| <b>Net (expenditure)/income for the year</b> |      | <b>(764)</b>                    | <b>6,854</b>                  | <b>128</b>                   | <b>6,218</b>                     |
| Transfer between Funds                       | 20   | 6,458                           | (6,458)                       | -                            | -                                |
| <b>NET MOVEMENT IN FUNDS</b>                 |      | <b>5,694</b>                    | <b>396</b>                    | <b>128</b>                   | <b>6,218</b>                     |
| <b>RECONCILIATION OF FUNDS</b>               |      |                                 |                               |                              |                                  |
| <b>Total funds brought forward</b>           |      | <b>15,754</b>                   | <b>643</b>                    | <b>712</b>                   | <b>17,109</b>                    |
| Net movement in funds for the year           |      | 5,694                           | 396                           | 128                          | 6,218                            |
| <b>Total funds carried forward</b>           |      | <b>21,448</b>                   | <b>1,039</b>                  | <b>840</b>                   | <b>23,327</b>                    |

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2019

## 20) MOVEMENTS ON FUNDS

|  | At 1<br>October<br>2018<br>£000's | Income<br>£000's | Expenditure<br>£000's | Transfers<br>£000's | At 30<br>September<br>2019<br>£000's |
|--|-----------------------------------|------------------|-----------------------|---------------------|--------------------------------------|
| <b>Unrestricted Funds:</b>                         |                                   |                  |                       |                     |                                      |
| General Fund                                       | 1,416                             | 2,529            | (2,952)               | (630)               | 363                                  |
| <b>Designated Funds</b>                            |                                   |                  |                       |                     |                                      |
| Fixed assets                                       | 20,032                            | -                | (557)                 | 1,230               | 20,705                               |
| Development and Engagement                         | -                                 | 90               | -                     | -                   | 90                                   |
| <b>Designated Funds Total</b>                      | <b>20,032</b>                     | <b>90</b>        | <b>(557)</b>          | <b>1,230</b>        | <b>20,795</b>                        |
| <b>Total Unrestricted Funds</b>                    | <b>21,448</b>                     | <b>2,619</b>     | <b>(3,509)</b>        | <b>600</b>          | <b>21,158</b>                        |
| <b>Expendable endowments*:</b>                     |                                   |                  |                       |                     |                                      |
| NMA Memorials & Buildings                          | 208                               | 34               | (8)                   | -                   | 234                                  |
| Basra Wall   | 29                                | -                | -                     | -                   | 29                                   |
| Army Apprentices                                   | 40                                | -                | (1)                   | -                   | 39                                   |
| Durham Light Infantry                              | 20                                | -                | (2)                   | -                   | 18                                   |
| British Korean Veterans                            | 35                                | -                | (2)                   | -                   | 33                                   |
| Polish Ex-Combatants                               | 58                                | 1                | (3)                   | -                   | 56                                   |
| Royal Ulster Constabulary                          | 34                                | -                | (1)                   | -                   | 33                                   |
| Bastion Memorial                                   | 50                                | 1                | (1)                   | -                   | 50                                   |
| Royal Engineers                                    | 85                                | 1                | (1)                   | -                   | 85                                   |
| Police Service Northern Ireland                    | 34                                | -                | (1)                   | -                   | 33                                   |
| Victims of overseas terrorism                      | 44                                | 1                | (2)                   | -                   | 43                                   |
| Heroes' Square garden<br>maintenance               | 143                               | 1                | (8)                   | -                   | 136                                  |
| Royal Electrical & Mechanical<br>Engineers         | 37                                | 1                | (1)                   | -                   | 37                                   |
| Devon & Dorset Regiment                            | 23                                | -                | (1)                   | -                   | 22                                   |
| <b>Total Expendable endowments</b>                 | <b>840</b>                        | <b>40</b>        | <b>(32)</b>           | <b>-</b>            | <b>848</b>                           |
| <b>Restricted Funds</b>                            |                                   |                  |                       |                     |                                      |
| AFM  | 365                               | 166              | (146)                 | (31)                | 354                                  |
| Infrastructure & Tourism signs                     | -                                 | 332              | (50)                  | (282)               | -                                    |
| Remembrance Centre                                 | 202                               | -                | 1                     | (61)                | 142                                  |
| WW1 Commemoration                                  | 8                                 | -                | (8)                   | -                   | -                                    |
| Functions Pavilion                                 | 350                               | -                | (86)                  | (208)               | 56                                   |
| Future strategic development**                     | -                                 | 34               | (32)                  | -                   | 2                                    |
| Heritage Lottery fund                              | 78                                | 63               | (141)                 | -                   | -                                    |
| Veolia – Pathway improvements                      | 36                                | (5)              | (23)                  | (8)                 | -                                    |
| Other Funds received and fully<br>utilised in year | -                                 | 126              | (116)                 | (10)                | -                                    |
| <b>Total Restricted Funds</b>                      | <b>1,039</b>                      | <b>716</b>       | <b>(601)</b>          | <b>(600)</b>        | <b>554</b>                           |
| <b>Total Charity Funds</b>                         | <b>23,327</b>                     | <b>3,375</b>     | <b>(4,142)</b>        | <b>-</b>            | <b>22,560</b>                        |

\* Due to the increase in expendable endowments only endowments of more the £20,000 are separately disclosed, all others are included under the NMA memorials and buildings category.

\*\* Relates to the development of the existing landscape and requirements for a new car park required from 2023.



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2019**

**20) MOVEMENTS ON FUNDS (continued)**

Separate funds are held for the following purposes

- NMA Memorials & Buildings –and other small restricted funds with a value less than £20,000
- Basra Wall – memorial maintenance
- Army Apprentices – lifetime
- Durham Light Infantry – lifetime memorial maintenance
- British Korean Veterans – plot/bench maintenance
- Polish Ex-Combatants – lifetime memorial maintenance
- Royal Ulster Constabulary – lifetime memorial maintenance
- Bastion Memorial – lifetime memorial maintenance and addition of any additional names to the memorial
- Royal Engineers – memorial maintenance
- Police Service Northern Ireland – lifetime memorial maintenance
- Heroes' Square garden maintenance – garden and water feature maintenance
- Royal Electrical & Mechanical Engineers – lifetime memorial maintenance
- Devon & Dorset Regiment – lifetime Memorial maintenance
- Victims of Overseas Terrorism – lifetime Memorial maintenance
- AFM improvement project – funds received for the repair and improvement works funded by the LIBOR grant paid to the NMA's parent charity
- AFM – funds for the general upkeep of the memorial
- Infrastructure – works to put the NMA on mains gas and sewage
- Remembrance Centre Appeal – monies received and costs incurred relating to the new visitor centre
- Boeing – trails and World War I commemoration
- Functions Pavilion – funding received from the parent charity to progress the development of a permanent functions pavilion to host the 250 Remembrance functions which take place on site per annum
- WWI commemoration – grant received for WW1 commemoration activities
- Heritage Lottery fund – activity plan and audience development
- Veolia – pathway improvements

Note: Expenditure of restricted funds for items which are subsequently capitalised will result in a transfer from restricted to unrestricted funds as the items capitalised are subsequently used for general purposes.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 September 2019**

**21) COMPARATIVE MOVEMENT ON FUNDS**

|  | At 1<br>October<br>2017<br>£000's | Income<br>£000's | Expenditure<br>£000's | Transfers<br>£000's | At 30<br>September<br>2018<br>£000's |
|--|-----------------------------------|------------------|-----------------------|---------------------|--------------------------------------|
| <b>Unrestricted Funds:</b>                         |                                   |                  |                       |                     |                                      |
| <b>General Fund</b>                                | <b>2,226</b>                      | <b>2,300</b>     | <b>(2,652)</b>        | <b>(458)</b>        | <b>1,416</b>                         |
| <b>Designated Funds</b>                            |                                   |                  |                       |                     |                                      |
| Fixed assets                                       | 13,528                            | -                | (412)                 | 6,916               | 20,032                               |
| <b>Designated Funds Total</b>                      | <b>13,528</b>                     | <b>-</b>         | <b>(412)</b>          | <b>6,916</b>        | <b>20,032</b>                        |
| <b>Total Unrestricted Funds</b>                    | <b>15,754</b>                     | <b>2,300</b>     | <b>(3,064)</b>        | <b>6,458</b>        | <b>21,448</b>                        |
| <b>Expendable endowments*:</b>                     |                                   |                  |                       |                     |                                      |
| NMA Memorials & Buildings                          | 176                               | 39               | (7)                   | -                   | 208                                  |
| Basra Wall   | 29                                | -                | -                     | -                   | 29                                   |
| Army Apprentices                                   | 41                                | -                | (1)                   | -                   | 40                                   |
| Durham Light Infantry                              | 20                                | -                | -                     | -                   | 20                                   |
| British Korean Veterans                            | 35                                | -                | -                     | -                   | 35                                   |
| Polish Ex-Combatants                               | 60                                | -                | (2)                   | -                   | 58                                   |
| Royal Ulster Constabulary                          | 35                                | -                | (1)                   | -                   | 34                                   |
| Bastion Memorial                                   | 50                                | -                | -                     | -                   | 50                                   |
| Royal Engineers                                    | 20                                | 65               | -                     | -                   | 85                                   |
| Police Service Northern Ireland                    | 34                                | -                | -                     | -                   | 34                                   |
| Victims of overseas terrorism                      | -                                 | 44               | -                     | -                   | 44                                   |
| Heroes' Square garden<br>maintenance               | 150                               | 1                | (8)                   | -                   | 143                                  |
| Royal Electrical & Mechanical<br>Engineers         | 38                                | -                | (1)                   | -                   | 37                                   |
| Devon & Dorset Regiment                            | 24                                | -                | (1)                   | -                   | 23                                   |
| <b>Total Expendable endowments</b>                 | <b>712</b>                        | <b>149</b>       | <b>(21)</b>           | <b>-</b>            | <b>840</b>                           |
| <b>Restricted Funds</b>                            |                                   |                  |                       |                     |                                      |
| AFM improvement project                            | 37                                | -                | (3)                   | (34)                | -                                    |
| AFM  | 264                               | 162              | (95)                  | 34                  | 365                                  |
| Infrastructure                                     | 9                                 | 100              | (8)                   | (101)               | -                                    |
| Remembrance Centre Appeal                          | 294                               | 10               | (88)                  | (14)                | 202                                  |
| WW1 Commemoration                                  | 30                                | 240              | (246)                 | (16)                | 8                                    |
| Boeing   | 9                                 | -                | (9)                   | -                   | -                                    |
| Functions Pavilion                                 | -                                 | 7,265            | (588)                 | (6,327)             | 350                                  |
| Heritage Lottery fund                              | -                                 | 275              | (197)                 | -                   | 78                                   |
| Veolia – Pathway improvements                      | -                                 | 60               | (24)                  | -                   | 36                                   |
| Other Funds received and fully<br>utilised in year | -                                 | 80               | (80)                  | -                   | -                                    |
| <b>Total Restricted Funds</b>                      | <b>643</b>                        | <b>8,192</b>     | <b>(1,338)</b>        | <b>(6,458)</b>      | <b>1,039</b>                         |
| <b>Total Charity Funds</b>                         | <b>17,109</b>                     | <b>10,641</b>    | <b>(4,423)</b>        | <b>-</b>            | <b>23,327</b>                        |

\* Due to the increase in expendable endowments only endowments of more the £20,000 are separately disclosed, all others are included under the NMA memorials and buildings category.

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 2019

**22) ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

|                     | Unrestricted<br>Funds<br>£000's | Designated<br>Funds<br>£000's | Restricted<br>Funds<br>£000's | Endowment<br>Funds<br>£000's | Total<br>2019<br>£000's |
|---------------------|---------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------|
| Fixed assets        | 348                             | 20,705                        | -                             | -                            | 21,053                  |
| Current assets      | 602                             | 90                            | 774                           | 848                          | 2,314                   |
| Current liabilities | (587)                           | -                             | (220)                         | -                            | (807)                   |
| <b>Total</b>        | <b>363</b>                      | <b>20,795</b>                 | <b>554</b>                    | <b>848</b>                   | <b>22,560</b>           |

**23) COMPARATIVE ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

|                     | Unrestricted<br>Funds<br>£000's | Designated<br>Funds<br>£000's | Restricted<br>Funds<br>£000's | Endowment<br>Funds<br>£000's | Total<br>2018<br>£000's |
|---------------------|---------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------|
| Fixed assets        | 1,065                           | 20,032                        | -                             | -                            | 21,097                  |
| Current assets      | 793                             | -                             | 1,677                         | 840                          | 3,310                   |
| Current liabilities | (719)                           | -                             | (361)                         | -                            | (1,080)                 |
| <b>Total</b>        | <b>1,416</b>                    | <b>20,032</b>                 | <b>1,039</b>                  | <b>840</b>                   | <b>23,327</b>           |

**24) EMPLOYEE RETIREMENT BENEFITS****Defined contribution scheme**

The company operates a defined contribution scheme for all qualifying employees. The company's contribution to the scheme in the year was £101,000 (2018: £88,000). Outstanding amounts to be paid into the scheme at the year end were £9,000 (2018: £9,000).

**25) RELATED PARTY TRANSACTIONS**

The company received payment of £215,000 (2018: £152,000) from NMA (Enterprises) to cover the cost of operational overheads incurred on its behalf. The remaining 2018 operating surplus of NMA (Enterprises) of £124,000 and a proportion of the 2019 operating surplus (£540,000), was donated to the National Memorial Arboretum Company under gift aid during 2019 (2018: £128,000 was donated in respect of the 2017 operating surplus).

The company received £1.1m (2018: £6.8m) in grants from its parent charity the Royal British Legion these included a general Remembrance grant of £724,000 (2018: £624,000), and £366,000 for strategic projects (2018: £6.1m).

No Trustee received payment for professional services or other services provided to the charity during the year (2018: £nil).

There were no donations received from Trustees during the year (2018: £nil).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2019

## 26) CASH FLOW STATEMENT

a. Reconciliation of net income to cash generated by operations.

|  | 2019<br>£000's | 2018<br>£000's |
|--|----------------|----------------|
| Net (expenditure)/income for the year                  | (767)          | 6,218          |
| Adjustments for:                                       |                |                |
| Interest receivable                                    | (7)            | (3)            |
| Depreciation charges                                   | 555            | 427            |
| Loss on disposal of fixed assets                       | 23             | -              |
| Operating cash flow before movement in working capital | (196)          | 6,642          |
| (Increase)/Decrease in debtors                         | 536            | (189)          |
| (Decrease)/Increase in creditors                       | (273)          | 355            |
| Cash provided by operating activities                  | 67             | 6,808          |

b. Analysis of Cash and cash equivalents:

|                                 | 2019<br>£000's | 2018<br>£000's |
|---------------------------------|----------------|----------------|
| Instant access working capital  | 240            | 691            |
| Notice deposits                 | 259            | 256            |
| Other cash balances             | 1,251          | 1,263          |
| Total cash and cash equivalents | 1,750          | 2,210          |

## 27) ULTIMATE PARENT UNDERTAKING

The Royal British Legion (Registered Charity number 219279) is the charitable company's ultimate parent undertaking. The consolidated financial statements of The Royal British Legion can be obtained from the charity's registered office at 199 Borough High Street London, SE1 1AA. The accounts of the NMA's trading subsidiary NMA Enterprises Ltd (Company number 4259701) can be obtained from Companies House.