



The Gurkha Museum Trust

**Annual Report and Financial Statement
for the Year Ending 31 December 2020**

Charity Number 1169920

THE GURKHA MUSEUM TRUST – CHAIRMAN’S STATEMENT 2020

This has been a year like no other as the Covid-19 Pandemic crashed into our lives in early 2020. However, I am pleased to report that The Gurkha Museum rose to the challenge most successfully both in maintaining and developing its objectives and activities, despite lockdown closures that have continued well into 2021. Our ambition for redeveloping and extending the activities of the Museum to enhance the public benefit of the Gurkha Museum in its inclusivity and relevance remain undiminished and indeed have developed further as we learn to live with a Pandemic-affected world.

We have already accelerated our plans for creating a Digital Museum to reach out to a wider public in the UK and beyond and our output of stimulating materials on social media, together with podcast and online lectures, began to rise significantly in 2020 and early 2021 while the Museum was closed.

The operation of the Museum has been underpinned by achieving a better than planned financial out turn, due to precautionary and early cost control immediately we became aware of the potential damage in the first quarter of 2020 that the emerging Pandemic might cause. There was also an unexpected legacy. Here, I would like to pay tribute to the late Mr. Derek Underwood of Birmingham for his extraordinary generosity. Consequently, our operating deficit was reduced from £70,000 in 2019 to just under £60,000 in 2020. In this we also benefitted from the Furlough Scheme during the periods of Museum closure that started on 23 March, for which we are grateful to the Government.

Furthermore, despite a dip in the early part of the year as the Pandemic took hold, our investments, mainly held through the Blackrock Armed Forces Common Investment Fund, showed a gain on the year. As a result, despite the deficit we managed to show a marginal strengthening of our Balance Sheet in the year to £2,020,157 an improvement of just under £20,000 over 2019.

As I mentioned last year, the Trustees have forecast that the Museum will run an operating deficit for several years through our redevelopment plans, before our growing fundraising capacity is expected to reverse that trend.

Our response to the Pandemic has been driven at all times by the principles of safety for all, doing the right thing by our visitors and wider society, good communications and, as outlined above, maintaining the financial health of the Gurkha Museum. In this we have been strongly supported by our many stakeholders including Volunteers, Friends, Donors, the wider Brigade of Gurkhas and the Heritage Branch of the Army.

I would also like to pay tribute to all our staff during this most challenging year. The year included the change of Directors with the planned retirement of Gavin Edgerley-Harris after 27 years at the Gurkha Museum and the arrival at the beginning of October of Dr Daren Bowyer, a former Lieutenant Colonel in the Royal Engineers with subsequent broad-based experience in third sector senior leadership. Gavin’s award of an OBE in the New Year Honours was fitting recognition of his many achievements and dedicated service at our

Gurkha Museum. I would also like to thank my fellow Trustees for their contributions and support.

The Pandemic and Lockdowns have stimulated our thinking further in telling the story of Gurkha Heritage and Service and playing a greater part in a Creative and Cultural Country. We look forward to welcoming back old visitors and new ones to the Museum in 2021, as well as creating closer links with our growing digital community.

A handwritten signature in blue ink that reads "Martin Brooks". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Martin Brooks
Chairman of the Trustees

THE GURKHA MUSEUM TRUST

REPORT OF THE TRUSTEES FOR THE YEAR END 31 DECEMBER 2020

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2020. They 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

The Gurkha Museum Trust

Registered Charity Number

1169920

Registered Office

The Gurkha Museum
Peninsula Barracks
Romsey Road
Winchester
Hampshire
SO23 8TS

Vice Patrons

Field Marshal Sir John Chapple GCB CBE DL
Lieutenant General Sir Nicholas Pope KCB CBE
Colonel D.R. Wood MBE

Chairman of the Trustees

Mr M.R. Brooks MA

Elected Trustees

Colonel C.M.J. Barnett MBE
Lieutenant General Sir David Bill KCB
Mr J.W. Bulbeck MSCI
Major J.R. Harrop
Mr S. Maslin FCA
Mrs S. Rai
Colonel W.F. Shuttlewood OBE

Ex-Officio Trustees

Colonel J. Davies MBE, Colonel Brigade of Gurkhas
Major Gajendra Angdembe, Officer Commanding Gurkha Company RMAS (to March 2020)

Major Shuresh Thapa MVO, Officer Commanding Gurkha Company RMAS (from March 2020)

Accountants

Winchester Bourne Ltd
Sullivan Court
Wessex Park
Colden Common
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SO21 1WP

Legal Advisor

Mr A.J. Lutley
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Rookery Hill
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Ashtead
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Independent Examiner

Mr P.E.H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
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West Sussex
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Investment Managers

BlackRock Investment Management (UK) Ltd
12 Throgmorton Avenue
London
EC2N 2DL

Secretary/Museum Director

Mr G.J. Edgerley-Harris (up to October 2020)
Dr D.G. Bowyer MA MPhil PhD FRSA (from October 2020)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Board of Trustees operates under a Constitution dated 14 October 2016, as amended by a Resolution dated 26 October 2016, both registered at the Charity Commission under Registered Number 1169920.

Appointments

Office holders, elected Trustees, and ex-officio Trustees are appointed in accordance with the Constitution. The ex-officio Trustees represent all ranks of the serving Brigade of Gurkhas.

Induction and Training

Newly elected Trustees are briefed by the Chairman on all matters relating to the Trust and receive further insight into the day-to-day workings of the Museum from the Museum Director. They receive copies of the Constitution, the latest sets of Minutes, Annual Report and Financial Statements, Charity Commission guidance on Trustee responsibilities, and other documents as deemed appropriate. External training is also offered and undertaken by Trustees from time to time.

Organisational Structure

The Trust is a Charitable Incorporated Organisation run by the Board of Trustees and managed day-to-day by the Museum Director with the support of the Assistant Director and Head of Fundraising and Marketing. The Senior Management Team is further aided by work of the Collections Officer, and four Museum Assistants, three of whom are ex-Gurkhas.

The Board, in turn, is supported by three Committees dedicated to Governance, Investments, and Risk & Audit. These Committees are made up of selected Trustees and advisors working to Terms of Reference which are regularly reviewed and enable the Board to give due attention to matters that require consideration. In addition, there is also a Collections Advisory Group, which includes specialist advisers as appropriate and provides expert advice relating to the Museum collections. In May 2019, the creation of two further working groups were agreed; the Fundraising Working Group and Museum Development Project Working Group, which were due to be populated in 2020, however due to COVID-19 pandemic the working groups have not yet been developed further.

The Board of Trustees meets at least three times a year at which they review proposals presented to them by the Committees and steer the management of the Museum. One of three annual Board meetings focuses on the long-term strategic direction of the Museum.

Accreditation

The Museum is part-funded by the Ministry of Defence through an annual grant-in-aid of, in this reporting period, £38,769 (this is reviewed annually), and must therefore meet certain expectations placed upon it by the Army including the Museum's continued adherence to the Army's heritage strategy and the requirement to remain fully Accredited by Arts Council England. The Museum was first awarded Accreditation by Arts Council England in 2011 and was successful in its subsequent renewal in 2015 (registration no 1775). The next invitation to submit for renewal was expected in the first half of 2020 but due to the pandemic Arts Council England has announced a delay to renewals, and the Museum's accredited status has been extended until spring 2022. Ensuring the Museum's readiness for this will be a key activity for the coming year.

OBJECTIVES AND ACTIVITIES

Objects for Public Benefit

The objects of The Gurkha Museum Trust are stated in the Constitution; "To advance education in particular but not exclusively by the provision of The Gurkha Museum and the preservation and maintenance of the Brigade collection; and to promote the efficiency of the Armed Forces by upholding the traditions and ethos of the Brigade of Gurkhas and perpetuating its deeds."

Aims and Objectives

- Maintain, for posterity, collections and artefacts associated with Britain's Gurkhas and actively provide open public access, and academic research facilities, to promote military scholarships and public education and understanding.
- Encourage visitors of all ages, genders and ethnic identities to visit, or otherwise engage with, the Museum to learn about and enjoy the unique history of Britain's Gurkhas, and to promote and educate the public in the history of Gurkhas and their culture in Nepal.
- Engage with local communities, schools, special interest and disability groups and Nepalese community groups in providing a source of education, information and understanding of the history, culture and religion of Gurkhas and their role in the modern British Army.
- Build partnerships and networks with historical and cultural organisations, and other similar museums, to deliver more efficiently and widely promote the purpose, objectives, and activities of the Museum.
- Provide a heritage focal point for Gurkha units, past and present, and inspire future generations of British and Gurkha officers and soldiers.
- Provide the Army and other Government Departments with sources of information on historical matters unique to Gurkha service.

Public Benefit Statement

The Trustees confirm that they have taken into account the Charity Commission's general guidance on public benefit when reviewing the Charity's aim and objectives and in making decisions.

ACHIEVEMENTS AND PERFORMANCE

The impact of the Covid-19 Pandemic was, of course, the most significant issue of the reporting period, leading as it did to the legal requirement for the Museum to close to the public for much of the year. This also curtailed our lecture series and much of our education and outreach activity, as well as impacting trading income. Nevertheless, it is a matter of pride for the Trustees and staff that the Museum responded positively and professionally to the challenges, opening when allowed in a manner that ensured the safety of staff and visitors alike, diversifying its activity to ensure continued public and supporter engagement, and carefully stewarding its finances through this challenging period.

Regulatory

The Gurkha Museum continues to be exempt from the Fundraising Regulator Levy as the Charity's spend on generating voluntary income for 2019 has remained under the threshold of £100,000. The Museum registered on a voluntary basis in 2020.

Trustees

There was only one change to the composition of the Board of Trustees during the reporting period, when Major Gajendra Angdembe, Ex-Officio Trustee as Officer Commanding Gurkha Company, The Royal Military Academy Sandhurst, left that role in March and was replaced by Major Shuresh Thapa MVO.

The dedication, commitment and contribution of all Trustees is acknowledged with gratitude. It is especially important to The Gurkha Museum Trust that it remains closely connected to the serving Brigade of Gurkhas and that the views of the serving Brigade are well represented. In this respect, the Ex-officio trustees have a particularly significant role to play.

Director

The Gurkha Museum underwent a change of Director in October 2020, welcoming Dr Daren Bowyer to the role upon the retirement of Gavin Edgerley-Harris after 27 years at the Museum. Mr Edgerley-Harris's long service to the Museum and to Gurkha heritage was acknowledged by his appointment as an Officer of the British Empire (OBE), announced in the New Year's Honours on 31 December 2020.

Staff and Professional Development

A new position of Head of Fundraising and Marketing was established and filled by promotion of the Commercial Manager, Mrs Charlie Martin. Sadly, the impact of the

Covid-19 pandemic led to the termination of the two new posts of Fundraising Assistant and Administrative Assistant.

Staff underwent training and professional development as follows:

Staff	Training/webinar title	Provider
Daren Bowyer	Firearms in Museums	National Army Museum
Christine Bernáth	Coronavirus and your charity's finances update	Charity Finance Group
	Planning the Post Covid-19 Return to Work	Yellowday Training
	Leadership in a time of crisis	Museums Association
	New ideas to enhance and support mental health initiatives: Now and in the post-COVID-19 working environment	St John Ambulance
	Covid-19: Key legal issues for charities	AiM
	Supporting disabled visitors in the post-COVID world	SEMDP
	Emergency First Aid at Work	British Red Cross
Charlie Martin	Bid Writing Session	SEMDP
	AIM Fundraising Forum	AiM
	Fundraising After COVID-19: Challenges and Opportunities	Institute of Fundraising
	Skilling up on Virtual Fundraising and Events	Institute of Fundraising
	Demonstrating Impact	Stronger Kent Communities
	Hallmarks at Home – Marketing and communication as we open up	AiM
Doug Henderson	Museum Essentials: Working With Collections	Museums Association
	Museum Essentials: Working Ethically	Museums Association
	Introduction to Medals, Part I: Identification	NAM
	Introduction to Medals, Part II: Care	NAM
	Introduction to Medals, Part III: Display	NAM
	Preparing to reopen: case studies from independent museums	AiM
	How do we get through this? Tips for personal resilience from the Network for Resilience in Wales	AiM
	Digital Access and Inclusion for your visitors: Producing content	SEMDP
Hombahadur Pun	Emergency First Aid at Work	British Red Cross

Due to the furloughing of the Museum Assistants for the majority of 2020, there was no CPD for these members of staff apart from Hombahadur Pun's Emergency First Aid at Work Course. The Trust is committed to the training and development of its staff and will endeavour to ensure further professional development for the Museum Assistants next year.

Visitors

The biggest single impact of the Covid-Pandemic was the reduction to visitor numbers which, at just 2,730 of all categories, was 26% of the previous year's 10,558. It was especially disappointing to us to lose all of our school visits, although we were able to host 60 pupils jointly as part of Winchester Military Museums contribution to National Science Week, shortly before the first lockdown. In addition,

as part of our programme of support to the Army, we were able to host five military unit visits during the periods we were able to be open.

The period of lockdowns gave staff the opportunity to focus more on our website, social media and online presence. A complete renewal of our website, over the summer, saw a significant uplift in the number of online visitors, including a 458% increase during the month of August when we hosted our first ever online exhibition, focussing on Gurkha service in Burma in World War Two and timed to coincide with national celebrations of the 75th anniversary of VJ day. It remains very important to us that we continue to engage the public and broaden our reach, while required to be physically closed. Our knowledge and understanding of online content and digital engagement developed rapidly through the year and we are poised to grow this area of activity substantially more in 2021.

With the Museum closed and unable to welcome visitors, we turned our attention to the visitors we could engage online through our website and social media channels. More articles and stories were added to the website and subsequently linked from social media. Daily updates to the website and a steady stream of posts on social media kept our audiences engaged and encouraged new visitors. Consequently, we saw an increase of traffic to our website from 22,034 in 2019 to 38,114 in 2020, an uplift of 73%. In August 2020, we changed our usual summer exhibition to an online version, hosted on our website and social media channels. We saw 12,311 users on the website through that month, a 458% increase against the same month in 2019. In view of the success of this exhibition in engaging both existing and new audiences, we produced another online exhibition in November, which saw a 74% increase in users against the same period the previous year during the 11 days it was live. In future, online exhibitions will be a regular part of the output of our digital programming and engagement plans.

Due to the Museum closure, social media was our most vital source of fundraising, communications and engagement throughout 2020. Using Facebook to advertise our first online exhibition in August, contributed to the large increase in traffic. Facebook followers have increased 21% since December 2019, with Twitter up 11%. We continue to develop new audiences on Instagram and have seen a 102% increase (557 people) in our audience on that platform since 2019. Through insights and analysis, we are continuing to learn the content that works best for our followers and what best engages people, in turn informing the communications plan for future years.

Education

As noted above, our educational impact was severely impacted by Covid closures, of both the Museum and of schools, with tight restrictions on their activities even when they were able to open.

Not just our engagement with schools but our adult educational engagement was impacted by Covid with just a single visit, in February 2020, from Romsey Proboscis Club (18 people) and 131 people engaged in outreach visits by the Museum Team.

The Gurkha Museum hosted two lectures on behalf of Winchester Military Museums in January and February before having to cancel the remaining programme for the year: Chris Gale (The Rifles Museum) on "Military Millinery: The Headwear of the Royal Marines" and Elliot Metcalfe (Horsepower Museum) on "Sabres and Shabraques: Equipping the Cavalry in War and Peace."

In addition, one of our own Lecture Curry Lunches was able to take place: Annabel Venning, journalist, author and granddaughter of General Sir Walter Walker gave a talk on her latest book *To War with the Walkers*.

Throughout the year we were able to continue supporting both the Army and the General Public, answering enquiries and conducting research, and enhanced our capability to do this remotely when staff were required to work from home.

Collections and Acquisitions

The significant new acquisitions in 2020 were:

- An unusual 'Parang Kukri' created in Malaya and donated by a former British soldier who acquired it during the Malayan Emergency.
- 3 x rare badges donated by David Harding (2 x Martingale badges of 1st Gurkha Rifles and 3rd Gurkha Rifles, and one car badge of 10th Gurkha Rifles).
- 12 x boxes of archive material and artefacts forming the Mike Barrett Archive, left to the museum by the late Lieutenant Colonel Mike Barrett OBE.
- A portrait of Field Marshal William Slim, presented by Brigadier John Anderson OBE and Lieutenant Colonel Duncan Briggs, President and Chairman respectively of the 6th Gurkha Rifles Regimental Association. This is a copy of the painting presented by the Association to the Royal Gurkha Rifles on their formation.

The Museum also allocated accession numbers to 292 items which had previously been part of the collections but not accessioned. This included the entirety of the Museum's un-accessioned photograph albums and medals, as well as the Ochterlony Collection (the papers of Major General Sir David Ochterlony GCB) and a number of belatedly accessioned archive materials.

The care of the Collections has continued throughout the various periods of closure and have not suffered any detrimental effects during this time.

Responding to Covid-19 and Remaining Engaged

While there can be no doubting the negative impact of the Covid-19 pandemic, the Trust takes pride in its response to the challenges. The Gurkha Museum was among the first museums nationally to reopen when allowed after the initial lockdown. Covid control measures were developed and implemented to facilitate this and the Museum achieved Visit Britain's "We're Good to Go" standard. We subsequently changed hand/headsets on audio items and introduced individual touch styluses for visitors in order to reintroduce interactive displays in a Covid-safe manner.

The new website launched in July 2020 allowed the successful hosting of a first ever online summer exhibition: *Remembered – Gurkhas, VJ Day, and the End of the Second World War* (1-31 August) and a subsequent one: *Unforgotten – A Commemoration of Gurkha Service and Sacrifice* (1-11 November)

Three in-house produced podcasts were released on Spotify.

Many other events planned for the year have been rescheduled for next year and in some cases alternative, online, versions are also in preparation.

We were able again to contribute to the National Army Museum's Indian Regimental Curator's Course in October by Zoom as the physical meeting could not take place.

The redesigned website also enabled us to develop our online trading to compensate for the Museum Shop being physically closed, thus reducing the trading losses we would otherwise have suffered.

Although we had to stand-down our exceptional team of volunteers, we have made sure to remain in touch with phone calls and emails. In the periods we were able to open, two volunteer briefing days were held, on 22 September and 4 November.

New e-newsletters for Friends and online subscribers were developed so that we continued to engage with key stakeholders through the closures.

Other

The Museum was very pleased to win the award for Best Product 2020 by the Association of Cultural Enterprises for its children's *Nepti* toy tiger.

Supporters

Our donor database, which includes Museum Friends, shop customers, event and lecture attendees and those who are subscribed to our newsletter list, now stands at 5,520 names. We have seen our Friends of the Museum increase by 35, 25 of whom subscribed during the period July-December, after our new website was launched giving donors a simpler registration process. We see peaks in Friends' subscriptions during online exhibitions as well as when we send newsletters out to our mailing list of 800. Our shop mailing list stands at 2,662 names who are mailed a seasonal brochure each year. In 2020, during the period September to December, sales from this mailing equated to 68% of the year's shop income. The new website, launched in July, gave us an opportunity to fundraise and recruit donors and supporters, through a simple three-step donation method. In the last six months of 2020 we saw 84 donations amounting to £3,243.06.

Marketing the Gurkha Museum

Although marketing plans for certain areas of Museum activity were forced to be put on hold in 2020, marketing, communications and engagement on our digital channels took a significant step forward. During our first online exhibition in August,

we invested in advertising on Facebook. These adverts were targeted at two separate audiences and analysed for success. A spend of just £800 across both adverts saw 9,347 users coming to the website from Facebook, which is 75% of website users that month. Since then, we have advertised again and using data from the first Facebook adverts, have targeted to a more refined audience seeing continuing success in users to the website and engagement.

Our investment in the new website has been invaluable to our ability to fundraise and engage throughout the year. Since the website launched in mid-July we have seen improvements across all aspects including content, engagement, donations, shop sales and Friends registrations.

Between July and October, during a targeted campaign on social media, we saw our mailing list rise from 107 to 800 people, who now receive regular updates from the Museum every six weeks. These newsletters have been vital for our fundraising and engagement both during the Museum closure and after re-opening. Newsletters are used to advertise online exhibitions, upcoming events, Friends membership and the Museum's online shop.

PLANS FOR FUTURE PERIODS

The Gurkha Museum Trust continues to develop its long-term plans to fully refurbish the Museum to create a world class facility for the collection, display, and promotion of the inspiring story of Gurkha service to the British Crown over more than 200 years. The Covid-19 pandemic has delayed the process but not otherwise substantially altered plans. Indeed, good progress has been made towards the conclusion of a long-term lease agreement with the MOD, which has long been an aim of the Museum in order to regularise the current 'Tenant at Will' status. Trustees see this as a fundamental step towards launching a funding campaign for major redevelopment of the Museum, for which it is a key enabler.

In the next year we aim to continue the expansion of our individual donor and supporter base and, as we create more digital content and enhance our online presence, we expect to reach an ever wider and more diverse audience both nationally and internationally. A range of programmes is planned, inspired by the demands of national lockdowns but with longer term benefit in expanding our audience reach. Podcasts, online exhibitions and virtual lectures under a brand name *Gharma Sunnu* (Nepali for 'to listen at home') will augment our physical activities and events; a virtual tour will be added to the website; and we plan to digitise large parts of the collection, making it accessible to a much wider audience.

The McDonald Gallery, our principal multi-function space will be refurbished to improve facilities for lectures, exhibitions and display of key art works, as well as improving its commercial potential. We will develop plans for refurbishment of the library and implement this when funding allows to improve the facilities available to researchers and increase our capacity for events at the museum.

Opened in the early 1990s, the Museum really only tells the story of Gurkha service to that point with the Falklands conflict being the last major operation fully featured.

Much has happened in the world since then and Brigade of Gurkhas contribution to operations in Iraq and Afghanistan, in particular, must now be told. An interim update, in advance of the major redevelopment, is now planned to rectify this.

To facilitate better remote working, the use of digital communications and the robustness and resilience of our IT provision, improvements are planned to the WiFi provision and data storage will be migrated to cloud based systems.

It is hoped and expected that the next year will see finalisation of the long-term lease for the building, noted above. This confirmation of security of tenure will open the door to wider plans for redevelopment and application to key donors and grant funders.

The Gurkha Museum trust takes pride in its navigation of the challenges created by the Covid epidemic and in its adaptability. It has come through a difficult year in a good state and well poised for future development.

RISK MANAGEMENT

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Museum's operational performance, including risks to personnel and volunteers.
- The Museum's ability to achieve its objects.
- Meeting the expectation of visitors and supporters.
- The Museum's reputation and integrity.
- The Museum's assets.

The Trustees identify and review these risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks in a timely manner. Where possible and appropriate, risks are covered by insurance.

FINANCIAL REVIEW

Admissions

Admissions income at £8,145 was notably reduced by the Covid-related closures, reaching slightly less than 50% of the previous year's figure of £16,585.

Other trading Income

Other trading income (shop and bar sales, hire of the McDonald Gallery, archive and research fees lecture fees) amounted to £63,544 against a prior year total of £85,378 (just less than 75%), which in the circumstances we regard as a very successful result. Shop sales, in particular, at £55,868 against a prior year of £59,829, are testament to the effort put into developing a significantly improved online offer, which then held up well while the Museum was closed. The significant reductions on

previous year, entirely down to the pandemic-enforced closures, were in Gallery Hire (£2,113 in 2020 against £11,230 in 2019, a fall of over 80%), Bar Sales (£2,967 in 2020 against £6,808 in 2019, a fall of 56%) and Lectures (a fall of 75% from £7,025 in 2019 to £1,738 in 2020).

Voluntary Income

Grant income of £101,840 remained close to the 2019 level, but included grants made from the Government's Coronavirus Job retention scheme.

Friends' subscriptions of £9,344 also remained close to level but we were pleased to see an increase in other donations from £28,500 in 2019 to £41,850 in this period. There was also a small uplift in the Gift Aid we were able to claim. Late in the year we were very grateful to receive a bequest of over £50,000 from the estate of the late Mr Derek Underwood, a legator not previously known to us. This most generous bequest brought our total Donations and Legacy income for the period to £105,820, more than double 2019's result.

Expenditure

Total Expenditure came to £390,003, an increase of £15,472 over 2019. This reflects the uplift in the post of Head of Fundraising and Marketing and funding in the early part of the year a new post of fundraising assistant and an administrative assistant, both of which were subsequently discontinued.

Overall outturn, then, was an operating loss of just under £60,000, a £10,000 improvement on the prior year and better than had been planned. Despite this planned operating deficit, the performance of our investments, as summarised below, led to an overall strengthening of the Balance Sheet of £17,600.

INVESTMENTS

The Investment Fund (The Armed Forces Charities Growth & Income Fund Account)

Despite the hiatus brought on by the pandemic, the Investment Fund posted a positive return for the year of 9.08%, markedly outperforming the benchmark's 3.83% performance. Given that the fund was down by over 20.0% at one point this was quite a remarkable turnaround reflecting the key role played by central banks and the unprecedented amounts of liquidity that they injected into the financial system. In addition, Blackrock's asset allocation decisions driven primarily by a significant overweight to US (and in particular mega techs) versus UK equities was a key attributor to performance.

The Friends' Fund (The Charities UK Bond Fund Account)

Over the course of 2020 the CUKBF produced a positive return of 6.65% versus a benchmark return of 6.56%.

RESERVES POLICY

The Trustees have reviewed their reserves policy in the light of the Museum's current development plans and having considered the Charity Commission's guidance *Charity Financial Reserves*. The aims and objectives of the Museum are set out earlier.

Designated Reserves

The Museum has sustained operating deficits for three years and is expected to do so again in 2021. The Museum is investing in modernising the display of its collection and in new fundraising capabilities, but it might be some years before these investments allow the Museum to return to an operating break-even position. The Trustees believe it is important to maintain the current collection in good order to continue its current level of activities such as its outreach programme, particularly to local schools and Gurkha communities, and to develop its digital capability and presence. Accordingly, the Trustees have designated an Investment Fund of £1m to be used to generate income sufficient to fund a further year of operating deficit. The Investment Fund takes account of the recent history of both investment returns and the levels of operating deficits. The Investment Fund is held solely to generate income to fund the deficit during this transitional phase and may not be used for any other purpose without the express prior approval of the trustees.

Further, the trustees believe that the investment in modernising the exhibitions and the new fund-raising capabilities will continue to require a significant level of one-off expenditure in 2021. Accordingly, the Trustees have designated a Development Fund of £250,000 to fund this investment. The Development Fund is not available for ongoing expenditure. Draws on the Development Fund may only be made by prior approval of the Risk and Audit Committee and use of the funds for permitted purposes is monitored by the Trustees.

In addition, historically Friends of the Museum have made donations for the specific purpose of replenishing the Museum's displays and archives and these donations have been allocated to a designated fund for that specific purpose. As at 31 Dec 2020 this fund stood at £192,248.

In total, therefore, as at 31st December 2020 the Museum held designated funds for specific purposes of £1,442,248 which are not available for on-going expenditure.

Free Reserves

In addition to the above designated reserves, the Trustees also have regard, when assessing the Museum's level of free reserves, to its working capital needs plus a contingency to cover interruptions to its activities (e.g. damage to the building or other events requiring closure over a lengthy period, as came to pass in 2020 as a result of the Covid Pandemic). In the light of the uncertainty due to the Pandemic, the Trustees sought to ensure that a minimum of £400,000 was maintained in cash or liquid investments, which is sufficient to cover 12 months of operating expenditure.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales and Northern Ireland 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 and FRS 102;
- 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 operation.

The Trustees are responsible for keeping proper 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 also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATION

Signature:



Name:

M.R. Brooks

Appointment:

Chairman of Trustees

Date: 20 May 2021

INDEPENDENT EXAMINERS REPORT

Independent examiner's report to the Trustees of The Gurkha Museum Trust
I report to the Charity Trustees on my examination of the accounts of The Gurkha Museum Trust for the year ended 31st December 2020.

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 confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.



P E H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date 20 May 2021

THE GURKHA MUSEUM TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2020

		<u>Unrestricted funds</u>		<u>2020</u>	<u>2019</u>
		<u>General</u>	<u>Designated</u>	<u>Total</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
INCOME FROM:	Note				
Donations and legacies	2	94,894	10,926	105,820	49,381
Other Trading Activities	3	71,689	0	71,689	101,936
Grants received	4	101,840	0	101,840	101,316
Investments	5	46,865	4,031	50,896	51,688
Total		315,288	14,957	330,245	304,321
EXPENDITURE ON:					
Charitable Activities	6	318,171	4,354	322,525	307,281
Governance Costs	7	65,835	1,643	67,478	67,250
Total		384,006	5,997	390,003	374,531
		(68,718)	8,960	(59,758)	(70,210)
Net gains (losses) on Investments	11	72,891	4,467	77,358	160,601
NET INCOME/(EXPENDITURE)	14	4,173	13,427	17,600	90,391
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward	14	573,740	1,428,821	2,002,561	1,912,170
Transfer between Funds				0	0
TOTAL FUNDS CARRIED FORWARD	14	577,913	1,442,248	2,020,161	2,002,561

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

THE GURKHA MUSEUM TRUST

BALANCE SHEET AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible Fixed Assets	10	579	939
Investments	11	1,701,842	1,718,727
CURRENT ASSETS			
Debtors	12	6,375	10,954
Stock		28,896	36,960
Cash at bank and in hand		296,282	251,540
		331,550	299,454
CREDITORS			
Amounts falling due within one year	13	(13,810)	(16,559)
NET CURRENT ASSETS		2,033,971	2,019,120
NET ASSETS		2,020,161	2,002,561
FUNDS			
Unrestricted funds	14		
General funds		577,913	573,740
Designated funds	15	1,442,248	1,428,821
TOTAL FUNDS		2,020,161	2,002,561

The financial statements were approved by the Board of Trustees on 20 May 2021 and were signed on its behalf by:

Signed Martin Brooks
 Name MARTIN BROOKS
 Position Chairman & Trustee

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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', 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, as modified by the revaluation of certain assets.

Financial Reporting Standard 102 – reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS102. 'The Financial reporting Standard applicable in the UK and Republic of Ireland: The requirements of Section 7 Statement of Cash Flows.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees. In practical terms all funds are used solely for the purpose of maintaining and running The Gurkha Museum and improving the display, artefacts, archives and library. General Funds includes an investment portfolio and this fund is expendable. The interest from the invested income and the dividends is used as the working capital for the day to day operation of the Museum, to include salaries. It is the Trustees' policy to preserve and increase capital for the fund so that the interest is able to make up any funding gap created by the withdrawal of MOD funding. It is the Trustees' aim to build this fund to a sum where the annual income from dividends and interest will be sufficient to replace the withdrawal of all MOD funding. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Allocation and apportionment of costs

Expenditure is analysed between charitable support costs, governance and costs of generating funds. Items, which involve more than one cost category are apportioned as appropriate to the cost categories involved.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Taxation

The charity is exempt from corporation tax on its charitable activities.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going Concern

The Trustees have considered the financial position of the Charity and believe it is currently a going concern. While the Museum is going through this transition phase of investment and development and the outlook following COVID-19 outbreak remains unclear its reserves and cash levels are reviewed regularly during the year by the Risk and Audit Committee and the reserves policy will be reviewed annually by the Trustees. Consequently, the financial statements have been prepared on a going concern basis..

Heritage assets

The collections of the Gurkha Museum predominantly consist of donations which are considered heritage assets under the terms of the Statement of Recommended Practice as issued by the Charities Commission. The heritage assets of the Gurkha Museum have been excluded from the balance sheet due to a lack of valuation, as no financial value has historically, or is currently, placed on items donated to the Museum. Furthermore in accordance with the Code of Ethics for Museums, to which the Gurkha Museum must adhere to as an Accredited Museum, the disposal of any collections cannot be made principally for financial reasons.

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	General £	Designated £	2020 Total £	2019 Total £
2. DONATIONS AND LEGACIES				
Friends Subscriptions	0	9,344	9,344	9,693
Donations	41,850	0	41,850	28,500
Gift Aid	2,116	1,582	3,698	2,824
Legacies	50,928	0	50,928	8,364
	94,894	10,926	105,820	49,381
3. OTHER TRADING ACTIVITIES				
Admissions	8,145	0	8,145	16,585
Shop Sales	55,868	0	55,868	59,829
Bar Sales	2,967	0	2,967	6,808
Gallery Hire	2,113	0	2,113	11,230
Archive & Research	358	0	358	459
Lectures	1,738	0	1,738	7,025
Other Income	500	0	500	0
	71,689	0	71,689	101,936
4. GRANTS				
Grant in Aid	38,769	0	38,769	37,264
HQBG Grants	50,000	0	50,000	50,277
Other Grants	13,071	0	13,071	13,775
	101,840	0	101,840	101,316
5. INVESTMENTS				
Dividends and interest	46,865	4,031	50,896	51,688

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	General £	Designated £	2020 Total £	2019 Total £
6. CHARITABLE ACTIVITIES				
Support Services	280,861	4,354	285,215	263,807
Trading Costs	37,310	0	37,310	43,474
	318,171	4,354	322,525	307,281

7. GOVERNANCE COSTS

Office and Administration	14,706	0	14,706	13,717
Proportion of Director's salary	25,000	0	25,000	25,000
Friends postage, newsletter & AGM costs	0	1,643	1,643	2,498
Trustees expenses and meeting costs	0	0	0	1,872
Audit & Accountancy	20,898	0	20,898	20,495
Legal Fees	5,231	0	5,231	3,668
	65,835	1,643	67,478	67,250

8. TRUSTEE'S REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020.

Trustee's expenses

Total expenses of £0 were repaid during the year (£284 2019).

9. STAFF COSTS

	2020 £	2019 £
Wages and Salaries	229,960	191,076
Social Security costs	17,202	14,890
Pension costs	10,775	9,301
	257,937	215,267

The average number of persons employed by the charity during the year was as follows:

2020	2019
8	8

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

The key management personnel of the charity received aggregate remuneration of £110,151 (2019: £93,942).

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE FIXED ASSETS

	FF&F & Office Equip	Other Equip	Totals
	£	£	£
Cost			
At 1 January 2019	22,757	0	22,757
Additions	0	0	0
Disposals	0	0	0
At 31 December 2020	22,757	0	22,757
Depreciation			
At 1 January 2019	21,818	0	21,818
Disposals	0	0	0
Charge for year	360	0	360
At 31 December 2020	22,178	0	22,178
Net Book Value			
At 31 December 2020	579	0	579
At 31 December 2019	939	0	939

11. FIXED ASSET INVESTMENTS

	Listed Investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2019	1,466,747	251,980	1,718,727
Additions	50,158	599	50,757
Disposals	0	(145,000)	(145,000)
Revaluations	77,358	0	77,358
At 31 December 2020	1,594,263	107,579	1,701,842
NET BOOK VALUE			
At 31 December 2020	1,594,263	107,579	1,701,842
At 31 December 2019	1,466,747	251,980	1,718,727
Historical cost of Investments	2020 £	2019 £	
Historical costs	1,606,158	1,700,401	

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Prepayments and accrued income	6,151	9,846
Trade Debtors	154	1,038
Other Debtors	70	70
	6,375	10,954

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade Creditors	301	6,640
Social Security and other taxes	8,467	6,819
Accruals and deferred income	5,042	3,100
Other creditors	0	0
	13,810	16,559

14. MOVEMENT IN FUNDS

Movement in Funds Current Year

	At 01.12.20	Net movement in fund	At 31.12.20
	£	£	£
Unrestricted funds			
General Fund	573,740	4,173	577,913
Designated Fund	1,428,821	13,427	1,442,248
Total Funds	2,002,561	17,600	2,020,161

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	315,288	(384,006)	72,891	4,173
Designated Fund	14,957	(5,997)	4,467	13,427
Total Funds	330,245	(390,003)	77,358	17,600

Movement in Funds Prior Year	At 01.12.19 £	Net movement in fund £	At 31.12.19 £
Unrestricted funds			
General Fund	1,743,663	(1,169,923)	573,740
Designated Fund	168,507	1,260,314	1,428,821
Total Funds	1,912,171	90,391	2,002,561

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

	Transfer between funds £	Incoming Resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds					
General Fund	(1,250,000)	282,492	(360,483)	158,068	(1,169,923)
Designated Fund	1,250,000	21,829	(14,048)	2,533	1,260,314
Total Funds	0	304,321	(374,531)	160,601	90,391

15. Designated Funds

Friends of the Museum £ 192,248
Donations received from Friends of the Museum which are specifically designated for the purpose of replenishing the Museums displays and archives.

Investments £1,000,000
A designated value to remain invested in order to generate sufficient income from interest and dividends to fund ongoing operational costs.

Development Fund £ 250,000
An allocation towards the modernisation of the Museum during 2021 and 2022.

The Trustees designated the Investment Fund and Development fund in the light of the plan agreed during 2019 for a major modernisation and refurbishment of the Museum and its displays and the associated investment in additional people and one-off costs related to the fund-raising. Further information is given in the Report of the Trustees.

Total Designated Funds **£1,442,248**

THE GURKHA MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. RELATED PARTY TRANSACTIONS

The trustees have considered related parties and any relevant transactions. The following information is disclosed:

Trustee Colonel J. Davies MBE is also a trustee of The Brigade of Gurkhas Education and Welfare Fund, from which, grants totalling £50,000 were received during the year.

Trustee Mr J. Bulbeck is also a trustee of The 7th Duke of Edinburgh's Own Gurkha Rifles Regimental Trust, from which, a donation was received during the year of £5,000.

Trustee Colonel W. F Shuttlewood OBE is also a trustee of The 2nd King Edward V11's Own Goorkhas (The Sirmoor Rifles) Regimental Trust, from which, a donation was received during the year of £1,250 were received during the year.

Trustee Colonel C.M.J. Barnett MBE is married to Mrs L. Barnett, a Consultant at Parker Bullen LLP, a law firm that has charged £6277 in fees to the Trust in the year for legal work and advice.