

Registered Charity Number: 1075877

**Report of the Trustees and Unaudited Financial Statements
For the Year ended 31 March 2022
For the AGC Museum Trust**

Rothmans LLP
Chartered Accountants
Avebury House
St Peter Street
Winchester
Hampshire
SO23 8BN

AGC Museum Trust
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for the Year ended 31 March 2022

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AGC Museum Trust
Report of the Trustees
for the Year ended 31 March 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 March 2022. The Trustees have adopted the provisions of 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).

Structure, Government and Management

1. The Adjutant General's Corps (AGC) Museum opened in 2003 to collect, preserve, and display the history of the AGC and its antecedent corps, the Royal Army Pay Corps, Royal Military Police, Military Provost Staff Corps, Royal Army Educational Corps, Army Legal Services and the Women's Royal Army Corps and their rich histories. Subsequently:
 - a. In 1997, the Military Provost Guard Service (MPGS) was formed and some of their history is now displayed as part of the AGC Museum collection.
 - b. In 2011, the Gurkha Staff and Personnel Support (GSPS) was formed which allowed Gurkha administrators to assimilate with their AGC counterparts without losing their essential link to the Brigade of Gurkhas. Some of their history will also be displayed in the museum.
2. The Museum is managed by a Board of Trustees in accordance with the Museum Trust Deed dated 21 April 1999. The Board of Trustees comprises of not less than 6 members but no more than 12 members. It has:
 - a. Three Ex-Officio members who are members because of their vital and influencing appointments with the AGC Corps HQ.
 - b. Representation from across the Branches of the AGC and its antecedent Corps.
3. The Board of Trustees meets twice yearly for ordinary meetings but has provision that allows 2 Trustees to call a special meeting at any time giving at least 14 days' notice of the date and the agenda. Formal records of all Board Meetings are maintained and distributed to all Trustees, the Curator and the AGC Finance Manager (as the manager of our bank account(s) and investments). The Board comprises the following key appointments:
 - a. **Ex Officio Members** The Corps Colonel AGC, the Corps Secretary AGC and Corps Sergeant Major AGC are ex-officio members. These 3 appointments have an important role in representing the Museum within the Army, the AGC and the general public but also keeping Trustees informed of changes in policy that affect military museums and encouraging the AGC preservation of its unique heritage.
 - b. **Chair of Trustees** Although the Chair has always been the Corps Colonel AGC appointment, the Trust Deed requires the Trustees at their first meeting each calendar year to elect any one of the Trustees to be the Chair for that year. This provision is there to protect the museum's interests and prevent any conflicts of interest between the AGC, it's Regimental Association and the museum. The provision allows Trustees to ensure the Chair of Trustees cannot force through an agenda that may suit the AGC Association but which the museum Trustees feel is not in the museum's best interest. The Chair of Trustees has been granted some delegated powers from the Board of Trustees which allow the flexibility to deal with

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issues that would otherwise require referral to the Board of Trustees. These powers are limited and contained in an annual letter of delegation from the Board of Trustees.

c. **Trustees** The Museum collection, at the outset comprised of the histories of the antecedent Corps and representatives of those Corps were appointed to be Trustees, from a balanced mixture of those still serving in the AGC and veterans of the antecedent Corps. It is now 29 years since the formation of the AGC and some of the serving Trustees have had their entire service in the AGC. These Trustees encourage their respective Branches to add AGC historical items to the museum collection.

d. **Honorary Treasurer** This Museum appoints an Honorary Treasurer, who chairs a finance committee and is accountable to the Chair of Trustees and ultimately the Board of Trustees on all financial matters. To preserve their independent role the Honorary Treasurer has no delegated authority to approve payments in their own right, although the Trustees have allowed the incumbent to exceptionally be the countersigning officer for payments that have been properly authorised and are within budget but exceed the authorising officers level of individual delegation.

e. **Museum Director** The Corps Secretary AGC is the Museum Director; he supervises the day-to-day activities of the Museum and is accountable to the Chair of Trustees and the Board of Trustees on every aspect of the Museum's administration and all of the activities, and administration of the staff. The Museum Director has delegated powers from the Board of Trustees which aim to allow limited flexibility to deal with issues that would otherwise require approval of the Board of Trustees – these powers are contained in an annual letter of delegation from the Board of Trustees. This post is the principal authorising officer for all payments and the line manager for the Curator.

f. **Independent Museums Advisor** The Board is very fortunate to have an independent advisor on museums; his expertise on museum organisation and collection management ensures the museum activities protect, preserve and display the museum collection. Although not a Trustee, the museums advisor attends all board meetings and has the experience to advise on a wide range of museum issues.

g. **Curator** The Curator is not a Trustee but is accountable to the Board of Trustees. They attend Board Meetings to brief them on the activities since the last meeting, staff issues, to raise any concerns, and to understand the direction of the Board. The Curator is also the line manager of the museum staff and any volunteers working on behalf of the museum. The Curator has a lower level of delegated powers from the Board of Trustees which aim to allow the flexibility to deal with day-to-day issues approved in the budget. In their absence, the Assistant Curator has the authority to authorise payments that are within their delegation. Both Curator and Assistant Curator powers are contained in an annual letter of delegation from the Board of Trustees.

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4. **Trustee Selection** If a vacancy occurs on the Board of Trustees, the Chair of Trustees informs the other Trustees and where possible identifies potential candidates as replacement for consideration by the Board. No Trustees should be appointed out of committee and every replacement must be discussed at the next available Board meeting. The Trust Deed allows between 6 and 12 members and this allows the Board of Trustees sufficient flexibility to consider replacements and to vote them in as Trustees without the need to convene a special meeting. The only exceptions to this rule are the 3 Ex-Officio members who automatically become Trustees by virtue of their appointments within the AGC Corps HQ.

5. **Trustee Remuneration** All of the Trustees are volunteers and none receive remuneration from the museum. Although the review of the Trust Deed has stalled whilst awaiting Army Museums Ogilby Trust (AMOT) advice, the Board of Trustees have elected to implement the refunding of reasonable travel expenses incurred by Trustees acting on museum official activities.

6. **Composition of the Board of Trustees** The Board of Trustees is shown below:

Name	Date Appointed	Date Retired
Ex Officio Trustees		
Col VJ Whiting ADC	From 4 June 2021	
Col SJ Holmes ADC	From 26 May 2020	4 June 2021
Lt Col (Retd) MJR Cotton MBE	From 28 April 2012	
WO1 (Corps SM) A Heron AGC(RMP)	From 16 September 2020	9 March 2022
WO1 (Corps SM) W Heathcote AGC(SPS)	From 9 March 2022	
Trustees		
Col (Retd) AK Brown OBE	From 31 March 2017	
Col BA Gray	From 6 June 2018	
Col M Ketterer	From 1 October 2020	28 September 2022
Col (Retd) AN King	From 28 February 2019	17 December 2021
Lt Col (Retd) J Jennings	From 9 March 2022	28 September 2022
Col C Terblanche	From 28 September 2022	
Col SM Vardy	From 1 October 2020	
Lt Col (Retd) Rowena Naile MBE	From 28 September 2022	
Lt Col (Retd) Mark Burton-Doe FCMA	From 28 September 2022	
WO1 J Donachie AGC (MPGS)	From 9 March 2022	
Col (Retd) AJ Ward	From 2 December 2011	
In Attendance		
Mr D Smurthwaite	Independent Museum Advisor	
Mrs BE Taubert-Brayley	Curator	

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7. **Committees** The Trust Deed allows the Board of Trustees to form committees responsible for specific areas of the museums administration. Such committees act in accordance with direction from the Board of Trustees contained in detailed Terms of Reference. Any committee formed is ultimately accountable to the Board of Trustees but the Chair of Trustees is responsible for oversight of these committees.

8. **The Finance Committee** Finance Committee meetings are chaired by Col (Retd) AJ Ward (the Honorary Treasurer) with Col (Retd) AK Brown as the Vice Chair and Lt Col (Retd) MJR Cotton and Mrs Taubert-Brayley as members. The AGC Finance Manager is in attendance, where his other duties allow, to advise on accounting matters including the Sage Reports. The Terms of Reference for the Finance Committee are to monitor internal financial controls to assist and advise the Trustees in order that they:

- a. Meet their legal duties to safeguard the charities assets.
- b. Administer the charities finances and assets in a manner that identifies and manages risks.
- c. Ensure the quality and integrity of financial reporting.

Trust Objects

9. The Objects of the Museum are to educate the public and members of the Corps in the history and military accomplishments of the Corps and to promote military efficiency and encourage recruitment by public exhibition of the collection in a museum or museums or other such places as the Trustees may from time to time decide, and to conserve, restore, repair, re-construct and preserve the objects of the collection.

Purposes of the Charity

10. The purpose of the AGC Museum is to educate the public and members of the Corps in the history and military accomplishments of the AGC and its antecedents. The museum will collect, document, preserve, display, undertake research and provide access to material relating to both the Corps and its antecedents. The work undertaken will be to the standards required to maintain 'Accredited Museum' status with Arts Council (England).

11. In addition, material displayed in the museum will be of benefit to the general public, military veterans and serving personnel. The content of the displays will provide a stimulating experience for all, in order to show the role of the Army in the development of this nation; promote the military ethos; assist in recruiting and project a positive image of the British Army. The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake.

Review of Activities, Developments and Achievements

12. In this financial year the Museum was closed from 1st April until 18th May for COVID lockdown measures. Once the Museum and café reopened, the café licence holder decided to not renew her licence due to financial pressures. The café was then closed until a new licence holder was found in October. This, as well as restrictions to numbers and a lack of holiday travellers to Winchester, heavily impacted visitor numbers.

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13. The Museum began opening for longer hours but continued daily cleaning regimes and implementation of restrictions in line with government policies. Staff also were required to complete weekly lateral flow tests before their scheduled work-days. Governance of the Museum continued, with virtual Trustees and Finance Committee meetings taking place, and in person when restrictions permitted.

14. The Museum had 7,947 visitors for this financial year. This is an increase on the year before, with the Museum being open for all but 8 weeks including the normal Christmas closure period. The loss of the café over the summer holidays had a large impact on visitor numbers.

15. The Education and Volunteers programmes were suspended in March 2019, due to the inability to host school visits within government guidelines and to safely have volunteers working alongside staff. The Education programme was restarted in November 2021, with 5 primary schools visiting the site to take part in school sessions. There was also a visit by a college in February. The volunteering programme was restarted in February with one volunteer recruited.

16. The Museum created a temporary exhibition for Autumn/Winter 2021 for the 30th anniversary of Operation Granby. A second temporary exhibition for the 40th Anniversary of the Falklands War took place from January 2022 until 6th April 2022.

17. Visits from military establishments increased this financial year, with only 2 having been cancelled due to COVID. The Museum welcomed visits from 11 units with more booked for the coming months.

18. The Museum website has now been live for some time and updated with blog posts to focus on aspects of the Museum and its collections. An online temporary exhibition blog was created for the Falklands War exhibition and will be completed for all temporary exhibitions in the future. The Museum continues to post on social media, including Facebook, Instagram and Twitter. Facebook is the most popular platform for the Museum, with antecedent and AGC themed months completed on top of celebrating anniversaries and temporary exhibitions.

19. The audit of the collections was restarted at the end of last financial year and is continuing at a steady pace.

20. The Museum is continuing to accept items into the collection. A small build-up was amassed during periods of closure with a subsequent backlog of work, but this has been scheduled into the work plan and will be cleared fairly quickly.

21. The Museum continues to work with other organisations, including Winchester's Military Museums (WMM) and the National Army Museum (NAM).

22. Winchester's Military Museums(WMM) continued to hold regular meetings to keep everyone on site aware of ongoing work and to continue to promote the museums jointly. The education program for the WMM site, which was suspended in March 2020, has revitalised and restarted from December 2021.

23. The National Army Museum (NAM) continues to provide free online and in person training even during periods of closure and hosted a Trustees Away Day in January where the redevelopment of the Museum was discussed. Col BA Gray acted as the day's facilitator

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and advisors from the NAM and AMOT not only gave thought-provoking presentations but also contributed to the debate from their vast experience.

24. There have been 36 enquiries to research; the majority of these have been family history research related, due, in the main, to an increase of members of the public becoming interested in family histories during lockdown. The Museum was contacted by 2 academics for research, as well several members of the AGC who were working on a Corps Battlefield Study of D-Day and the wider Normandy Campaign.

Financial Review

25. The Finance Committee continue to clinically scrutinise the financial aspects of the Museum assisting the Trustees to better understand their finances and ensuring the procedures are in place to protect both the Museum and the staff that are employed. Progress has been steady but significant engagement has been greatly assisted by the employment, by the Corps HQ, of a more experienced finance manager whose knowledge of SAGE, VAT, and general accountancy has been invaluable.

26. **Policy Development** The Trustees have approved a program of policy development, the delivery of which will greatly assist the Trustees, staff and those charged with reviewing compliance. This shows the Trustees commitment to following the Charity Commission best practice guides.

27. **Governing Document** Progress on updating the Trust Deed has been frustratingly slow. The original document, dated 21 April 1999, was updated by Trustees but it contained a requirement to consult with AMOT on any future amendment. During that consultation it transpired that the majority of military museums had used the now dated AMOT template and that rather than assist the AGC Museum to go it alone, there was merit in AMOT seeking legal advice on the AGC Museum draft and using that to update their museums template. The Trustees accepted the logic of this approach but have been disappointed by the lack of progress.

28. **Letters of Delegation** The Trustees letters of delegation to key personnel and the subsequent scrutiny of payments have not only improved the administration of Museum but also revealed areas for improvement and in some cases, cost savings.

29. **Budget Screening and Financial Reporting** The newly introduced 5-year plan budget screening and in year management processes have resulted in not only greater awareness of the budget at Board level but also increased confidence in the financial management of the Museum. Issues have been identified in a number of areas and resolved and for the first time the AGC Association was able to use the 5-year plan to approve the grant for the next year their Autumn meeting.

30. **Internal Audit.** The resolution of the Honorary Treasurer internal audit observations is now controlled by Col AK Brown who not only coordinates the actions required but also brief the Trustees of the types of issues that have occurred. The Finance Committee use the issues to make improvements to prevent recurrence.

31. **Risk Register** A High-level Risk Register has been adopted by the Board of Trustees which they review as an agenda item at each of their meeting. Any Trustee may recommend an issue for inclusion in the Risk Register. Some of the risks identified weaknesses and the need for further work by the Trustees to mitigate them.

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32. **Cash Flow** The Honorary Treasurer now provides a financial report to the Trustees on a quarterly basis; his reports have moved on from explaining the information in the SAGE reporting and any anomalies to recommending areas for improvement such as the opening of a 35 day deposit account for cash flow surpluses and underperforming investments.

Income and Expenditure

33. **Major Sources of Income** The total income as at 31 March 2022 was £85.41K. The majority of this came from 2 sources of income – a quarterly grant in aid from the MOD toward staff costs of £61.43K and a grant from the AGC Association toward operating cost shortfall of £19.5K. There are also a number of smaller income streams from interest on investments, donations, research fees, shop sales and the recovery of VAT.

34. **Fundraising** The Museum has a policy for fundraising activities, including hiring space in the museum for meetings, but has not fundraised in this year because of a lack of confidence in the public post COVID and concerns regarding staff safety. No legacies from former members of the AGC or their families were received in this financial year but the GSPS held an event which raised £1.15K.

35. **Expenditure** The total expenditure as at 31 March 2022 was £69.16K. The bulk of this expenditure from the museum was for staff costs of £53.18K, pension payments of £2.64K, insurance of the museum and the collection of £2.17K, IT support of £2.22K and accountancy & legal costs of £1.1K. All of the other expenditure did not exceed £1K and has therefore not been detailed here. It can be seen in the Statement of Financial Activities at the rear of this submission.

36. **Excess of Income** The Museum ended the year with an unplanned excess of income before gains of £16.25K generated in the main through the knowledge of the Finance Manager and a period of closure of the museum through COVID. More accurate VAT accounting also resulted in a greater recovery of VAT. The reduction in the cost of salaries was due to a claim for employer's allowance of £3.84K in year and admissible arrears claims totalling £9.45K. The Trustees decision to sell off the café equipment reduced the cost of maintenance by £1.68K and we received the GSPS donation of £1.15K.

37. **Use of Excess of Income** This years unplanned excess of income will be used to add to the museums reserves to defray the costs of the museum redevelopment and for contingency against any additional staff costs.

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38. **Historical Review of Financial Performance** The historical look at the previous 5 years financial performance is shown below.

Income / Expenditure	31 Mar 17	31 Mar 18	31 Mar 19	31 Mar 20	31 Mar 21
Total Income	£50k	£75.29K	£63.63K	£84.77K	£85.14K
Total Expenditure	£54K	£68.74K	£75.44K	£79.71K	£74.18K
Excess of Income over Expenditure	N/A	£6,55K	N/A	£5.06	£10.96K
Excess of Expenditure over Income	£4K	N/A	£11.81K	N/A	N/A

39. **Operating Cost Grants.** The Museum is subsidised by the AGC Association by an annual grant. Historically there has been no reconciliation process at the end of the year and any excesses of income were kept by the museum. Conversely any excess of expenditure has been absorbed from the museum's reserves. Given the last 3 years large excess of income and the improved budgetary controls, it would be wrong for the museum to continue with this approach. The Trustees have elected to give an annual reconciliation of the previous years spend as part of their bid to the AGC Association and to reduce the following years demand on them.

Investment Policy and Performance

40. **Investment Management** As at 31 March 2022, the museum has in total £79,461.65 invested; in the Blackrock Armed Forces Common Investment Fund there is £73,720.74 and in the COIF Charity Funds £5,740.91.

41. **Investment Objectives** In 2011 the Trustees wanted to establish a reserve that provided quarterly income to the museum to defray the operational cost demands on the AGC Regimental Association and to provide a buffer to any employment costs that occurred as we took on staff that were filling posts that were previously Civil Service. This reserves policy has not changed.

42. **Future Investment Strategy** The Trustees have discussed their investment strategy and decided not to change from the existing policy until after the redevelopment is complete. The Trustees plan to hold a series of sessions post redevelopment to develop a clearer understanding of their future financial strategy, reserves and investment policy during 2023 and 2024.

43. **Investment Returns** This year's investment return was a gain of £4,081. The Trustees felt that the performance of Blackrock was satisfactory but that they would close the CCLA account because it had not met their expectations and there were better options for that small investment.

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Risk Management

44. The Trustees now have risk as a standing item on all Trustee meetings. The Museum now have a strategic risk register (which is maintained by the Museum Director and reviewed by the Board of Trustees) and a more tactical financial risk register (which is reviewed at Finance Committee Meetings).

45. Each risk is assigned to an owner who is responsible for the maintenance of that risk, the mitigation and assessing the probability and potential impact. The Trustees consider each of the strategic risks and give their views on the effectiveness of the mitigation, the probability of the risk occurring and the potential impact. All changes to the Risk Register will be discussed and agreed by the Trustees.

Reserves Strategy

46. **Reserves Policy** A reserves policy was established by the Trustees in 2011 because the museum was embarking on a significant change – the museum staff would no longer be replaced by MOD civil servants but instead the MOD would provide a quarterly grant in aid to assist the museum in financing the employment of their own staff. The Trustees lack of knowledge of employment legislation was discussed and the possible impact.

47. **Review of Reserves** The Trustees have discussed the reserves and decided that until the Museum redevelopment project had been completed, the existing reserves policy must not be compromised by over commitment of funds. The reserves policy would continue to be reviewed annually. The total reserves at 31st March was £225,662 (2021: £205,330).

Plans for the Future

48. The Chair of Trustees had presented a funding request for a £250K grant with the AGC Association and despite the fact that there were still administrative complications with getting the lease finalised the AGC Association, not only approved the grant but also removed the previous caveat that it would only be released once the new lease was in place. The Trustees in reviewing the plans for the redevelopment noted the need for a closure of the museum to allow the work to be completed and therefore selected the optimum window of opportunity as December to February which would have the least impact upon footfall with a grand opening in the Spring. The redevelopment project remains the Trustees highest priority activity.

49. Of equal importance to the museum Trustees is securing the lease from MOD and the adoption of a new trust deed. Significant pressure has been applied to the Defence Infrastructure Organisation (DIO) for the lease and to AMOT for a response to the changes proposed. This will continue and the Trustees have discussed getting legal advice to proceed with the trust deed without waiting for the AMOT deliberations.

50. The development of financial policies and improved accounting procedures at all levels has made the accounting more robust without adding excessive and unnecessary administration. The Trustees now have a far better understanding of the finances and the consequences of their decisions and the staff have benefitted from clearer direction and top cover for their activities. This work is not completed and will continue followed by compliance reviews in the years following.

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51. The Curator and Honorary Treasurer have reviewed the fixed assets of the museum and written off those items beyond economical repair or of no use, or commercial value, to the museum. There is still more work to do on this but this area but the museums asset recording has been greatly improved. The Trustees have also authorised the Curator to embark on a staged revaluation the heritage property; this will not only allow a more realistic insurance value but also reveal the flaws in our existing valuation. This work could only be possible because of the assiduous accession recording of the collection by the Curator and the staff.

52. Although the Museum has only 4 employees; the procedures and policies that must be in place for the staff and their management are the same as a large organisation. In 2011 an employee's handbook was drafted but this has not been regularly updated. The Trustees have looked at other charities and seen what they have in place and the Chair of Trustees has undertaken to draft a new employment policy for approval by the Trustees and implementation in the next period.

53. The Museum has accreditation high on its agenda and has a programme of reviews for all the documents that form part of the accreditation process in the next period. Fortunately, many of these documents use the templates provided but that should not lead to complacency. Gaining accreditation is a top priority for the Trustees so reviewing all of the relevant documents and policies will be completed on time.

54. The Trustees have accelerated the equipment replacement; and purchased equipment more suitable for the task such as larger computer screens, better printers, heaters and replacement laptops. The Trustees support the Curator's aspiration to improve the internet speed not only to improve the performance for the staff but also modernise the system that has been in place for far too long. Creating an improved working environment for the staff and giving them top-down support and encouragement from the Trustees has been welcomed and our retention of our staff remains excellent. This work will continue next year with reviews of the CCTV system and other equipment due for replacement.

55. Finally, whilst all of those tasks are important, the Trustees have undertaken to update the Museums financial strategy and reserves policy which will give them, and their major funding sources, a better understanding of where they see the museum in the long term and roughly how much was needed to achieve their aspirations.

**AGC Museum Trust
Report of the Trustees
for the Year ended 31 March 2022**

Reference and Administrative Details

Name Adjutant General's Corps Museum Trust

Charity Number 1075877

Principal Address

Corps Headquarters AGC
The Gloucester Building
Worthy Down
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SO21 2RG

Bankers

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Independent Examiner

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SO23 8BN

Solicitors

Mr Richard Robson
Warner & Richardson
29 Jewry Street
Winchester
Hampshire
SO23 8RR

Investment Manager details

Blackrock UK Charities and Endowments
Drapers Gardens
12 Throgmorton Ave
London, EC2N 2DL

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Statement of Trustee Responsibilities

The charity Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of the resources of the charity 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 estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are responsible for safeguarding the assets of the charity 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 charity and financial information included in the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Trustees on

Date 24th November 2022

Signed on behalf of the Board



Lt Col (Ret'd) MJR Cotton MBE
Trustee & Museum Director

Date 24th November 2022

AGC Museum Trust

Independent Examiner's Report to the Trustees of the AGC Museum Trust For the Year Ended 31 March 2022

Independent examiner's report to the Trustees of AGC Museum Trust

I report to the charity trustees on my examination of the accounts of AGC Museum Trust (the Trust) for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Susan Sullivan FCA
ICAEW
Rothmans LLP
Chartered Accountants
Avebury House
St Peter Street
Winchester
Hampshire
SO23 8BN

Date: 22 December 2022

AGC Museum Trust

**Statement of Financial Activities
For the Year Ended 31 March 2022**

	Notes	2022 Unrestricted & total funds £	2021 Unrestricted & total funds £
Income and Endowments From			
Donations and legacies	2	82,427	82,748
Charitable activities	4		
Museum Activities		544	-
Investment income	3	<u>2,445</u>	<u>2,391</u>
Total		85,416	85,139
Expenditure on			
Charitable activities	5		
Museum Activities		69,165	74,176
Net gains on investments		<u>4,081</u>	<u>12,441</u>
Net Income		20,332	23,404
Reconciliation of Funds			
Total funds brought forward		205,330	181,926
Total Funds Carried Forward		<u>225,662</u>	<u>205,330</u>

**AGC Museum Trust
Balance Sheet
For the Year ended 31 March 2022**

		2022 Unrestricted & total funds £	2021 Unrestricted & total funds £
Fixed Assets	Notes		
Tangible assets	9	4,444	4,192
Heritage assets	10	80,244	80,244
Investments	11	<u>73,720</u>	<u>69,639</u>
		158,408	154,075
Current Assets			
Stocks	12	994	1,094
Debtors	13	17,393	2,835
Cash at bank and in hand	14	<u>50,710</u>	<u>49,629</u>
		69,097	53,558
Creditors			
Amounts falling due within one year	15	(1,843)	(2,303)
		<u>67,254</u>	<u>51,255</u>
Net Current Assets			
		225,662	205,330
Total Assets less Current Liabilities			
		<u>225,662</u>	<u>205,330</u>
Net Assets			
		<u>225,662</u>	<u>205,330</u>
Funds	16		
Unrestricted funds:			
General fund		<u>225,662</u>	<u>205,330</u>
Total Funds		<u>225,662</u>	<u>205,330</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24th November 2022 and were signed on its behalf by:



Lt Col (Ret'd) MJR Cotton MBE - Trustee

AGC Museum Trust
Notes for the Financial Statements
For the Year ended 31 March 2022

1. Accounting Policies

Basis of preparing the Financial Statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in sterling which is the functional and presentational currency of the Charity. The financial statements are rounded to the nearest pound.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and these accounts are prepared on a going concern basis.

The most significant estimates affecting these accounts are the estimations of the useful lives of the fixed assets and heritage assets. There are no significant judgements which affect the amounts recognised in the financial statements.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investments.

Income

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

Grants from other agencies, donations and other income from activities are in furtherance of the charity's objects and are part of the general funds of the charity. A restricted fund is recognised where this is an agreed and explicit condition of the grant or donor.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

AGC Museum Trust
Notes for the Financial Statements
For the Year ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Governance Costs

Governance costs are the costs of professional advice, holding trustee meetings or committee meetings associated with decision making, any fee for audit or independent examination and any fee incurred in the preparation, statutory filing, printing or copying of the annual report and accounts.

Allocation and Apportionment of Costs

Support costs include administrative and governance costs and are allocated to the activities the Charity undertakes in proportion to the level of resources utilised by each activity. During the current and previous years all expenditure incurred by the Charity has related to the single activity of the governance of the AGC Museum.

Tangible Fixed Assets

All assets having a purchase value of more than £500 are capitalised. The cost of tangible fixed assets are written off by equal annual instalments over their expected useful lives using the following methods of depreciation:

Furniture, fixtures and equipment - Straight Line over a period of 2 - 10 years

Assets with a life of more than one year but with a purchase value of below £500 are included within the inventory but the cost is written off in the year it is incurred and is not depreciated over the useful life of the asset.

Heritage Assets

In the course of the unit's history, the charity has acquired gifts, memorabilia, regalia, silverware, antiques and other historical artefacts in the course of distinguished military service in service of the Crown. The value of these pieces is in large part derived from their close association with Regimental history which precludes the use of conventional valuation techniques being applied. Whilst the objects of the charity do not specifically include preservation and conservation, the pieces represent an essential element of celebrating the unit's history and foster esprit-de-corps. Consequently, the managing Trustee considers the charity to hold heritage assets as an element of national history on behalf of the nation.

Heritage assets are initially measured at cost. Assets which are donated to the charity are measured at valuation wherever this can be reliably estimated. The initial valuation of donated assets is subsequently treated as the deemed cost of the asset therefore these accounts present all assets at cost less depreciation. Assets are depreciated over their useful economic lives, however in the Trustees' opinion, all of the assets currently held by the Trust have infinite lives and are therefore not depreciated.

The Trust's heritage assets are managed by the Trustees of the AGC Museum Trust and are displayed for public viewing at the AGC Museum in Winchester. The Museum Curator maintains a register of all assets which have been acquired by the Trust, including the source of each asset, the date of acquisition, a brief description of the asset and its acquisition cost or value.

Stocks

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

Taxation

The charity is exempt from tax on its charitable activities.

AGC Museum Trust
Notes for the Financial Statements
For the Year ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Fund Accounting

Funds held by the Charity are deemed to be:

General Purpose / Unrestricted funds. These are the funds that can be used in accordance with the charitable objectives at the discretion of the Managing Trustee.

The Charity does not currently have any Restricted or Endowment funds.

Pension Costs and other Post-Retirement Benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated Goods, Services and Facilities

Donated goods, services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

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

On receipt, donated goods are recognised at their fair value. Goods donated for on-going use by the charity are recognised as tangible fixed assets, with the corresponding gain recognised as income from donations.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet. The charity's investments are held in unit trusts and the fair value for these investments is equivalent to the market value, using the bid price.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

AGC Museum Trust
Notes to the Financial Statements - continued
For the Year ended 31 March 2022

2. Donations and Legacies

	2022	2021
	£	£
Donations	1,494	67
Grants	<u>80,933</u>	<u>82,681</u>
	<u>82,427</u>	<u>82,748</u>

The Charity is provided with Museum facilities within the Peninsula Barracks and administrative support from Army personnel within the Worthy Down Army Camp at no cost. No income is included in these financial statements for these donated facilities as it is not possible to reliably measure the value of these gifts.

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Army Museums Ogilby Trust	61,433	64,681
AGC Regimental Association	<u>19,500</u>	<u>18,000</u>
	<u>80,933</u>	<u>82,681</u>

3. Investment Income

	2022	2021
	£	£
Dividends Received	2,443	2,367
Deposit account interest	<u>2</u>	<u>24</u>
	<u>2,445</u>	<u>2,391</u>

4. Income from Charitable Activities

	2022	2021
	£	£
Shop income	544	-
Activity Museum Activities		

5. Charitable Activities Costs

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Museum Activities	<u>57,868</u>	<u>11,297</u>	<u>69,165</u>

AGC Museum Trust
Notes to the Financial Statements - continued
For the Year ended 31 March 2022

6. SUPPORT COSTS

	Other	Governance	Totals
	£	costs	£
	£	£	£
Museum Activities	<u>9,430</u>	<u>1,867</u>	<u>11,297</u>

Accountancy and legal fees relate solely to the fees due to the Independent Examiner, Rothmans LLP, for the independent examination of these accounts.

Support costs, included in the above, are as follows:

	2022	2021
	Museum	Museum
	Activities	Activities
	£	£
Office & admin costs	30	13
Insurance	2,176	1,664
Repairs and renewals	1,765	528
Telephone & internet	2,222	1,567
Postage and stationery	84	206
Sundries	153	270
Security	104	87
Travel & Subsistence	98	35
Depreciation of tangible fixed assets	1,548	877
Loss on Disposal	166	-
Refreshments and meeting costs	1,084	-
Bookkeeping	742	585
Accountancy and legal fees	<u>1,125</u>	<u>1,125</u>
	<u>11,297</u>	<u>6,957</u>

7. Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were 4 trustees who were reimbursed expenses of £543.04 for the year ended 31st March 2022 (31st March 2021 £Nil).

AGC Museum Trust
Notes to the Financial Statements - continued
For the Year ended 31 March 2022

8. Staff Costs

	2022	2021
	£	£
Wages and salaries	53,180	63,921
Other pension costs	<u>2,637</u>	<u>2,020</u>
	<u>55,817</u>	<u>65,941</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Museum Staff	<u>4</u>	<u>4</u>

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

The charity considers the Board of Trustees to be its key management personnel. No Trustee received any remuneration for services to the Charity in the current or previous year.

9. Tangible Fixed Assets

	Fixtures and fittings £
Cost	
At 1 April 2021	195,330
Additions	3,007
Disposals	(6,140)
As at 31 st March 2022	<u>192,197</u>
Depreciation	
At 1 April 2021	191,138
Charge for year	1,548
On disposal	<u>(4,933)</u>
At 31 March 2022	<u>187,753</u>
Net Book Value	
At 31 March 2022	<u>4,444</u>
At 31 March 2021	<u>4,192</u>

AGC Museum Trust
Notes to the Financial Statements - continued
For the Year ended 31 March 2022

10. Heritage Assets

	Total £
Market Value	
At 1 April 2021 and 31 March 2022	<u>80,244</u>
Net Book Value	
At 31 March 2022	<u>80,244</u>
At 31 March 2021	<u>80,244</u>

The charity accounts for all Heritage Assets at cost less depreciation. Assets with indefinite useful lives are not depreciated and are subject to periodic impairment reviews.

Summary Analysis of Heritage Asset Transactions

There have been no heritage asset transactions in the last 5 years.

Heritage Assets not recognised on the Balance Sheet

The museum reserve collection consists of 60,000 items comprising photographs, documents, objects and uniforms all of which relate to the history of the antecedents and current Corps. These items are unique to the history of the Corps but the majority of the items do not have commercial value.

The accounts include only those items which have been acquired at a known cost. The remainder of the collection has not been recognised in these accounts as information on their cost or valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity

AGC Museum Trust
Notes to the Financial Statements - continued
For the Year ended 31 March 2022

11. Fixed Asset Investments

	Listed investments £
Market Value	
At 1 April 2021	69,639
Revaluations	<u>4,081</u>
At 31 March 2022	<u>73,720</u>
Net Book Value	
At 31 March 2022	<u>73,720</u>
At 31 March 2021	<u>69,639</u>

There were no investment assets outside the UK.

Investments consist solely of investments held in unit trusts or other collective investment schemes.

12. Stocks

	2022 £	2021 £
Shop Stock	<u>994</u>	<u>1,094</u>

13. Debtors: Amounts Falling Due within One Year

	2022 £	2021 £
Other debtors	9,990	-
VAT	156	18
Prepayments and accrued income	<u>7,247</u>	<u>2,817</u>
	<u>17,393</u>	<u>2,835</u>

There are no amounts falling due after more than one year.

14. Cash at Bank and in Hand

	2022 Total funds £	2021 Total funds £
Cash in hand	70	40
Bank current account	34,898	43,849
Bank deposit account	<u>15,742</u>	<u>5,740</u>
Total	<u>50,710</u>	<u>49,629</u>

Cash at bank and hand is a financial asset measured at amortised cost.

AGC Museum Trust
Notes to the Financial Statements - continued
For the Year ended 31 March 2022

15. Creditors: Amounts Falling due within One Year

	2022	2021
	£	£
Credit card liability	159	-
Accrued expenses	<u>1,684</u>	<u>2,303</u>
	<u>1,843</u>	<u>2,303</u>

There are no amounts falling due after one year.

16. Movement in Funds

	At 1.4.21	Net movement in funds	At 31.3.22
	£	£	£
Unrestricted funds			
General fund	205,330	20,332	225,662
	<u>205,330</u>	<u>20,332</u>	<u>225,662</u>
Total Funds	<u>205,330</u>	<u>20,332</u>	<u>225,662</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	85,416	(69,165)	4,081	20,332
	<u>85,416</u>	<u>(69,165)</u>	<u>4,081</u>	<u>20,332</u>
Total Funds	<u>85,416</u>	<u>(69,165)</u>	<u>4,081</u>	<u>20,332</u>

Comparatives for movement in funds

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
Unrestricted funds			
General fund	181,926	23,404	205,330
	<u>181,926</u>	<u>23,404</u>	<u>205,330</u>
Total Funds	<u>181,926</u>	<u>23,404</u>	<u>205,330</u>

AGC Museum Trust
Notes to the Financial Statements - continued
For the Year ended 31 March 2022

16. Movement in Funds - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	85,139	(74,176)	12,441	23,404
	<u>85,139</u>	<u>(74,176)</u>	<u>12,441</u>	<u>23,404</u>
Total Funds	<u>85,139</u>	<u>(74,176)</u>	<u>12,441</u>	<u>23,404</u>

17. Related Party Disclosures

Whilst the charity has a close working relationship with the Army, there are no transactions with the Army which require disclosure under SORP FRS102. The only transactions made in favour of the Trust are wholly attributable to the charitable activities of furthering military efficiency. The Chairman, who acts as Managing Trustee, is a serving officer and fulfils the role as Trustee in accordance with the applicable laws and regulations.

During the year ended 31 March 2022 the charity received grants totalling £19,500 (2021: £18,000) from The Adjutant General's Corps Association (charity no 1185298). The AGC Museum Trust and the AGC Regimental Association have several trustees in common and both charities have the object of promoting the efficiency of the Adjutant General's Corps.

AGC Museum Trust
Detailed Statement of Financial Activities
For the Year ended 31 March 2022

	2022	2021
	£	£
Income and Endowments		
Donations and legacies		
Donations	1,494	67
Grants	<u>80,933</u>	<u>82,681</u>
	82,427	82,748
Investment income		
Dividends Received	2,443	2,367
Deposit Account Interest	<u>2</u>	<u>24</u>
	2,445	2,391
Charitable activities		
Shop Income	<u>544</u>	--
Total Incoming Resources	<u>85,416</u>	<u>85,139</u>
Expenditure		
Charitable activities		
Wages	53,180	63,921
Pensions	2,637	2,020
Advertising	129	--
Shop purchases	100	156
Stock Contribution to RAPC	139	--
Conservation Costs	536	--
Administration & Education	150	--
Membership fees	804	799
Exhibition costs	7	238
Projects	<u>186</u>	<u>85</u>
	57,868	67,219
Support Costs		
Other		
Office and Administrative Costs	30	13
Insurance	2,176	1,664
Repairs and Renewals	1,765	528
Telephone and Internet	2,222	1,567
Postage and Stationery	84	206
Sundries	153	270
Security	104	87
Travel and Subsistence	98	35
Depreciation Fixtures and Fittings	829	877
Depreciation Computer Equipment	719	--
Loss on sale of Café Equipment	166	--
Refreshments and Conferencing Costs	<u>1,084</u>	<u>--</u>
	9,430	5,247

AGC Museum Trust
Detailed Statement of Financial Activities
For the Year ended 31 March 2022

	2022	2021
	£	£
Other		
Governance Costs		
Bookkeeping	742	585
Accountancy and Legal Fees	<u>1,125</u>	<u>1,125</u>
	1,867	1,710
Total Resources Expended	<u>69,165</u>	<u>74,176</u>
Net Income before Gains and Losses	16,251	10,963
Realised Recognised Gains and Losses		
Realised gains/(losses) on Fixed Assets		
Investments	<u>4,081</u>	<u>12,441</u>
Net Income/(Expenditure)	<u>20,332</u>	<u>23,404</u>

