

Presented to Parliament pursuant to section 44 of the Charities Act 1993

National Army Museum Account 2008-2009

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Reference and administrative information

Introduction

The accounts for the National Army Museum are presented for the financial year ended 31 March 2009. The accounts are prepared in accordance with a direction given by the Secretary of State for Defence under Section 30(3) of the National Heritage Act 1983 and law applicable to charities in England and Wales.

The National Army Museum is a charity registered with the Charity Commission (reference no. 237902).

Address and principal office of Museum

National Army Museum, Royal Hospital Road, Chelsea, London SW3 4HT.

Professional advisers

Bankers

Lloyds TSB Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Charles Russell
8-10 New Fetter Lane
London
EC4A 1RS

Penningtons
Bucklersbury House, 83 Cannon Street
London
EC4N 8PE

Auditors

The Comptroller and Auditor General
151 Buckingham Palace Road
London
SW1W 9SS

Internal Auditors

Daly, Hoggett & Co
5-11 Mortimer Street
London
W1T 3HS

Structure, governance and management

Background information

The National Army Museum (NAM) was established by Royal Charter in 1960 to collect, preserve, and exhibit objects and records relating to the Regular and Auxiliary forces of the British Army and of the Commonwealth, and to encourage research into their History and Traditions. Devolved status was accorded to the Museum under the terms of the National Heritage Act 1983. The annual Grant-in-Aid, made through the Ministry of Defence (MOD), is administered by the Director of the Museum on behalf of the governing body, the Council of the National Army Museum.

Appointment of members of council

At a Privy Council Meeting on 22 May 2002, Her Majesty The Queen approved amendments to the Royal Charter of the National Army Museum. In line with para 7(2) of the amended Royal Charter the Members of Council at the date on which the Article came into effect, who had been nominated by the Army Board continued to be Members of the Council and the *ex officio* Members ceased to be Members from that date. In line with para 7(3) of the amended Royal Charter, vacancies in the Membership occurring after the coming into effect of the amended Royal Charter are filled by persons nominated by the Council and approved by the Army Board. Para 8(1) of the amended Royal Charter states that the Chairman of the Council of the National Army Museum shall be nominated by the Council from among its Members and shall hold office (unless he or she shall earlier resign) for the residue of the period for which he or she has been appointed a Member. General Sir Jack Deverell was elected Chairman of Council at the 125th Meeting on 7 September 2005.

Council has chosen to subscribe to the Commissioner for Public Appointments Code of Practice for Public Appointments Procedures. In particular, Members of Council have affirmed their commitment to the Seven Principles of Public Life.

A Register of Interests is maintained for Members of Council. This may be inspected on request at the Museum by prior appointment with the Director.

Members of council

Admiral Sir Jeremy Black GBE KCB DSO

Mr Mihir Bose

General Sir Jack Deverell KCB OBE (Chairman)

The Rt Hon Lord Freeman PC MA FCA CRAeS

The Rt Reverend Peter J Nott

Mr Richard Nunneley MBE

Professor Brian Holden Reid MA PhD FRHistS FRGS FRUSI

The Lady Vaizey CBE

Major General Charles G C Vyvyan CB CBE MA MSc.

Recruitment, appointment and training of trustees

New Members of Council are sought through national advertisement with subsequent applicants being interviewed by members of Council assisted by external assessors. Recommendations are then made for approval by the Army Board. All new trustees receive information as laid down by the Charity Commission. They also visit the Museum for Induction training provided by the Museum Director.

Organisation structure and decision-making process

The overall direction and operation of the NAM is vested in the Council of the Museum. The Council of the National Army Museum consists of up to nine members who serve for a period of three years from the date of their nomination. The day-to-day operations are controlled by the Director of the NAM with the assistance of a Management Team.

The following were the members of the Management Team during the year

Dr Alan J Guy	Director
Dr Peter Boyden	Assistant Director (Collections)
Mr Mike O'Connor	Assistant Director (Operations)
Mr David Smurthwaite	Assistant Director (Museum Services) (until 24 October 2008)
Mrs Deborah Harris	Assistant Director (Museum Services) (from 10 November 2008)
Ms Teresa Scott	Assistant Director (Human Resources) (from 22 September 2008)

Frequent meetings of the Management Team take place, together with meetings involving Heads of Department and subject specialists to ensure the smooth running of the NAM, with reference to the Museum Mission Statement and the Museum's Risk Management Policy and Matrix of Risks. The Matrix of Risks, which is regularly updated, is used as the basis of Internal Audit.

Objectives and activities

Review of activities

The National Army Museum (NAM) sustained its visitor growth for another year, with visitor numbers totalling 215,721.

Continuing the policy of identifying and implementing 'Quick-Wins' to enhance the visitor experience while planning for longer-term improvements, two smaller-scale exhibitions were opened this year: *Money and Might 1784-1820*, and *The World's Army: Empire, Commonwealth and Dominions at War 1914 – 1945*. Both are aimed at a non-specialist audience and embed learning opportunities within visually engaging spaces.

At the end of the year the Museum was pleased to learn that it had been awarded Full Accreditation by the Museums, Libraries and Archives Council (MLA) (RD1815). The Museums, Libraries and Archives Council Accreditation Scheme sets nationally agreed standards for UK museums. To meet the requirements of the scheme, museums must demonstrate that they achieve clearly defined standards relating to governance and management, services for users, visitor facilities and collections management. Full Accreditation status signifies to the Museum's stakeholders and visitors that it is in 'good running order', and is of much importance.

Achievements and Performance

Access and audience development

The Council believes that a core objective for the Museum is to provide the widest possible access to its Collections and to the knowledge and expertise of its staff. This is undertaken in a variety of ways and demands the commitment and energy of members of staff at all levels. It is achieved through public events, lending objects to other museums, assisting researchers in the Templer Study Centre, answering enquiries on a daily basis, providing formal learning sessions but perhaps is achieved most thoroughly through public access to the Museum. Admission to the Museum and to all its exhibitions has remained entirely free of charge since the NAM opened in 1960, and this commitment to free public access is demonstrated in much of the work the Museum does.

Once again visitor attendance at the Museum has risen. In 2007-2008 a total of 201,038 visitors were recorded at NAM Chelsea, but in 2008-09 the figure was 215,721, a rise of some 7.3 per cent over the previous year. Achieving this increase reflects credit on the Museum, particularly in a period of recession when a downward trend in tourist visits might well be expected.

A selection of visitor comments gives a snapshot of the success the Museum has had in reaching new audiences:

Amazing + unexpected. I had never heard of the Museum before, I only came after seeing a tube advertisement. The best museum I have visited in London! Thank you

We came for an hour and stayed all day!

Engaging and thought provoking.

I found the staff very, very helpful, and informative. Thank you

Best Military museum I have seen.

Special exhibitions and permanent galleries

The period 2008-2009 was a period of development and consolidation. The continuing topicality and remarkable public response to the exhibition *Helmand: The Soldiers' Story*, induced the Museum to keep it open longer than planned, and this gave staff the opportunity to create some smaller exhibitions in other galleries. The period also saw the closure of the long-running Modern Army Gallery, in preparation for a redisplay that will bring the most recent 40 years of the Army's history to life, including not only the broader stories of conflict and military technology but also the personal stories of the men and women who have served. This exhibition, entitled *Conflicts of Interest*, is due to open in September 2009, and will build upon the many positive public comments received for *Helmand*:

Excellent museum – The Helmand exhibition was very moving – use of participants own filming was extraordinary + innovative – surely something we will have more of

Wonderful moving exhibition. Pity the politicians can't come to see it maybe then they wouldn't be so quick to send our boys

Helmand exhibition very powerful and moving, more about putting every day life into perspective not just history

Very well done, the detail, the historic info, I could go on. And the Helmand (lack of sun and sand in my lungs) I was there again.

On 24 October 2008 the Museum launched an online exhibition about the contribution to the British Army and the land forces of the Crown of soldiers from the Commonwealth. *Black Asian British Army* is not only the Museum's most sophisticated virtual exhibition to date, it is also the first non-acquisition project to be funded by the Heritage Lottery Fund (HLF) for whose support we are very grateful. Overall, much was achieved for the modest cost of £65,000 which included the £50,000 HLF grant. The Museum's holdings on soldiers, both male and female, from Africa, Asia and the West Indies are extensive but uneven, with (for example) excellent coverage of South Asia

between c1800 and 1947, and East Africa 1939-1945, but with only patchy holdings from the West Indies and China. The exhibition had to overcome this problem and to bring the story up to date by including the stories of recent service by men and women from minority ethnic backgrounds. This was achieved by exploring the subject from the perspective of famous Black and Asian personalities: James Skinner, Mary Seacole, Walter Tull and Johnson Beharry VC; a timeline approach to factors that affected the role of non-Europeans in the Army; and a series of profiles of Commonwealth servicemen and women, including Dame Kelly Holmes. The website is by no means merely didactic, as visitors also have the opportunity to comment upon the exhibition, play online games and download educational materials.

The exhibition is aimed primarily at members of ethnic communities in the 16 to 30 age group who do not regularly visit museums. The online launch was supported by five related lunchtime lectures and coincided with special events to mark the opening of *The World's Army* display in the World Wars Gallery. Not only has the project allowed the Museum to bring its existing Collections to a new audience but it has also been possible to strengthen parts of its holdings, in particular through conducting oral history interviews with serving and recently retired service personnel from Black and Asian backgrounds. Perhaps the greatest benefit from the *Black Asian British Army* project was that it demonstrated to the HLF and other stakeholders the Museum's ability to produce a high quality product to deadline.

The World's Army: Empire, Commonwealth and Dominions at War 1914 – 1945 was the title of the new Special Exhibition opened on 25 October 2008 within the World Wars Gallery. In an approach similar to the Action Zone in Changing the World, interactive exhibition media were used to offer alternative entry points to the educational messages offered in the Gallery's existing displays. The central message of *The World's Army* is that the two World Wars had a global reach and made an unprecedented impact on those involved. The goal is for the exhibit not to provide an exhaustive history of the two World Wars, but to be a 'taster', prompting the visitor to explore the rest of the gallery and discover more.

In the very last week of the financial year, the next phase of the redisplay of the circulation area opened, entitled *Money and Might*. This permanent exhibition covers the period 1784 to 1820, following on from the *War for America 1775-1783* ramp display developed last year and using the same creative mix of styles. The use of a costume figure, graphic interpretative panels, contemporary objects and text aimed at both adults and children, sets the tone for future displays. With this model in mind, all the circulation area corridors will be redeveloped in turn and will link the permanent galleries together in a seamless chronological display. The *Money and Might* exhibition is intended to continue the development of themes from the *Making of Britain* displays and introduce the ideas that are explored currently in the *Changing the World* Gallery. It is built around four key themes relevant to modern society: why British people and soldiers are located throughout the world; the formation of Empire; cultural diversity in the armies serving the British, and dynastic struggles in Europe and the rest of the world. It seeks to engage with a multi-cultural audience, in particular with content relating to Indian and West Indian soldiers, and to North America and provides an exciting, engaging and visually appealing display, with text written for an average visitor with a reading age of 12 years old. A new life-sized figure of Private George Rose of the 73rd (Highland) Regiment is one of the major attractions, explaining that black people were serving in the British Army at this time and illustrating the history of movements of people around the Empire. As there are no items in the collection relating to George Rose, it was felt that a costumed mannequin of him (based on the details from his discharge and pension records in The National Archives at Kew) was a good way to tell his story.

The Museum, in all its exhibitions, continues to illustrate how individual soldiers and the Army as an organisation have contributed to the development of Britain and the world as we know it. The permanent displays are

The Making of Britain 1066-1783

Changing the World 1784-1904

World Wars 1905-1945

Fighting for Peace 1946-2009.

Although, naturally Special Exhibitions tend to gather most press coverage and visitor comment, it is encouraging to note that our visitors still find in the permanent galleries a source of inspiration, enjoyment, education and pleasure:

Excellent exhibitions, particularly pre 1900 and art in all parts of the Museum. I was very impressed with the depth of explanation

This is the most interesting and informative well displayed museum we have visited in London.

Inspiring learning for all

Learning is at the heart of the NAM's visitor offer, incorporating formal taught sessions, learning opportunities in the galleries, and themed special events for all the family. Most areas of the Museum experienced growth in take up this year, visits to the Templer Study Centre rose from 1166 in 2007-2008 to 1253 during 2008-2009.

The success and quality of the Museum's offer are indicated by this small sample of the comments left by visitors:

Very good experience for myself and 10 year old son. My son summed it up when he said 'nobody really wins a war'

I never got in close to the reality of war as here and now. That reality was presented with much respect for the simple soldiers and the human being behind every soldier

An excellent experience + worth many more visits, came with grandson.

Formal learning

Pre-booked formal learning sessions are offered to school groups of all ages, adult learners and Army groups. Attendance at these sessions saw a large overall increase on last year's figures, particularly among sixth form and Army groups. This is a vote of confidence in the quality and variety of education sessions now on offer – and many school groups show their appreciation by booking repeat visits. While school group sessions are carefully tailored to the needs of the curriculum, adult sessions may be based upon topical issues (such as the Afghanistan conflict), offer a bespoke introduction to the Museum or provide young Army recruits with a glimpse of the history and traditions of the Army. A decline in the percentage of adult learners this year is noted; there is no obvious explanation for this and it will be interesting to observe trends in the next Financial Year.

	2008-2009	2007-2008	Percentage increase
Primary school	3,796	3,732	1.7
Secondary school	9,148	6,665	37.3
Sixth Form	983	377	160.7
Army	2,356	1,339	76
Adult	725	1,195	(39.3)
TOTAL	17,008	13,308	28

Special events and half-terms

Special events are a proven way of attracting family groups and occasional museum users, and this year's events were no exception. The Family History Week was unusually popular and provided an opportunity to show visitors many of the fascinating resources accessible to family history researchers through the NAM's Templer Study Centre. The events planned to accompany the launch of the new Special Exhibition in the World Wars Gallery were particularly successful and demonstrated the ongoing public demand for information on the First and Second World Wars.

Lunchtime Lectures and Conferences

The NAM offers a mix of free and ticketed lectures, delivered by academics, enthusiasts or the Museum's own staff. Attendance at the Museum's free weekly lunchtime lectures saw a 29.3 per cent rise this year, attracting a total audience of 2967 (against 2295 in 2007-2008). Visitors who wish to study a particular period in some detail and depth are encouraged to attend the Museum's twice-yearly conferences, dealing with the Napoleonic Wars and First World War respectively.

Action Zone

After the great success of the Kids' Zone with younger visitors, the Museum saw an opportunity to incorporate similar experience-based learning aimed at older children and families throughout the galleries. The first dedicated Action Zone built into a permanent gallery was opened on 1 August 2008. The opening was marked by a Victorian themed activity weekend from 2-3 August called 'Soldiers of the Queen'. The ethos behind the creation of action zones is to build interactive spaces into the main galleries that are sympathetic to the current style, but offer exciting new opportunities for hands-on learning. Whilst the current Changing the World Gallery has much to offer in the way of fascinating objects and information, the aim of this action zone was to create new interactive displays, games and activities to enrich learning and enjoyment. The team worked hard at developing a multi-sensory approach to the central theme of a soldier's life in the first half of the nineteenth century. Two key messages are threaded through the interpretation: that a soldier's life was very hard in this period, and an understanding of the huge diversity in terms of people, culture and language that made up the British Empire. This examination of themes to which visitors readily respond, such as health and hygiene, crime and punishment, and movement around the world, wholly embraces the Museum's Purpose to reconnect the Army with society. Aimed at a family audience, the Action Zone allows visitors to put themselves in the shoes of a soldier from 200 years ago. Visitors can run the gauntlet and try to survive the dangerous and disease-ridden nineteenth century on a pin-ball machine, and test themselves at loading and firing a genuine (specially adapted!) musket. Traditional museum cases with grim-looking surgical instruments, and words, images and artefacts from all corners of the globe have been added but with a twist: visitors get to guess what they are and where they come from. The Action Zone complements the campaign details from the rest of the gallery by immersing visitors in the world of a nineteenth-century soldier through many different media and learning styles. It allows the Museum to bring more life and engagement to the gallery and assess public reaction in the years before the long-term redevelopments are carried out.

Collections management and care

The Museum's collections management programme includes a number of strands that, combined, ensure that the Collection remains relevant, accessible and cared for. New acquisitions and planned disposals work together to shape the collection in ways that reflect the Museum's needs and responsibilities and enable us to tell the stories that our visitors want to hear. Reviews of discrete parts of the Collection are undertaken as resources permit, and are an ongoing part of curatorial work. More will be done in this area in future years and will focus in particular on the collections stored in the Museum's two outstations at Sandhurst and Stevenage. The appointment of a Conservation Manager in 2008 has helped to accelerate work on the improvement of storage areas. Several large purchases of equipment were made this year to enable the Museum to improve its collections care through the use of specialist technology. A Hanwell Radio Telemetry Environmental Monitoring System was installed at NAM Chelsea, as well as the outstation at Stevenage. This system continuously records the temperature, relative humidity, visible and ultra-violet light in the collection stores, exhibition areas and conservation studios, enabling important records to be kept and immediate action to be taken when fluctuations are spotted. At the Sandhurst outstation Hanwell data-loggers were installed in storage areas to record temperature and relative humidity. To further enhance the long-term preservation of the Collections, an Integrated Pest Management (IPM) Strategy was created and implemented at all three Museum sites.

Major acquisitions, 2008-2009

Throughout the year the curators looked out for potential acquisitions that would fill gaps in the Collections, pack a punch in our displays, or provide new insights to researchers.

Without doubt the Museum's most significant acquisition this year was the portrait of Major-General James Wolfe (1727-1759) by J S C Schaak. After a successful high-profile public appeal to save it from export, this painting was purchased with grants from the National Heritage Memorial Fund, the Garfield Weston Foundation, the Society of Friends of the National Army Museum (SOFNAM), The Art Fund and public donations. As has more than once been the case, SOFNAM was first to act, for which we are very grateful. In the decade following General Wolfe's death Schaak's little painting was the most famous image of him and it is also the earliest accurate portrait of him at the moment of victory. Displayed at Wolfe's childhood home in Westerham (Kent) until 2007, it is now on view in the Making of Britain Gallery (NAM. 2008-05-25).

SOFNAM also gave generously to purchase an oil painting by Daniel Cunliffe (*fl.* 1826-1855), depicting the 6th (1st Royal Warwickshire) Regiment of Foot on exercise while stationed at Portsmouth in 1843. It shows the regiment carrying out a manoeuvre to cross a bridge, formed in companies, and is full of engaging life-like details, not least of identifiable persons (NAM. 2008-08-17).

A beautiful early nineteenth-century silver vase by Benjamin Smith was purchased during the year. The vase was awarded by Lloyd's Patriotic Fund to Major John Hamill of the Royal Regiment of Malta for his contribution to the British victory at the Battle of Maida in 1806. Sadly, Hamill was killed during the French capture of Capri on 4 October 1808 – six weeks before the vase would have reached him. The Lloyd's Patriotic Fund still exists to support servicemen and women (NAM. 2009-01-1).

The Museum's collection of rare and unusual medals was increased by the addition of a silver medal commemorating the death in 1722 of John Churchill, 1st Duke of Marlborough (NAM. 2008-04-55), and by a medal group awarded in 1917 to Sergeant James Robert Mackie, 2nd Battalion, Black Watch (Royal Highlanders), including the Wauchope Medal for Gallantry. Only 60 Wauchope Medals were ever issued, ordered by Colonel Wauchope, who wanted to recognise the gallantry of non-commissioned officers and men during the First World War (NAM. 2008-12-110). Sergeant Mackie had distinguished himself in operations near Baghdad.

The NAM's Collections of books and archives are used by researchers drawn from among academics, family historians and the Museum's staff and new acquisitions are made most weeks to ensure that they grow in scope and depth. Some of the highlights this year included the archives of the Royal Army Educational Corps, formerly at Beaconsfield (NAM. 2008-04-60 onwards), and three diaries of Major A C Lowe of the 16th Lancers, 1822-1840, covering his service in India and the First Afghan War, and describing the work of escorting convicts from England to Tasmania aboard the ship *Proteus* (NAM. 2008-06-38). Another officer's diary, that of Major Gustavus Hume, 38th Regiment of Foot, gives a personal insight to events in the Indian Mutiny, including his voyage out to India and subsequent service at the relief of Lucknow (NAM. 2008-06-39).

Although the Museum already has a fine collection of material to illustrate the Boer War, new acquisitions in this field continue to add to our understanding of this very important conflict. Notable acquisitions this year were 217 items of correspondence and memorabilia of Colonel Charles Vernon Hume, aide-de-camp to Lord Roberts, and of his son Reginald Vernon Hume, associated with the Boer War and the First World War (NAM. 2008-11-51), and 65 letters and other documents written by Major Charles Leonard Cotton from South Africa while serving with the 3rd (Prince of Wales's) Dragoon Guards in 1901 (NAM. 2008-11-67). One further fascinating group of family papers acquired this year was the collection of 86 manuscript letters and notes written by Lieutenant (later Captain) Edwin Utterton of the 23rd (Royal Welch Fusiliers) Regiment of Foot, to his mother and his sisters during the Crimean War and Indian Mutiny (NAM. 2008-12-76).

The Museum rarely has the opportunity to acquire early printed military documents, so it was with pleasure that a set of 29 supplements to the *London Gazette*, dated 1693-1710 were added to the Collection this year, not least because many of them are now unique, or exist in only one other known copy. The supplements contained the latest news of British military affairs on the Continent and include the earliest published account in English of the Duke of Marlborough's victory at Blenheim (NAM. 46847 to 46875). A small but significant object acquired this year for the Department of Weapons, Equipment & Vehicles was a silver watch, presented to Corporal James Smith VC, 1st Battalion, The Buffs (East Kent Regiment), to celebrate his award of the Victoria Cross in 1899. One of a group answering a call for volunteers, Smith followed two Royal Engineer officers, Lieutenant James Morris Colquhoun Colvin VC and Lieutenant Thomas Colclough Watson VC, in an attack on the village of Bilot, in the Mamund Valley on the North-West Frontier of India. Despite being wounded Smith continued to fight, evacuate the wounded and hold the position during 16 and 17 September 1897 until the return of the officer who had gone to summon assistance. It is inscribed on the back of the case: 'Presented to Corpl J. Smith. VC, by his comrade corporals 1st 'The Buffs' in commemoration of the presentation to him of the VC, Kamptee 5th July 1899'. As the Museum owns the Buffs Regimental Collection, it is very pleasing to add to it when suitable pieces become available (NAM.2008-06-6).

In this year the Museum also acquired an English basket-hilted broadsword, made around 1610, which fills a gap in the otherwise comprehensive sword collection. It has an 'Irish' hilt of ribbon-like bars and damascened patterns worked in gold and the double-edged blade carries the running wolf mark originally of Passau but possibly Solingen (NAM. 2008-09-7).

Two new acquisitions were made which will enhance the Museum's ability to tell stories about the First World War – a protective face mask for tank crew, c1917, and a Thornton-Pickard gun camera Mk III H, made by converting a Lewis gun into a camera. This type of gun camera was used to train aerial gunners during the First World War. The gun is fitted with a box containing the film and a glass reticule that has a target plane imprinted on it. The trainee 'fires' the gun camera at the 'target', which is imprinted on the film and appears in the developed photograph. The trainee also had to change the magazine in flight. Each time the magazine is changed a pin pierces the film, to prove it (NAM. 2008-12-190).

The mask, now a rather rare item, would have been issued to tank crew members to prevent 'bullet splash' from German Type 'K' armour piercing machine-gun bullets. Fragments of lead sprayed into the tank through the vision slits. Non-armour piercing rounds could penetrate the armour at close range and in greater concentrations. Whatever the need for such masks, it is likely that they were rarely used due to the stressful conditions during battle, darkness, noise and intense heat (NAM. 2008-10-28).

Purchase grant

The Purchase Grant of £115,000, with £78,373.97 carried forward from last year's grant, was expended upon the following important objects this year:

Accession number	Object	Net price £	Purchased from
2008-05-25	Major-General James Wolfe, 1759. Oil on canvas by J S C Schaak after a drawing by Capt Hervey Smyth, 1760.	58,360.00 from the total price of 308,750.00 plus grants from NHMF, the Garfield Weston Foundation, SOFNAM, The Art Fund and public donations.	Anonymous
2008-05-4 to -24	21 various prints	1000.00	Grosvenor Prints
2008-06-13	Convalescent soldiers arriving by boat on the Thames, en route for the hospital in the grounds at Cliveden. Oil on canvas, 1917, by Dame Ethel Walker.	19,250.00 for 2008-06-13 to 31	David Cohen Fine Art
2008-06-14	Horse-drawn transports, possibly an artillery train, passing the ruined Cloth Hall, Ypres, 1917. Oil on paper with overdrawing by Capt C G Holiday, Royal Field Artillery.	As above	David Cohen Fine Art
2008-06-15	'A Driver, the WSL.' study of a driver in the Women's Legion Motor Section. Oil on paper by Godfrey H Brennan, c1917.	As above	David Cohen Fine Art
2008-06-16	2nd Bn Auckland Regiment in no-man's land with a tank of D Coy, New Zealand Division approaching, on 14/15 Sept 1916. Watercolour by Fortunino Matania.	As above	David Cohen Fine Art
2008-06-17	Panorama of the battlefield from Hell Fire Corner on the Menin Road towards Hooge, 3rd Battle of Ypres, 1917. Watercolour by Capt Alfred John Billinghamurst, RBA.	As above	David Cohen Fine Art
2008-06-18	Two British soldiers in an observation balloon spot a distant aeroplane, c1917. Watercolour by S J Jessett, 1919.	As above	David Cohen Fine Art
2008-06-19	Two British soldiers in an observation balloon being fired on by a German biplane, c1917. Watercolour by S J Jessett, 1919	As above	David Cohen Fine Art
2008-06-20	Soldiers standing about on the platform beside a train at Victoria Station, 1918. Watercolour by Henry Couch.	As above	David Cohen Fine Art
2008-06-21	A member of the WAAC drives a motorcycle with an officer in the side car. Watercolour by Ludovic Rodo Pissarro.	As above	David Cohen Fine Art

Accession number	Object	Net price £	Purchased from
2008-06-23	Two wounded tommies in 'hospital blues' walk past posters encouraging the public to buy Bonds. Watercolour by Ludovic Rodo Pissarro.	As above	David Cohen Fine Art
2008-06-24	'Richmond Park', a despatch rider of the WAAC in Richmond Park, c1918. Watercolour by Ludovic Rodo Pissarro.	As above	David Cohen Fine Art
2008-06-25	'Bank Holiday', a soldier and a WAAC standing on a railway station platform. Woodcut by Ludovic Rodo Pissarro.	As above	David Cohen Fine Art
2008-06-26	Portrait of Doctor Edgar Bernard, RAMC, 1 January 1915. Lithograph by Lucien Jonas.	As above	David Cohen Fine Art
2008-06-27	Gott strafe this barbed wire, 1914. Ornamental plate with illustration after Capt Bruce Bairnsfather.	As above	David Cohen Fine Art
2008-06-28	The allies AD1914. Mug, bone china, with marching figures of a soldier from each country carrying their national flag.	As above	David Cohen Fine Art
2008-06-29	Coiffure in the trenches. Jug, one of a set of three, with illustration after Capt Bruce Bairnsfather.	As above	David Cohen Fine Art
2008-06-30	The historical touch – Well, Alfred, 'ow are the cakes'? Jug, one of a set of three, with illustration after Capt Bruce Bairnsfather.	As above	David Cohen Fine Art
2008-06-31	What time do they feed the sea-lions, Alf? Jug, one of a set of three, with illustration after Capt Bruce Bairnsfather.	As above	David Cohen Fine Art
2008-08-4	'Truth or Consequences' colour digital print	1000.00	Gerald Laing
2008-07-11 and -12	'FSG in contact, Operation Herrick', soldiers from 3 PARA Battle group in contact in Helmand, Afghanistan. Oil on canvas by Douglas Farthing. 'WMIK in Lashgar Gah, Helmand Province S. Afghanistan'. Acrylic, pen and ink by Matthew Cook, 2006.	1,580.00	Armed Forces Art Society
2008-11-49 and -50	'The Gordon Highlanders: Daybreak in the trenches' and 'Drummer James Roddick of the 92nd Gordon Highlanders, defending Lieutenant Menzies during hand-to-hand fighting in Kandahar'. Two watercolours by William Skeoch Cumming, 1886 and 1894.	23,287.51	Christie's
2009-01-1	Lloyd's Patriotic Fund vase. Silver, made by Benjamin Smith, awarded to Maj John Hamill, Royal Regiment of Malta, for service at the Battle of Maida, 1806.	57,500.00	Koopman Rare Art
2009-01-3, -4 and -5	Three bronze-patinated resin sculptures by Dr Mary Catterall: Bust of Gen Sir Michael Rose, Commander UNPROFOR Bosnia, 1994. Triptych, relating to the civil war in Bosnia and the role of UNPROFOR, 1994. Group sculpture of an UNPROFOR soldier with four Bosnian children.	2,310.50	LS Sculpture Casting

Accession number	Object	Net price £	Purchased from
2009-01-2	Watercolour, by Denis Dighton, c1810, showing an action during the Peninsular War, with riflemen of 95th Regiment of Foot acting as snipers, and staff officers viewing the scene through a telescope.	4,850.00	Christopher Bryant
2009-02-77	Colonel Robert Baden-Powell Boer War memorabilia teapot.	100.00	Mrs H Skeels
2009-02-12	Carved wooden figure of a soldier of the Royal West African Frontier Force, made by the Ibibio people of Nigeria, c1900.	738.00	Bonhams
2009-02-113	'Past. Present. Presently/ The salute.' Coloured photolithograph by Phil Rainger after CSC, c1903. Caricature in three vignettes.	195.00	David Cohen Fine Art
2008-06-3 to -5	Letter from the Abyssinian Field Force to Bombay, 14 Apr 1868; Letter written from a Madras hospital, 16 Feb 1786; Collection of 23 soldiers' letters from India and Burma, 1825-1858. All items from the Collection of the late Gerald Sattin.	3,544.45	Spink
2008-04-55	Silver medal commemorating the death of the Duke of Marlborough by G W Vestner	850.00	Christopher Eimer
2008-12-110	Medal group awarded to Sergeant James Robert Mackie, 2nd Bn Black Watch (Royal Highlanders), including the rare Wauchope Medal awarded for gallantry in the Battle Beyond Baghdad, 14 Mar 1917.	1,172.50	Dix Noonan Webb Ltd
2009-01-137/1	Commemorative medal designed by George Danks, commemorating the Munich Agreement.	270.00	Christopher Eimer
46847 to 46875	29 loose pages of supplements to the <i>London Gazette</i> dated 1693-1710	11,600.00	Arqive Ltd
	TOTAL	187,607.46	

Accessions to the collections

Accessions and retrospective cataloguing are entered on the Museum's centralized Collections Database and Network Infrastructure (CABAL). Access to public-facing versions of elements of the database have increased access for researchers in the Templer Study Centre, and this work will continue in the years to come. Work has also continued on the retrospective documentation of the Collections.

New Accession numbers issued in 2008-2009 totalled 1,919 (2007-08 total: 980) out of 9,501 (2007-08: 12,097) accessions entered, divided between the following departments

■ Archives, Photographs, Film and Sound	1,518 (last year: 278)
■ Fine and Decorative Art	148 (last year: 124)
■ Uniforms, Badges and Medals	120 (last year: 532)
■ Weapons, Equipment and Vehicles	133 (last year: 46)

The entry of records for existing items in the Collections continued during the year, with the following totals being entered on CABAL in 2008-2009 (figures in brackets are for 2007-08). The term 'Part Records' refers to one or more objects from an accessioned group

Data records entered:	9,501 (12,097)
Part records entered:	26,012 (31,323)

In the years 1998 to 2009, new accessions have totalled

■ Data Records	30,751
■ Part Records	99,979
■ Printed Books	3,679

The total number of entries on CABAL from 1998 to 2009 are as follows

■ Total Data Records: 86,961 + 14,517 Book Records (last year 77,597)
■ Total Part Records: 277,181 (last year 251,422)

Disposals from the collection, 2008-09

Disposal of items from the Collections is an important part of the Museum's collections management programme. Many of the items disposed of are duplicates and have been transferred to appropriate institutions, often regimental museums, to fill gaps in their collections. Combined with continued acquisition, focused disposals will ensure that the Museum's Collections remain fit to tell the story of the Army.

A major project this year was the disposal of unwanted firearms. Many of these had long ago been given to the Museum following Police Firearms Amnesties. Only a few had either the military provenance, or quality, that enabled them to be used in exhibitions. All the redundant firearms in reasonable condition were offered to other museums, but due to the increasingly complicated legislative climate, only a few were able to accept them and eventually many of them were consigned to the Police for assured destruction.

The long-term result of the Museum's disposal programme is a leaner, fitter Collection, more focused on the needs of our visitors and users, and better fitted to fulfil the demands of the Museum's Royal Charter and the Acquisition and Disposal Policy.

Date of disposal request	Accession number	Object	Result of disposal
11 Apr 08	1953-03-72	Cuirass	Transfer
2 Apr 08	Unacc	Sealed pattern shelter, rotten	Destruction
3 Apr 08	Unacc	3 misc medals, poor condition	Destruction
7 Apr 08	2002-01-90	Medals to WO2 Johns	Return
7 Apr 08	Unacc	2 suitcases, Palestine Police	Transfer
11 Apr 08	1990-04-12-4	Sealed pattern ankle boots, corroded	Destruction
17 Apr 08	Unacc	9 foreign brooches and buttons	Destruction
21 Apr 08	Unacc	Middlesex Regt embroidery, damaged	Destruction
24 Apr 08	Unacc	24 formation badges	Transfer
19 May 08	1993-07-226	9mm Sten machine gun	Transfer

Date of disposal request	Accession number	Object	Result of disposal
19 May 08	1996-07-88	German sub machine gun	Transfer
19 May 08	1965-10-206-10	Maxim machine gun	Transfer
19 May 08	1963-12-251-282	German bolt action rifle	Transfer
19 May 08	1958-09-16-3	Percussion rifled musket	Transfer
20 May 08	1993-01-104	Double-barrelled pocket pistol	Destruction
21 May 08	2001-08-1	20 mm Hispano cannon	Transfer
23 May 08	1991-09-41	Enfield Mk 2 revolver	Destruction
23 May 08	1963-12-251-248	Enfield Mk 2 revolver	Destruction
23 May 08	1991-08-67	Webley-Pryse .455 revolver	Destruction
23 May 08	1963-12-251-214	Enfield service revolver	Destruction
23 May 08	1982-04-768-1	Enfield .38 service revolver	Destruction
23 May 08	1991-09-25	Enfield .38 service revolver	Destruction
23 May 08	1963-12-251-265	Colt rimfire pocket revolver	Destruction
23 May 08	1992-01-85	Smith and Wesson .22 pistol	Destruction
23 May 08	1992-05-138	Remington .44 revolver	Destruction
23 May 08	1963-12-251-254	Colt single action .45 revolver	Destruction
23 May 08	1992-05-156	Sharps .22 derringer pistol	Destruction
23 May 08	1992-01-98	Colt .41 single shot derringer	Destruction
23 May 08	1966-01-11	Colt New Service Eley .455	Destruction
23 May 08	1992-01-92	Colt New Service Eley .455	Destruction
23 May 08	1992-01-76	Smith and Wesson .38 revolver	Destruction
23 May 08	1982-04-748	Smith and Wesson .38 revolver	Destruction
23 May 08	1982-04-769-1	Enfield .38 Mk 2 revolver	Destruction
23 May 08	1992-06-64	French naval service revolver	Destruction
23 May 08	1965-10-204-81	French army 11mm revolver	Destruction
23 May 08	1992-06-60	French naval service revolver	Destruction
23 May 08	1960-11-168	American Bull Dog .38 revolver	Destruction
23 May 08	1999-04-36-1	Belgian military revolver	Destruction
23 May 08	1964-05-60-24	Galand and Sommerville revolver	Destruction
23 May 08	1965-10-204-67	Hammerless pocket revolver	Destruction
23 May 08	1964-05-60-57	Belgian Pryse type .32 revolver	Destruction
23 May 08	1965-10-204-98	Belgian copy of Colt revolver	Destruction
23 May 08	1992-06-106	Spanish .455 revolver	Destruction
23 May 08	1964-05-60-56	Belgian single shot .22 pistol	Destruction

Date of disposal request	Accession number	Object	Result of disposal
23 May 08	1992-06-104-1	Spanish .455 revolver	Destruction
23 May 08	1964-05-59-77	Spanish .455 revolver	Destruction
23 May 08	1992-06-103	Spanish .455 old pattern pistol	Destruction
23 May 08	1992-06-102	Spanish .455 revolver	Destruction
23 May 08	1992-06-100	German 10.6mm service revolver	Destruction
23 May 08	1965-10-204-80	Spanish .455 revolver	Destruction
23 May 08	1965-10-204-77	Pinfire .38 revolver	Destruction
23 May 08	1992-06-96	Belgian .45 revolver	Destruction
23 May 08	1999-04-37-1	Continental .22 pocket revolver	Destruction
23 May 08	1959-04-246	Continental saloon pistol	Destruction
23 May 08	1992-06-95	Hopkins and Allen .38 pistol	Destruction
23 May 08	1965-10-204-64	French hammerless .32 pistol	Destruction
23 May 08	1965-10-204-97	Montenegrin revolver	Destruction
23 May 08	1992-06-87-1	Belgian .32 purse revolver	Destruction
29 May 08	1965-10-204-55	Belgian 8mm pocket pistol	Destruction
29 May 08	1964-05-60-25	Galand and Sommerville revolver	Destruction
29 May 08	1964-05-60-44	Lignose 6.35 pocket pistol	Destruction
29 May 08	1963-12-251-246	Astra Bergman Bayard pistol	Destruction
29 May 08	1992-06-72	Roth-Steyr 8mm service pistol	Destruction
30 May 08	1963-12-251-240	Roth-Steyr 8mm service pistol	Destruction
30 May 08	1992-06-71	Steyr-Hahn 9mm service pistol	Destruction
30 May 08	1963-12-251-188	Walther P39 9mm pistol	Destruction
30 May 08	1989-05-213	Luger P08 9mm pistol	Destruction
30 May 08	1964-05-59-40	Luger 9mm pistol	Destruction
30 May 08	1964-05-60-14	Mauser 7.65 mm pocket pistol	Destruction
5 Jun 08	1992-06-69	Stey-Hahn 9mm pistol	Destruction
5 Jun 08	1993-04-395	Japanese 8mm pistol	Destruction
5 Jun 08	1993-04-399	German 9mm P08 pistol	Destruction
5 Jun 08	1971-11-39	Webley .455 service revolver	Destruction
5 Jun 08	Unacc	Starr percussion pistol	Destruction
5 Jun 08	2006-05-5-1	Webley and Scott Mk3 pistol	Destruction
5 Jun 08	Unacc	Greener signal pistol Mk 3	Destruction
5 Jun 08	Unacc	Signal pistol	Destruction
5 Jun 08	Unacc	German flare pistol	Destruction

Date of disposal request	Accession number	Object	Result of disposal
5 Jun 08	Unacc	Mauser 7.63mm pistol	Destruction
5 Jun 08	Unacc	Mauser 7.63mm pistol	Destruction
5 Jun 08	Unacc	New service Eley pistol	Destruction
5 Jun 08	Unacc	Double-barrelled signal pistol	Destruction
5 Jun 08	Unacc	Signal pistol	Destruction
5 Jun 08	Unacc	'Ideal' pen gun	Destruction
5 Jun 08	1965-10-204-109	Webley and Scott 9mm pistol	Destruction
5 Jun 08	1991-08-109	Webley and Scott .455 navy pistol	Destruction
5 Jun 08	1993-07-227	Sterling 9mm machine carbine	Destruction
5 Jun 08	1965-10-204-46	9mm Sten sub-machine gun	Destruction
5 Jun 08	1993-07-234	Sten 9mm sub machine gun	Destruction
5 Jun 08	1965-10-204-6	9mm Sten sub machine gun	Destruction
5 Jun 08	1993-07-237	9mm Sten sub machine gun	Destruction
5 Jun 08	1991-09-52	4 14.5mm Iraqi machine gun barrels	Destruction
5 Jun 08	1978-11-62	7.92mm V237 Czech machine gun	Destruction
5 Jun 08	1999-01-133	Soviet PK 7.62mm machine gun	Destruction
5 Jun 08	1978-11-70	PPsh-41 7.62 sub machine gun	Destruction
5 Jun 08	1978-11-63	Degtyarev 7.62mm machine gun	Destruction
5 Jun 08	1965-10-206-2	Arisaka 6.5mm machine gun	Destruction
5 Jun 08	1992-11-65	Japanese 6.5mm machine gun	Destruction
5 Jun 08	1996-08-237	French 7.62mm machine gun	Destruction
5 Jun 08	1963-12-251-10	Madsen 9mm sub machine gun	Destruction
5 Jun 08	1996-08-236	Armalite 5.56mm rifle	Destruction
5 Jun 08	1965-10-204-14	Garand M1 .30 rifle	Destruction
9 Jun 08	1963-12-251-82	Winchester .351 rifle	Destruction
9 Jun 08	1963-12-251-115	Lee Model 1895 6mm rifle	Destruction
9 Jun 08	1965-10-204-36	Marlin model 1889 .32 rifle	Destruction
9 Jun 08	1965-10-206-1	Browning .30 automatic rifle	Destruction
9 Jun 08	1964-05-59-36	Russian Winchester 7.62mm rifle	Destruction
9 Jun 08	1963-12-251-75	Colt Lightning .32 rifle	Destruction
9 Jun 08	1964-05-59-26	Winchester Model 1866 .45 rifle	Destruction
9 Jun 08	1963-12-251-88	Springfield .45 rifle	Destruction
9 Jun 08	1996-08-243	Remington .45 rifle	Destruction
9 Jun 08	1996-07-89	Hungarian 7.62mm rifle	Destruction

Date of disposal request	Accession number	Object	Result of disposal
9 Jun 08	1978-11-71	Kalashnikov AK47 7.62mm rifle	Destruction
9 Jun 08	1981-01-10	Simonov 7.62mm carbine	Destruction
9 Jun 08	1996-08-246	Arisaka 6.5mm bolt action carbine	Destruction
9 Jun 08	1992-08-173	Mauser 7.62mm bolt action rifle	Destruction
9 Jun 08	1992-08-178	Mauser 7mm bolt action carbine	Destruction
9 Jun 08	1963-12-251-49	Mauser 7mm bolt action carbine	Destruction
9 Jun 08	1992-11-62	Mauser 7.92mm bolt action rifle	Destruction
9 Jun 08	1965-10-204-22	Mauser 11mm bolt action rifle	Destruction
9 Jun 08	1965-10-204-112	Mauser 11mm bolt action rifle	Destruction
9 Jun 08	1996-08-260	French Chassepot 11mm rifle	Destruction
9 Jun 08	1983-05-71	Armalite 5.56 AR180 rifle	Destruction
9 Jun 08	1963-12-251-179	Trulock and Harris .45 rifle	Destruction
9 Jun 08	1996-08-257	Lang .450 breechloading rifle	Destruction
9 Jun 08	1993-07-74	Westley Richards .450 carbine	Destruction
9 Jun 08	1965-10-204-47	Martini-Enfield .303 carbine	Destruction
16 Jun 08	Unacc	Royal Artillery mess jacket, damaged	Destruction
16 Jun 08	1993-07-67	.22 Martini-Henry conversion	Destruction
16 Jun 08	1978-11-46	Bolt action .303 Lee Enfield	Destruction
16 Jun 08	1963-12-251-58	.303 bolt action rifle	Destruction
16 Jun 08	1993-07-62	Lee Enfield .22 rifle	Destruction
16 Jun 08	1983-05-4	L1A1 7.62mm self-loading rifle	Destruction
16 Jun 08	1993-07-129	Miniature .22 bolt action rifle	Destruction
16 Jun 08	Unacc	Relic 08/15 machine gun, 1918	Destruction
16 Jun 08	Unacc	Argentine 9mm Halcon	Destruction
16 Jun 08	Unacc	Armalite AR180	Destruction
16 Jun 08	Unacc	Sten Mk II	Destruction
23 Jun 08	Unacc	Case, mortar, 81 mm L4A1	Destruction
23 Jun 08	Unacc	Wooden trunk	Destruction
23 Jun 08	Unacc	Pillar, marble or faux marble	Destruction
23 Jun 08	Unacc	White painted pillar, chipped	Destruction
23 Jun 08	Unacc	Trunk with metal handles	Destruction
23 Jun 08	Unacc	Wood box, painted	Destruction
23 Jun 08	Unacc	Wooden trunk	Destruction
23 Jun 08	Unacc	Aluminium trunk	Destruction

Date of disposal request	Accession number	Object	Result of disposal
23 Jun 08	Unacc	Bakery tray	Destruction
23 Jun 08	Unacc	Wood trunk, painted	Destruction
23 Jun 08	Unacc	Epidiascope box	Destruction
23 Jun 08	Unacc	Wooden trunk	Destruction
23 Jun 08	Unacc	Lioness printing plates	Destruction
23 Jun 08	Unacc	Leather suitcase	Destruction
23 Jun 08	Unacc	Wood trunk, green painted	Destruction
8 Jul 08	1996-08-216	Replica Enfield musket	Transfer
8 Jul 08	Unacc	Replica Indian pattern musket	Transfer
8 Jul 08	Unacc	Replica Baker rifle	Transfer
23 Jul 08	Unacc	Royal Artillery uniform, damaged	Transfer
8 Aug 08	Unacc	Helmand ex-display objects	Destruction
28 Aug 08	Unacc	Misc ex-MAT DLI archives	Transfer
28 Aug 08	1978-02-56	Sectionalised Vigilant missile	Transfer
28 Aug 08	1992-03-18	Vigilant missile	Transfer
28 Aug 08	1992-03-19	Vigilant missile launcher	Transfer
1 Sep 08	Unacc	Misc ex-MAT hovercraft documents	Transfer
1 Sep 08	Unacc	Misc ex-MAT RMP documents	Transfer
1 Sep 08	Unacc	2 messages to Orkney men	Transfer
3 Sep 08	Unacc	Misc ex-MAT RA documents	Transfer
3 Sep 08	Unacc	Misc ex-MAT RA documents	Transfer
3 Sep 08	Unacc	Misc ex-MAT RA documents	Transfer
11 Sep 08	1956-02-964	German shell fuse, relic, H&S hazard	Destruction
11 Sep 08	1959-10-238	3 German shell fuses, H&S hazard	Destruction
11 Sep 08	1965-01-168	German shell fuse, H&S hazard	Destruction
11 Sep 08	1965-10-155	Boxer time fuse, H&S hazard	Destruction
11 Sep 08	1969-06-18	75mm time fuse, H&S hazard	Destruction
11 Sep 08	1969-06-20	German shell fuse, H&S hazard	Destruction
11 Sep 08	1969-06-21	British shell time fuse, H&S hazard	Destruction
11 Sep 08	1976-08-15-23	German time fuse, H&S hazard	Destruction
11 Sep 08	1976-08-15-34	Mk I No.1 aircraft fuse, H&S hazard	Destruction
11 Sep 08	2001-01-410	Shell fragment fuse cap, H&S hazard	Destruction
11 Sep 08	2002-01-34	German anti-aircraft fuse, H&S hazard	Destruction
11 Sep 08	2002-01-35	German high explosive fuse	Destruction

Date of disposal request	Accession number	Object	Result of disposal
12 Sep 08	Unacc	Model Wolds Wagon	Transfer
12 Sep 08	1993-07-21	Uniform items of Gen Chesney, rotted	Destruction
25 Sep 08	Unacc	RAF cardboard clothing patterns	Transfer
1 Oct 08	Unacc	Container for anti-tank round	Destruction
6 Oct 08	Unacc	Naval cardboard clothing patterns	Transfer
8 Oct 08	24031, 24032	Roll of the Indian Medical Service	Transfer
9 Oct 08	Unacc	Metal uniform trunk	Destruction
9 Oct 08	2001-08-751	Pieces of shell fragment	Destruction
20 Oct 08	1993-06-18	Display case, poor condition	Destruction
13 Oct 08	Unacc	Buttons, 98 th & 38 th Regt	Transfer
13 Oct 08	Unacc	MHS Bulletin issues (duplicates)	Transfer
14 Oct 08	Unacc	<i>HMS Campania</i> board	Transfer
22 Oct 08	Unacc	Ex-MAT documents	Transfer
22 Oct 08	Unacc	Ex-MAT documents	Transfer
23 Oct 08	Unacc	Kukri & scabbard	Destruction
23 Oct 08	Unacc	2 knives, Indian	Destruction
24 Oct 08	Unacc	Grenadier Guards buttons	Transfer
30 Oct 08	Unacc	16 Black Watch buttons	Transfer
30 Oct 08	1991-11-27	6 iron cannons, coastal defence	Transfer
30 Oct 08	Unacc	Empty box for model soldiers	Destruction
30 Oct 08	Unacc	82 Notts & Derby Regt buttons	Transfer
31 Oct 08	2001-04-290	9mm Sten submachine gun c1941	Transfer
31 Oct 08	2001-04-288	Bren .303 light machine gun	Transfer
2 Dec 08	Unacc	16 NAAFI tokens	Transfer
12 Dec 08	Unacc	MAT documents	Transfer
12 Dec 08	Unacc	MAT documents	Transfer
15 Dec 08	Unacc	69 Indian Army buttons	Transfer
23 Dec 08	2003-08-24	Rickshaw from Hong Kong, damaged	Transfer
6 Jan 09	1998-10-2	Gate from St Luke's Church, rusted	Destruction
13 Jan 09	Unacc	Buttons relating to Yorkshire regts	Transfer
15 Jan 09	Unacc	Microfilms for <i>The Times</i>	Destruction
19 Jan 09	Unacc	Various items of footwear	Transfer
19 Jan 09	1963-12-185-12	Pair of Wellington boots	Transfer
19 Jan 09	1963-09-586-10	Pair of Wellington boots	Transfer

Date of disposal request	Accession number	Object	Result of disposal
19 Jan 09	1960-03-60-1	Pair of butcher boots	Transfer
21 Jan 09	Unacc	Scottish military buttons	Transfer
23 Jan 09	1982-10-15-2	Tin of Brasso, well rusted	Destruction
28 Jan 09	Unacc	Various items of footwear	Transfer
30 Jan 09	Unacc	3 pistols and 2 barrels	Destruction
4 Feb 09	1994-06-10	WRAC mess notice board	Destruction
18 Feb 09	1998-09-83	Dyson trailer	Sale
10 Feb 09	Unacc	Bulb for anti-aircraft searchlight	Destruction
18 Feb 09	1998-09-84	Mighty Antar Mk 1 tractor	Sale
18 Feb 09	1997-01-61	Mighty Antar Mk 3 tractor	Sale
13 Feb 09	Various	35 volumes of DNB, obsolete	Destruction
25 Feb 09	2005-06-23	Plastic box, sealed pattern	Transfer
25 Feb 09	2005-06-13	Bacon slicing machine, H&S hazard	Destruction
25 Feb 09	2005-06-46	Shovel handle, SP	Transfer
25 Feb 09	Unacc	Various sealed patterns	Transfer
13 Mar 09	1992-08-526	6 OR's button fragments, damaged	Destruction
27 Mar 09	1992-08-524	Officer's button, 57th Regt, damaged	Destruction
27 Mar 09	1992-12-173	Shoulder title, 57th Regt, damaged	Destruction
27 Mar 09	1992-08-519	German army waistbelt clasp, rusty	Destruction
27 Mar 09	1992-08-520	German navy shoulder straps	Destruction
30 Mar 09	1992-01-22	Button, French or Dutch	Destruction
31 Mar 09	39409	Michelin Motoring Atlas 1992	Destruction

Outward loans

The Museum continued to lend objects from its Collections to important exhibitions worldwide. Sending loans out to other museums is a useful way of increasing access to our Collections outside central London and enables the NAM's objects to be seen in new settings.

A rare flintlock dog-lock musket was sent to Oudenaarde for an exhibition marking the 300th anniversary of the battle, 'Oudenaarde 1708: A City, A King, A Commander'. Several precious early photographs taken by Surgeon John McCosh of the Bengal Army completed the final leg of their international tour at the Musée d'Orsay, Paris after being displayed in the Metropolitan Museum of Art, New York and the National Gallery of Art, Washington. The Museum was pleased to support this exhibition of British calotype photography, entitled 'Impressed by Light', by lending from its important collection of early photography. Following an earlier temporary loan, the Museum agreed to lend the Colour of the 1st Battalion, 5th Regiment of the Napoleonic Kingdom of Holland to the Legermuseum (the Museum of the Dutch Army) in Delft, on a long loan basis to complement their permanent displays.

Closer to home, this year the Museum's evocative portrait of Colin Mackenzie in Afghan dress was lent to Tate Britain for the exhibition 'The Lure of the East: British Orientalist Paintings', following its very successful showing last year at the Yale Center for British Art in New Haven, Connecticut.

Archives and watercolours from the Museum's extensive collection of Crimean War material were lent to the Wellcome Collection's well-received 'War and Medicine' exhibition. The items lent included a contemporary drawing by Lieutenant Henry John Wilkinson, 1st Battalion, 9th Regiment of Foot, and moving letters written by soldiers and officers during the campaign.

Twice this year the Museum's Collection was called upon by the Imperial War Museum to fill gaps in their temporary exhibitions. 'Frontlines: Three Contemporary Artists in Iraq and Afghanistan' displayed an acrylic by the artist Matthew Cook, showing an incident in Iraq in 2003, and 'From War to Windrush' included a photographic postcard of the troopship *Empire Windrush* as well as an eighteenth century letter from Charles Wyndham, 2nd Earl of Egremont, to William Lyttelton, Governor of Jamaica.

Regional support

The NAM were the project managers for redisplay of The Royal Inniskilling Fusiliers Regimental Museum, Enniskillen, Northern Ireland. The project, developed over a number of years, was HLF-funded and involved the redisplay of the Collection over three floors within the listed Castle Keep. The project was completed to budget and opened to the public in June 2008. Work included the development of the conceptual brief, detail design, realisation and project management.

Advice was also given to a number of other Regimental Museums, including the Light Infantry Museum in Winchester, The Museum of the Adjutant General's Corps, and the Royal Regiment of Fusiliers (Royal Warwickshire), for whom the NAM acts as Curatorial Adviser, the Policy Committee of the REME Museum of Technology, and The Soldiers of Gloucestershire Museum.

The Buffs Gallery at the Beaney Institute in Canterbury, administered by Canterbury City Council, closed to the public on 8 November 2008 as part of preparatory work leading to the closure of the whole building for restoration and refurbishment, following a major HLF grant. The Museum's staff planned and implemented a careful removal of all the items within the Gallery, all of which have now been brought back to Chelsea or stored at the two NAM outstations. This has given staff the useful opportunity to revisit and review the Buffs Collection. The Beaney is expected to reopen in summer 2011, and in the meantime the Museum has been pleased to lend a silver-plated centrepiece from the Buffs Collection to be displayed at the Museum of Canterbury.

Professional education was provided to some 20 Regimental Museum Curators who took part in the two courses run by the NAM in curatorial theory and practice during the year.

The development of NAM trading activities

National Army Museum Trading Ltd. (NAMTL), a private limited company (Company No. 6707366), exists to help the National Army Museum realise its commercial potential. In so doing it assists the Museum to meet its overall aims and objectives through the provision of revenue to support the operation of the NAM, and provide a commercial service to all Museum users both in Chelsea and worldwide. NAMTL is a wholly owned trading subsidiary of the National Army Museum and its registered office is at the National Army Museum, Royal Hospital Road, London SW3 4HT. NAMTL began trading on 1 February 2009.

NAMTL is expected to market the NAM as part of the Museum's aim of developing audiences, telling the story of the British Army, reinforcing the Museum brand, and encouraging sponsorship. NAMTL is committed to delivering the highest standards of customer service in all its activities and to generating the maximum benefit for the Museum. As part of this process the company seeks to achieve business development while safeguarding the intellectual property assets of the Museum. Responsibility for the operation of NAMTL lies with its Directors.

NAMTL results for the period to 31 March 2009 showed a small loss of £2,193 due to the lower levels of activity at this time of year. Overall the Museum's profit from trading activities was largely unchanged at £39,738 (2007-08 £39,487).

Future plans

The following years will see exciting developments both in the galleries and in the Chelsea building itself. Plans are in train to redesign two of the permanent galleries within the next few years, and to upgrade the existing building to enable it to cope with increasing visitor demand. A major permanent exhibition covering the last 40 years of the Army's history, entitled *Conflicts of Interest*, will open in September 2009, and a new display area known as The White Space will open in June 2009. This space will host a rolling programme of thematic displays, giving visitors a chance to see artworks, photographs and archives not normally on public view.

Financial review

Consolidated results for the year ended 31 March 2009

Total incoming resources for the Museum in 2008-2009 amounted to £6,463,956 (2007-2008 £6,246,519). The principal funding source of the Museum is Grant-in-Aid funding received from the Ministry of Defence. In 2008-2009 this was £5,734,886 (2007-2008 £5,479,521). Total resources expended amounted to £6,592,498 (2007-2008 £6,425,397). After adjustment for notional charges, the revaluation of the Museum's leasehold property and other recognised gains and losses, the net movement in funds for the year showed a decrease of £1,571,479 (2007-2008 increase of £604,688). This decrease was due to the downward revaluation of the Museum's leasehold property and amortisation charged on this property which totalled £2,061,941.

The Museum's net assets as at 31 March 2009 amounted to £23,817,282 (31 March 2008 £25,388,761).

Changes in fixed assets

Movements in fixed assets are shown in note 8 to the accounts. The Museum had its leasehold property independently revalued at 31 March 2007 and details of this revaluation are also shown in note 8.

Policy on reserves

The NAM's reserves, are defined for the purposes of this policy, as the amounts shown as 'Investments' and 'Net Current Assets' which are attributed to unrestricted funds. As at 31 March 2009, the level of the Museum's reserves stood at £ 1,196,147 (31 March 2008 £1,102,832).

The NAM aims to build up its restricted funds so that they can be used as needed in accordance with restrictions imposed by the donors.

Grant-in-Aid funds are used to support the day to day operations of the NAM.

The NAM aims to grow its unrestricted funds by means of prudent investment so that it has sufficient funds available to deal with such matters that arise as are not covered by Grant-in-Aid.

Investment policy

The NAM invests surplus funds other than Grant-in-Aid in prudent investments with the aim of maximising funds towards the future development of the Museum. As a result these funds will be invested in British Government Fund Gilts, Cash Investments and Equity Bond Funds. Professionally managed equity based funds which have long-term growth as their key objective are also acceptable.

The NAM is not permitted to invest Grant-in-Aid funds.

Relationship with related parties

Details of related parties and transactions with these parties are shown in note 17 of the financial statements.

Payment of creditors

The Museum adheres to the Government-wide standard on the payment of creditors by aiming to settle all undisputed bills within thirty days or in accordance with suppliers' terms of business.

The Museum's actual payment performance during the year was that 100 per cent (2007-2008 100 per cent) of bills were paid within the thirty day target.

Equal opportunities and disabled persons

The Museum is committed to managing staff solely on the basis of actual performance in the job and to considering new applicants solely on the basis of ability to do the job, and is seeking ways to encourage applications from people with disabilities. The Museum has issued an Equal Opportunities Policy, and monitors staff and applicants' disability status, as well as their age, ethnic background and marital status.

Employee involvement

Senior Management maintain communication with NAM employees through Health and Safety Committee Meetings with staff and trade union representatives as well as through departmental meetings, informal meetings, and by internal memoranda. In addition, there is regular access to Human Resources and Finance Committee Meetings, which report formally to the Director.

Sickness absence data

The National Army Museum employed 87 members of staff (79 full-time and 8 part-time) and monitored sick absence as part of its commitment in promoting the health, safety and welfare of all members of staff. Information collated from the Department of Human Resources is available to the NAM Council who are responsible for identifying potential risks arising from any patterns that may occur. During 2008-2009, there were 739 (full time equivalent) days lost to sick absence; the top causes being Influenza (16 incidents) Stomach Ache (15 incidents) and Back Ache, Cold and Headaches (14 incidents). 372 days were for long-term absences associated with investigations/operations and recuperation periods.

During the period, the average number of days' sickness absence per employee was 4.76 (long-term incidents of sickness absence have been excluded to give a more accurate picture of sickness absence at NAM).

A policy on the management of attendance is in place to promote arrangements for dealing with sickness absence in a manner, which is fair and sensitive to staff, as well as minimising the effect of absences on the NAM's operational requirements.

Personal data loss

The Museum has not identified any personal data related incidents during 2008-2009. An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if released, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Museum.

Post balance sheet events

There have been no post balance sheet events up to and including the date of signature of these accounts, which might affect the reader's understanding of the financial statements.

Auditors

These accounts are audited by the Comptroller and Auditor General in accordance with the Museum's Royal Charter. No non-audit services are provided to the Museum by the auditor.

The cost of the audit for 2008-2009 is £8,650 (2007-2008: £8,450).

So far as the Accounting Officer is aware, there is no relevant audit information of which the Museum's auditors are unaware. Furthermore, the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant information and to establish that the Museum's auditors are aware of that information.

Dr Alan J Guy
Director
1 July 2009

General Sir Jack Deverell
Chairman, on behalf of Council
National Army Museum
1 July 2009

Remuneration policy

The Director of the National Army Museum is employed by the Council of the Museum on terms and conditions that are similar to MOD civil servants. His salary is set on an annual basis by the Audit and Remuneration Committee of Council.

Other members of the Management Team are also employed on terms and conditions similar to MOD civil servants. Their salary levels are set by the Museum's Human Resources Committee and approved by the Director.

Salary and pension entitlements

the salary and pension entitlements of the Management Team of the Museum were as follows (with comparative salary disclosures for 2007-08).

	Dr A Guy £'000	Mr D Smurthwaite £'000(to 24- 10-2008)	Dr P Boyden £'000	Mr M O'Connor £'000	Miss T Scott £'000 (from 22-09-2008)	Mrs D Harris £'000 (from 10- 11-2008)
Salary including performance pay 2008-2009	95-100	60-65	55-60	55-60	55-60	55-60
Salary including performance pay 2007-2008	95-100	70-75	55-60	55-60	N/A	N/A
Real increase/(decrease) in pension and related lump sum at 60	2.5-5.0 plus 7.5-10.0 lump sum	0-2.5 plus 0-2.5 lump sum	0-2.5 plus (2.5)-0 lump sum	0-2.5 plus N/A lump sum	0-2.5 plus 2.5-5.0 lump sum	0-2.5 plus 2.5-5.0 lump sum
Total accrued pension at 60 as at 31 March 2009 and related lump sum	40-45 plus 120-125 lump sum	30-35 plus 90-95 lump sum	25-30 plus 60-65 lump sum	10-15 plus N/A lump sum	5-10 plus 25-30 lump sum	5-10 plus 20-25 lump sum
Cash equivalent transfer value as at 31 March 2009	952	715	552	109	90	90
Cash equivalent transfer value as at 31 March 2008	829	691	497	85	73	77
Real increase in cash equivalent transfer value as funded by employer	49	10	13	14	12	9

The Table above has been subject to audit.

The Opening CETV figures as 31 March 2008 may be different from the closing figures in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

None of the above received any benefits in kind during the year (2007-08 £Nil).

No members of the Council received any remuneration during the year (2007-2008 £Nil). During the year reimbursements were made to five members of the Council totalling £477 (2007-08 £194) for travel and subsistence and £530 (2007-08 £436) for hospitality.

For 2008-2009 employers' pension contributions for the Museum as a whole of £458,165 were payable to the PCSPS (2007-2008 £448,378) at rates based on salary bands as follows:

Band one	–	£19,500 and under	17.1 per cent
Band two	–	£19,501 – £40,500	19.5 per cent
Band three	–	£40,501 – £69,000	23.2 per cent
Band four	–	£69,001 and over	25.5 per cent

Rates will remain the same next year, subject to revalorisation of the salary bands. Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Salary

'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument.

Pension benefits

Pension benefits are provided through the Principal Civil Service Pension Schemes (PCSPS). This scheme is an unfunded multi-employer defined benefits scheme but the National Army Museum is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

Principal Civil Service Pension Scheme (PCSPS)

From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under the classic, premium and classic plus are increased annually in line with the changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of Premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up or commute some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

The real increase in CETV is effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2003-2004 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Dr Alan J Guy
Director
1 July 2009

General Sir Jack Deverell
Chairman, on behalf of Council
National Army Museum
1 July 2009

Statement of Council's and Director's Responsibilities

Under Section 30(3) of the National Heritage Act 1983 and law applicable to charities in England and Wales, the Council is required to prepare financial statements for each financial year which give a true and fair view of the National Army Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements, giving a true and fair view, the Council is required to

- observe the accounts direction issued by the Secretary of State in compliance with Charity Law, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

Under law applicable to charities in England and Wales, the Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable the Council to ensure that the financial statements comply with the applicable law. The Council is 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.

The Secretary of State has appointed the Director, the senior full time Museum official, as the Accounting Officer for the National Army Museum. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of Parliamentary funded (Grant-in-Aid) finances for which he is answerable and for the keeping of proper records, are set out in the Non-Departmental Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

Dr Alan J Guy
Director
1 July 2009

General Sir Jack Deverell
Chairman, on behalf of Council
National Army Museum
1 July 2009

Statement on Internal Control

Scope of responsibility

As Accounting Officer and members of Council we have joint responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives set by the Council of the National Army Museum in the Museum's Corporate Plan, while safeguarding the public funds and the Museum's assets for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned in *Managing Public Money*.

The purpose of the system of internal control

The system of internal control is designed to manage to a reasonable level, rather than eliminate all risk of failure to achieve the Council's policies, aims and objectives for the Museum; it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process of assessment and scrutiny, overseen by the Audit and Remuneration Committee of the National Army Museum Council, designed to identify and prioritise the principal risks to the achievement of the Council's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the National Army Museum for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts. The Museum believes its system of internal control accords with Treasury guidance.

Capacity to handle risk

We have responsibility for reviewing the effectiveness of the system of internal control. The Museum has established the following process to achieve this

- management seeks to identify and evaluate any risks to the Museum's business in the context of their potential impact on the achievement of the objectives set by the Council of the National Army Museum;
- the identification, and evaluation, of risk is an integral part of the Museum's performance management, with the provision of appropriate risk awareness and risk management training;
- the Museum has in place a statement of Risk Appetite and Strategy supported by a Risk Register and Matrix;
- the Museum structures already in place, or which will be introduced progressively, to manage risk, in line with the provisions of the Museum's *Corporate Plan*, *Managing Public Money*, the NAM Financial Framework, Treasury guidance and other statements of best practice;
- meetings of the Museum Director and Senior Management Team, including sub-committees of the Management Team covering Finance, Human Resources, Health & Safety at Work, Security and Governance.

The risk and control framework

The Council approved at its 120th Meeting on 30 March 2004 the Museum's Statement of Risk Appetite and Strategy and Risk Matrix. This identifies and controls risks across the whole range of its activities, including museological concerns, as well as building, security, finance, employment and governance issues. The risk matrix records and grades the key risks that the Museum faces, lists the controls that are in place to mitigate the risk, details any action required, assigns control of the risk to an individual and gives a review date and who they must report to. The Audit and Remuneration Committee of Council reviews the risk matrix annually and reports its findings to the full Council.

The National Army Museum has an externally provided Internal Audit facility. The work of the Internal Audit facility is informed by an analysis of the risk to which the Museum is exposed, and annual Internal Audit plans are based on this analysis. The analysis of risk and the Internal Audit plans are endorsed by the Audit and Remuneration Committee and approved by me. At least annually, the Head of Internal Audit (HIA) provides me with a report on Internal Audit activity in the Museum. The report includes the HIA's independent opinion on the adequacy and effectiveness of the Museum's system of internal control.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, the Audit & Remuneration Committee of Council, which oversees the work of the Internal Auditor, the Senior Management Team within the Museum, which has responsibility for the development and maintenance of the control framework, and comments made by the External Auditors, the National Audit Office (NAO), in their management letters and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Council, the Audit and Remuneration Committee of the Council and a plan to address weaknesses and ensure continuous improvement of the system is in place. Weaknesses identified from these reviews are fully considered, and agreed recommendations for improvements implemented at the first opportunity.

Dr Alan J Guy
Director

1 July 2009

General Sir Jack Deverell
Chairman, on behalf of Council
National Army Museum

1 July 2009

The Certificate and Report of the Comptroller and Auditor General to the Secretary of State for Defence

I have audited the financial statements of the National Army Museum for the year ended 31 March 2009 under the Museum's Royal Charter of 1960 as amended in 1988. These comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Council, the Director, and the Auditor

The Council and Director as Accounting Officer are responsible for preparing the Foreword and Report of Council, the Remuneration Report and the financial statements in accordance with the Charities Act 1993, and directions made thereunder by the Secretary of State for Defence, and for ensuring the regularity of financial transactions funded by Parliamentary grant ('Grant-in-Aid'). These responsibilities are set out in the Statement of Council's and Director's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Charities Act 1993 and directions made thereunder by the Secretary of State for Defence. I report to you whether, in my opinion, the information, which comprises the Financial Review, included in the Foreword and Report of Council is consistent with the financial statements. I also report whether in all material respects the expenditure, income and resources funded by grant-in-aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the National Army Museum has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the National Army Museum's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the National Army Museum's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Foreword and Report of Council and consider whether it is consistent with the audited financial statements. This information comprises the Financial Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Council and Director in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the National Army Museum's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure, income and resources funded by Grant in Aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion

- the financial statements give a true and fair view, in accordance with the Charities Act 1993 and directions made thereunder by the Secretary of State for Defence, of the state of the National Army Museum's affairs as at 31 March 2009 and of its incoming resources and application of resources for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Charities Act 1993 and directions made thereunder by the Secretary of State for Defence; and
- information, which comprises the Financial Review, included within the Foreword and Report of Council is consistent with the financial statements.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas CE Morse
Comptroller and Auditor General

3 July 2009

National Audit Office
151 Buckingham Palace Road
Victoria London
SW1W 9SS

Statement of financial activities

	Notes	Unrestricted Funds £	Restricted funds £	Restricted Grant in aid funds £	Total Funds 2008-2009 £	Total Funds 2007-2008 £
Incoming resources						
Incoming resources from generated funds						
<i>Voluntary income</i>						
Grants and donations		25,098	147,105	60,000	232,203	182,280
<i>Activities for generating funds</i>						
Commercial trading operations	5	385,797	0	0	385,797	373,705
Investment income	2	33,815	13,123	8,218	55,156	75,747
		<u>444,710</u>	<u>160,228</u>	<u>68,218</u>	<u>673,156</u>	<u>631,732</u>
Other incoming resources						
Grant-in-aid (operating)		0	0	5,619,886	5,619,886	5,364,521
Grant-in-aid (purchases)		0	0	115,000	115,000	115,000
Sundry income		50,734	0	5,180	55,914	135,266
		<u>495,444</u>	<u>160,228</u>	<u>5,808,284</u>	<u>6,463,956</u>	<u>6,246,519</u>
Resources expended						
Cost of generating funds:						
Fundraising costs of grants and donations	4	0	0	13,417	13,417	9,673
Commercial trading operations	4, 5	269,600	5,865	70,594	346,059	334,218
		<u>269,600</u>	<u>5,865</u>	<u>84,011</u>	<u>359,476</u>	<u>343,891</u>
Cost of charitable activities:						
Collections and exhibitions	4	71,689	406,812	3,819,897	4,298,398	4,046,809
Curatorial	4	0	146,624	942,398	1,089,022	1,035,109
Education	4	0	87,974	209,938	297,912	275,457
Publicity	4	28,150	29,325	384,427	441,902	618,235
		<u>99,839</u>	<u>670,735</u>	<u>5,356,660</u>	<u>6,127,234</u>	<u>5,975,610</u>

	Notes	Unrestricted Funds £	Restricted funds £	Restricted Grant in aid funds £	Total Funds 2008-2009 £	Total Funds 2007-2008 £
Governance costs	4	0	0	60,728	60,728	65,666
Notional charges	6	0	0	45,060	45,060	40,230
Total resources expended	7	<u>369,439</u>	<u>676,600</u>	<u>5,546,459</u>	<u>6,592,498</u>	<u>6,425,397</u>
Net incoming /(outgoing) resources before transfers		126,005	(516,372)	261,825	(128,542)	(178,878)
Reversal of notional charges	6	0	0	45,060	45,060	40,230
Net incoming/(outgoing) resources for the year		<u>126,005</u>	<u>(516,372)</u>	<u>306,885</u>	<u>(83,482)</u>	<u>(138,648)</u>
Other recognised gains and losses						
Unrealised gains/(losses)						
Investments		0	(48,162)	0	(48,162)	(32,636)
Revaluation of assets		1,676	(1,464,522)	23,011	(1,439,835)	775,972
Net movement in funds		<u>127,681</u>	<u>(2,029,056)</u>	<u>329,896</u>	<u>(1,571,479)</u>	<u>604,688</u>
Balances brought forward at 1 April 2008		<u>1,503,377</u>	<u>21,952,111</u>	<u>1,933,273</u>	<u>25,388,761</u>	<u>24,784,073</u>
Balances carried forward at 31 March 2009		<u>1,631,058</u>	<u>19,923,055</u>	<u>2,263,169</u>	<u>23,817,282</u>	<u>25,388,761</u>

None of the Museum's activities were acquired or discontinued during the year. All of the Museum's recognised gains and losses for the year are included above.

The notes on pages 40 to 53 form a fundamental part of these financial statements

Balance sheet

	Notes	2009		2008	
		GROUP	CHARITY	GROUP AND CHARITY	
		£	£	£	£
Fixed assets					
Tangible assets	8	19,642,336	19,642,336	21,660,482	
Heritage assets	9	2,066,103	2,066,103	1,574,872	
Investments	10	133,949	133,950	182,111	
		21,842,388	21,842,389		23,417,465
Current assets					
Stock of finished goods		42,013	0	52,957	
Debtors	11	418,007	479,707	320,163	
Cash	12	1,636,512	1,611,868	1,698,366	
		2,096,532	2,091,575		2,071,486
Current liabilities					
Creditors:					
Amounts falling due within one year	13	121,638	114,489	100,190	
Net current assets		1,974,894	1,977,086		1,971,296
Total assets less current liabilities		23,817,282	23,819,475		25,388,761
Reserves					
Unrestricted funds		1,631,058	1,615,624		1,503,377
Restricted funds	14	19,923,055	19,923,055		21,952,111
Restricted Grant-in-Aid Funds	15	2,263,169	2,280,796		1,933,273
		23,817,282	23,819,475		25,388,761

The financial statements were approved by the Council on 1 July 2009 and signed on its behalf by

Dr Alan J Guy
Director

General Sir Jack Deverell
Chairman

The notes on pages 40 to 53 form a fundamental part of these financial statements.

Cash flow statement for the year ended 31 March 2009

	Unrestricted Funds £	Restricted Funds £	Restricted Grant in Aid Funds £	Total Funds 2008-2009 £	Total Funds 2007-2008 £
Net cash inflow from operating activities (see below)	69,379	72,929	447,699	590,007	419,393
Return on investments and servicing of finance					
Interest received	33,815	6,302	8,218	48,335	68,840
Investment income	0	6,821	0	6,821	6,907
	33,815	13,123	8,218	55,156	75,747
Capital Expenditure					
Payments to acquire					
Tangible fixed assets	0	(18,356)	(197,430)	(215,786)	(137,594)
Heritage assets	(38,750)	(276,494)	(175,987)	(491,231)	(44,320)
Proceeds on sale of fixed assets	0	0	0	0	455
	(38,750)	(294,850)	(373,417)	(707,017)	(181,459)
(Decrease)/Increase in cash	64,444	(208,798)	82,500	(61,854)	313,681
Reconciliation of Changes in Resources to Net Cash Inflow/(Outflow) from Operating Activities					
Changes in resources before revaluations	126,005	(516,372)	306,885	(83,482)	(138,648)
Investment income	(33,815)	(13,123)	(8,218)	(55,156)	(75,747)
Depreciation	6,058	600,383	173,364	779,805	758,068
Loss on disposal of fixed assets	0	2,041	12,251	14,292	17,325
Increase/(Decrease) in creditors	6,716	0	14,732	21,448	(38,265)
(Increase)/ Decrease in stocks	10,944	0	0	10,944	3,811
Decrease/(Increase) in debtors	(46,529)	0	(51,315)	(97,844)	(107,151)
Net cash inflow from operating activities	69,379	72,929	447,699	590,007	419,393

The notes on pages 40 to 53 form a fundamental part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2009

1 Accounting policies

a Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice: Accounting and reporting by Charities issued in 2005 and guidance issued by HM Treasury.

The accounts have been prepared under the historical cost convention modified by the revaluation of tangible fixed assets and investments and by the inclusion of notional costs.

b Basis of consolidation

Consolidated financial statements have been prepared in respect of the charity and its wholly owned subsidiary, National Army Museum Trading Limited which was incorporated on 25 September 2008 and commenced trading on 1 February 2009.

The Consolidated Statement of Financial Activities includes the result of National Army Museum Trading Limited on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented as the charity has taken advantage of the exemptions afforded by paragraph 304 of SORP 2005.

The Consolidated Balance Sheet includes the net assets of National Army Museum Trading Limited on a line by line basis.

The financial statements of National Army Museum Trading Limited used in consolidation are those for the period ended 31 March 2009.

c Grants receivable

Revenue grants are credited to incoming resources on the earlier of the date of receipt or when they are receivable, unless they relate to a grant for expenditure in future accounting periods, in which case they are deferred.

Grants for the purchase of fixed assets are credited to a restricted fund within incoming resources when receivable.

d Voluntary income

The Museum derives voluntary income from monies placed in donation boxes in the Museum. This income is recognised in the statement of financial activities when received and is used for the purchase of artefacts.

e Tangible fixed assets and depreciation

Fixed assets are stated at their estimated current cost. For land and buildings this estimate is based on independent professional valuations obtained every five years, updated in the intervening years by the application of appropriate indices. For other assets, the estimate is based on historic cost updated thereafter by the application of appropriate indices. Fixed assets with a cost of less than £1,000 are not capitalised.

Depreciation is provided on all tangible fixed assets on a straight-line basis over their estimated useful lives. These are principally

Leasehold buildings	50 years
Fit-out of buildings	15 years
Plant and machinery	10 years
Computer equipment	5 years
Fixtures and fittings	10 years

f Heritage assets

Prior to 1 April 2001 the National Army Museum's collection items were not valued or capitalised in the Accounts. In accordance with the requirements of FRS 15 and SORP 2005 additions to the collection from 1 April 2001 with a cost greater than £1,000 have been capitalised where reliable cost information is known. These assets are not depreciated. The Museum does not include donated heritage assets in the accounts due to the costs of valuation.

Prior to 1 April 2001 expenditure on exhibits was written off in the year it was incurred. The Museum's collections at 31 March 2001 have not been valued and capitalised due to the significant costs involved in obtaining a reliable valuation.

Depreciation is not provided on inalienable and historic assets due to their high residual value. The carrying value of individual items is reviewed annually and written down where required.

The Museum's collecting activities are subject to the availability of objects and financial resources for collections management with every effort made to achieve a balanced collection in terms of both geography and chronology. The acquisitions policy also takes into account the needs of other museums.

By definition, the Museum has a long-term purpose and should possess permanent Collections in relation to its stated objectives. The Council accepts the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items of the Museum's Collections.

The Museum maintains full details of its collection on a computerised database, access to which is available to the general public on request.

g Investments

Investments are included at their market value as at the year-end. Gains or losses arising from disposals of fixed asset investments, together with unrealised gains and losses are included in the statement of financial activities.

h Stocks

Stocks are stated at the lower of cost or net realisable value.

i Taxation

As a Registered Charity, the National Army Museums' charitable status has been recognised by HM Revenue & Customs. Non-recoverable Value Added Tax (VAT) arising from expenditure is charged to the statement of financial activities. All expenditure is stated net of any recoverable VAT.

All of the income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. The Corporation Tax liability of the trading subsidiary for the period ending 31 March 2009 was £Nil.

j Financial instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, trade debtors, trade creditors, and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

k Restricted and unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

Unrestricted funds are donations and other incoming resources received or generated for the Museum's charitable purposes.

l Basis of cost allocation

Collections and exhibitions costs are those incurred in acquiring and preserving objects and records relating to the British Army for the education, inspiration and enjoyment of the present generation and its successors, together with the presentation of the Museum's collections to its users.

Curatorial costs are those incurred in the research and interpretation of the Museum's collections to its users, including dealing with enquiries from the general public.

Education costs are those incurred in engaging and educating the general public, including children, in historic and contemporary issues relating to the British Army.

Publicity costs are those incurred in promoting the Museum to its users and also the branding and development of the Museum's image and marketing.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Costs, including support costs, that are shared by more than one function have been apportioned on a basis consistent with the estimated use of resources.

m Pensions cost

Museum staffs, except shop personnel, are covered by the provisions of the Principal Civil Service Pension Scheme, which provides benefits based on final pensionable pay. The pensions cost charged to the Statement of Financial Activities is represented by the contributions payable under the PCSPS to the Paymaster General at rates determined from time to time by the Government Actuary.

n Notional costs

In accordance with accounting requirements laid down by HM Treasury, the statement of financial activities include notional costs to reflect the full costs of the National Army Museum's activities.

	Unrestricted Funds	Restricted Funds	Restricted Grant in Aid Funds	Total Funds 2008-2009	Total Funds 2007-2008
	£	£	£	£	£
2 Investment income					
Interest receivable	33,815	6,302	8,218	48,335	68,840
Other investment income	0	6,821	0	6,821	6,907
	<u>33,815</u>	<u>13,123</u>	<u>8,218</u>	<u>55,156</u>	<u>75,747</u>

3 Allocation of support costs

The Museum allocates its support costs as shown in the table below and then further apportions those costs between the charitable activities undertaken. Support costs are allocated on a basis consistent with the use of resources.

Support Costs	Allocated to Charitable Activities	Allocated to Costs of generating funds	Governance	Total
	£	£	£	£
General administration	99,314	2,434	0	101,748
Information technology	90,923	0	0	90,923
External Audit	0	0	8,650	8,650
Internal Audit	0	0	2,888	2,888
Accountancy Services	17,593	0	0	17,593
Legal and other Professional Fees	92,352	0	0	92,352
Trustees expenses	0	0	1,007	1,007
Total 2008-2009	<u>300,182</u>	<u>2,434</u>	<u>12,545</u>	<u>315,161</u>
Total 2007-2008	<u>230,930</u>	<u>2,629</u>	<u>15,210</u>	<u>248,769</u>

4 Resources expended

	Cost of generating funds:			Direct charitable expenditure:			
	Fundraising Costs	Trading Operations	Collections and Exhibitions	Curatorial	Education	Publicity	Governance Costs
	£	£	£	£	£	£	£
Staff costs	13,417	108,323	2,088,800	935,095	182,320	172,048	48,183
Premises costs	0	10,758	652,526	0	0	0	0
Collections maintenance	0	0	543,041	0	0	0	0
Educational events	0	0	0	0	25,183	0	0
Advertising and promotion	0	0	0	0	0	233,226	0
Purchase of artefacts	0	0	12,470	0	0	0	0
Other costs	0	218,678	148,404	0	0	0	0
Depreciation	0	5,865	510,017	146,624	87,974	29,325	0
Notional rent	0	0	60,000	0	0	0	0
Support costs (note 3)	0	2,435	283,140	7,303	2,435	7,303	12,545
TOTAL 2008-2009	13,417	346,059	4,298,398	1,089,022	297,912	441,902	60,728
TOTAL 2007-2008	9,673	334,218	4,046,809	1,035,109	275,457	618,235	65,666

Rent relates to the estimated cost for the use of a donated facility at RMA Sandhurst based on the Museum renting similar premises on a commercial basis. The Museum is responsible for meeting some costs of cleaning, maintenance, and electricity relating to the items accommodated there.

5 Commercial trading operations

	2008-2009		2007-2008
	Trading Profit and Loss Account	Trading Income	
	£	£	£
Museum shop sales	228,068	228,068	224,861
Less: cost of sales			
Opening stock	52,957		56,768
Purchases	115,112		118,903
Closing stock	(42,013)		(52,957)
	126,056		122,714
Shop gross profit	102,012		102,147
Other trading income	157,729	157,729	148,844
Other trading expenditure	220,003		220,003
Totals		385,797	346,059
Trading profit 2008-2009	39,738		
Trading profit 2007-2008			39,487

6 Notional charges

In accordance with requirements laid down by H.M. Treasury, the surplus for the year is stated after including certain notional costs in reported expenditure.

Notional Charges comprise:

	2008-2009	2007-2008
	£	£
Notional cost of capital on public funds at 3.5 per cent	45,060	40,230

These notional charges are reversed before arriving at the net outgoing resources for the year.

	Unrestricted Funds	Restricted Funds	Restricted Grant In Aid Funds	Total 2008-2009	Total 2007-2008
	£	£	£	£	£
7 Total Resources Expended					
Total resources expended is stated after charging the following items:					
Auditors' remuneration					
audit services	0	0	8,650	8,650	8,450
non audit services	0	0	0	0	0
Staff costs					
wages and salaries	47,331	0	2,390,869	2,438,200	2,501,149
social security costs	3,591	0	189,072	192,663	197,424
pension costs	0	0	458,165	458,165	448,378
temporary staff and recruitment costs	4,054	0	483,936	487,990	296,975
	54,976	0	3,522,042	3,577,018	3,443,926

Excluding the Director, no employees received remuneration for 2008-2009 excluding pension contributions, greater than £60,000 (2007-2008 1 employee).

The average number of senior management and staff was

	2008-2009	2007-2008
Collections and exhibitions	42	48
Curatorial	25	24
Education	5	4
Publicity	4	3
Trading	5	5
Fundraising	0	1
	81	85

8 Tangible fixed assets

	Long Leasehold Land and Buildings £	Computer Equipment £	Fixtures and Fittings £	Total £
Valuation				
At commencement of year	21,620,246	270,365	2,102,262	23,992,873
Additions at cost	33,738	50,171	131,877	215,786
On revaluation	(1,460,588)	(3,984)	53,829	(1,410,743)
Disposals	0	(3,619)	(79,343)	(82,962)
At end of year	<u>20,193,396</u>	<u>312,933</u>	<u>2,208,625</u>	<u>22,714,954</u>
Depreciation				
At commencement of year	585,818	219,255	1,527,318	2,332,391
Charge for year	593,923	30,448	155,434	779,805
On revaluation	7,430	(1,476)	23,138	29,092
Disposals	0	(2,677)	(65,993)	(68,670)
At end of year	<u>1,187,171</u>	<u>245,550</u>	<u>1,639,897</u>	<u>3,072,618</u>
Net book value				
At 31 March 2009	<u>19,006,225</u>	<u>67,383</u>	<u>568,728</u>	<u>19,642,336</u>
At 31 March 2008	<u>21,034,428</u>	<u>51,110</u>	<u>574,944</u>	<u>21,660,482</u>

Included in land and buildings is a sum of £4,635,978 (2007-2008 £6,132,246) for land, which has not been depreciated.

The land and buildings were externally valued at 31 March 2007 by Gerald Eve, Chartered Surveyors. The valuation was undertaken in accordance with the RICS Appraisal and Valuation Manual and valued on the Depreciated Replacement Cost basis given the specialist nature of the property.

The valuation apportioned the total land and buildings as follows

	£
Land	5,730,000
Structure of buildings	11,080,000
Fit-out of buildings	1,580,000
Plant and machinery	2,450,000
	<u>20,840,000</u>

The Museum is housed in a purpose built property in Chelsea on land owned by the Royal Hospital Chelsea, the lease is for 999 years at a peppercorn rent of one guinea per annum. The lease restricts the use of the building to that of a Museum for the collection, preservation and exhibition of objects and records relating the history of the Military Forces of Her Majesty and her predecessors etc. All material tangible fixed assets are used in Direct Charitable Activities.

9 Heritage assets

	Museum Collection £
Cost	
At commencement of year	1,574,872
Additions	491,231
Disposals	0
At end of year	<u>2,066,103</u>
Net book value 31 March 2009	<u>2,066,103</u>
Net book value 31 March 2008	<u>1,574,872</u>

During the year the Museum received grants towards the purchase of items for its collection of £235,000.

	Group 2009 £	Charity 2009 £	Group and Charity 2008 £
10 Unlisted investments			
Investment in subsidiary undertaking (note 10a)	0	1	0
Other investments			
Market value at beginning of year	182,111	182,111	214,747
Add: acquisitions at cost	0	0	0
Less: disposals	0	0	0
Net unrealised investment loss	(48,162)	(48,162)	(32,636)
Market value at end of year	<u>133,949</u>	<u>133,949</u>	<u>182,111</u>
Total unlisted investments	<u>133,949</u>	<u>133,950</u>	<u>182,111</u>

The cost of other investments was £111,114 (2008 £111,114).

10a Investment in subsidiary undertaking

Investment in subsidiary undertakings represents the charity's interest in 100 per cent of the issued share capital of National Army Museum Trading Limited which is incorporated in England and Wales and operates a souvenir shop and other trading activities for the Museum. The company's aggregate capital and reserves were as follows:

	2009 £
The assets and liabilities of the subsidiary were:	
Current assets	74,725
Creditors: amounts falling due within one year	(76,917)
	<u>(2,192)</u>
	2009 £
Shares issued in period	1
Loss retained in subsidiary	(2,193)
	<u>(2,192)</u>

A summary of the Company's trading results is shown in note 10b. Accounts will be filed with the Registrar of Companies

10b Income from trading company

The subsidiary commenced operations on 1 February 2009. The trading result for the year ended 31 March 2009 was a profit of £39,738 as shown in note 5.

The Consolidated Statement of Financial Activities includes the result of the trading subsidiary as follows:

National Army Museum Trading Limited	2009		
	£		
Turnover	49,635		
Cost of sales and administrative expenses	51,828		
Net Loss	(2,193)		
	Group	Charity	Group and
	2009	2009	Charity 2008
	£	£	£
11 Debtors			
Trade debtors	8,890	2,033	44,616
VAT debtor	98,843	103,264	67,956
Prepayments	309,063	309,063	207,591
Amounts due from subsidiary undertaking	0	65,347	0
Other debtors	1,211	0	0
	418,007	479,707	320,163
12 Cash			
Unrestricted funds	1,101,699	1,077,055	1,037,255
Restricted funds	298,070	298,070	506,868
Grant-In-Aid operating account	228,569	228,569	75,869
Grant-In-Aid exhibits reserve	8,174	8,174	78,374
	1,636,512	1,611,868	1,698,366
	Group	Charity	Group and
	2009	2009	Charity 2008
	£	£	£
13 Creditors: amounts falling due within one year			
Trade creditors	25,472	23,023	15,118
Other creditors	10,160	10,160	17,609
Accruals	86,006	81,306	67,463
	121,638	114,489	100,190

14 Restricted funds

	Balance	Movement in Resources		Balance
	1 April 2008	Incoming	Outgoing	31 March 2009
	£	£	£	£
NAM Land and Buildings	20,702,067	0	2,053,052	18,649,015
Leinster Regiment Museum Fund	5,127	605	0	5,732
Indian Divisions Memorial Fund	14,958	192	173	14,977
Middlesex Regiment Account	134,482	2,425	18,799	118,108
CCP Lawson Bequest	97,732	3,878	28,896	72,714
WRAC Association Account	13,759	326	294	13,791
Exhibition – Crete	42,697	1,187	0	43,884
Exhibition – Veterans of No 1 Commando	1,416	39	0	1,455
Exhibition – Korean War	26,005	723	0	26,728
Exhibition – Falklands	388	11	0	399
Exhibition – Teenagers War	1,644	46	0	1,690
Exhibition – 1st Battalion Malaysia Rangers	717	20	0	737
Exhibition – British Army in Berlin	201	6	0	207
Exhibition – Soldiers of the Raj	3,499	77	0	3,576
Exhibition – British Army in South Africa	6,310	175	0	6,485
NAM Building Appeal Fund	6,787	1,201	0	7,988
Bufs' Collection Fund	134,288	3,568	26,077	111,779
War Memorial Fund	28,943	249	0	29,192
Restricted Grants and Donations	731,091	147,535	64,028	814,598
	<u>21,952,111</u>	<u>162,263</u>	<u>2,191,319</u>	<u>19,923,055</u>

The NAM Land and Buildings Fund represents the net book value of land and buildings. These assets were funded entirely by public donations in the period leading up to and after the acquisition of the lease and the building of the Museum in 1967.

The Leinster Regiment Museum Fund was established with the object of the maintenance of the memorial and chattels for the former Prince of Wales's Leinster Regiment (Royal Canadians).

The Indian Division Memorial Fund was gifted to the Museum in 1988 for the purchase and maintenance of military exhibits connected with the pre-partition Indian Army and the Indian Division of World War Two.

The Middlesex Regiment Account is for the upkeep and maintenance of Middlesex Regiment Memorabilia.

The CCP Lawson Bequest is for the upkeep of the articles forming the bequest. Any surplus income to be used for the purchase of exhibits.

The WRAC Association Account was transferred to the National Army Museum along with the regimental collection in 1993 when the WRAC Museum was closed and is for the general upkeep of this collection.

All Exhibition amounts are held for future displays.

The NAM Building Appeal Fund has been set up to assist with the cost of future building work at the Museum.

The Buffs' Collection Fund is to be used for the Buffs Museum and Collection (NAM Canterbury).

The War Memorial Fund represents amounts received towards the ongoing upkeep and maintenance of the memorial, which was donated to NAM by the Consignia Heritage Board.

Other restricted grants and donations include amounts received from the National Army Museum Development Trust in connection with the development of the computerised collections management system.

15 Analysis of net assets between funds

Group	Tangible and Heritage	Investments	Other Net	Total 2009	Total 2008
	Fixed assets		Assets		
	£	£	£	£	£
Restricted Funds					
NAM Land and Buildings	18,649,015	0	0	18,649,015	20,702,067
Leinster Regiment Museum Fund	0	0	5,732	5,732	5,127
Indian Divisions Memorial Fund	1,882	4,089	9,006	14,977	14,958
Middlesex Regiment Account	16,544	64,195	37,369	118,108	134,482
CCP Lawson Bequest	0	58,696	14,018	72,714	97,732
WRAC Association Account	0	6,969	6,822	13,791	13,759
Exhibition – Crete	0	0	43,884	43,884	42,697
Exhibition – Veterans of No 1 Commando	0	0	1,455	1,455	1,416
Exhibition – Korean War	0	0	26,728	26,728	26,005
Exhibition – Falklands	0	0	399	399	388
Exhibition – Teenagers War	0	0	1,690	1,690	1,644
Exhibition – 1st Battalion Malaysia Rangers	0	0	737	737	717
Exhibition – British Army in Berlin	0	0	207	207	201
Exhibition – Soldiers of the Raj	0	0	3,576	3,576	3,499
Exhibition – British Army in South Africa	0	0	6,485	6,485	6,310
NAM Building Appeal Fund	0	0	7,988	7,988	6,787
Buffs' Collection Fund	18,203	0	93,576	111,779	134,288
War Memorial Fund	0	0	29,192	29,192	28,943
Restricted Grants and Donations	798,408	0	16,190	814,598	731,091
	<u>19,484,052</u>	<u>133,949</u>	<u>305,054</u>	<u>19,923,055</u>	<u>21,952,111</u>
Unrestricted Funds	434,911	0	1,196,147	1,631,058	1,503,377
Restricted Grant-In-Aid Funds	1,789,476	0	473,693	2,263,169	1,933,273
	<u>21,708,439</u>	<u>133,949</u>	<u>1,974,894</u>	<u>23,817,282</u>	<u>25,388,761</u>

Charity

For the Charity the analysis of restricted funds is as for the group above.

Unrestricted funds comprises:

	£
Tangible and heritage fixed assets	434,911
Other net assets	1,180,713
	<u>1,615,624</u>

Included in the above figures is the revaluation reserve, the movements on which were as follows:

	2009	2008
	£	£
At 1 April 2008	20,540,483	19,752,831
Revaluation in year	53,829	794,182
Excess of current cost depreciation over historic cost depreciation	(1,548)	(6,530)
At 31 March 2009	<u>20,592,764</u>	<u>20,540,483</u>

16 Operating lease commitments

At 31 March 2009, the Museum had annual commitments under non-cancellable operating leases as follows:

	2009	2008
	£	£
Operating leases expiring		
Land and buildings:		
over five years	163,856	163,856
Other		
within one year	11,846	13,743
between one and five years	12,224	5,737

17 Related party transactions

National Army Museum Trading Limited

The relationship of the Museum to the Company is disclosed in note 10a, and the balances due from the company at the year end are disclosed in note 11.

National Army Museum Development Trust

The National Army Museum Development Trust ('the Trust') is a registered charity, number 278939, connected with the Museum. The principal address of the Trust is care of the National Army Museum, Royal Hospital Road, London SW3 4HT.

The funds of the Trust may be applied, at the discretion of the Trust's trustees, to further the charitable purposes of the Museum or other charitable purposes or institutions. The trustees may not, unless they see special reason, make a payment to the Museum without specifying the particular purpose for which it is to be used, being a purpose for which public funds are not expected to be available. The National Army Museum did not receive a grant from the Trust during 2008-2009 or 2007-2008. However the trustees have approved a substantial donation to the National Army Museum in 2009-2010 to assist it in carrying out the aims of the NAM Strategic Plan.

The balance of funds held by the Trust at 31 December 2008 was £1,750,002 (31 December 2007 £2,002,617). The control and administration of these funds remains, at all times, the full responsibility of the Trust's trustees.

Friends of the National Army Museum

During the year the National Army Museum received a grant of £25,000 (2007-2008 £25,000) from the Friends of the National Army Museum, a registered charity number 234325.

Ministry of Defence

The National Army Museum is classified as an Executive Non-Departmental Public Body, sponsored by the Ministry of Defence ('the MoD'). The MoD is regarded as a related party. Grant-in-Aid funding from the MoD is separately disclosed in the Statement of Financial Activities.

18 Contingent liabilities

The Museum has a contingent liability in the event of the uninsured loss of exhibit assets loaned to it by third parties. As at 31 March 2009 the aggregate replacement value of inward loans was estimated to be approximately £270,000 (2007-2008 £270,000). The Museum's policy is to reduce this contingent liability by the agreed conversion of loans to gifts or the return of the assets as appropriate and where possible.

19 Capital Commitments

	2009	2008
	£	£
Authorised at 31 March 2009 but not contracted for	818,039	0

20 Post balance sheet events

The annual report and financial statements were authorised for issue by the accounting officer on 1 July 2009.

For further information about the National Audit Office please contact:

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