

National Memorial Arboretum Company Ltd

Company Registration No. 02927443
Registered Charity No. 1043992

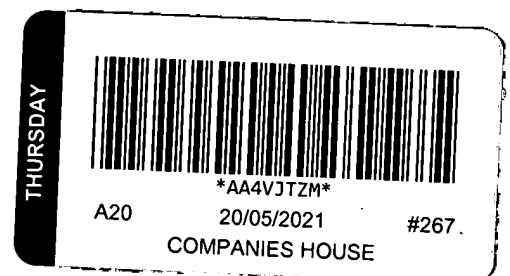


National Memorial Arboretum Company Ltd
Report and Financial Statements

Year ended 30 September 2020



A member of The Royal British Legion family of charities



National Memorial Arboretum Company Ltd

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REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES AND OFFICERS

David Whimpenny – Chairman

Andrew Farquhar

Jason Coward

Gary Ryan (resigned 28 February 2020, Re-appointed 19 June 2020)

Paul Harris (resigned 19 June 2020)

Kate Logan

Lynda Atkins (Appointed 19 June 2020)

COMPANY SECRETARY

Mr Luke Joannou

PRINCIPAL OFFICERS – Key Management Personnel

Mrs Philippa Rawlinson	Managing Director
Mrs Lorna Price	Head of Finance
Mrs Aysha Afridi	Head of Heritage and Learning (until 20 January 2020)
Mrs Sarah Oakden	Head of Marketing
Mr Mark Ellis	Head of Visitor Experience
Mrs Angela Ham	Head of Business Support Services
Mr Andy Ansell	Head of Estates
Mr Chris Ansell	Head of Participation and Learning (from 1 March 2020)

BANKERS

Lloyds Commercial	HSBC Bank PLC
Public and Community Sector	49 Market Street
3 rd 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: 02927443

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 2020.

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 2019 (revised 1 January 2019)). The reference and administrative details on page 1 form part of this report.

OBJECTIVES AND ACTIVITIES

The National Memorial Arboretum Company Limited (Arboretum) 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 Arboretum 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 their service, suffering and sacrifice. The Arboretum's award winning Remembrance Centre has now been open for 4 years and through its accompanying programme of activity partially funded by the Heritage Lottery Fund has been successful in widening the Arboretum's reach to new audiences and engaging them with Remembrance. In the last twelve months the Arboretum's strategic approach has been reviewed to build on the many achievements to date.

Our refreshed vision is to be the nation's year-round place to Remember, an inspirational world-class setting freely open to all.

This is central to the charitable group's core charitable objective of championing Remembrance, and promoting its observance and participation. Also, as a year-round space to celebrate lives lived and commemorate lives lost, we will ensure the baton of remembrance is passed on to future generations.

The Arboretum'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.

2020 has been a challenging year due to the wet winter and most notably the Covid-19 pandemic. However, whatever the operational challenges this has brought the underlying key strategic priorities remain the same and are:

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TRUSTEES' REPORT (continued)

- Developing an inspirational living landscape that embraces our environment to create new Remembrance spaces and reasons to visit throughout the seasons.
- Developing an inspirational programme which responds to visitor needs and drives visitation of target audiences and maximises the value and potential of the site.
- Living our shared values to attract and develop great people.
- Collaborating with key internal and external partners to achieve win-win outcomes; and
- Nurturing a culture that uses all of our 'resources' efficiently and effectively whilst minimising our impact on the environment.

ACHIEVEMENTS AND PERFORMANCE

The 2020 financial year proved to be very challenging. In the early part of the year the site was beset by multiple periods of prolonged flooding, the impact of which was exacerbated further by the onset of the Covid-19 pandemic. The latter resulted in total site closure from 22nd March for a period of 12 weeks. Since re-opening on 8th June 2020, the site has been subject to capacity constraints due to the requirement to comply with social distancing regulations. However, as experience has been gained and it has proved permitted, safe and sensible to do so, it has been possible to extend the range of service provision for visitors. Consequently performance while lower than historically achieved, has exceeded initial expectations.

Visitors:

During the year, the Arboretum received 181,503 visitors (2019: 342,186), a 47% decrease compared to 2019. The significant decrease can mainly be attributed to the Covid-19 pandemic which significantly impacted the key spring and summer seasons. However there have been some successes.

- Thanks to the widely acclaimed VJ day commemorations most days during August and September operated at near full capacity.
- There have been significantly higher volumes of first time and young family visitors.
- While it was not possible to offer the usual mass participation events such as Armed Forces Day, and the planned long weekend to mark the VE day 75 commemoration, a number of virtual events have been held and streamed over the internet. In August we hosted the national commemoration to mark VJ day 75, the service led by HRH the Prince of Wales was broadcast by the BBC which helped raise profile and reach new audiences.

Since reopening in June, we have undertaken post visit audience research. Visitors from over forty Association of Leading Visitor Attractions members are emailed a post-visit online survey that focuses on the safety measures put in place for coronavirus. This enables us to benchmark the perception of our visitors against a high-quality peer group; the Arboretum's results have continually over-index against our peers with several areas being 'best in class' reflecting how safe visitors felt and how much this enabled them to enjoy their visit.

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TRUSTEES' REPORT (continued)

The Arboretum site:

During the year steps have been taken to maximise the benefits available from the various support schemes to mitigate the impact of Covid-19, including use of the furlough scheme and a successful application to the National Lottery heritage fund for £100,000 towards fixed operating costs such as grounds maintenance.

It has also been necessary to transform business operations, to improve efficiency and facilitate increased homeworking by back of house staff and to incorporate the requirement to pre-book into what was a simple ticket sales system.

In addition, steps have been taken to reduce operating costs where possible. This has been achieved by closing areas of the site which under current guidelines it has not been possible to operate eg the Aspects functions pavilion, and bringing the main grounds contract in house from August 2020, the latter will both improve the control and quality of the grounds works and also yield permanent year on year savings.

Landscape:

One of the key objectives of the Arboretum 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, while the Arboretum hosted significantly less Remembrance services and commemorations than would normally be the case, this has not reduced the appetite for new memorials and demand continues to increase; including public interest in a memorial to those who have lost their life in service during the pandemic. Consequently going forward, the Arboretum will need to open up areas of the site which are currently either under utilised or inaccessible. With this in mind, during the year the Arboretum has completed a review of the landscape masterplan and in partnership with its landowner Tarmac identified a number of exciting opportunities for limited expansion of the site in the future. This includes the signing of a Memorandum of Understanding between the two parties which in time will yield a replacement car park to replace the overflow car park which is subject to quarrying from 2023 at limited cost to the Arboretum. This coupled with future development of land adjacent to the site will in time will improve both the visitor journey and facilitate engagement with the site and Remembrance by the local community.

Programmes:

The 'Landscapes of Life' permanent interpretation exhibition remains an important component in the fulfilment of the Arboretum's charitable objectives of learning, by helping visitors to engage with Remembrance and since May 2019 has been free to enter. During the year this has been supplemented by a number of temporary exhibitions. Since reopening in June there has been a focus on outdoor activity with an installation created in partnership with Central St Martin's to commemorate VE & VJ Day 75 and an outdoor escape challenge which appealed to the growing family audience engaging them with memorial across the site as they tackled Covid-19 secure challenges.

VE & VJ day 75 were also marked by the creation of both adult and child activity packs to encourage participation and understanding of service and sacrifice endured by those affected by the conflicts; working in partnership with the Legion, leading housing & youth associations gave these significant reach with key audiences. During the period we have continued to mark significant Remembrance events, including when we were unable to carry out our usual activity on site, and shared the services via a variety of digital and broadcast media; this has again extended our audience reach and given international engagement in what would have previously been site-based events.

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TRUSTEES' REPORT (continued)

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

The main annual fundraising event of the year In October, "Ride to the Wall", proved to be one of the most successful to date, generating £150,000 (2019:£140,000) thanks to the high volumes of pre-registrations for the event and bespoke merchandise sales.

Despite very uncertain times, business as usual fundraising has held up reasonably well, and the addition of a prompt to donate on the online booking system has proved extremely successful generating over £60,000 of income since its launch in June.

FINANCIAL REVIEW

Income for the year was £3.9 million (2019: £3.4million); The Arboretum is a free to enter site; its main sources of income are voluntary donations, grant funding and in a normal operation year profits from its trading subsidiary NMA Enterprises Ltd. The £0.5 million increase in income over the previous year mainly relates to an increase in the core Remembrance grant from its parent charity The Royal British Legion to £1,800,000 (2019: £724,000) and other grants received to help mitigate the impact of the Covid pandemic. This included £100,000 from the National Lottery Heritage Fund towards the upkeep of the grounds, £88,000 from the Furlough scheme, £25,000 under the small business rates relief scheme. Due to loss of income from the Arboretum's subsidiary company arising out of the pandemic the Arboretum's parent Charity also provided a further £500,000 to support day to day activities.

In addition, to the above, Grant in Aid funding from the Ministry of Defence was received for the ongoing maintenance of the Armed Forces Memorial

During the year, the Arboretum also received gifts in kind of £3,000 relating to the long term loan of a water pump and some grounds equipment.

Expenditure was £3.8 million (2019: £4.1 million), a year on year decrease of £0.3 million. Costs of raising funds increased by £75,000 and reflect the investment in the development of a new state of the art website during the year, (2020: £617,000, 2019: £542,000). As the Arboretum is a visitor attraction, it is very much dependent on footfall on site, the new website will therefore be critical to the future success once we come out of the pandemic. Expenditure on Charitable Activities decreased by £0.4 million to £3.2 million (2019: £3.6 million), the decrease being mainly due to reduced utility costs arising from the total closure of the site during lockdown, and post lockdown operating restrictions which meant it was possible to mothball the functions pavilion for a large part of the year. In addition, there were savings on grounds maintenance following a strategic review of the area which included a reduction in external mowing services and bringing the main grounds contract in house from August 2020 and the removal of mass participation events such as Armed Forces day from day to day activities.

This resulted in a net increase in funds of £67,000 (2019: decrease of £767,000).

Capital expenditure for the year was £105,000, (2019: £534,000), and relates to the purchase of grounds equipment under a finance lease arrangement to facilitate the bringing in house of the main contract.

The trading subsidiary, NMA (Enterprises) Ltd, was hit hardest by the impact of the Covid 19 pandemic resulting in an operating loss for the year of £92,000 (2019: surplus £647,000).

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TRUSTEES' REPORT (continued)

RESERVES POLICY AND GOING CONCERN

As the Arboretum 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 2020 accounts.

Total charity funds increased by £0.1m to £22.6m at the end of the year (2019: £22.5m). Total charity funds comprise unrestricted funds of £21.1 million (2019: £21.1 million) and restricted funds of £1.5 million (2019: £1.4 million) including expendable endowment funds.

Total unrestricted funds comprise designated funds of £20.5 million (2019: £20.8 million) and general funds of £0.6m (2019: £0.4m); the general funds figure includes free unrestricted funds of £475,000 (2019: £105,000).

Designated funds represent the net book value of completed fixed assets relating to grounds and buildings and legacy income. As legacy income is difficult to predict and cannot be counted on to help fund day to day activities, any receipts are set aside to fund future development and engagement activity. The reduction in the designated funds balance is mainly due to depreciation charges offset by legacy receipts. During the year £13,000 of the designated legacy fund was spent on the Tea for II initiative which was one of the key activities underpinning the VE/VJ day commemorations.

Total restricted funds at the end of the year were £1.5 million (2019: £1.4 million). This includes the remaining funds relating to the Remembrance Centre and Functions Pavilion as there are some minor works still outstanding, funds for the ongoing maintenance of the Armed Forces memorial and £916,000 (2019: £848,000) of maintenance endowments for maintenance and insurance for a number of smaller specific memorials. During the year the Arboretum was successful in securing a further £103,000 (2019: £33,000) of maintenance endowments for a mixture of new and existing memorials, which will help contribute to the NMA's longevity.

The continuing operation of the Arboretum is dependent on donations and grants from supporters, together with funding from The Royal British Legion to support both day to day activity and any residual assistance (after maximising the benefits available from any assistance schemes), through the Covid-19 pandemic. Given the close operational relationship with The Royal British Legion, the letter of comfort 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

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TRUSTEES' REPORT (continued)

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.

The key risks and how they are managed are:

Principal risk	Mitigation
Impact of COVID-19 on day to day operations.	<ul style="list-style-type: none">- Ensure maximum benefit is obtained from available assistance packages- Take steps to keep operating costs to a minimum including mothballing of areas it is not permissible to open.- More frequent financial forecasts- Keeping abreast of latest government guidance
Fundraising and grant income does not meet targets.	<ul style="list-style-type: none">- Progress against business plan is assessed.- Financial support available from parent charity to meet funding gap.
Investment in new attractions does not increase visitor numbers.	<ul style="list-style-type: none">- Prepare sound business cases prior to embarking on projects.- Increase advertising and marketing spend to create awareness.
Visitors are deterred from visiting due to site flooding.	<ul style="list-style-type: none">- 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.- Phase 1 of a programme of drainage improvements has been implemented to reduce the impact of flooding
Maintenance endowments given to cover repairs of memorials are not sufficient to cover costs.	<ul style="list-style-type: none">- Funds are pooled to obtain best rates.- The NMA has a fundraising strategy with the primary objective of achieving growth in unrestricted income over the medium to long term.

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.

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TRUSTEES' REPORT (continued)

FUTURE DEVELOPMENTS

Next year, the Arboretum will mark the 20th anniversary of its official opening through a holistic programme of onsite activity, digital engagement and public relations. The programme will celebrate the Arboretum's history and outline an inspiring vision of our future; thank those who have contributed to its success; engage people in learning and remembrance of the communities we serve; and encourage support through advocacy and fundraising. As part of this narrative, the Arboretum will also be marking the centenary of its parent charity The Royal British Legion. It is anticipated Covid will continue to have a significant impact on the scale and scope of the services the Arboretum will be able to deliver and steps will be taken to maximise the benefits from any assistance packages available including the furlough scheme.

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 Arboretum 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 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 Arboretum 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 Arboretum 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

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TRUSTEES' REPORT (continued)

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 around 50,000 hours (2019: 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 Arboretum 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, up to 2 direct mail campaigns are undertaken per annum to registered supporters and applications are made to grant funders for specific initiatives to further charitable objectives. To date we have not received any complaints regarding fundraising activity. We endeavour to ensure our fundraising activity is not overly obtrusive or put anyone under undue pressure to donate.

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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.

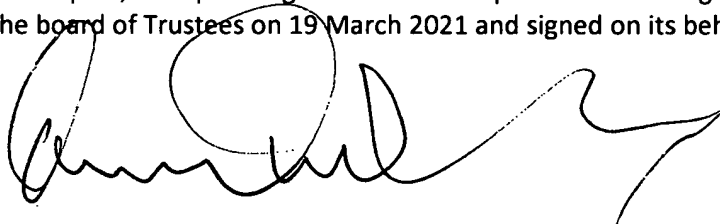
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware and
- the trustees has taken all the steps that they ought to have taken to make themselves 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 Directors report and including the Strategic Report, was approved by the board of Trustees on 19 March 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'David Whimpenny', with a large circular flourish at the end.

David Whimpenny (Trustee)

Date: 19th March 2021

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 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.

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. 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 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 trustees report and the strategic report have been prepared in accordance with applicable legal requirements.

Report on the audit of the financial statements (Continued)

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 directors' report included within the trustees' report

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.

Nicola Wright

Nicola Wright, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom

19 APRIL 2021

National Memorial Arboretum Company Ltd
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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
Year ended 30 September 2020

		Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2020 £000's	Total Funds 2019⁽¹⁾ £000's
	Note					
INCOME AND						
ENDOWMENTS FROM:						
Donations and Legacies	3	2,788	393	98	3,279	2,030
Charitable Activities	4	419	-	-	419	627
Other Trading Activities		37	-	-	37	47
Investments:						
Gift aid from NMA (Enterprises)	5	107	-	-	107	664
Bank interest	6	2	-	5	7	7
TOTAL INCOME		3,353	393	103	3,849	3,375
EXPENDITURE ON:						
Raising Funds	7	617	-	-	617	542
Charitable Activities	8	2,783	347	35	3,165	3,600
TOTAL EXPENDITURE		3,400	347	35	3,782	4,142
Net (expenditure)/income for the year		(47)	46	68	67	(767)
Transfer between Funds	20	9	(9)	-	-	-
NET MOVEMENT IN FUNDS		(38)	37	68	67	(767)
RECONCILIATION OF FUNDS						
Total funds brought forward		21,158	554	848	22,560	23,327
Net movement in funds for the year		(38)	37	68	67	(767)
Total funds carried forward		21,120	591	916	22,627	22,560

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 2019 detailed Statement of Financial Activities

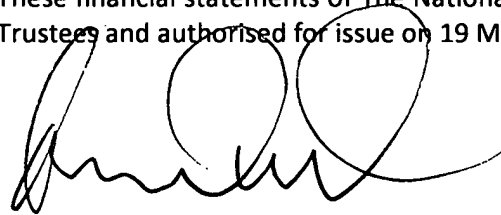

National Memorial Arboretum Company Ltd
Registered Company number 02927443

BALANCE SHEET
At 30 September 2020

	Note	2020 £000's	2019 £000's
FIXED ASSETS			
Tangible assets	14	20,297	20,705
Heritage assets	15	348	348
Fixed asset investments	16	-	-
Total Fixed Assets		20,645	21,053
CURRENT ASSETS			
Debtors	17	688	564
Cash at bank and in hand		1,828	1,750
Total Current Assets		2,516	2,314
Creditors – amounts falling due within one year	18a	(477)	(807)
NET CURRENT ASSETS		2,039	1,507
Creditors falling due in more than one year	18b	(57)	-
TOTAL NET ASSETS		22,627	22,560
FUNDS			
General Funds	20	652	363
Designated Funds	20	20,468	20,795
Restricted Funds	20	591	554
Expendable Endowment Funds	20	916	848
Total Funds		22,627	22,560

The notes on pages 17 to 35 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 19 March 2021. They were signed on its behalf by:

David Whimpenny
Chair of Trustees

National Memorial Arboretum Company Ltd
Registered Company number 02927443

CASHFLOW STATEMENT
Year ended 30 September 2020

	Note	Total Funds 2020 £000's	Total Funds 2019 £000's
Net cash provided by operating activities	26	99	67
Cash flows from investing activities:			
Interest receivable		7	7
Purchase of property, plant and equipment			(534)
Purchase of heritage assets		-	-
Net cash used in investing activities		7	(527)
Cashflows from financing activities:			
Interest element of finance lease payments		(1)	-
Repayment of finance leases		(27)	-
Net cash provided by finance leases		(28)	-
Net (Decrease)/ increase in cash and cash equivalents		78	(460)
Cash and cash equivalents at the beginning of the year		1,750	2,210
Cash and cash equivalents at the end of the year		1,828	1,750

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 2020

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 2019 (SORP 2019); 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 6 of the Trustees' Report. Performance during 2020 has been significantly impacted by the Covid-19 pandemic, which will continue to be a key influencer of performance during 2021. Steps will be taken to ensure the company maximises benefits from any assistance schemes available, such as the furlough scheme during this challenging time. There are no other 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2020

1) ACCOUNTING POLICIES

Income (continued)

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.

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) due to the extremely wide variety of skills provided to the Arboretum by its volunteers, it is not possible to quantify the value, consequently 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 in accordance with the donors instructions 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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

Fund Accounting (continued)

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

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. Generally, depreciation is provided on other tangible fixed assets at rates calculated on a straight line basis over their expected useful lives, the only exception to this is grounds equipment purchased during the 2020 financial year which is depreciated over the term of the Hire purchase/finance lease of 4 years.

Long leasehold and ground improvements	Long leasehold land and initial landscaping - not depreciated Ground improvements and drainage - 6.67% Roadways and paths - 8.33%
Heritage Assets	Not depreciated
Visitor facilities and fixtures	Building and fixtures 2% Grounds Equipment under Finance lease 25% 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

ii) Heritage Assets (continued)

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.

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 in 2011, 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

Financial Instruments (continued)

be measured reliably. Creditors and provisions are recognised at their settlement value after allowing for trade discounts due.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, 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 £000's	Restricted £000's	Endowments £000's	2020 £000's	2019 £000's
Donations	389	3	98	490	514
Gifts in kind*		3	-	3	2
Legacies	94	-	-	94	170
General grants (see 3a below)	2,305	387	-	2,692	1,344
Total	2,788	393	98	3,279	2,030

*2020 gifts in kind relate to the donation of some grounds equipment and the long term loan of a water pump. 2019 gifts in kind relate to the donation of a pallet truck and sweeper by Briggs Equipment Ltd.

3a) General grants comprise the following:

	2020 £000's	2019 £000's
Grant in Aid – Armed Forces Memorial	158	159
The Royal British Legion – Infrastructure	-	282
The Royal British Legion – Remembrance	1,800	724
The Royal British Legion – construction/development projects	-	84
The Royal British Legion – Covid -19	500	-
Heritage Lottery Fund	100	63
Memorial Grant Scheme	6	7
Learning Grants	10	25
Furlough Grant	88	-
Small Business rate relief grant	25	-
Veolia Pathways grant	-	(5)
Other Grants	5	5
Total	2,692	1,344

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2020

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 Armed Forces Day and other commemorative activity, 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.

	2020 £000's	2019 £000's
Performance related grants:		
- Armed Forces Day	-	5
- Commemoration Activity	-	52
Car park	158	226
Exhibition Tickets	-	11
Learning services	25	51
NMA Enterprises overhead recharge	189	215
Tree plaques/benches/ annual maintenance	47	43
Insurance claims	-	24
Total	419	627

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.

	2020 £000's	2019 £000's
Turnover	1,220	2,789
Cost of sales	(1,142)	(1,733)
Gross profit	78	1,056
Administrative expenses	(297)	(409)
Operating (Loss)/profit on ordinary activities	(219)	647
Other Income	127	-
(Loss)/Profit on activities before taxation	(92)	647
Taxation	-	-
(Loss)/profit and total Comprehensive(expense) income for the year	(92)	647
Retained earnings brought forward:	107	124
Payment to parent charity under the gift aid scheme	(107)	(664)
Retained loss for the year	(92)	(17)
Retained earnings carried forward	(92)	107
Assets	501	503
Liabilities	(593)	(396)
Net (liabilities)/assets	(92)	107

National Memorial Arboretum Company Ltd
Registered Company number 02927443

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

6) ANALYSIS OF INCOME FROM INVESTMENTS

	2020 £000's	2019 £000's
Gifted from NMA (Enterprises)	107	664
Bank interest	7	7
Total	114	671

7) ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Direct Costs £000's	Support Costs £000's	Total 2020 £000's	Direct Cost 2019 £000's	Support Cost 2019 £000's	Total 2019 £000's
Raising donations, grants and legacies.	99	20	119	84	13	99
Advertising, marketing and direct mail	449	49	498	404	39	443
Total	548	69	617	488	54	542

8) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £000's	Support costs £000's	Total 2020 £000's	Direct Cost 2019 £000's	Support Cost 2019 £000's	Total 2019 £000's
Commemorative events	275	79	354	331	47	378
Grounds and memorial upkeep	455	92	547	536	70	606
Visitor operations	875	1,200	2,075	1,311	1,090	2,401
NMA (Enterprises) overhead recharge	-	189	189	-	215	215
Total	1,605	1,560	3,165	2,178	1,422	3,600

9) ANALYSIS OF SUPPORT COSTS

	Raising funds £000's	Commemorative events £000's	Grounds and Memorials £000's	Visitor operations £000's	Recharge to NMA Enterprises £000's	Total 2020 £000's	Basis of allocation £000's
Governance	7	8	9	69	-	93	Headcount
Central Management	16	18	21	166	80	301	Headcount
Administration	6	6	8	59	1	80	Headcount
Premises	40	47	54	427	72	640	Headcount
Depreciation	-	-	-	477	36	513	Usage
Legal and Professional	-	-	-	2	-	2	Headcount
Total	69	79	92	1,200	189	1,629	

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2020

9) ANALYSIS OF SUPPORT COSTS continued

2019 COMPARATIVE ANALYSIS OF SUPPORT COSTS

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

10) NET (EXPENDITURE)/INCOME FOR THE YEAR

	2020 £000's	2019 £000's
Income/expenditure is after charging:		
Depreciation of owned assets	513	555
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	17	16

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

The average monthly number of employees was:

	2020	2019
Raising funds	4	4
Charitable operations	40	39
Support	5	5
Total	49	48

Their aggregate remuneration comprised:

	2020 £000's	2019 £000's
Wages and salaries	1,150	1,132
Social security costs	101	101
Pension costs	126	106
Severance	6	2
Total	1,383	1,341

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

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 following a restructure of the Support Services department. (2019: zero)

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

	2020	2019
£60,000-£70,000	1	1
£80,000-£90,000	-	1
£90,000-£100,000	1	-
Total	<u><u>2</u></u>	<u><u>2</u></u>

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 £401,000 (2019: £445,000). Total employer's NIC paid in respect of key management personnel totalled £39,000 (2019: £41,000).

Trustees' Remuneration

No Trustees received remuneration during the current or prior year and no expenses were paid to any Trustees during 2020 (2019: 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 £133,000 VAT for the 2020 financial year (2019: £117,000). This has been allocated back to the individual expenditure categories to which it relates.

National Memorial Arboretum Company Ltd
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2020

14) TANGIBLE FIXED ASSETS

	Long Leasehold and Ground Improvements £000's	Visitor Facilities and Fixtures £000's	Office Equipment £000's	Totals £000's
Cost:				
At 1 October 2019	2,161	21,630	25	23,816
Additions	-	105	-	105
At 30 September 2020	2,161	21,735	25	23,921
Accumulated Depreciation:				
At 1 October 2019	1,226	1,860	25	3,111
Charge for the year	64	449	-	513
At 30 September 2020	1,290	2,309	25	3,624
Net Book Value:				
At 30 September 2020	871	19,426	-	20,297
At 1 October 2019	935	19,770	-	20,705

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 (2019: £120,000) and landscaping costs to bring the grounds into use at £827,000 (2019: £827,000) which is not depreciated.

Additions for the year of £105,000 relate to grounds equipment purchased under hire purchase/lease agreements to facilitate bringing in house the main grounds contract.

15) HERITAGE ASSETS

Basis of capitalisation	Trees At cost £000's	Total £000's
Carrying amount at 1 October 2019	348	348
Carrying amount at 30 September 2020	348	348

	2020 £000's	2019 £000's	2018 £000's	2017 £000's	2016 £000's
Purchases:					
Trees	-	-	-	2	57
Total Additions	-	-	-	2	57

National Memorial Arboretum Company Ltd
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

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) did not gift aid any profits to the NMA (2019: £664,000) due to operating losses arising from the Covid-19 pandemic and at the end of the year had aggregate reserves of minus £92,000 (2019: positive £107,000)

17) DEBTORS

	2020	2019
	£000's	£000's
Amounts falling due within one year:		
Trade Debtors	82	52
Amounts owed by subsidiary undertaking	478	252
Prepayments and accrued income	128	260
Total	688	564

Amounts owed by the subsidiary undertaking are non-interest bearing and payable on demand.

National Memorial Arboretum Company Ltd
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2020

18) CREDITORS

	2020	2019
	£000's	£000's
a) Amounts falling due within one year:		
Trade creditors	85	126
Amounts owed to parent undertaking	158	142
HMRC- PAYE and NI	-	35
VAT creditor	8	19
Hire Purchase/Finance lease	20	-
Accruals and deferred income	206	485
Total	477	807
	2020	2019
	£000's	£000's
b) Amounts falling due in more than one year:		
Hire Purchase/Finance Lease (due between 1-5 years)	57	-
Total	57	-

Amounts owed to the parent undertaking are non-interest bearing and repayable on demand.

The hire purchase/finance lease loans are secured against the assets to which they relate i.e. Grounds equipment purchases in the year disclosed under fixed assets.

National Memorial Arboretum Company Ltd
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

19) COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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

National Memorial Arboretum Company Ltd
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

20) MOVEMENTS ON FUNDS

	At 1 October 2019 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2020 £000's
Unrestricted Funds:					
General Fund	363	3,259	(2,874)	(96)	652
Designated Funds					
Fixed assets	20,705	-	(513)	105	20,297
Development and Engagement	90	94	(13)	-	171
Designated Funds Total	20,795	94	(526)	105	20,468
Total Unrestricted Funds	21,158	3,353	(3,400)	9	21,120
Expendable endowments*:					
NMA Memorials & Buildings	234	79	(9)	-	304
Basra Wall	29	-	-	-	29
Army Apprentices	39	1	(1)	-	39
Durham Light Infantry	18	-	(1)	-	17
British Korean Veterans	33	-	(1)	-	32
Polish Ex-Combatants	56	1	(4)	-	53
Royal Ulster Constabulary	33	-	(2)	-	31
Bastion Memorial	50	1	(2)	-	49
Royal Engineers	85	-	(1)	-	84
Police Service Northern Ireland	33	-	(2)	-	31
Victims of overseas terrorism	43	-	-	-	43
Heroes' Square garden maintenance	136	-	(6)	-	130
Royal Electrical & Mechanical Engineers	37	1	(4)	-	34
Devon & Dorset Regiment	22	-	(1)	-	21
Queens Lancashire Regiment	-	20	(1)	-	19
Total Expendable endowments	848	103	(35)	-	916
Restricted Funds					
AFM	354	166	(109)		411
Remembrance Centre	142		(11)	(1)	130
Functions Pavilion	58		-	(8)	50
Covid-19 support					
National Lottery Heritage fund	-	100	(100)		-
Furlough Grant	-	88	(88)		-
LDC BCNDR Relief	-	25	(25)		-
Other Funds received and fully utilised in year	-	14	(14)		-
Total Restricted Funds	554	393	(347)	(9)	591
Total Charity Funds	22,560	3,849	(3,782)	-	22,627

*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 2020

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
- Queens Lancashire Regiment – lifetime memorial maintenance
- 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 visitor centre
- 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
- Heritage Lottery fund – activity plan and audience development
- National Lottery Heritage fund – Covid 19 support
- Furlough grant – contribution towards the salary cost of employees unable to work due to the Covid-19 pandemic
- LDC BCNDR relief – Covid-19 support grant

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.

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Year ended 30 September 2020

21) COMPARATIVE MOVEMENT ON FUNDS

	At 1 October 2018 £000's	Income £000's	Expenditure £000's	Transfers £000's	At 30 September 2019 £000's
Unrestricted Funds:					
General Fund	1,416	2,529	(2,952)	(630)	363
Designated Funds					
Fixed assets	20,032	-	(557)	1,230	20,705
Development and Engagement	-	90	-	-	90
Designated Funds Total	20,032	90	(557)	1,230	20,795
Total Unrestricted Funds	21,448	2,619	(3,509)	600	21,158
Expendable endowments*:					
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 maintenance	143	1	(8)	-	136
Royal Electrical & Mechanical Engineers	37	1	(1)	-	37
Devon & Dorset Regiment	23	-	(1)	-	22
Total Expendable endowments	840	40	(32)	-	848
Restricted Funds					
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 utilised in year	-	126	(116)	(10)	-
Total Restricted Funds	1,039	716	(601)	(600)	554
Total Charity Funds	23,327	3,375	(4,142)	-	22,560

* 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.

** Funds for the future development of the site due to the immaterial remaining this was merged into the functions pavilion funds for 2020

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

22) ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total 2020 £000's
Fixed assets	348	20,297	-	-	20,645
Current assets	818	171	611	916	2,516
Current liabilities	(457)	-	(20)	-	(477)
Liabilities > than 1 year	(57)	-	-	-	(57)
Total	652	20,468	591	916	22,627

23) COMPARATIVE ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

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

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 (2019: £101,000). Outstanding amounts to be paid into the scheme at the year end were £15,000 (2019: £9,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

25) RELATED PARTY TRANSACTIONS

The company received payment of £189,000 (2019: £215,000) from NMA (Enterprises) to cover the cost of operational overheads incurred on its behalf. The remaining 2019 operating surplus of NMA (Enterprises) of £107,000 was donated to the National Memorial Arboretum Company under gift aid during 2020 prior to the Covid-19 pandemic (2019: £124,000 was donated in respect of the 2018 operating surplus) Due to operating losses arising from the Covid-19 pandemic there is no dividend payable for the 2020 financial year hence there have been no payments on account. During the 2019 financial year £540,000 of the 2019 operating surplus of £647,000 was paid on account during the year.

The company received £2.3m (2019: £1.1m) in grants from its parent charity the Royal British Legion these included a general Remembrance grant of £1,800,000 (2019: £724,000), and £500,000 for additional Covid-19 support (2019: zero) during 2019 £366,000 was received for strategic projects.

No Trustee received payment for professional services or other services provided to the charity during the year (2019: £nil).

There were no donations received from Trustees during the year (2019: £nil).

There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

26) CASH FLOW STATEMENT

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

	2020 £000's	2019 £000's
Net income/(expenditure) for the year	67	(767)
Adjustments for:		
Interest receivable	(7)	(7)
Depreciation charges	513	555
Loss on disposal of fixed assets	-	23
Operating cash flow before movement in working capital	573	(196)
(Increase)/Decrease in debtors	(124)	536
(Decrease) in creditors	(350)	(273)
Cash provided by operating activities	99	67

b. Analysis of Cash and cash equivalents:

	2020 £000's	2019 £000's
Instant access working capital	297	240
Notice deposits	260	259
Other cash balances	1,271	1,251
Total cash and cash equivalents	1,828	1,750

c. Analysis of change in net debt:

	At 01 October 2019 £000's	Cash-flows £000's	New Finance Leases £000's	At 30 September 2020 £000's
Cash	1750	78		1828
Finance Leases	-	27	(104)	(77)
Total	1750	105	(104)	1751

27) ULTIMATE PARENT UNDERTAKING

The Royal British Legion (Registered Charity number 219279) is the charitable company's ultimate parent undertaking and ultimate controlling party. The parent undertaking of the smallest and largest group which includes the company for which the group accounts are prepared is The Royal British Legion. 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 04259701) can be obtained from Companies House.