

BOARD OF TRUSTEES OF THE ROYAL ARMOURIES

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

HC 692

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Presented to Parliament pursuant to paragraphs 29 (7) and 30 (4) of Schedule 1 to the National Heritage Act 1983.

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TRUSTEES' AND ACCOUNTING OFFICER'S ANNUAL REPORT

ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

The charitable objectives of the Board of Trustees of the Royal Armouries are set out under the provisions of the National Heritage Act 1983 and are as follows:

- To care for, preserve and add to the objects in the collection of arms, armour and associated objects
- To secure that the objects are exhibited to the public
- To secure that the objects are available to persons seeking to inspect them in connection with study or research
- To maintain a record relating to their collection, to arms and armour generally and to the Tower
- To promote the public's enjoyment and understanding of arms and armour, both by means of the Board's collection and by such other means as they consider appropriate

The primary activity undertaken in relation to these objectives is the operation of the Royal Armouries Museum across the three sites in Leeds, Portsmouth and the Tower of London. More details of the Corporate Plan and activities undertaken are given in the Achievements and Performance section below.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Royal Armouries was established in its present form by the National Heritage Act (1983) and is a Non-Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport (DCMS) but operating at 'arm's length' from it. There is a *Management Agreement* in place with DCMS and receipt of Grant-in-Aid is dependent upon the Royal Armouries' compliance with the agreement. The Royal Armouries is an exempt charity under the Charities Act 2011.

The governing body is the Board of Trustees, established in 1984. Trustees are appointed by the Secretary of State for Culture, Media and Sport, apart from one appointed by HM The King and another, the Constable of the Tower of London, who is a member *ex-officio*.

The Board of Trustees is responsible for overseeing the affairs of the Royal Armouries and determining its overall strategy. The number of Trustees who may serve at any one time may not be less than 6 or more than 11. A list of Trustees who served in the financial year is given on page 4. Trustees are not remunerated for their services but are eligible to claim reasonable expenses. The Board of Trustees met five times during the year.

The Board of Trustees appoint a member of staff to be responsible for providing leadership to the Royal Armouries and reporting to the Board of Trustees in all matters relating to the Royal Armouries performance. Since 30 September 2013 the role has been undertaken by the Director General & Master, who also holds responsibility as Accounting Officer. Since 3 October 2022 Nat Edwards has held that position.

There are five sub-committees of the Board of Trustees:

- Finance and Capital Development Committee
- Audit Committee
- Remuneration Committee
- Masterplan Committee
- Collections, Learning & Research Committee (from 14 December 2023)

Board of Trustees of the Royal Armouries

The following persons were members of the Board of Trustees of the Royal Armouries in 2023/24 and served on the sub-committees shown:

Chair	Date of appointment	Expiry of appointment
John Procter	02.11.19	01.11.27
Members		
Paul Kirkman	28.09.18	27.09.26
Jonathan Sands	28.09.18	27.09.26
Neil Grant	01.10.18	30.09.26
Paul Mancey	18.11.19	17.11.27
Monica Turner	18.11.19	17.11.27
Andrew Latchmore	18.11.19	17.11.27
Professor Steven Gunn	01.03.21	28.02.25
Barbara Woroncow OBE	01.01.22	31.12.25
General Sir Gordon Messenger KCB DSO* OBE DL	01.08.22	31.07.27
Lt General Sir Edward Smyth-Osbourne KCVO CBE	30.05.23	29.05.27

Trustee Sub-Committees

Sub-Committee	Chair	Members
<i>Audit</i>	Andrew Latchmore	Neil Grant Paul Mancey Andrew Broome (co-opted external member) Adam Beaumont (co-opted external member)
<i>Finance and Capital Development</i>	Neil Grant	Paul Kirkman John Procter Andrew Latchmore Monica Turner
<i>Remuneration</i>	John Procter	Andrew Latchmore Neil Grant Paul Kirkman
<i>Masterplan</i>	Paul Kirkman	John Procter Jonathan Sands Monica Turner Andrew Latchmore Steven Gunn
<i>Collections, Learning & Research (from 14.12.23)</i>	Barbara Woroncow	John Procter Steven Gunn Edward Smyth-Osbourne

Recruitment and Appointment of New Trustees

The process for appointing new trustees is in accordance with the procedures defined by the DCMS under which descriptions of the roles required would be advertised, interviews conducted and recommendations made for appointment by the Secretary of State for Culture, Media and Sport. Following the death of Major General Sir Sebastian Roberts in March 2023, Lt General Sir Edward Smyth-Osbourne was appointed King's Representative in May 2023. Upon appointment, new trustees go through a formal induction process, which includes a full briefing by the Chair, Accounting Officer and members of the Executive Board.

Executive Board

Nat Edwards – Director General & Master

Rod Taylor – Chief Operating Officer

Malcolm Duncan – Finance Director

Laura Bell – Director of Collections

Florence Symington – Director of Brand & Audiences

Sofi Lundgren – Director of Development (from 04.10.23)

Staff Communications

Communications between staff and senior management have been supported by a programme of staff meetings (on-site and virtual), with recordings also being made available on the staff intranet site, covering strategy, performance and updates on projects, programmes and the development of the Corporate Plan, and monthly e-newsletters. Staff representation is by the Prospect Trade Union.

Sickness Absence

The average number of days lost per head due to sickness absence during the year was 8.4 (2022/23: 10.2). Excluding those members of staff who were on long-term sickness over 4 weeks, the average number of days was 5.4 (2022/23: 8.2).

Financial Instruments and Risk

Details of financial instruments are given in Note 23 to the financial statements. There is not considered to be any material risk in relation to financial instruments.

Fundraising Practices

Fundraising activities at the Royal Armouries are led by the Development Department, which is made up of suitably qualified and experienced fundraisers. No fundraising activity was carried out by professional fundraisers or commercial participators during the year.

The Team was led by the Head of Development until 8 September 2023. The Department reports directly to the Director General and Master via the Director of Development who started in post on 4 October 2023. The Director of Development is responsible for monitoring the work of the Team through regular team meetings, one to one meetings and project updates.

The Royal Armouries voluntarily subscribes to the Fundraising Regulator who sets and maintains the standards for charitable fundraising. These standards ensure that fundraising is respectful, open, honest and accountable to the public. The Royal Armouries Development Department complies with the standards for fundraising as outlined in the Code of Fundraising Practice which the Fundraising Regulator sets through its Standards Committee. Members of staff in the Development Department are independent members of the Institute of Fundraising.

All fundraising conducted on behalf of Royal Armouries, whether by staff or volunteers, must comply with the Code of Practice of the Institute of Fundraising, the professional body for UK fundraising, in addition to all relevant legislation, including but not limited to Charities Act 2011, Equality Act 2010, Bribery Act 2010 and Data Protection Act 2018. Internally, staff or volunteers fundraising for the Royal Armouries must also comply with the charity's policies and procedures pertaining to fundraising, including but not limited to Ethics Policy, Cash Handling Policy, Gifts & Hospitality Policy, Information & Records Management Policy, Information Security Policy, Data Protection Policy, Anti Money Laundering Policy and Counter Fraud Policy.

With regard to the organisational Ethics Policy, the Development Department has its own Due Diligence process to which it refers when ethical issues are raised in association with the organisation's fundraising.

To date, Royal Armouries has received no complaints about its fundraising activities.

Trade Union Facility Time

As required by the Trade Union (Facility Time Publication Requirements) Regulations 2017 the following information is reported:

i) Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	2.63

ii) Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	3
51-99%	-
100%	-

iii) Percentage of paybill spent on facility time

Total Cost of facility time	£1,424
Total paybill	£7,050,841
% of total paybill spent on facility time	0.02%

iv) Paid trade union activities

Time spent on trade union activities as a % of total paid facility time hours	1.33%
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Data and Information Risk

The Finance Director is the Senior Information Risk Owner and is responsible for the development of information risk policies and protocols. There were no protected personal data related incidents reportable to the Information Commissioner's Office in 2023/24.

Equal Opportunities

It is the Royal Armouries' policy that all individuals shall have equal opportunity for employment and advancement in the Royal Armouries on the basis of their ability, qualifications and relative merits. There is no discrimination based on age, gender, sex, marital status, sexual orientation, race, religion, disability or pregnancy. The Royal Armouries is committed to ensuring that the policy is effective and maintains pace with evolving requirements, wherever necessary.

At 31 March 2024 the Royal Armouries, and Royal Armouries Trading & Enterprises Ltd had 214 full, part-time and casual contract employees in total split as follows:

	Male	Female	Total
Executive	3	3	6
Staff	97	111	208
Total	100	114	214

186 of the staff were on permanent contracts with the remaining 28 on fixed term or casual contracts.

Accessibility

The Royal Armouries has an [Accessibility Statement](#) which is updated regularly. During 2023/24, the adoption of the new website greatly enhanced digital accessibility, while an Access Audit of all three sites was conducted in collaboration with Direct Access, the outcome of which is expected in 2024/25.

Relationship between Charity and Other Parties

Details of bodies consolidated into these accounts are contained in Note 1.1 to the financial statements. Details of related party transactions are contained in Note 16 to the financial statements.

The Royal Armouries is a Non-Departmental Public Body whose parent body is the DCMS. The DCMS, and other entities for which DCMS is regarded as the parent company, are regarded as related parties.

The Arms and Armour Heritage Trust (AAHT), formed in June 2011, has the ability to award grants to support the achievement of the Royal Armouries' charitable objectives as well as grants to other charities supporting the efficiency of the Armed Services. The AAHT is a completely self-regulating and independent trust. The Trust Deed ensures that no serving Royal Armouries Board of Trustees member can be a trustee. The Accounting Officer and Finance Director are invited to attend meetings but have no voting powers.

As a result of its independence, the accounts of the AAHT are not consolidated into the Royal Armouries' financial statements. In September 2023 Trustees took the decision to dissolve the trust with all remaining funds donated to several charities agreed by Trustees. It is anticipated that an application to dissolve the Trust will be submitted to the Charities Commission in 2025. The Royal Armouries did not award any grants to the AAHT during the year. £11,000 was received by the Royal Armouries from AAHT.

In 2009 a decision was taken by the Royal Armouries Board of Trustees to set up a trading company to run commercial activities previously undertaken by the charity. Royal Armouries Trading & Enterprises Ltd (RATE), incorporated on 14 September 2010, is a wholly-owned subsidiary of the charity and hence its accounts are consolidated into the Royal Armouries' financial statements. The charity transferred its commercial trading activities to the new company on 1 April 2011. The company's activities are overseen by a board of directors, chaired by a Trustee and comprising a mixture of Trustees, Executive Board members and independent members. Day to day operational responsibility is delegated to the Chief Operating Officer.

The Tower of London houses part of the Royal Armouries' collection of arms and armour, and the Royal Armouries is also the institutional Keeper of Tower History. The Tower of London itself, however, is in the care of Historic Royal Palaces. The relationship between the Royal Armouries and Historic Royal Palaces is defined in a Memorandum of Understanding, which is regularly reviewed, with the last review being in October 2023. The postholder of Constable of the Tower of London is an *ex-officio* Trustee and is also a Trustee of Historic Royal Palaces. General Sir Gordon Messenger has held this position since 1 August 2022.

SUSTAINABILITY REPORT

The Royal Armouries recognises that its activities impact on society and the environment through the resources it consumes, the waste it produces, the travel and work patterns it encourages amongst its staff and the products it buys.

In recognition of the organisation's commitment to environmental sustainability, approval has been given to a five-year project to drive forward the sustainability agenda across the organisation. The project aims to:

- Create a route to becoming sustainable as an organisation
- Meet national and international standards and goals
- Maintain and develop local partnerships and outreach - encouraging diversity and collective responsibility
- Lead collaboration and development in environmental sustainability in research and education in museums, collection conservation and heritage sites

To reinforce the importance of the project within the Royal Armouries, a Sustainability Sponsor will be nominated at Executive Board level. An internal environmental sustainability lead at Leadership Group level is in place, and responsible for the planning, development and reporting on the environmental sustainability strategy, "*Armouries Tomorrow*", but it will be the responsibility of all teams and leaders to deliver environmental sustainability in their areas of responsibility, in accordance with organisational objectives and the Annual Operating Plan. Work already undertaken by the sustainability lead includes extensive refinement of data gathering processes and their accuracy, including the development of a five-year review document on all available sustainability data which is expected to be complete in 2024/25. The sustainability lead also works closely with the procurement team to integrate sustainability considerations into the Royal Armouries' purchasing activity.

Although the Royal Armouries' formal environmental sustainability strategy is currently under development, once approved by the Board of Trustees it will be published and communicated to staff and the public. Using 2021/22 figures as a baseline, the target carbon footprint reduction for the first 10 years will be established. The environmental sustainability strategy will also include other issues not fully addressed in policy, including adaptation to and mitigation of the impacts of climate change, the creation of a specific position on single use plastics and a review of procurement policy to enhance sustainability considerations. Work is underway to develop new Key Performance Indicators during 2024/25 to more accurately track sustainability performance, subject to resource and data availability.

The current ICT strategy includes measures to reduce the impact of ICT and digital including the introduction of an e-signing platform to remove the need to print legal documents and the rationalisation of servers to reduce energy consumption.

The Armouries' Masterplan, which will include significant construction work, will raise the profile of areas including natural recovery and sustainable construction, both of which will be referenced in the new environmental sustainability strategy, itself enabled by greater data availability and accuracy to aid decision making. The majority of the Royal Armouries' senior leaders were certified Carbon Literate in June 2023 and are actively exploring ways to bring that knowledge into the everyday leadership of the organisation. The Armouries' sustainability lead is currently undertaking an MA course at the University of York in Sustainability Studies and will be bringing these skills to bear in 2024/25.

The first step towards carbon reduction was to complete a carbon footprint baseline assessment. The following tables show figures for 2021/22 which form our baseline. In previous years the Royal Armouries was exempted by de minimis limits from sustainability reporting under the Greening Government Commitments. Revisions to the de minimis limits effective for the year ending 31 March 2022 mean that the Royal Armouries is now required to report under the Greening Government Commitments. As far as possible, actual figures have been used to calculate greenhouse gas emissions. Where this has not been possible, estimations have been extrapolated from actual data. Comparative data is not available for all previous years. The Royal Armouries does not have a car fleet.

Reported Scope 2 emissions have increased across 2023/24, though kWh consumption has actually fallen across the year; the difference is due to changes in conversion factors. There has also been substantial restatement of all Scope 1 & 2 numbers to rectify small errors in conversion factors present in previous years. Scope 3 emissions for 2022/23 have been restated to exclude the transmission and distribution (T&D) component, enabled by higher data accuracy gathered across the year.

Greenhouse Gas Emissions		2023/24 Actual	2022/23 Actual (restated)	2021/22 Baseline (restated)
Non-financial Indicators (tCO2e)	Gross emissions			
	Scope 1- direct energy emissions	601	617	631
	Scope 2 – indirect energy emissions	405	389	454
	Scope 3 – business travel emissions (excluding T&D)	7	3	3
	Total emissions	1,013	1,009	1,088
Related energy consumption (kWh)	Electricity – non-renewable	1,956,354	2,011,367	2,139,236
	Gas	3,285,554	3,377,638	3,446,025
	Total kWh	5,241,908	5,389,005	5,585,261
Expenditure (£000)	Electricity	447	318	291
	Gas	144	142	86
	Business travel	71	52	21
	Total Expenditure	662	512	398

Waste data management has been substantially reviewed and accuracy improved throughout 2023/24, which has resulted in a restatement of 2022/23 as well as data taking into account more accurate measures for 2023/24; baseline data for 2021/22 has not been restated however, due to limited availability of comparable data for that year. A zero-landfill company is currently used for disposal, however a breakdown of how the waste is disposed of is not currently provided. The ability to provide this analysis will be a requirement of the new waste management contract due to be tendered in 2024/25.

Waste Management		2023/24 Actual	2022/23 Actual (restated)	2021/22 Baseline
Non-financial Indicators (tonnes)	Total waste – non-hazardous	1,428	1,290	725
Expenditure (£000)		47	44	44

There have been several changes to the estate to reduce water usage, most notably alterations to toilet flushes, but changes to all taps are being investigated for 2024/25 to reduce usage. Across 2023/24 there has been a notable increase in reported paper usage, however there are two factors which have changed which have impacted this; firstly, the counting method for paper usage has changed to a more accurate format, and secondly meetings, incentives, conference and events (MICE) activity, was not previously included in this figure.

Finite Resource Consumption – Water and Paper		2023/24 Actual	2022/23 Actual	2021/22 Baseline
Non-financial Indicators (m3)				
Water Consumption	Supplied	15,298	14,201	11,723
Expenditure (£000)				
Water Supply Costs		22	21	18
Non-financial Indicators (Reams)				
A4 Paper		613	210	149
<i>Change against prior year</i>		+192%	+41%	
Expenditure (£000)				
A4 Paper		2.3	1.1	0.8

Since April 2022, the Armouries has recorded both domestic and international travel in more detail, enabled by updated finance software, to capture more data at source. While at present air travel is relatively minimal compared to other entities, it is the intention of the new environmental sustainability strategy to review all travel policies, not just those pertaining to air travel. An analysis of air travel in 2023/24 is detailed below. All travel was economy class.

Air Travel – distance kilometres	2023/24 Actual	2022/23 Actual
Domestic	0	1,019
International – short haul	28,082	16,129
International – long haul	9,404	38,421
Total	37,486	55,569
Total number of individual flights	13	24
Average distance per flight	2,884	2,315
Longest flight	9,404	9,044
Shortest flight	126	443

PERFORMANCE INDICATORS

The Royal Armouries entered into a Management Agreement with DCMS in December 2016. This agreement confirms the 12 performance indicators for the Royal Armouries. The actual performance achieved against each of the indicators for 2022/23 and 2023/24 is set out in the table below. Explanations of key movements are given in the Achievements and Performance section on pages 15 to 37 and the Financial Review on pages 39 to 42.

Those key performance indicators marked with an asterisk (*) do not include figures for the Tower of London, for which the information is either not available from Historic Royal Palaces or else is not relevant.

Performance Indicator	2023/24 Out-turn	2022/23 Out-turn
Total number of visits	2,323,530	1,961,415
Number of unique users visiting the website	1,398,497	1,053,243
Number of children aged 16 and under visiting the Royal Armouries	516,696	428,196
Number of overseas visitors	413,476	362,530
Number of visitors under 18, in formal education, attending the Royal Armouries in facilitated and self-directed visits *	22,665	16,076
Number of visitors under 18 participating in on-site organised activities *	25,370	6,887
Percentage of visitors who would recommend a visit	92.33%	94%
Admissions income *	£102,407	£82,975
Trading income - Net Profit *	£2,227,394	£1,729,504
Fundraising income (excluding lottery funding)	£263,231	£223,476
Ratio of fund raising to Grant-in-Aid	3.1%	2.6%
Number of UK loan venues	94	92

ACHIEVEMENTS AND PERFORMANCE

For the year under review the report is organised under the four AIMS of the existing plan. They are:

AIM 1. Audiences and Brand: We will substantially increase audience footfall, driving new visitors. We will provide an inclusive, enthralling and participatory visitor experience in our galleries and enhance this with an evolving, exciting and collaborative programme of events and temporary exhibitions. We will increase our knowledge of our existing and potential audiences using robust data and insight. We will strengthen our brand proposition and raise awareness of our offer to deliver growth. We will harness the power of digital to increase both our online and onsite audiences.

AIM 2. Collections and Learning: We will be ambitious in empowering the public to engage with the Collection and understand its impact; inspiring curiosity, reflection and meaningful debate, and providing learning experiences for all ages. We will set the standard for arms and armour care and conservation and preserve object-based knowledge. We will develop and diversify our people to ensure we harness the Collection and stories that surround it to best effect.

AIM 3. People: Through a series of interlinked initiatives, we will develop, reward, value and diversify the Royal Armouries' workforce to be recognised as a preferred employer in our field. We will constructively manage relations with partners and stakeholders for the benefit of all parties.

AIM 4. Sustainability: We will secure the Royal Armouries' long-term future and the achievement of its vision through the development of Armouries 700 and improving the public offer at the three sites. We will increase income, invest in the resilience, security and efficiency of RA infrastructure and embrace environmental responsibility.

AIM 1: AUDIENCES AND BRAND

Display and exhibitions

This year we have made a step-change in our approach to temporary exhibitions and displays, which underpin our plans to drive new and returning visitors to both Leeds and Fort Nelson.

At Fort Nelson we hosted *Standing With Giants*, a large-scale art installation made up of 258 silhouettes representing the military and civilian lives lost in the Falklands conflict. This tribute, created to mark the 40th anniversary of the conflict, started as a community project set up by artist Dan Barton and a group of local volunteers. The installation, which ran from April to September 2023, proved to be hugely popular with visitors and was extended to include the summer holidays. It gained widespread media coverage and was featured in regional and national news, including *The Guardian*, *The Times*, *The Independent* and *ITV*. This extended the themes of the current special exhibition *Falklands 40: What Portsmouth Saw* which opened last year and continued throughout 2023/24.



Standing With Giants, Fort Nelson, 2023

At Leeds, the highlight of the year was the launch of our first large-scale special exhibition for several years. *Re:Loaded: Weapons of Mass Seduction* opened in December 2023 for six months only and was developed in-house at pace. This new exhibition used highly decorative firearms to explore why guns hold such a profound cultural significance.

Presented in a contemporary, artistic style, the objects featured range from those belonging to Kings and Tsarinas to high-profile diplomatic gifts to governments and generals, and status symbols of the ultra-wealthy. The exhibition also examines whether deadly weapons can be disarmed through transforming them into works of art, featuring two highly decorated decommissioned AK-47 rifles created by special forces veteran, photojournalist and artist, Bran Symondson-Baxter. This project is the first special exhibition to be housed in a new exhibition space and represents a step change in programming for the Royal Armouries and forms part of the ambitious Armouries Masterplan to transform the site.



Re:Loaded: Weapons of Mass Seduction, Royal Armouries Museum Leeds, 2023

In addition, *Forgotten Battles: Gender in the Armouries*, developed in partnership with Leeds 2023, opened in September. This exhibition and object trail is a community co-curated project with volunteers and researchers who identify under the LGBTQIA+ umbrella. This exhibition received funding from both National Lottery Heritage Fund (NLHF) and Community Fund and builds on research and community work conducted over many years.

The coronation of King Charles III in May presented an opportunity to deliver a small-scale display of our replica crown jewels in the Hall of Steel in Leeds and show these objects in public for the first time in decades.

In another first for Leeds, in partnership with Leeds City Council and the Police, Royal Armouries square hosted the *Knife Angel*, a 27ft touring sculpture made from 100,000 knives seized and handed in to the police. This thought-provoking piece marked a month-long campaign dedicated to raising awareness of knife crime and was accompanied by workshops with vulnerable young people.

As well as creating new temporary exhibitions and installations, the team continued to enhance and upgrade our existing displays with the delivery of improvements to the display of Sikh objects in the Asia and Africa Gallery in May 2023. At the Tower, a project to create a small display to test the themes of Prisoners & Punishment in partnership with Historic Royal Palaces, was developed and delivered.

Digital

The multi-year *Digital Vision for the Future Project* funded by NLHF continued to drive activities in this area and the £429,600 project was granted an extension until January 2025 by NLHF. The new website, a major deliverable for the project, was launched in stages over summer 2023, with the site fully launched in October 2023 following rigorous testing. This is the initial phase of the plans for the website and brought the collections element of the site together with the main site for the first time. This contributed to a strong performance across the year with 1,398,497 unique website users, an increase of 29% on 2022/23. Thanks to National Lottery players, more people than ever have been able to access and find out more about the fascinating and diverse heritage of arms and armour across the world.

Planning continued for the delivery of the *Digital Playground* - an onsite interactive digital experience located on the 2nd Floor in Leeds due to launch in 2024/25. A full competitive tender was completed and awarded to Fuzzy Duck, an agency specialising in interactive installations in museums. Work in collaboration with the Curatorial and Live Interpretation teams took place throughout the year to create the content that will enable visitors to discover our objects through the stories of the people who used them, the inventors and craftspeople who made them and their impact on the world, society, communities, and individuals.

Marketing and Communications

Building on momentum from 2022/23, the target has been driving growth to surpass pre-Covid levels, following the framework set out by the Audience Development Plan. Crucially, new activities, including the Re-loaded special exhibition in Leeds, and *Standing With Giants* at Fort Nelson provided opportunities to promote the different sites over and above their already strong standard events calendar.

In Leeds, 343,531 visitors were recorded, the highest for over 10 years, surpassing target by 17% and achieving a 43% increase on the previous year. At Fort Nelson we achieved 122,075 visitors, which was an impressive 21% ahead of target and a 46% uplift on 2022/23.

All events were promoted strongly with a range of marketing activity including radio advertising, outdoor media, bus and train station placements, print, as well paid-for and organic social media. In addition, marketing partnership activity with Leeds BID helped to further underpin visitor number growth with the museum taking part in the Leeds Bear Hunt - a free city-wide initiative involving 35 giant Bear sculptures hosted at venues across the city from July to September 2023 to encourage footfall and movement.

The museum's YouTube channel continued to go from strength to strength and grew the number of subscribers to 292,429, which was ahead of target by 10%. The channel received 7,289,056 views, and watch time totalled 770,348 hours (87 years). For the first time, the channel was monetised in October 2023 to enable RATE to earn income from our success on YouTube. This resulted in revenue of £6,131, which should increase into 2024/25 as the channel continues to grow. Popular content continues to be the 'What is this weapon?' series, however, this was supplemented with increased content from other areas and curatorial staff with the launch of the 'Up in Arms' series.

In other areas of our social media output, despite delivering a similar level of activity as in previous years, across the same number of channels, social media impressions fell to 18,901,274, a decrease of 20% on 2022/23, and under target by 25%. Analysis shows that this in part is due to a fall in the number of impressions on both X (formerly Twitter) and Facebook and is representative of wider trends affecting the use of social media.

Press and media activity achieved an advertising value equivalency for £11,791,751, which was an impressive increase of 480% on last year. In part this was due to strong broadcast activity at the beginning of the year, with national TV, online and print coverage of the International Jousting Tournament, as well as widespread reporting of *Knife Angel*, *Standing With Giants*, and *Re:Loaded*, which was also boosted by inclusion in the Leeds 2023 programme.

All marketing and communications activity was achieved despite gaps in the team and without a Head of Marketing & Communications for much of the year.

Brand

The extensive review of the brand proposition continued throughout 2023/24 with the involvement of Born Ugly, a specialist brand agency. Initial research with audiences, interviews with stakeholders and workshops with staff from across the organisation have taken place. Following this a draft positioning has been created and shared with Trustees and senior staff. This work has explored the important role the Royal Armouries, as the custodians of the national collection of arms and armour for over 700 years, can continue to play in modern society, to ensure that we continue to serve the public and nation for many years to come.

AIM 2: COLLECTIONS AND LEARNING

Live Interpretation and Events

The Live Interpretation and Events team successfully delivered numerous events and programmes in Leeds and at Fort Nelson over the year. In Leeds, this included the Easter Joust, Coronation programme, the most extensive summer programme yet in Leeds, including daily Wild West horse shows, August joust and live events, Leeds Light Night, Pirates & Highwaymen, Remembrance event, Viking Yule, and the hugely popular Superheroes half term events, successfully converting at least 70% of visitors to shows, events and programmes on average throughout the year, and hosting over 60,000 visitors during the summer holiday alone.

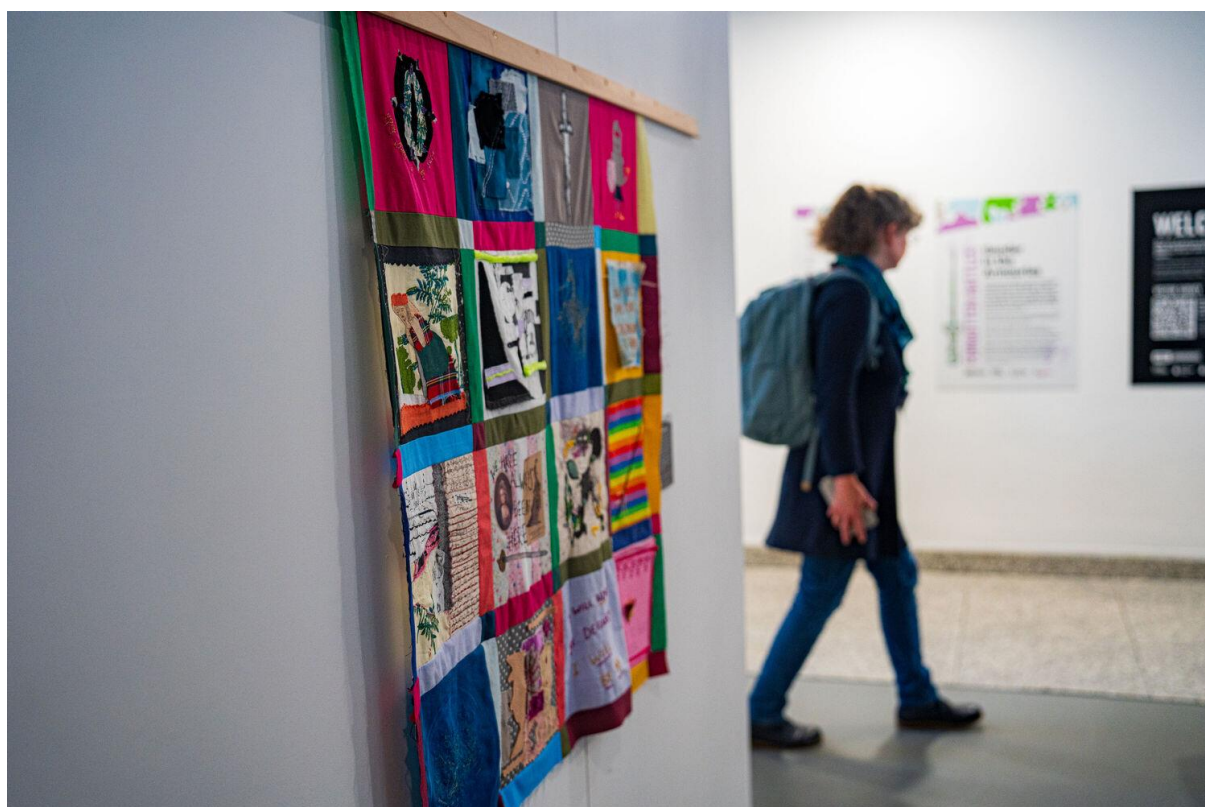


Rehearsals for 'Superheroes', Royal Armouries Museum Leeds, 2024

At Fort Nelson, with the extension of Standing with Giants and the Assault Course, the Royal Armouries welcomed 28,000 visitors over the summer holiday. The Fort Nelson team also successfully delivered a Coronation gun salute, Flora and Fauna event, Firepower event, Remembrance event, Fear at the Fort, Victorian Christmas, and Farm at the Fort, with excellent PR coverage.

Community Engagement

The Royal Armouries approved its first Participation Strategy, using a Theory of Change model to measure success. The Community Engagement team co-hosted the annual Olaf Palme lecture on the subject of Peace Museums, hosted Tribe Arts Partition @ 75 participatory theatre event, and delivered a volunteer-led programme of events for LGBTQ month in February 2024 arising from the Forgotten Battles community exhibition. For this 'Queer-ing the Museum' programme footfall at the museum was significantly above average for an off-peak Saturday (2,479 as opposed to 1,500), and themed content in the galleries (tours and LGBTQ self-defence demos) were at capacity. As well as delivering the Forgotten Battles events, the Community Engagement Officer has continued to deliver pop-up museum outreach at community centres around Leeds.



Forgotten Battles, Royal Armouries Museum Leeds, 2023

Formal Learning

Across all learning programmes, the teams engaged over 40,000 participants, with a quality rating of over 80% 'outstanding'. The Royal Armouries approved a Learning Strategy for the next five years centred around Play, Practice, Participation and Profession.

The team were awarded a Sandford Award in September, cited 'The Royal Armouries Learning Team are a fantastic example of providing high-quality experience for every child and young person visiting their museum'. The Mightier than the Sword literacy and oracy project was successfully delivered by the team for the second year and obtained third party evaluation which concluded the benefit and legacy of the project to young people and their families. The team also hosted the inaugural Royal Armouries sixth form debate with Leeds Salon, with three schools participating on subjects including repatriation of museum collections, higher education and arts sponsorship. With the installation of the Knife Angel on the Royal Armouries' square, the Leeds Education team also worked closely with the Police to support the delivery of the education programme, which saw an estimated 5,000 school students participate.



First World War Study Day, Fort Nelson, 2023

Loans

The Royal Armouries loan programme, both inward and outward, offers a powerful means of furthering the study and appreciation of arms and armour in the UK and abroad.

Loans In

The Royal Armouries retained 904 inward loans from 113 lenders across 2023/24. The team have been actively reviewing all loans in as part of a wider collections management. Those objects no longer required for display have been returned, for example with the closure of the Hunting Gallery at Royal Armouries Museum Leeds, a number of loans were returned to lenders. Two objects were borrowed for the 'Re:Loaded' Exhibition.

Loans Out

The Royal Armouries loaned 96 objects to seven venues, whilst maintaining 1,933 existing loans to 110 other venues. A selection of outward loans are described below:

The Whitworth, The University of Manchester: Exhibition 'Albrecht Durer's Material World' from 20 June 2023 to 30 March 2024. This exhibition, the first major exhibition of Durer's work in over fifty years at the Whitworth, investigated Durer's love of objects and of the material world of human ingenuity, daily rituals and use of these in his prints. The Royal Armouries lent VII.1480 Pike Head, Germany c. 1500 and IV.427 Sallet with long neck-guard, Germany 1480 – 1490.

The Mercers' Company, London: Exhibition 'Cheapside: Metropolis et Emporium' from 31 January 2024 to the 13 December 2024. This exhibition considered major aspects of life and trade in all its vibrancy on Cheapside, a crucial city thoroughfare, where the Mercers' Company has had its base since the fourteenth century. The Royal Armouries lent XII.11822 wheellock pistol, which helped the Mercers' Company tell the story of Robert Packington, a Mercer and MP, who in 1536 was the first person in the country murdered by a handgun, as he walked across Cheapside.

Hofburg Imperial Palace, Innsbruck, Austria: Exhibition 'Maximilian I – Emergence into modern times' from 20 May 2023 to 22 October 2023. This exhibition was centred around the imperial court armourer in Innsbruck and the craftsmanship at the time of Emperor Maximilian I. It explored the relationship between the Emperor and Henry VIII, including their shared passion for tournament. The Royal Armouries lent VI.6 Horse armour, Burgundian Bard of King Henry VIII, by Guillem Margot, decorated by Paul van Creland, presented by Maximilian I.

Acquisitions

The Royal Armouries continues to expand its collection through acquisition of items by purchase and accepting gifts, a process governed by the Collections Development Policy and its criteria. A selection of the 69 objects acquired in 2023/24 are described below:

KRISS Vector submachine guns, 2023, USA. XXX.612 & XXX.613

Via a contact provided by Royal Armouries YouTube collaborators GameSpot, we were offered at trade price two variants of the KRISS Vector in the .45 ACP chambering. Best known for its depiction in video games and movies, this unusual firearm utilises a special bolt design that redirects recoil downwards to compensate for the usual rise of the muzzle in automatic fire. This gives the weapon a distinctive futuristic silhouette.

Winged Partizan, 1525-50, probably Italian possibly German. VII.4189

A very rare example of a variation of the wider partizan group that combines feature found in other weapons such as corseques, bat-wings and ranseurs. Hence it is invaluable in studying the development of staff weapons during their pinnacle, the first half of the 16th century, and the experimentation with new forms that took place in that period. The blade and wings of the partizan are stamped with multiple marks that can be the subject of future study and help researchers extrapolate more information regarding arms production. This type of partizan is so rare that very few examples survive in public and private collections.

Knife pattern book, c. 1833 – 1910, Sheffield. RAR.1691

A rare example of a knife pattern book from one of the foremost cutlers in Sheffield, Joseph Rodgers & Sons. The company was appointed cutler to the Royal Family in 1821 and especially known for its folding knives and fixed blade sportsman's knives. This book represents an important part of Sheffield's, and more broadly the UK's, industrial heritage and position as a world-renowned centre of blade manufacture.

Conservation, Collections Care and Management

The Conservation, Collections Care and Management teams undertook a concerted effort to audit over 11,500 objects in 2023/24, which is over 410% above target to provide continued assurance on the security of the collection. The team also worked with metal theft experts to further develop a risk mitigation strategy for Royal Armouries' material on loan in particular.

Alongside this, there were numerous achievements throughout the year which included:

- The decant of the Hunting and Sporting Gallery in Leeds to make way for the temporary exhibition space, which meant the movement of 700 objects.
- Successful proofing of three guns at Fort Nelson, including the Sexton, to commence gun firing once again; alongside a revised and renewed Working Objects Policy and Procedure.
- Renewal of Museum Accreditation.
- Delivery of the final report and action plan for the collection records impacted by the cyber incident.
- Lastly and most importantly, the conclusion of the air handling remedial works in Leeds, delivering the best and most stable conditions we have had in at least the last ten years in the Museum galleries and stores.

Research, Curation and Dissemination

The Royal Armouries delivered a revised Research Strategy, and secured Independent Research Organisation status, which entitles it to bid for AHRC funds. In terms of future projects, the team are already working with four potential bids at various stages of planning. The Royal Armouries has signed its first MOU with the University of Leeds, which entitles staff to four Visiting Research Fellowships and access to resources and support, in return for two afternoons of teaching each year.

The Royal Armouries was successful in a bid with the University of Sheffield, with the project taking a share of the £100m government funding for BRAID (Bridging Responsible AI Divides). The museum has begun work on 'Museum visitor experience and the responsible use of AI to communicate colonial collections'. This will act as a scoping exercise for the opportunity and pitfalls of using AI in a heritage environment when a collection features significant inherent power disparities, using the museum's Indian material as a case study. The team also submitted two additional research bids in January 2024:

- The first was 'Arms in the Aftermath of Conflict,' an Arts and Humanities Research Council Curiosity Award in partnership with Manchester Metropolitan University. This is intended to explore the social, cultural and political significance of firearms in post-conflict societies from 1500 onwards, through a series of biographies contextualising objects from the museum collection.

- The second was a UK Research and Innovation cross-council bid, in which the museum was project partner for a team led from the University of Loughborough. This would develop a formal grammar of combat for a variety of martial arts ranging from medieval armoured combat to the nineteenth and twentieth century phenomena of suffrajitsu and bartitsu, using this to create an AI-powered virtual reality combat interactive display suitable for a heritage environment.

A twelve-week collaborative research project with Historic Royal Palaces at the Tower of London, funded by the University of Oxford, was also announced. The project looked at imprisonment in the Tower and fed into exhibition and display plans. As part of this project a workshop was delivered on 'Presenting and interpreting the difficult histories of prisoners and punishment', jointly hosted by Historic Royal Palaces, the Royal Armouries, and the University of Oxford's Humanities Division.

The Royal Armouries published four articles in the year, which have all achieved a minimum Altmetric score of 3 compared to the target minimum of 1. Eleanor Wilkinson-Keys's, Assistant Curator of Arms and Armour, article on the Medieval Warhorse, co-authored with the academic team behind the AHRC-funded Warhorse project, was ranked in the top 25% of all research tracked by Altmetric within the first week of its appearance.

The Royal Armouries held its Winter lecture series and Summer lecture series, including talks and papers on pirates, WWI prosthetics and the Meiji recreation of 'bushido', to name a few. Two of these lectures were open to a live museum audience for the first time since the pandemic. The teams delivered non-formal learning programming to over 25,000 attendees, answered over 1,300 enquiries on the collection, delivered over 600 study days, tours and handling sessions, and ensured a further 1,600 object records were enhanced to the Royal Armouries' cataloguing standard. Lastly, the team published two 'Arms and Armour' Journals, with 14 articles in the year, with over 13,000 downloads.

National Firearms Centre (NFC)

The NFC has recently had an MoD Unit ID number (UIN) allocated. The UIN is a specialist disposal code allowing the MoD to be able to permanently dispose of equipment to the RA, which together with formal partnerships established with key teams will help the Royal Armouries develop its collection. The NFC has delivered training programmes to over 2,400 students from the MoD and Border Force, as well as continuing to deliver its usual Service Level Agreement activities to law enforcement agencies, Government bodies, and the MoD to over a further 1,000 visitors.

The NFC also has been working on fitting out a previously underused part of its display hall, to accommodate items that had been decanted from the Hunting and Sporting Gallery and to create a more robust and hopefully a lifelong storage solution for its firearms collection with bespoke rifle racking.

Tower of London

The Tower team have hosted numerous domestic and international visits with Historic Royal Palaces, including the Al Thani Collection in Paris, a Bahraini minister, Hungarian Army museum, the NLHF and Finnish Naval Officers. The team also completed another filming session with Lion TV for 'Inside the Tower' which is aired on Channel 5.

The Royal Armouries has continued to cultivate relations and partnerships with the Warrior Companies in the City of London – attending key events and hosting a round table discussion to develop joint initiatives. The Royal Armouries has been working successfully in collaboration with Historic Royal Palaces on Archives Open Days and also on a new Prisoners and Punishment Display in the Basement of the White Tower. The latter is the first phase of a larger exhibition on the subject which will be developed over the next couple of years.

AIM 3: PEOPLE

A programme of executive development was initiated, working in partnership with Blue Edge Development through which the Royal Armouries aims to make specified improvements to our senior management productivity, capability and effectiveness. The Programme has been well received by Executive Board and Leadership Group participants during 2023/24 and continues into 2024/25.

After a turbulent period immediately post-pandemic, which saw staff turnover leap to nearly 30%, a number of interventions were made across the year to improve the employment offer within RA. These steps included additional flexibilities in how, where and to a certain extent when employees could work as well as efforts to improve the employment experience on-site at the various employment locations. These initiatives, coupled with a slight cooling in the external employment marketplace, enabled the Royal Armouries to return turnover to a more manageable sub-c.15% level by the end of 2023/24.

The Royal Armouries' third 'All-staff' Attitude Survey was undertaken during 2023/24, with a good standard of participation being achieved. Survey findings were being explored in greater detail within a number of 'staff ambassador' workshops, which were established to better understand the meaning of the survey findings and help generate an action plan in response to them. Findings will be communicated widely, along with the agreed response plan, in 2024/25.

Work to build a new staff communications intranet was initiated and became well progressed across the year. The Intranet site to be known as 'Signal', is expected to go live in 2024/25.

Aspirations to make substantial changes in the design and operation of staff accommodation were constrained by a lack of available funds but some rudimentary changes were nonetheless possible to progress, introducing greater flexible workspaces in several locations, improved digital communications access and with on-line workspace booking systems being rolled out. More extensive plans for refurbishment to fully exploit and facilitate hybrid working are developed and can hopefully be taken forward in future years, as funding to support this work becomes available.

On reward, work was progressed on systems to enable benchmarking of pay across the Royal Armouries with that of pay levels in similar roles provided in relevant comparator organisations. The data gathered is being fed into the systems being devised to enable a more sophisticated basis for annual pay reviews to be introduced, in 2024/25.

AIM 4: SUSTAINABILITY

The Royal Armouries ended the year in a stronger position than many cultural and heritage organisations, as we rebuild from the pandemic – and in a slightly better position than we had forecast. We were able to welcome more visitors than in any recent year for which records are available and we saw material improvements to the range of activities and facilities on offer, including an exciting new temporary exhibition space and high-quality new meeting and conferencing spaces.

Our contribution to the wider economic life of the city continued to grow, as did our work with local partners to address local environmental issues, for example participating with Leeds Waterfront Steering Group and continuing to better understand and protect the biodiversity of Fort Nelson. We hosted over 300 events including UKREiF, a single event which alone in 2023 generated an estimated additional £12m for the local economy.

Looking at sector-wide challenges facing museum services, from wage inflation and fuel costs to local government financial constraints, the Royal Armouries can for now be considered to be in a relatively stable position. However, we also need to be conscious of longer-term trends and of the current constraints on further growth.

Over the past decade, while the Royal Armouries has been successful, through prudent financial management and astute commercial decisions, in keeping its annual operating costs under control, so that they have risen at a slightly lower rate than UK inflation, core grant funding has risen by a significantly lower rate than inflation – so much so that the proportion of operating costs that have to be funded through self-generated income has risen over the period by 116%. This has only been possible thanks to the foresight of HMG in supporting the on-shoring of RA commercial operations and thanks to the combined efforts of the Royal Armouries team, RATE and the Royal Armouries commercial partners – including RA Venues (Compass Group), our SLA Partners (including Border Force and the British Army) and Town Centre Securities.

Inevitably, as we maximise every opportunity to generate more income and find operational efficiencies, we approach the limits of those opportunities and returns will diminish. Even with the significant audience growth that has been achieved and which our plans will help continue to grow, the hard fact is that, based on current trends, something big will need to happen to our business model within the next 3-5 years if it is to address the pressures of cost inflation. To meet our public service and national collection standards, this will either need to be a significant increase in grant funding to meet the widening funding gap or else a bold reinvestment in the potential of the Royal Armouries estate to unlock significant new opportunities. As set out below, this latter route is very much the road which we are committed to following.

Development

In October 2023 we appointed a new Development Director that forms part of the Executive Board. The appointment demonstrates a step change in the organisation's commitment to fundraising, and a renewed focus on stakeholder engagement. The new Development Director has revised the unrestricted revenue and capital/project fundraising forecasts for 2023-28, based on the annual operating plan and Armouries 700 phasing.

Despite vacancies in the Development Team, we have picked up the pace in the second half of the year, exceeding targets for Patrons and Major Donors, and securing 120% of the Visitor Giving target. The team launched a new Corporate Membership at the end of the year, with a view to growing the pool of corporate supporters. Following the appointment of a new Visitor Giving Co-Ordinator, membership communications are back on track.

The Royal Armouries is grateful to the donors, sponsors, Patrons and members whose support underpins all aspects of our work. The Trustees would like to thank the following Patrons for their generous support:

- Dr Andrew Burnett CBE FBA
- Colonel (Retd) John Goodsir CBE
- Mr John Harding
- Mr Charles Hoare Nairne
- Dr Edward Impey, FSA, FRHistS
- Those who wish to remain anonymous

Work on the A700 masterplan has continued at pace during the period – including a stakeholder reception at the Tower of London in November 2023, to celebrate the museum's 700th birthday and kickstart engagement around the masterplan and associated project on the Tiltyard site. A detailed briefing pack was also produced, for key political decision makers. The phasing and costs for the programme of works to the main museum, alongside mapping of fundraising opportunities, has remained a key focus in the latter part of the year. Significant progress has been made in rolling out the fundraising strategy for A700, with several key funding applications submitted for the first project in the masterplan - the Temporary Exhibition Gallery.

On 1 March, RA hosted Convention of the North 2024, the NP11's annual gathering of policymakers and key stakeholders. Our Chair opened the event, which included keynote speeches from the Secretary of State for Levelling Up, Homes and Communities and his Opposition counterpart. Following the Convention, coinciding with the Spring Budget, the Department for Levelling Up, Homes and Communities issued its Vision for Leeds, which included explicit reference to support for developing the Royal Armouries' plans for the Tiltyard.

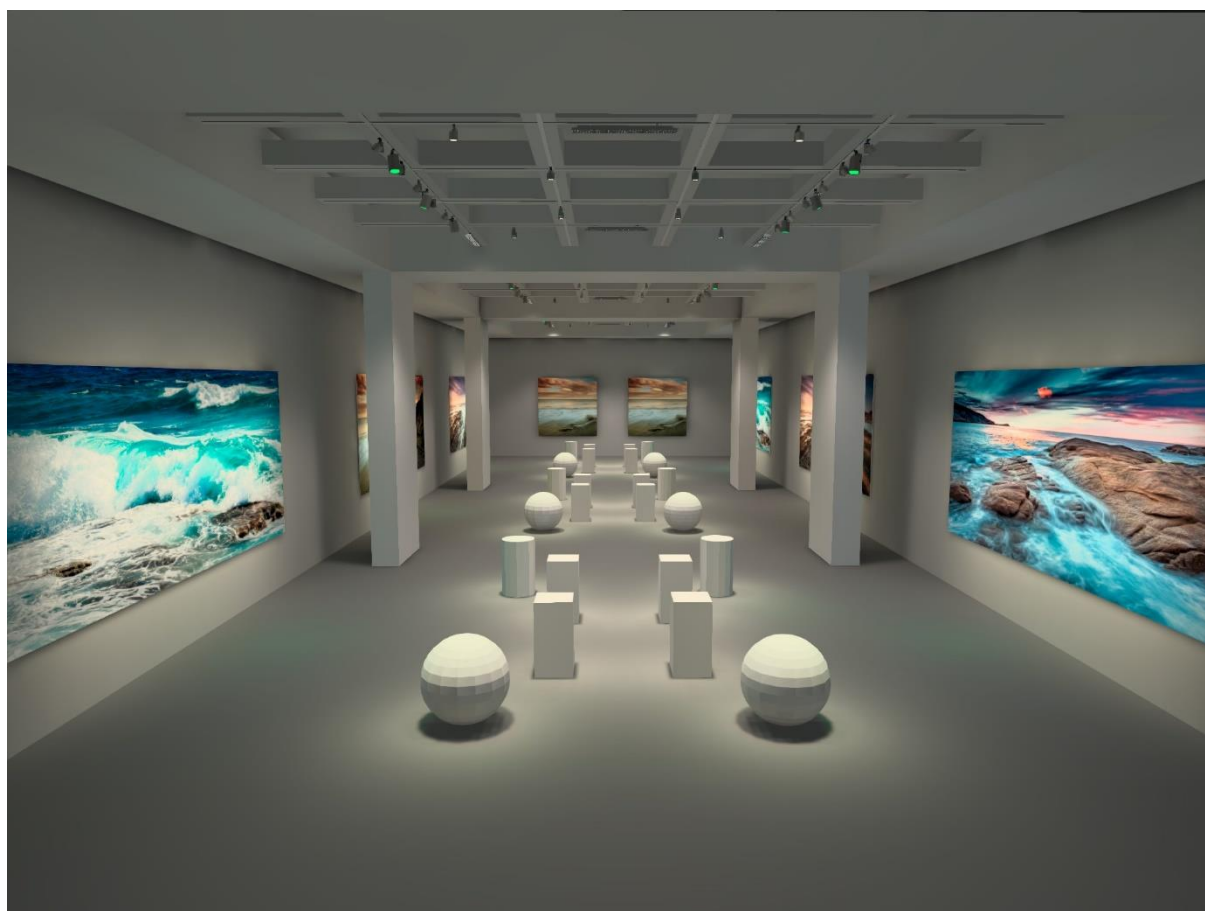
The Royal Armouries contributed to a successful bid to retain UKREiiF for a further 4 years, and we also secured the Museums Association 2024 conference – to be hosted at the museum in November 2024.

PLANS FOR FUTURE PERIODS

Armouries 700 – supporting Growth and Opportunity

The reporting period comprised the first year of the Royal Armouries' Corporate 5-year Plan (2023-2028). Our Armouries 700 Masterplan represents a key plank of the strategy set out in the Corporate Plan, to allow the Armouries to tell shared stories about arms and armour and their impact on our past and present – and, through partnership and placemaking, work with our public to help forged a shared understanding of how we might see a happier and more peaceful future.

Work on the Masterplan included the delivery of 'quick win' early phase projects to help improve our commercial and educational capacity – such as refurbishment of existing conference facilities and the War Cinema within the main museum building, relocation of the live interpretation and learning teams to improved accommodation within the museum and refitting and repurposing of new conference spaces on the first floor. It also included essential enabling works – including the completion of the decant of the Hunting Gallery, downtakings and phase 1 works for the Temporary Exhibition Gallery.



Artist's Impression of the Temporary Exhibition Gallery, Royal Armouries Museum Leeds

We also developed our Hall of Steel Lighting plans to RIBA Stage 4 (see outline programme below). Beyond the delivery of these early and enabling works, significant progress was made in developing the projects comprising Armouries 700 programme. Working closely with the RIBA Stage 1 Design Team and our Project Managers, we have completed a detailed programming exercise, setting out ambition for a c.£37.6m programme of works in the main museum over the next decade. These projects, which we propose to fund from a combination of capital reserves, fundraising, capital grants and finance are set out below – with notional completion dates (which will of course be subject to successful business case and funding outcomes).

Armouries 700 Main Museum Proposed Programme

Project	Indicative Completion	Estimated Cost £ (000s)
Temporary Exhibition Gallery	March 2025	1,700
First floor conferencing spaces (final phase)	March 2026	300
Conservation Studio refurbishment	2026/27	1,900
Permanent Galleries (development phase)	2026/27	2,900
Permanent Galleries (phase 1)	2028/29	7,000
Permanent Galleries (phase 2)	2030/31	7,000
Permanent Galleries (phase 3)	2031/32	7,000
New Learning Centre	2032/33	3,800
Admin Area (Project Kaleidoscope – across 3 phases)	2027/28	430
Hall of Steel Lighting	2026/27	130
Hall of Steel Upper Level Access	2027/28	170
Ground floor commercial spaces and welcome exhibit	2027/28	3,000
Library and archive refurbishment	2032/33	1,800
Riverside entrance	2030/31	500

Together, the Armouries 700 programme set out above will meet essential requirements to replace end of life building services to significantly reduce carbon use and secure the future of our collections; it will allow us to present our collections in more compelling, collaborative and contemporary ways to build on recent audience growth and continue to develop more diverse audiences, with stronger connections to the Armouries' collection and brand. The Armouries 700 programme will also allow us to protect and sustain the commercial growth seen in recent years, further supporting our ambitions to grow both learning and research and it will ensure our people have the workspaces and capacity to be effective within a more flexible, dynamic and collaborative environment. However, an early review of the potential commercial impacts of the programme, set against a context of constraints on core funding growth and continued pressure from wage inflation and other costs, led us to the conclusion in April 2023 that simply growing public audiences and protecting commercial growth would not be sufficient in itself to ensure the level of resilience to which the Royal Armouries' Corporate Plan aspires.

To further reduce dependency on an over-subscribed public purse and to unlock the potential of the Armouries estate to drive placemaking and regeneration at scale, further development of the Leeds site would be required, beyond the footprint of the current museum.

The Tiltyard

In May 2023, we carried out a scope review of the Armouries 700 programme and decided to explore options to bring the current Tiltyard complex (comprising the Craft Court, Stables and Tiltyard) into scope. Having now completed design appraisals and a Green Book 5-case strategic and outline business case planning exercise, we have made significant progress in engaging with Leeds City Council, HMG and regional stakeholders, including the West Yorkshire Combined Authority, to develop a proposal for the Tiltyard to create a multi-use events and exhibition space, supported by extensive public amenities, including a rooftop park and a 150 room hotel which will support wider plans for placemaking, regeneration and growth in the city region – as set out in the Leeds City Vision.

We will continue to develop and refine the case for finance and funding for the project (currently estimated at £153m) and we will support Leeds City Council and the Ministry of Housing, Communities and Local Government in the preparation of the case to Government for a Leeds City Fund to support key housing, placemaking and cultural investment in the city, including the Royal Armouries development, British Library of the North and National Poetry Centre as key anchors for regeneration.

Driving Growth

When complete, the project would offer significant benefits to the region, including c. £49.2m GVA (from an annual estimated £113m Gross Additional Expenditure) and the creation of over 1,000 jobs in the local economy, representing c. 448 Net FTE. For the Royal Armouries, the current model projects a net annual contribution of over £2m. More importantly than this, the space will allow the Royal Armouries to present its collection and stories in ways that have been previously unimaginable – from mass public events combining live jousting with digital technologies to learning activities that can immerse students within historic battlefields. In all, well over 400,000 additional visitors annually are projected to the Tiltyard, including RA-created events, touring public exhibitions and cultural events and commercial conferences and events.

Driving Opportunity

Across the whole scope of Armouries 700, there are numerous ways to extend public access, enhance education and promote opportunities to communities across the region. Supported by new learning and Participation strategies, we will explore the potential of community partnerships, training and development initiatives, apprenticeships and co-creation initiatives to open up ways in which people can help shape, produce content, learn from and work within a museum that tells the story of a universal subject, which has impacted on the lives of so many people. To this end, the Royal Armouries have joined Leeds Anchor Network and are actively reviewing our recruitment, procurement, environmental management and community engagement to identify and plan improvements. In addition, supporting local opportunity will be a key element of CSR specified in the main works packages for the projects.

Other Capital Investment

During 2024/25 we plan a further c. £2m capital works and major initiatives (i.e. beyond core Business as Usual activity) to address maintenance and reinvestment needs and improve service quality across all three sites.

In 2025/26 a further c. £585k is allocated within our plans against maintenance and service improvement initiatives, including the Gladiators temporary exhibition in Leeds, continued capital works and Phase 3 of planned ICT improvements.

Sustainability

Several projects complement the capital and Armouries 700 plans detailed above, with specific bearing on the overall sustainability of the Royal Armouries.

A focus on commercial income is important throughout 2024/25 with two main components; development of a bid to attract capital investment and the implementation of relevant aspects of the RATE strategy in order to maximise the contribution to operation costs and provide greater investment resource.

Finishing the migration to the new Digital Asset Management System (DAMS) in 2024/25 will provide more effective, catalogued and resilient asset access and storage.

After the major design, build and fit-out work undertaken during 2023/24, the concluding stages of the works will follow, as well as the launch and promotion of the newly installed Crossbow experience, which is on course to be concluded in summer 2024.

People

Throughout 2024/25 the Royal Armouries will be seeking to enhance the People proposition in several ways. Firstly, by re-examining rewards systems, packages and processes. Secondly, through further development of employee brand definition and manifestation, including further advancing the work on values and expectations begun in 2023/24. Thirdly, through further development of staff communications processes, including continued development of both digital and in person processes throughout the organisation. Finally, work to develop organisational culture which encourages flexibility, adaptability, responsiveness, co-operation, performance and is outcome-focussed.

Inclusive Narratives Research

In the last decades the priorities, needs and interests of audiences have changed considerably along with significant new developments in the display and interpretation of museum collections. At all our sites, most significantly at Leeds, we are working on revising how we talk about the collection and its presentation.

The museum's strategic response to this takes the form of Armouries 700, currently in development, which will transform the display and interpretation of the collection and the public offer in general. However, there is a growing public and academic discourse on the remedying of certain key issues. Perhaps the most prominent in the public eye are topics of race, ethnicity, religion and belief. However, there have been significant developments in respect of the way in which major topics such as gender, age and disability are conceptualised and discussed. The expectation that staff will either keep on the cutting edge of these developments, or be able to catch up with decades of developments quickly enough to contribute effectively to Armouries 700, is unrealistic.

Consequently, this project proposes to contract external specialists, community partners and stakeholders, academic or otherwise, who will liaise with museum staff and interact with the collection to provide information covering the areas of greatest concern. These reports and interactions will be sufficiently informative to enable museum staff to engage effectively with the significant questions and issues at hand.

While Armouries 700 has been the main trigger for this project, what the museum learns from the work described below will increase the overall quantity of information possessed by the Royal Armouries about its collection and contained in its catalogue, influence the Collections Development Policy and Participation Strategy, will help to apply and understand different research frameworks and methodologies to collections research in the future, and will prompt and inform some changes to the existing displays and their interpretation. As currently proposed, the scope of the project is on five major areas defined in the Equalities Act as characteristics specifically protected against discrimination:

- Race and ethnicity
- Religion and belief (contracted in a single work package with race and ethnicity)
- Gender, sex and sexual orientation
- Age
- Disability

Library and Archive Strategy

The Royal Armouries obtained Independent Research Organisation Status in 2023. It is planning on extending the use of its specialist Library and archive as part of its A700 ambitions, creating more space, storage and research facility for externals as well as staff to better understand the collection, arms and armour and the opportunities within. The Royal Armouries also needs to improve its facilities at its other sites to offer reading rooms and space to obtain Place of Deposit status at the Tower of London and Fort Nelson.

Brand

The brand work will continue, using 2024/25 as an opportunity to test and trial the initial approach and conduct independent audience research. This will ensure the positioning is motivational and compelling for existing and potential audiences as we finalise the positioning and roll out plans.

Digital Vision Project

Completion of the Digital Vision Project will be priority for 2024/25, with the final phase of the website delivering increased functionality and user engagement, as well as the launch of the Digital Playground onsite in Leeds. A full independent evaluation including audience research and analysis of outputs and outcomes will take place ahead of the final completion date of the project in January 2025.

Temporary Exhibition Gallery

In terms of our plans for exhibitions and displays, 2024/25 will see us concentrate on developing our new special exhibitions space and programme on the 4th floor of the Leeds museum. The revitalised space will form the core of the museum's rolling temporary exhibitions plan. This will deliver a host of exciting and thought-provoking exhibitions, including hosting major touring exhibitions, the first of which will be Gladiators – which will open in June 2025.

New Channels

Recruitment to shore up the Marketing & Communications team will be a priority, with plans to launch a new social media TikTok channel to bolster the existing output to be delivered in 2024. Building on the success of last year, there will be further partnership activity with Leeds BID to take part in their city-wide plans to create an activity trail to boost city centre footfall over the summer period. This will be based on the Monopoly board game and the Royal Armouries will host a life-size model of the battleship piece from the game on the ground floor. Further work to test and trial the brand proposition with audiences will be completed.

REFERENCE AND ADMINISTRATION DETAILS

A register of Trustees' interests is held and this is regularly updated. It is available on request. The Secretary of State for Culture, Media and Sport was appointed principal regulator of the Royal Armouries on 1 June 2010, with the implementation of the relevant provisions under the Charities Act 2011.

Royal Armouries Addresses

Principal Address:

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LS10 1LT

Website: www.royalarmouries.org

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Royal Armouries
HM Tower of London
London
EC3N 4AB

List of Royal Armouries Advisers and Auditors

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SW1W 9SP

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Manchester
M2 3DE

Bankers

NatWest plc
Bishopsgate Business Centre
London
EC2P 2AP

Solicitors

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One Glass Wharf
Bristol
BS2 0ZX

External Auditors for Royal Armouries Trading & Enterprises Ltd

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Investment Advisers to RA

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EC2A 4AR

The fees paid for audit services are disclosed in Note 5.

FINANCIAL REVIEW

Overview of Financial Position

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS102)), Accounting and Reporting for Charities and with regard to the Government Financial Reporting manual. In accordance with the SORP, the total amount of grant and other income received for capital projects is included in the Statement of Financial Activities (SOFA) on page 68.

Overall visitor levels to the Royal Armouries during 2023/24 saw a continued strong recovery following the disruption caused by COVID-19 closures and restrictions, with visitor numbers exceeding pre COVID-19 levels. The performance indicators on page 14 show that the percentage of visitors who would recommend a visit has remained relatively constant.

Both the income and cost base of the organisation increased. Incoming resources for the period amounted to £14,024k (2022/23: £13,092k) comprising of Grant-in-Aid of £8,420k (2022/23: £8,684k), Donations and Legacies of £488k (2022/23: £309k), Charitable Activity income of £285k (2022/23: £229k), Other Trading income of £4,748k (2022/23: £3,840k) and Investment income of £83k (2022/23: £30k). In addition to £7,902k of core funding (2022/23: £7,754k), the Grant-in-Aid funding included £518k (2022/23: £650k) from the Public Bodies Infrastructure Fund 2021.

Other Trading Income is 24% higher than 2022/23 reflecting the continued recovery of trading activity across the year post COVID-19. The Royal Armouries share of gate income from Historic Royal Palaces has contributed £424k (2022/23: £327k) towards the Tower of London operating costs. The performance of the group's trading subsidiary, Royal Armouries Trading & Enterprises Ltd, showed a continued increase with comprehensive income for the year of £2,227k being recorded against £1,730k in 2022/23 with all business areas continuing to recover towards their pre-Covid levels.

Resources expended in the period in furtherance of the Royal Armouries charitable objectives as set out on page 2, amounted to £15,588k (2022/23: £13,346k) and with investment gains of £4k (2022/23: loss of £11k) results in net expenditure of £1,560k (before transfers and revaluations) (2022/23: £265k). £2,866k (2022/23: £2,398k) was attributable to depreciation, impairment and amortisation charges; these were financed from the capital project income credited to designated and restricted funds in previous years.

Total resources expended included salaries and related employee costs of £7,217k (2022/23: £6,071k), being £1,146k higher than 2022/23 due primarily to an increase in staff levels and the 2023/24 pay award. Salary and related employee expenditure accounted for 46% of operational cost with depreciation, impairment and amortisation at £2,866k (2022/23: £2,398k) accounting for 19%. Other direct costs of £5,441k (2022/23: £4,877k) were 12% higher than 2022/23 due primarily to increased investment in programme.

In 2023/24 the Royal Armouries recorded £451k net income before transfers for general unrestricted funds (2022/23: £1,126k). Charitable donations of £0k were made during the year (2022/23: £0k) and no grants were awarded (2022/23: £0k).

Resource expenditure for 2024/25 has been planned around anticipated resource income levels, fund raising and sustained commercial trading income. The budget includes a number of discretionary areas of spend which can be flexed depending on actual income levels.

A description of the principal risks and uncertainties facing the museum and its subsidiary undertakings, as identified by the museum Trustees, together with a summary of their plans and strategies for managing those risks is shown within the Governance Statement on pages 52 to 60.

Balance Sheet

Of the fund balances at 31 March 2024:

- restricted funds, subject to specific restriction by the providers of the funds, amounted to £65,665k (2022/23: £57,629k), the majority of which comprise the value of buildings;
- designated funds, which includes designated unrestricted funds and those set aside to finance tangible fixed assets other than those classed as restricted, amounted to £14,345k (2022/23: £19,184k); and
- the surplus on general unrestricted funds available for use in furtherance of the general objectives of the Royal Armouries amounted to £2,500k (2022/23: £3,626k).

By virtue of the National Heritage Act 1983, the Royal Armouries was vested with the property and objects, which formed part of the collection of arms and armour or were associated with the maintenance or administration of the collection. The value of the collection was not identified in the records passing into the Royal Armouries' ownership and the Trustees have determined that the cost of obtaining valuations for the pre-2001 collection is not commensurate to the benefits provided by doing so.

In accordance with the Financial Reporting Manual and Charity SORP, Heritage Asset additions to the collection since 1 April 2001 are capitalised and recognised in the Balance Sheet, at the cost or value of the acquisition. Such items are not depreciated or revalued as a matter of routine. Acquisitions and donations to the value of £71k were capitalised in 2023/24 (2022/23: £148k).

Group Debtors increased by £497k to £1,653k due primarily to higher HRP income share, business rates rebate due and prepaid expenditure. Group Creditors have remained relatively stable with a small £397k increase to £13,714k.

Under the Freedoms charter approved by HM Treasury and Cabinet Office in April 2023, the Royal Armouries has the freedom to maintain and spend reserves of self-generated income. Whilst this gives some flexibility in terms of committing funds in future years, the Royal Armouries is still mindful of not committing funds beyond those available, even though this means that some projects cannot be pursued, and others can proceed only as fast as funding permits. It actively pursues other sources of funding for activities that cannot be financed by Grant-in-Aid. Nevertheless, the future financial viability of the Royal Armouries is critically dependent on continued government Grant-in-Aid. The funds of the Royal Armouries are adequate to support its future requirements only in the technical sense that commitments are not made beyond the resources available.

Reserves Policy

The policy on reserves is reviewed by the Trustees as part of the annual planning and budget setting process. The museum freedom measures mean that access to historic reserves is easier and building up reserves from current year operating surpluses to cover anticipated future costs is more practical and relevant.

The Trustees recognise that a General Reserve allows the organisation to deal with short-term fluctuations in income, to provide adequate working capital and to underpin budgetary risk arising from capital expenditure projects.

The Trustees have considered the scale, complexity and risk profile of the Royal Armouries, and taken account of the funding base which consists of Grant-in-Aid from the DCMS and self-generated income. The former has historically been reasonably foreseeable, given that it is normally subject to a multi-year funding agreement. Self-generated income is always liable to fluctuation depending on economic circumstances and visitor activity.

After considering these factors, the Trustees consider that a minimum General Reserve balance of £2.5m should be maintained, representing around 12 months of operational expenditure not covered by the current level of Grant-in-Aid. In addition, the Trustees have designated a total of £3.8m of unrestricted reserves against a number of projects including masterplan, building infrastructure renewal and museum offer. It is anticipated that these reserves will be spent over the next five years in line with the 2023-2028 Corporate Plan, with £1.5m budgeted to be spent during 2024/25.

Although the Royal Armouries' total reserves at 31 March 2024 are shown as £82.5 million on the balance sheet, other than the £2.5m of General Reserves and £3.779m of cash within the overall £14.345m of Designated Funds transferred in prior years, all of the reserves are tied up in restricted funds, and fixed assets, none of which can be used for other purposes.

Payment of Creditors

The Royal Armouries continues to review the efficiency of its operations and aims to comply with best practice wherever possible. The Royal Armouries aims to settle all invoices within 30 days of the invoice being approved in accordance with the supplier's terms of business. In 2023/24, the Royal Armouries paid approximately 99% (2022/23: 99%) of supplier invoices within the target of 30 days.

Losses and Special Payments, Remote Contingent Liabilities, Gifts and Income from fee and Charges (audited)

There were no reportable losses or special payments during the year ended 31 March 2024 (2022/23: Nil). There are no disclosable remote contingent liabilities (2022/23: nil). No gifts were made over the limits prescribed in Managing Public Money (2023/23: nil) and no material income from fees and charges (2022/23: nil).

John Procter

Chair

Date 28 January 2025

Nat Edwards

Accounting Officer

Date 28 January 2025

REMUNERATION AND STAFF REPORT

Remuneration Committee

The membership of the Remuneration Committee is:

John Procter

Neil Grant

Andrew Latchmore

Paul Kirkman

Policy on the Remuneration of the Director General & Master and Directors

The Remuneration Committee reviews and approves the salaries of the Accounting Officer and Directors with reference to any guidance from the Government. In 2023/24 a 6% cost of living increase was awarded to Directors. This was part of the overall 2023/24 organisational pay award which saw 6% awarded to staff across all grades.

Policy on Duration of Contracts, Notice Period and Termination Payments

The Director General & Master and Directors are permanent employees of the Royal Armouries. Notice periods are between three and six months and all termination payments are in accordance with the Royal Armouries contractual terms.

Pension Membership

Pension benefits are provided either through the Civil Service pension arrangements or a defined contribution scheme with People's Pension. Staff who started in their current role prior to April 2020 are members of the Civil Service scheme. New starters since January 2020 are invited to join the defined contribution scheme.

Civil Service Scheme

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015.

Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 were switched into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial 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. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (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 a 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 figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

The real increase uses common market valuation factors for the start and end of the period and reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

Defined Contribution Scheme

New starters are invited to join the defined contribution pension scheme with People's Pension. Employers' contributions to the scheme are made at rates between 6% and 9%, with employee contributions paid at rates between 3% and 6% of pensionable pay.

Remuneration (salary, benefits in kind and pensions) – audited

	Salary (Annual Equivalent) £'000		Bonus Payments £'000		Pension Benefit to nearest £1,000 *		Total Remuneration £'000	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
N Edwards #	135-140	60-65 (125-130)	-	-	9,000	2,000	140-145	65-70
R Taylor	100-105	105-110	-	-	39,000	36,000	140-145	140-145
S Lundgren # (started 4 October 2023)	35-40 (75-80)	-	-	-	2,000	-	35-40	-
M Duncan	85-90	80-85	-	-	34,000	33,000	115-120	115-120
L Bell	80-85	75-80	-	-	32,000	30,000	110-115	105-110
F Symington #	75-80	25-30 (60-65)	-	-	4,000	5,000	80-90	30-35

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

N Edwards, S Lundgren and F Symington are members of the defined contribution pension scheme. Values shown are the value of employer contributions made to the scheme.

Salary is gross salary and allowances only as no overtime is paid to Directors. No bonuses were awarded to directors during 2023/24 (2022/23: 0) and there were no benefits in kind in either 2023/24 or 2022/23. Trustees receive no emoluments however they are reimbursed for legitimate expenses, see Note 4b of the financial statements.

Pension benefits – audited

	Accrued pension at pension age as at 31/03/24 (related lump sum) £'000	Real increase in pension (related lump sum) at pension age £'000	CETV at 31 March 2024 £'000	CETV at 31 March 2023 £'000	Real Increase in CETV £'000
N Edwards #	-	-	-	-	-
R Taylor	20-25 (0-5)	0-2.5 (0-2.5)	374	301	29
S Lundgren #	-	-	-	-	-
M Duncan	20-25 (0-5)	0-2.5 (0-2.5)	322	260	24
L Bell	15-20 (0-5)	0-2.5 (0-2.5)	206	165	16
F Symington #	-	-	-	-	-

N Edwards, S Lundgren and F Symington are members of the defined contribution pension scheme and as such the above disclosure is not relevant to them.

Fair Pay - audited

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. This disclosure is provided in the table below. The calculations are based on the salary and remuneration of the employees of both the Royal Armouries and Royal Armouries Trading and Enterprises.

Percentile	2023/24				2022/23			
	Salary Ratio	Salary £,000	Remuneration Ratio	Total Remuneration £'000	Salary Ratio	Salary £,000	Remuneration Ratio	Total Remuneration £'000
25 th	6.8:1	20.3	6.8:1	20.3	6.7:1	19.0	6.7:1	19.0
Median	5.2:1	26.5	5.2:1	26.5	5.1:1	24.9	5.1:1	24.9
75 th	4.1:1	33.4	4.0:1	34.2	4.1:1	31.2	4.0:1	31.9

The banded remuneration of the highest paid director in the Royal Armouries in 2023/24 was £135-140k (2022/23: £125k-£130k). The salary of the highest paid director during the year changed by 6.0% (2022/23: 4.1%) reflecting the 6% cost of living increase awarded to the majority of non-national-living-wage staff. There was no performance pay and bonuses payable to the highest paid director in the current or previous year and as such their salary and total remuneration were the same.

The 25th percentile, median and 75th percentile salaries increased by 7.0%, 6.6% and 6.9% respectively. This was primarily due to the 6% cost of living increase awarded to the majority to non-national-living-wage staff along with the recruitment of number of mid and higher salary roles during the year. The ratios for each quartile remained broadly constant given that the remuneration of the highest paid director increased by a similar percentage.

The average percentage increase from 2023/24 in respect of the employees of the entity taken as a whole in respect of salary costs and allowances was 7.8%. The average performance pay and bonus across all employees in 2023/24 was £102 (2022/23 : £94) a 8.5% increase reflecting the 6% increase in base pay and the stronger commercial performance in 2023/24.

In 2023/24 (and 2022/23) no employee received remuneration in excess of the highest paid director. Remuneration ranged from £19,506 to £137,500 (2022/23: £18,233 to £127,500). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Exit Costs - audited

There was 1 redundancy during the year (2022/23: 1).

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
£50,000 - £75,000	-	-	1	-	1	-
£100,000 - £125,000	-	-	-	1	-	1
Total number of exit packages	-	-	1	1	1	1
Total resource cost (£0,000)	-	-	70	119	70	119

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year the decision was made.

Off Payroll

As at 31 March 2024 there were no off-payroll engagements for more than £245 per day that had lasted longer than six months (2022/23: 0). During the year there were no such engagements.

Staff Numbers

Disclosure of staff costs and average staff numbers is provided in Note 4 to the accounts on page 79.

John Procter
Chair

Date 28 January 2025

Nat Edwards
Accounting Officer

Date 28 January 2025

STATEMENT OF THE TRUSTEES' AND THE ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Schedule 1 Section 29 of The National Heritage Act 1983 the Secretary of State for Culture, Media and Sport (with the consent of HM Treasury) has directed the Board of Trustees of the Royal Armouries to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Armouries and of its income and expenditure, balance sheet and cash flows for the financial year.

In preparing the accounts, the Trustees and the Accounting Officer are required to have regard to the requirements of the *Government Financial Reporting Manual* and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* and in the Statement of Recommended Practice: Accounting and Reporting for Charities (Charities SORP (FRS 102)) have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the financial statements on a going concern basis.

The Accounting Officer of the Department for Culture, Media and Sport designated Nat Edwards, Director General & Master, as Accounting Officer of the Royal Armouries on his appointment on 3 October 2022. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Board of Trustees' assets, as set out in *Managing Public Money* issued by HM Treasury.

The Trustees and the Accounting Officer, who were in office on the date of approval of these financial statements, have confirmed, as far as they are aware, that the Royal Armouries has disclosed all relevant information to their auditors. Having made enquiries of the Board of Trustees and the Board's auditor, the Accounting Officer has confirmed that he has taken all the steps that he ought to have taken in order to make himself aware of any information relevant to the audit and to establish that the auditor is aware of that information.

The Accounting Officer has confirmed that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

John Procter
Chair

Date 28 January 2025

Nat Edwards
Accounting Officer

Date 28 January 2025

ROYAL ARMOURIES GOVERNANCE STATEMENT

Purpose

This statement covers the Royal Armouries governance arrangements for the year ended 31 March 2024 and up to the date on which the financial statements were approved by the Board of Trustees. The Accounting Officer has responsibility for ensuring that the organisation maintains a sound system of internal control that supports the achievement of the Royal Armouries' policies, aims and objectives, whilst safeguarding public funds and museum assets. The purpose of the Governance Statement is to show how these responsibilities have been met in the course of the year.

Governance Framework

The Strategic direction of the Royal Armouries is set by a Board of non-executive Trustees, who also serve as Trustees of the Charity. One Trustee is appointed by HM The King; the Constable of the Tower of London is an *ex-officio* Trustee and the remaining Trustees and Chair are appointed by the Secretary of State for Culture, Media and Sport.

Operational issues and the implementation of strategy are delegated to an Executive Board led by the Director General & Master of the Armouries. On the advice of the Board of Trustees, DCMS appointed the Director General & Master of the Royal Armouries to be the Accounting Officer. Chapter 3 of *Managing Public Money* sets out the responsibilities of an Accounting Officer and these include personal responsibility for safeguarding the public funds of which they have charge, propriety and regularity in handling public funds and ensuring that the Royal Armouries is run according to the highest standards of governance, decision-making and financial management.

The Trustees have a duty under section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission and the Trustees consider that they have complied with this duty.

Control Environment

The Executive Board continues to hold regular risk review meetings and risk management remains a standing agenda item for the Audit Committee.

It is recognised that there needs to be a continual process of control review and improvements. This remains a key focus of the Audit Committee and the Executive Board, although there are currently no major areas of concern.

The Internal Audit programme has been structured to ensure that key areas such as finance, HR, payroll, procurement and IT are regularly reviewed but also that other areas of concern can be included if necessary.

The Royal Armouries has in place policies and procedures to manage conflicts of interest. At each Board of Trustees and Committee meeting all attendees are asked to declare any conflict of interest and the details are recorded in the formal minutes. A Register of Interests for Trustees and Directors is maintained and updated regularly. It is a requirement that potential conflicts of interest are disclosed in advance and where appropriate the individual concerned would take no direct part in the decision-making process. Likewise, it is a requirement that potential conflicts of interest in the procurement and recruitment processes are disclosed and that the individuals should not participate in the decision-making process.

The Board of Trustees

The Board met five times in 2023/24, twice in Leeds, once at the Tower of London, once at Fort Nelson, and once by video conference. Attendance by video conference was also made available for meetings if a Trustee was unable to travel. Board Papers are prepared by the Executive Board and circulated at least one week prior to meetings. Regular reports are provided on strategy, policy, governance, financial position, meetings of sub-committees and operational issues. The Board considers the information presented to it and where appropriate will request amendments to formats or such additional information as may be required to improve the understanding of the operations and activities of the organisation.

At 28 January 2025, The Board comprised the Chair and ten Trustees and full details are included on page 4 of this report.

The Board is required to carry out an externally facilitated review of its performance and effectiveness at least every three years with an internal self-assessment carried out in intervening years. The last internal review was undertaken in Summer 2023 and concluded that the Board operated effectively and there were no specific recommendations that required implementation. The Chair also conducted annual one to one reviews with each Trustee during 2023/24.

The Board has high standards in terms of the data it expects to receive to support it in discharging its duties. Data relating to the delivery of the Royal Armouries' objectives, including financial control and the management of risk, are regularly reviewed by the Board and its committees.

Over the course of the year key topics discussed by the Board included:

- Reports from the Board sub-committees on progress of key issues including audit control points, financial planning, risk and health and safety
- Updates on the 2023/24 Annual Operating Plan
- Brand positioning
- Operational updates
- Operational agreement with Historic Royal Palaces
- Public programme including temporary exhibition programme
- Masterplanning
- Fundraising

Table of attendance at meetings during 2023/24.

	Board	Audit	Finance & Capital Development	Remuneration	Masterplan	Collections, Research & Learning
John Procter	5/5	3/5	3/5	1/1	2/2	0/0
Paul Kirkman	5/5	-	5/5	1/1	2/2	-
Jonathan Sands	3/5	-	-	-	1/2	-
Neil Grant	5/5	5/5	5/5	1/1	-	-
Paul Mancey	5/5	3/5	-	-	-	-
Andrew Latchmore	5/5	4/5	3/5	0/1	1/2	-
Monica Turner	5/5	-	4/5	-	2/2	-
Steven Gunn	4/5	-	-	-	2/2	0/0
Barbara Woroncow	5/5	-	-	-	-	0/0
Gordon Messenger	4/5	-	-	-	-	-
Edward Smyth- Osbourne	4/5	-	-	-	-	0/0
Andrew Broome*	-	4/5	-	-	-	-
Adam Beaumont*	-	4/5	-	-	-	-

*Andrew Broome and Adam Beaumont are independent co-opted members of the Audit Committee and as such only attend that committee.

Committees of the Board

The Board has established a number of Committees to provide support and monitoring on matters of risk, control and governance. These Committees are Remuneration, Finance & Capital Development, Audit, Masterplan and Collections, Research & Learning.

Remuneration Committee

The Remuneration Committee reviews the salaries of the Accounting Officer and Directors. The Committee met once during the year and concluded that it was appropriate to award the same 6% cost of living increase effective from 1 April 2023 that had been awarded to the majority of staff.

Finance and Capital Development Committee

This Committee has responsibility for reviewing the annual budget, quarterly re-forecasts, the outturn and all capital projects and income generating ventures valued at more than £50,000.

The Accounting Officer, Finance Director, Chief Operating Officer, Director of Collections, Research & Learning, Director of Brand & Audiences and Director of Development routinely attend the meetings.

Masterplan Committee

The Board of Trustees established the Masterplan Committee to support it in carrying out its responsibilities relating overseeing the preparation and delivery of the museum's Masterplan for the redevelopment of its three sites.

The Accounting Officer, Finance Director, Chief Operating Officer, Director of Collections, Research & Learning, Director of Brand & Audiences and Director of Development routinely attend the meetings.

Collections, Research & Learning Committee

The Board of Trustees established the Collections, Research and Learning Committee to advise it about the suitability and appropriateness of strategy and policy for Royal Armouries' Collections, Research and Learning strands within the context of the Royal Armouries' purpose, as set out in the National Heritage Act 1983.

The Accounting Officer, Director of Collections, Research & Learning and Director of Brand & Audiences will routinely attend these meetings.

Audit Committee

The Board of Trustees has delegated authority to the Audit Committee for reviewing the integrity of the annual report and accounts, together with the effectiveness of the system of internal control and risk management systems. Specific duties include working with the external auditors to consider the nature and scope of the audit together with its outcomes, cost effectiveness and the audit fee. The Audit Committee also review and discuss with management and auditors the financial statements including Accounting Policies, significant judgements and estimates and compliance with relevant financial reporting standards. Finally, the Audit Committee reviews and comments on the Governance Statement and the appointment of Internal Auditors, together with the scope of their work and its outcomes.

The Trustee membership of the Committee is complemented by additional co-opted members with specific skills. During the year co-opted members brought knowledge and experience in the areas of IT, legal and Health and Safety.

The Accounting Officer, Chief Operating Officer, Finance Director, Director of Collections, Research & Learning and the internal and external auditors routinely attend the meetings.

A report from the Audit Committee has been adopted as a standing item on the Board Agenda to ensure that matters of risk and control receive the appropriate attention.

The Committee has received and reviewed reports and presentations from management, internal and external auditors to fulfil its terms of reference. In particular, the Committee considered:

- Accounting principles, policies and procedures adopted in the financial statements and the accounting issues dealt with in the accounts
- The external audit planning document, the detailed findings following audit and recommendations therein
- Areas covered by internal audit during 2023/24 which included Risk Management, Collections Management, Core HR Controls and Core Finance controls
- Progress on the steps being taken to improve cyber security, overall IT resilience and achieving the Cyber Essentials accreditation
- Implementation of recommendations from current and prior year audits
- Policies due for renewal
- Health and Safety issues
- The Strategic Risk Register

Royal Armouries Trading & Enterprises Ltd

Royal Armouries Trading & Enterprises Ltd (RATE) is a wholly owned subsidiary of the Royal Armouries and is managed by a Board of Directors with relevant skills and experience including sales, finance and marketing. The objectives of RATE are set out in its Memorandum and Articles of Association and its Statutory Accounts are approved by the Board of RATE and subject to external audit by Grant Thornton UK LLP.

Several measures are in place to provide assurance to the Accounting Officer that RATE is operating in the best interests of the Royal Armouries. These include a Service Level Agreement which is reviewed and approved annually and Trustees who serve on both Boards. In addition, the Accounting Officer is also appointed as a Director of RATE and attends Board meetings in that capacity together with a senior member of the Royal Armouries Finance Team.

The RATE Business Plan is agreed with the Royal Armouries Board of Trustees and there are regular updates to the Royal Armouries Board of Trustees on the financial performance of RATE activities and the anticipated financial contribution for the year.

RATE saw a continued increase in comprehensive income in 2023/24 from £1,730k to £2,227k, as all business streams continued their post COVID-19 recovery. The forecast for 2024/25 shows steady growth with a projected comprehensive income of £2,354k.

Executive Board

The team supporting the Accounting Officer comprises:

- Chief Operating Officer
- Finance Director
- Director of Collections
- Director of Brand & Audiences
- Director of Development (from 4 October 2023)

The Executive Board, which generally meets weekly, is responsible for keeping under review all controls, policies and procedures and in particular to ensure at an operational level that the organisation complies with changes in the law or with instructions and guidance from the sponsoring department, HM Treasury and the Charity Commission.

System of Internal Control

The Accounting Officer and the Board of Trustees are responsible for setting a system of internal control and reviewing its effectiveness and the Executive Board is responsible for implementing and maintaining the system of controls. This system is designed to manage rather than eliminate the risk of failing to achieve aims, objectives and conformity with policies; it therefore provides reasonable but not absolute assurance of effectiveness. In setting the control environment the Royal Armouries follows the relevant government functional standards (further information of the content of the government functional standards can be found at the following website: [Functional Standards - GOV.UK](https://www.gov.uk/government/functional-standards)).

A corporate Risk Register is maintained centrally along with registers held and maintained by each Department. All of the registers are formatted according to the same template, using common classifications. The corporate register and key changes to departmental registers are reviewed and discussed at regular risk management meetings attended by the Executive Board and other members of staff as appropriate. The corporate Risk Register is also reviewed by the Audit Committee.

Where significant risks are recognised and accepted, potential impacts are identified and appropriate mitigating actions put in place. The key residual risk areas identified in our Strategic Risk Register are:

- Diversifying Audience – The need to ensure the museum appeals to as wide a range of audiences as possible is recognised and is a key element of the A700 Masterplan.
- Staff retention and recruitment – it is recognised that high wage inflation combined with financial restrictions is causing significant challenges with staffing and that the 2024/25 pay proposal and wider staff engagement needs to respond to these.
- Physical security – The heightened metal theft risk caused by high metal prices means that security reviews have been undertaken at Leeds and Fort Nelson and a number of remedial steps are being implemented.
- Building Plant Maintenance – Ageing equipment means increasing maintenance costs and reliability challenges.
- Cyber security – Ongoing challenge to ensure that IT systems and infrastructure are as robust as possible to protect against cyber-attacks and safeguard data.

Independent Assurance

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control and the review is informed by the work of the internal auditors and the executive directors. Collectively, they have responsibility for the development and maintenance of the internal control framework, and also take into account comments by the external auditors made in their management letter and other reports.

In order to provide the assurance necessary to support completion of this Governance Statement, the Accounting Officer has taken into account the reports provided by the Internal Auditor; the minutes of Trustee and Committee meetings; discussions with the Chair of Audit Committee and other long serving Trustees together with the information provided by the current Executive Board and a review of the Management Accounts.

Internal Audit for 2023/24 was provided under contract by Mazars LLP, who undertook three levels of audit:

- strategic audits through which the design of controls were tested;
- compliance audits, whereby adherence to previously tested processes and controls are checked and confirmed and;
- advisory audits where the design of controls in place are reviewed but not tested.

Mazars also provided assurance to the Audit Committee on the implementation of internal audit recommendations including outstanding points from prior years.

The audit areas and outcomes were:

Audit area	OPINION
• Risk Management	Moderate
• Collections Management	Moderate
• Core HR Controls	Substantial
• Core Financial Controls	Moderate

In their Annual Report, Mazars concluded that “On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. Certain weaknesses and exceptions were highlighted by our audit work. These matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports. No ‘High’ priority findings have been raised, and no ‘Unsatisfactory’ and ‘Limited’ assurance opinions were awarded in 2023/24. We have raised several ‘Medium’ priority recommendations. A ‘Substantial’ assurance opinion was provided for Core HR Controls and ‘Moderate’ assurance opinions were provided for Risk Management, Collections Management and Core Financial Controls. The Armouries’ recommendation implementation rate has not increased from 2022/23, the implementation rate for the year remained at 38%. The implementation of recommendations from internal audits requires improvement”.

Taking into account Mazars’ annual audit opinion, the individual audit outcome and the steps being taking to address audit points, overall, the view of the Board of Trustees and Accounting Officer is that governance, risk management and internal control have been sufficient to allow the Royal Armouries to continue its usual operations. The level of inherent risk has remained at a level that is considered to be appropriate by the Audit Committee and the Board of Trustees.

Whistleblowing Policy

The museum upholds the core values detailed in the Code of Professional Ethics of the Museums Association. In line with these, the museum is committed to the highest standards of openness, probity and accountability. A vital part of accountability and openness is having a way for our people, including contractors and agency staff, to voice any concerns responsibly and effectively. The Royal Armouries has a clear policy and processes, through which issues may be raised both internally and externally and encourages employees and others with serious concerns about any aspect of the museum’s work to come forward and voice those concerns, and expects its managers to encourage employees to express their views openly. This process is clearly documented in the organisation’s Whistleblowing policy which is available to all staff. There were no whistleblowing instances during the year.

Compliance with the Corporate Governance Code

Changes in recent years, including the recent board effectiveness review, mean that the Royal Armouries generally complies with the intentions of the 'Corporate Governance in Central Government Departments: Code of Good Practice 2017', in so far as it is relevant to an NDPB.

Data and Information Security Management

The Royal Armouries has an information management strategy with which all staff must comply. The Royal Armouries Archives & Records Manager acts as the Departmental Records Officer, Freedom of Information Officer and Data Controller. The Royal Armouries Finance Director has been designated as the Senior Information Risk Owner and Freedom of Information champion.

The Royal Armouries has reviewed the status of information and data security during the year to ensure that information is correctly managed and safeguarded. These are contained in the Royal Armouries Records and Information Management Policy and the Information Security Policy. There were no protected personal data related incidents reportable to the Information Commissioner's Office in 2023/24.

The requirements of the government's transparency agenda have been implemented within the required timelines. Staff capacity and systems are in place to carry through this work on a continuous basis.

Fraud and Errors

The Royal Armouries is committed to meeting the requirements of the Counter Fraud Functional Standard and has a Counter Fraud Strategy and Policy which sets out in detail its approach to tackling fraud and error. Counterfraud measures are one of the considerations when considering the design and effectiveness of controls and is a key element of the assurance mapping process. The most recent fraud risk assessment did not identify any high-risk areas. The Royal Armouries suffered no material fraud losses during 2023/24.

John Procter

Chair

Date 28 January 2025

Nat Edwards

Accounting Officer

Date 28 January 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Board of Trustees of the Royal Armouries Museum (the Royal Armouries) and its Group for the year ended 31 March 2024 under the National Heritage Act 1983.

The financial statements comprise the Royal Armouries' and its Group's:

- Consolidated Balance Sheet as at 31 March 2024;
- Consolidated Statement of Financial Activities and Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Royal Armouries and its Group's affairs as at 31 March 2024 and its net expenditure for the year then ended;
- have been properly prepared in accordance with the National Heritage Act 1983 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Royal Armouries and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Royal Armouries and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Royal Armouries and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board of Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Trustees' and Accounting Officer's Annual Report but does not include the financial statements and my auditor's certificate. The Board of Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Heritage Act 1983.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Trustees' and Accounting Officer's Annual Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the National Heritage Act 1983; and
- the information given in the Trustees' and Accounting Officer's Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Royal Armouries and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Trustees and Accounting Officer's Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Royal Armouries and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Trustees' and Accounting Officer's Annual Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Secretary of State directions issued under the National Heritage Act 1983 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board of Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Board of Trustees and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Royal Armouries and its group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the applicable financial reporting framework;
- preparing the Board of Trustees' Annual Report, which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; the applicable financial reporting framework; and
- assessing the Royal Armouries' and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees and Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Heritage Act 1983.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud I:

- considered the nature of the sector, control environment and operational performance including the design of the Royal Armouries' and its Group's accounting policies, key performance indicators and performance incentives.
- inquired of management, the Royal Armouries' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Royal Armouries' and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Royal Armouries' and its Group's controls relating to its compliance with the, National Heritage Act 1983, the Charities Act 2011 and Managing Public Money.
- inquired of management, the Royal Armouries' head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including the component audit team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Royal Armouries and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Royal Armouries' and its Group's framework of authority and other legal and regulatory frameworks in which the Royal Armouries and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Royal Armouries and its Group. The key laws and regulations I considered in this context included, the National Heritage Act 1983, the Charities Act 2011, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board of Trustees and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud in revenue recognition by assessing the recognition of grants, and contract income in line with the accounting framework, evaluating the recognition points around the year-end.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 31 January 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

THE BOARD OF TRUSTEES OF THE ROYAL ARMOURIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds		Restricted funds	Total funds
		General	Designated		2023/24
		£000	£000	£000	£000
Income and endowments from					
Grant-in-Aid	2	7,107	1,313	-	8,420
Donations and legacies	3	157	-	331	488
Charitable activities	3	285	-	-	285
Other trading activities	3	4,748	-	-	4,748
Investments		83	-	-	83
Total Income and endowments		12,380	1,313	331	14,024
Expenditure on					
Raising Funds	4	(2,207)	(70)	(40)	(2,317)
Charitable activities	4	(9,722)	(2,189)	(1,360)	(13,271)
Total Expenditure		(11,929)	(2,259)	(1,400)	(15,588)
Net gain on investments	11	-	-	4	4
Net income / (expenditure)		451	(946)	(1,065)	(1,560)
Transfers between funds	21	(1,577)	30	1,547	-
Other recognised gains / (losses)					
Gains / (losses) on revaluation of fixed assets	7	-	(3,923)	7,554	3,631
Net movement in funds		(1,126)	(4,839)	8,036	2,071
Reconciliation of funds:					
Total Funds brought forward	21	3,626	19,184	57,629	80,439
Total Funds carried forward		2,500	14,345	65,665	82,510

All activities are on an ongoing basis.

There are no recognised gains or losses in the current or preceding year, other than the net income / (expenditure) as disclosed in the Statement of Financial Activities.

The notes on pages 72 to 98 form an integral part of these accounts.

THE BOARD OF TRUSTEES OF THE ROYAL ARMOURIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds		Restricted funds	Total funds
		General	Designated		2022/23
		£000	£000	£000	£000
Income and endowments from					
Grant-in-Aid	2	7,245	1,439	-	8,684
Donations and legacies	3	68	-	241	309
Charitable activities	3	229	-	-	229
Other trading activities	3	3,840	-	-	3,840
Investments		30	-	-	30
Total Income and endowments		11,412	1,439	241	13,092
Expenditure on					
Raising Funds	4	(1,954)	(55)	(39)	(2,048)
Charitable activities	4	(8,332)	(1,699)	(1,267)	(11,298)
Total Expenditure		(10,286)	(1,754)	(1,306)	(13,346)
Net losses on investments	11	-	-	(11)	(11)
Net (expenditure)		1,126	(315)	(1,076)	(265)
Transfers between funds		-	(59)	59	-
Other recognised gains / (losses)					
Gains on revaluation of fixed assets	7	-	2,069	3,243	5,312
Net movement in funds		1,126	1,695	2,226	5,047
Reconciliation of funds:					
Total Funds brought forward		2,500	17,489	55,403	75,392
Total Funds carried forward		3,626	19,184	57,629	80,439

All activities are on an ongoing basis.

There are no recognised gains or losses in the current or preceding year, other than the net income / (expenditure) as disclosed in the Statement of Financial Activities.

The notes on pages 72 to 98 form an integral part of these accounts.

THE BOARD OF TRUSTEES OF THE ROYAL ARMOURIES

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2023/24		2022/23	
		Group	Museum	Group	Museum
		£000	£000	£000	£000
Fixed Assets					
Intangible Assets	6	343	343	115	115
Tangible Assets	7	82,219	82,219	79,678	79,678
Heritage Assets	8	4,399	4,399	4,328	4,328
Investments	11	154	154	150	150
Investments in Subsidiary	12	-	150	-	150
		<u>87,115</u>	<u>87,265</u>	<u>84,271</u>	<u>84,421</u>
Current Assets					
Stocks	13	259	27	190	29
Debtors	14	1,653	3,759	1,156	2,727
Cash at Bank and in Hand		7,197	5,032	8,139	6,453
		<u>9,109</u>	<u>8,818</u>	<u>9,485</u>	<u>9,209</u>
Creditors					
Amounts falling due within one year	15	(2,227)	(2,080)	(1,759)	(1,627)
		<u>6,882</u>	<u>6,738</u>	<u>7,726</u>	<u>7,582</u>
Net Current Assets					
		<u>93,997</u>	<u>94,003</u>	<u>91,997</u>	<u>92,003</u>
Total Assets less Current Liabilities					
		<u>93,997</u>	<u>94,003</u>	<u>91,997</u>	<u>92,003</u>
Creditors: Amounts falling due after more than one year	15	(11,487)	(11,487)	(11,558)	(11,558)
		<u>82,510</u>	<u>82,516</u>	<u>80,439</u>	<u>80,445</u>
Net Assets					
		<u>82,510</u>	<u>82,516</u>	<u>80,439</u>	<u>80,445</u>
The funds of the charity					
Income Funds					
Restricted Reserves	21	65,665	65,665	57,629	57,629
Unrestricted Reserves					
Designated funds	21	14,345	14,345	19,184	19,184
General	21	2,500	2,506	3,626	3,632
		<u>82,510</u>	<u>82,516</u>	<u>80,439</u>	<u>80,445</u>
Total Funds					

The notes on pages 72 to 98 form an integral part of these accounts.

The financial statements of pages 68 to 71 were approved by the Board of Trustees and were signed on their behalf by:

John Procter
Chair

Date 28 January 2025

Nat Edwards
Accounting Officer

Date 28 January 2025

THE BOARD OF TRUSTEES OF THE ROYAL ARMOURIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24	2022/23
		£000	£000
Cash Flows from operating activities:			
Net Cash provided by / (used in) operating activities	22	1,636	2,241
Cash Flows from investing activities:			
Dividends and interest from investments		83	30
Purchase of intangible fixed assets		(229)	(112)
Purchase of tangible fixed assets		(1,916)	(1,040)
Sale of tangible fixed assets		5	-
Purchase of heritage fixed assets		(16)	(79)
Net cash provided by / (used in) investing activities		(2,073)	(1,201)
Cash Flows from financing activities:			
Loan interest payment		(12)	(12)
Finance Lease Payment		(493)	(493)
Net cash provided by / (used in) financing activities		(505)	(505)
Change in cash and cash equivalents in the period		(942)	535
Cash and cash equivalents at the beginning of the reporting period		8,139	7,604
Cash and cash equivalents at the end of the reporting period		7,197	8,139

Cash and cash equivalent balances comprise money held in commercial bank accounts and cash in hand.

The notes on pages 72 to 98 form an integral part of these accounts. The Royal Armouries has taken advantage of the exemption under FRS 102 to provide the consolidated cash flow statement for the group only.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

1.1 Basis of accounting

The accounts have been prepared in accordance with the accounts direction given by the Secretary of State for Culture, Media and Sport, with the approval of the Treasury in accordance with the National Heritage Act 1983, a copy of which can be obtained from the Royal Armouries. These accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the required valuation methods for financial instruments. The accounts comply with Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP), applicable accounting standards (FRS102) and have regard to the requirements of HM Treasury's Financial Reporting Manual as set out in the Accounts Direction issued by the Department for Culture, Media & Sport. The Museum is a public benefit entity.

The consolidated financial statements incorporate those of Royal Armouries Trading & Enterprises Ltd. In the Museum accounts the investment in Royal Armouries Trading & Enterprises Ltd is stated at cost. The financial statements of the Arms and Armour Heritage Trust are not consolidated into the Group Accounts as they are independent of the Royal Armouries.

All financial statements are made up to 31 March 2024. The consolidation has been carried out on a line by line basis.

1.2 Going Concern

The Trustees are satisfied, on the evidence available, that the Grant-in-Aid the Secretary of State for Culture, Media and Sport has made available, together with estimated self-generated other income over the next 12 months and reserves, are adequate to meet known and reasonably foreseeable circumstances likely to arise in that period. In addition, Trustees have taken into account that under Section 18 of the National Heritage Act 1983 the Royal Armouries has a statutory responsibility for keeping its collections and making them available for inspection by the public and as such sufficient government funding will continue to be made available to fulfil this responsibility. The Trustees believe that there are no material uncertainties about the charity's ability to continue and, therefore, the accounts can be prepared on the basis of a going concern.

1.3 Incoming resources

In general, income is accounted for when a transaction or other event results in an increase in the Royal Armouries' assets or a reduction in its liabilities. Grant-in-Aid is recognised in the year in which it is received.

Income from donations and legacies, including capital grants, is included in incoming resources when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Income from Charitable activities and Other Trading activities is recognised upon performance of services rendered in accordance with contractual terms.

Gifts in kind are recognised as incoming resources at a reasonable estimate of their current value on receipt.

1.4 Expenditure

Expenditure is classified under the principal categories of costs of raising funds and costs of charitable activities rather than the type of expense, in order to provide more useful information to the users of the accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

1.4 Expenditure (continued)

Expenditure on raising funds is that associated with generating voluntary income and the cost of trading activities, which includes the cost of goods sold and other associated costs.

Expenditure on charitable activities comprises all the resources incurred in undertaking its work to meet its charitable objectives. Such costs include those incurred on care of the collection, providing an educational and interpretation programme and all costs associated with the visitor experience.

Support costs, where possible, have been directly allocated to an activity cost category, or alternatively, apportioned on the basis of floor area occupied by an activity, or by the number of people employed within an activity. Directorate, Administrative Support and Governance costs have been allocated using headcount whilst Shared Services has been allocated based upon floor space.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Royal Armouries and which have not been designated for other purposes.

Designated funds comprise unrestricted funds which have been set aside at the discretion of the Trustees for specific purposes. The use of the designated funds is set out in the Note 21 to the accounts on page 92.

Restricted funds are funds subject to specific restriction by the providers of the funds or the purposes of the appeal.

Transfers between funds occur when designated funds allocated for collection acquisitions are moved to restricted funds and backlog depreciation following tangible fixed asset revaluations.

1.6 Key Judgements

Valuation of New Dock Hall

The Royal Armouries uses an external valuer to value the property annually on the basis of Market Value and ascertain its remaining useful economic life. The valuation is dependent on both historic trading data and projected future trading assumptions which are produced by management in conjunction with our outsourced operating partner.

Valuation of other Land and Buildings

The Royal Armouries uses an external valuer to value and estimate the remaining useful economic life of the other properties and plant and machinery included in the financial statements on a quintennial basis. In the intervening years appropriate indices are used to value the assets.

Depreciation

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

1.6 Key Judgements (continued)

Valuation of heritage assets

Heritage assets are valued in accordance with FRS 102 (Heritage Assets). The museum accepts donations of heritage assets which require management to make a judgement on the valuation placed on the specimens donated. Further information on heritage assets can be found in Note 1.9 below.

Lease discount rate

The Royal Armouries has two 999 year leases as detailed in Note 15. The length and complexity of these leases means that it has proven mathematically impossible to determine an implicit discount rate that is valid across the whole lease term. Currently a 6% discount rate has been applied as this provides the most accurate outcome at present. The discount rate is subject to review annually.

Valuation of Ministry of Defence Pattern Room donation

As noted in Note 10, the Royal Armouries was gifted a collection of weapons by the Ministry of Defence in 2005. The collection had not been valued by the Ministry of Defence previously and the large number of items donated meant it was not practical to value this donation. As a result, the exception to valuing donations under s18.17 of the Charities SORP (FRS102) was applied.

1.7 Intangible fixed assets

Intangible fixed assets reflect the cost of software licences for a number of front line and back office systems together with the cost of developing the Royal Armouries' website. The assets are valued at historic cost. Amortisation is provided in the year following capitalisation on a straight line basis over 3 years.

1.8 Tangible fixed assets

In line with HM Treasury guidance and FRS 102 Section 17, the land and buildings are professionally valued every 5 years with the remaining lives adjusted accordingly. See Note 7 for further details of valuations. Other tangible fixed assets other than the collection assets (see Note 1.9) were professionally revalued as at 31 March 2006.

The Museum has adopted a policy of using appropriate Building Cost Information Service indices to adjust the carrying values of its land and buildings, and Office for National Statistics indices to adjust the carrying values of its plant and machinery and fixtures and fittings, in the years when they are not professionally re-valued.

Depreciation is provided on all tangible assets, using the straight-line method, from the year following acquisition at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life as follows:

Leasehold land	999 years
Buildings	9 to 79 years
Plant & machinery	9 to 25 years
Fixtures, fittings & equipment	4 to 18 years

Tangible fixed assets are defined as assets costing £2,500 or more with a useful life of greater than 1 year. Where the net book value of a fixed asset is higher than its recoverable amount, it will be impaired and written down to its recoverable value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

1.9 Heritage fixed assets

The Royal Armouries is the National Museum of Arms and Armour and has one of the largest collections of arms and armour in the world which comprises the National Collection of Arms and Armour, National Artillery Collection and National Firearms Centre. It is also the keeper of the Tower of London history.

The collection of heritage assets is held to support the Royal Armouries' charitable objectives defined in the National Heritage Act 1983 including: the care and preservation of the collection; increasing knowledge, understanding and appreciation of the collection; upkeep of records relating to the collection and Tower of London.

The Trustees do not consider that reliable cost or valuation information can be obtained for the vast majority of the collection. This is because of the diverse nature of the assets held, the uniqueness of certain individual items, the number of assets held and the lack of comparable market values. The Trustees also consider the cost of obtaining valuations is not commensurate to the benefits of inclusion to the user of the accounts.

The Royal Armouries does not therefore recognise these assets on its Balance Sheet, other than acquisitions since 2001 which are reported at cost, where the object was purchased, or at the museum curator's best estimate of market value at the time of donation where the object was donated. The threshold for capitalisation is £2,500 for individual collection additions.

As the additions are deemed to have indeterminate lives and high residual values the Trustees do not consider it appropriate to charge depreciation. It is not the museum's policy to revalue items once capitalised. An impairment review of capitalised heritage assets is undertaken at the year end.

Subject to the approval of the Trustees, the Royal Armouries may dispose of items from the collection and this normally occurs when the item is deemed unsuitable for retention in the collection and disposal is not detrimental to the public interest, where it is a duplicate of an item already held or the object is damaged. It is usual for disposal proceeds to be used in furtherance of the collection.

Expenditure which, in the Trustees' view, is required to preserve or clearly prevent further deterioration of individual collection items is charged to the Statement of Financial Activities when it is incurred.

1.10 Stock

Stock is valued at the lower of cost or net realisable value and comprises goods for resale.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

1.11 Pensions

Past members of Royal Armouries staff and those who started their current roles before January 2020 are covered by the provisions of the Civil Service pension arrangements, which is an unfunded multi-employer defined benefit scheme with the cost of benefits met by monies voted by Parliament each year. The Royal Armouries, and other bodies covered by the arrangements meet the cost of pension cover provided for staff they employ by payment of charges calculated on an accruing basis. There is a separate statement for the Civil Service pension arrangements as a whole.

Members of Royal Armouries staff who have started since January 2020, present and past members of Royal Armouries Trading & Enterprises Ltd and past members of Royal Armouries (International) Limited are covered by the provisions of a defined contribution scheme administered by the People's Pension. Contributions to all schemes are included as expenses in the Statement of Financial Activities in the period to which they relate.

1.12 Finance and Operating leases

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement.

Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis, over the lease term.

1.13 Taxation

Any cumulative trading profits generated through Royal Armouries Trading & Enterprises Ltd are paid to the parent under Gift Aid and the levels of non-primary purpose trading remaining in the main charity are such that no corporation tax provision has been made.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

1.14 Financial Instruments

The Royal Armouries classifies its financial assets into loans and receivables and available for sale. All financial liabilities are recorded at amortised cost.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Consisting of trade and other debtors there is no intention to trade these loans and receivables and these assets are valued at amortised cost less impairment, where appropriate. Available for sale financial assets are investments that the Royal Armouries does not plan to hold until maturity. Subsequent to initial recognition these assets are recorded at fair value, with any realised and unrealised gains and losses reflected in the Statement of Financial Activities.

2. Grant-in-Aid (Group and Museum)

Grant-in-Aid received from DCMS in 2023/24 was £8,420,000 (2022/23: £8,684,000), representing a public investment per visitor of £3.62 (2022/23 : £4.43). The full amount has been credited to income during the year.

The money is available for running costs, capital improvements and collection purposes in accordance with the funding agreement. The sum of £804k (2022/23: £887k) has been designated by the Trustees for the purposes of capital projects with a further £16k (2022/23: £59k) designated by the Trustees for the purposes of collection asset purchases and £493k (2022/23: £493k) designated by the Trustees to meet the current liability for minimum lease payments of the leasehold land finance leases.

3. Analysis of Income and Endowments (Group)

	2023/24 £000	2022/23 £000
Donations	160	68
Other Grants	258	141
Heritage asset donations	70	100
Donations and Legacies	488	309
Event Income	123	101
Educational Income	61	42
Other Operating Income	101	86
Charitable activities	285	229
Share of HRP gate receipt	424	327
Trading activity	4,324	3,513
Other Trading activities	4,748	3,840

£3k of the Donations (2022/23: £0k), £258k of the Other Grants income (2022/23: £141k) and the £70k of Heritage asset donations (£2022/23: £100k) were restricted income. The remaining income was unrestricted general income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Total Expenditure (Group)

	Staff costs	Other direct costs	Impairment, Depreciation & Disposals	Allocated Support Cost	2023/24 Group
	£000	£000	£000	£000	£000
Cost of generating voluntary income	101	39	-	23	163
Fund raising: cost of goods and other costs	735	978	91	350	2,154
Raising Funds	836	1,017	91	373	2,317
Care of the collection	1,506	460	728	1,282	3,976
Education	301	119	205	374	999
Visitor Experience	2,044	1,503	1,906	2,843	8,296
Charitable activities	3,851	2,082	2,839	4,499	13,271
Total Expenditure	4,687	3,099	2,930	4,872	15,588

Support Costs

	Staff costs	Other direct costs	Impairment, Depreciation & Disposals	Allocated Support Cost	Basis of allocation
	£000	£000	£000	£000	
Directorate	788	480	-	(1,268)	Headcount
Administrative support #	563	436	-	(999)	Headcount
Shared services	1,144	1,297	-	(2,441)	Space
Governance Costs	35	129	-	(164)	Headcount
	2,530	2,342	-	(4,872)	
	7,217	5,441	2,930	-	

The Administrative support Other Direct Costs balance of £436k disclosed above is net of a business rates refund of £510k relating to the period April 2017 to March 2023. The refund was due after a revision to the ratable value of the Leeds museum building in the 2017 Rating list by the Valuation Office.

	Staff costs	Other direct costs	Impairment, Depreciation & Disposals	Allocated Support Cost	2022/23 Group
	£000	£000	£000	£000	£000
Cost of generating voluntary income	105	24	-	36	165
Fund raising: cost of goods and other costs	583	898	74	328	1,883
Raising Funds	688	922	74	364	2,048
Care of the collection	1,199	496	596	1,160	3,451
Education	285	91	168	342	886
Visitor Experience	1,664	1,156	1,560	2,581	6,961
Charitable activities	3,148	1,743	2,324	4,083	11,298
Total Expenditure	3,836	2,665	2,398	4,447	13,346

Support Costs

	Staff costs	Other direct costs	Impairment, Depreciation & Disposals	Allocated Support Cost	Basis of allocation
	£000	£000	£000	£000	
Directorate	774	98	-	(872)	Headcount
Administrative support	479	888	-	(1,367)	Headcount
Shared services	952	1,096	-	(2,048)	Space
Governance Costs	30	130	-	(160)	Headcount
	2,235	2,212	-	(4,447)	
	6,071	4,877	2,398	-	

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Total resources expended (continued)

4a Staff Costs	Permanent staff	Contract and agency staff	2023/24 Total Group	2022/23 Total Group
	£000	£000	£000	£000
Salaries and wages	5,357	403	5,760	4,739
National Insurance contributions	504	29	533	439
Pension costs	788	20	808	777
Redundancy costs	70	-	70	119
Holiday pay accrual	46	-	46	(3)
	6,765	452	7,217	6,071

The average number of full-time equivalent employees, analysed by function, was:

	Group	
	2023/24	2022/23
Cost of generating voluntary funds	2	3
Fundraising: cost of goods sold and other costs	20	17
Care of the collection	48	42
Education	15	13
Visitor Experience	90	81
	175	156

The average headcount of the Group during the year was 214 (2022/23: 191)

Director General & Master of the Armouries

Details of the Director General & Master of the Armouries and Directors remuneration are contained within the Remuneration and Staff report.

Employees receiving remuneration over £60,000

The number of employees, including the Director General & Master of the Armouries and Directors whose emoluments as defined for taxation purposes amounted to over £60,000 in the year were as follows:

	2023/24	2022/23
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Total resources expended (continued)

4a. Staff Costs (continued)

Pension Scheme

Under the terms of Schedule 1 of the National Heritage Act 1983, the Board of Trustees of the Royal Armouries provides pensions for staff, and employment with the Royal Armouries is included among the categories of employment to which a superannuation scheme under section 1 of the Superannuation Act applies. In accordance with the schedule, the Royal Armouries pays a monthly sum determined by the Treasury to meet its liabilities under the Civil Service pension arrangements attributable to the future pensions in respect of employees who started their current roles prior to April 2020 or have been in the service of the Royal Armouries. For new starters since January 2020 the Royal Armouries operates a defined contribution pension scheme with the People's Pension for its employees. The assets of the scheme are held independently from those of the company in a separately administered fund.

The Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Royal Armouries is unable to identify its share of the underlying assets and liabilities. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

www.civilservicepensionscheme.org.uk

For 2023/24, employers' contributions of £580k were payable to the civil service (2022/23: £666k) at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023/24 to be paid when the member retires and not benefits paid during this period to existing pensioners.

For 2023/24, employers' contributions of £181k were payable to the People's Pension (2022/23: £84k) at rates between 6% and 9%, with employee contributions paid at rates between 3% and 6% of pensionable pay. At the balance sheet date contributions amounting to £16k (2022/23: £14k) were payable.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £0k (2022/23: £0k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and from 1 October range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £0.0k (2022/23: £0.0k), 0.5% of pensionable pay were payable to the Civil Service pension arrangements to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

As at the balance sheet date there were no current employees contributing to a **partnership** pension and there were contributions of £0.0k (2022/23: £0.0k) due to the **partnership** pension providers at the balance sheet date and no prepaid contributions at that date.

Royal Armouries Trading & Enterprises Ltd operates a defined contribution pension scheme with the People's Pension for its employees. The assets of the scheme are held independently from those of the company in a separately administered fund.

For Royal Armouries Trading & Enterprises Ltd employee contributions are paid at rates between 3% and 7% of pensionable pay and employer contributions at rates between 5% and 9%. For 2023/24 Employers' contributions of £47k (2022/23: £27k) were payable to the People's Pension and at the balance sheet date contributions amounting to £3k (2022/23: £3k) were payable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Total resources expended (continued)

4b. Trustees

No member of the Board of Trustees of the Royal Armouries received any emoluments during the year. Eleven Royal Armouries Trustees incurred expenses for their travel and subsistence costs during the year, with £6,612 reimbursed and £5,268 paid directly to third parties (2022/23: Ten Royal Armouries Trustees incurred expenses for their travel and subsistence costs during the year, with £4,758 reimbursed and £8,141 paid directly to third parties).

5. Net Income / (Expenditure)

	2023/24	2022/23
	Group	Group
	£000	£000
Net income / (expenditure) is stated after charging:		
Operating lease rentals	16	16
Finance lease charge	622	614
External auditor for audit work	90	78
External auditor for non-audit work	5	4
Internal Auditor	27	34
Legal services	34	119
Travel and subsistence costs	156	121
Loss on disposal of fixed assets	68	-

All auditors' remuneration was in respect of audit work with the exception of £4,633 that was paid to Grant Thornton for accounts preparation and tax compliance work in relation to Royal Armouries Trading & Enterprises Ltd. The National Audit Office charged £67k (2022/23: £56.7k) on behalf of the Comptroller and Auditor General for the audit of the Royal Armouries. Grant Thornton charged £23.4k for the audit of Royal Armouries Trading & Enterprises Ltd (2022/23: £21.5k).

Expenditure of £0 was incurred on 'advisory consultancy' during the year (2022/23: £0).

6. Intangible Fixed assets (Group and Museum)

	Website Development £000	Software Licences £000	Total £000
Cost as at 1 April 2023	155	1	156
Additions	229	-	229
Disposals	(-)	(-)	(-)
Cost as at 31 March 2024	384	1	385
Amortisation as at 1 April 2023	40	1	41
Disposals	(-)	(-)	(-)
Amortisation during year	1	-	1
Amortisation as at 31 March 2024	41	1	42
Net Book Value at 31 March 2024	343	-	343
Net Book Value at 31 March 2023	115	-	115

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Tangible Fixed assets

Cost	Group				Total £000
	Assets in Course of Construction £000	Leasehold Land & Buildings £000	Plant and Machinery £000	Fixtures Fittings and Equipment £000	
As at 1 April 2023	94	72,275	10,326	11,997	94,692
Additions	203	25	128	1,487	1,843
Disposals	-	-	-	(343)	(343)
Transfers	(85)	1,506	52	(1,473)	-
Revaluations	-	2,866	670	298	3,834
As at 31 March 2024	212	76,672	11,176	11,966	100,026
Depreciation					
As at 1 April 2023	-	3,951	2,945	8,118	15,014
Charge for the year	-	1,186	838	841	2,865
Disposals	-	-	-	(275)	(275)
Revaluation	-	101	(117)	219	203
As at 31 March 2024	-	5,238	3,666	8,903	17,807
Net Book Value at 31 March 2024	212	71,434	7,510	3,063	82,219
Net Book Value at 31 March 2023	94	68,324	7,381	3,879	79,678

Cost	Museum				Total £000
	Assets in Course of Construction £000	Leasehold Land & Buildings £000	Plant and Machinery £000	Fixtures Fittings and Equipment £000	
As at 1 April 2023	94	72,275	10,326	11,971	94,666
Additions	203	25	128	1,487	1,843
Disposals	-	-	-	(343)	(343)
Transfers	(85)	1,506	52	(1,473)	-
Revaluations	-	2,866	670	298	3,834
As at 31 March 2024	212	76,672	11,176	11,940	100,000
Depreciation					
As at 1 April 2023	-	3,951	2,945	8,092	14,988
Charge for the year	-	1,186	838	841	2,865
Disposals	-	-	-	(275)	(275)
Revaluation	-	101	(117)	219	203
As at 31 March 2024	-	5,238	3,666	8,877	17,781
Net Book Value at 31 March 2024	212	71,434	7,510	3,063	82,219
Net Book Value at 31 March 2023	94	68,324	7,381	3,879	79,678

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Tangible Fixed assets (continued)

A full valuation of buildings and plant and machinery at Fort Nelson on the basis of depreciated replacement cost was carried out by Gerald Eve, RICS qualified asset valuers, in March 2022. The buildings elements will be depreciated over a period of between 10 to 79 years & plant and machinery over a period of between 9 to 25 years.

A full valuation of the Leeds Museum building and the plant and machinery on the basis of depreciated replacement cost was carried out by Gerald Eve as at 31 March 2024. Following this valuation, the building will be depreciated over a 64-year period & plant and machinery over a 9-year period.

As part of the fair value acquisition accounting for Royal Armouries (International) Ltd (RAI), a valuation of the New Dock Hall exhibition centre using an income approach was undertaken by Gerald Eve as at 31 July 2018. Following this valuation, the building will be depreciated over a 39 year period. On 30 January 2020 the building was transferred internally from RAI to Royal Armouries. This had nil net impact on the valuation of these assets to the group. A valuation of New Dock Hall has been undertaken by Gerald Eve as at 31 March annually since 2020. The New Dock Hall and the other property valuations are recognised within the Leasehold Land & Buildings column numbers.

The land and building value includes two plots of land that were leased in 1996 under 999 year agreements. The leases are recognised as finance leases. The land was professionally valued by Gerald Eve as at 31 March 2024. The land and building value also includes the NFC premises that were leased in 2002 under a 150 year peppercorn lease. The lease is recognised as a finance lease. The lease was valued on the basis of depreciated replacement cost by Gerald Eve as at 31 March 2024 with the building being depreciated over a 71-year period & plant and machinery over a 17-year period.

A full valuation on all fixtures and fittings was also carried out by Rushton International as at 31 March 2006. The values thereafter have been adjusted using indices issued by the Office for National Statistics. The net book value of the building and plant and machinery on a historic cost basis at 31 March 2024 for both the Group and Museum was £32.2m and £0.75m respectively.

8. Heritage Fixed Assets (Group and Museum)

	Armour and Weapons £000	Works of Art £000	Archive £000	Total £000
Cost or valuation as at 1 April 2023	3,584	666	78	4,328
Additions	71	-	-	71
Cost or valuation as at 31 March 2024	3,655	666	78	4,399
Purchased - Cost	2,219	100	78	2,397
Donated – Deemed Cost	1,436	566	-	2,002
Total	3,655	666	78	4,399

There have been no disposals of heritage assets during 2023/24.

The collection comprises 536 pieces of armour or weapons, 8 works of art and 14 sets of archive material that were either acquired or donated since 2001. This represents a very small part of the overall collection which is detailed further in Note 10.

Details of the significant additions and donations are given in the Trustee and Accounting Officer Annual Report on page 24.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Five year financial summary of heritage asset transactions

	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000	2019/20 £000
<u>Purchases</u>					
Armour and weapons	16	79	64	6	49
Works of art	-	-	-	-	-
Archive	-	-	-	-	5
<u>Donations</u>					
Armour and weapons	55	69	11	15	5
Works of art	-	-	-	-	-
Total	71	148	75	21	59

10. Further information on museum collection of heritage assets

The collection of heritage assets is broken down into three sections: armour and weapons, works of art and archives.

The collection is preserved at three sites across the United Kingdom: the Tower of London, the head office and main museum in Leeds and at Fort Nelson near Portsmouth. In addition, many objects are loaned to exhibitions and long term displays nationally and internationally.

Upon acquisition, items are assigned a unique reference number and this, together with details on the provenance, location, valuation, conservation history, academic and other general information, is recorded on the collection management database.

Only post 2001 heritage assets that have been formally accessioned are valued in the accounts. At any point in time there will be a number of items that have been deposited with the museum for acquisition, research or identification purposes. The process for those deposits that are being assessed by staff as to whether they should be acquired for the collection, returned to their original owner or disposed of (if duplicate or in poor condition), involves research of each item, including provenance checks, and can take a number of months. Deposits are left at the owner's risk.

Armour and weapons

The core collection was founded on the arsenal of the British army preserved in the Tower of London, augmented by Royal arms and armour brought into the Tower in 1649 and by purchases, gifts and other forms of acquisition since 1831. The core collection comprises pieces of armour and weapons, ranging from the Neolithic period to the present day from across the globe.

Fort Nelson in Portsmouth houses that part of the national artillery collection not held by the Royal Collection, the Royal Artillery Collection or on loan to other institutions.

The NFC contains a collection of weapons which were initially formed by the Ministry of Defence Pattern Room in Enfield and latterly the Royal Ordnance Factory in Nottingham. This collection was gifted to the Royal Armouries by the Ministry of Defence in 2005.

The NFC collection services the User Group identified by the Ministry of Defence and comprising the Police, UK Border Agency, HM Revenue and Customs and various military and forensic organisations.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Further information on museum collection of heritage assets (continued)

Works of art

The museum holds a collection of art, comprising paintings, prints, drawings, sculptures and other works of art.

Many of these artworks are represented in the image library; a developing resource providing income for the museum. A particular focus will be the recording of the artworks held in the archives at the Tower of London which are expected to generate significant interest from potential purchasers.

Archive

The archives contain some major collections, including those of the previous Master of the Armouries, Sir James Mann, and the Royal Small Arms Factory, Enfield, as well as individual items, many relating to the history of the Tower of London and its institutions, and including maps and plans, early photographs and stereographs.

Heritage assets of particular importance

Some of the objects are of exceptional international importance including four of the six surviving personal armours of Henry VIII, the armours of Charles I, Charles II and James II, all of which have been in the collection since the time of their original owners in the 16th and 17th centuries.

Among many important artillery pieces on display at Fort Nelson are two remarkable examples: a huge bronze bombard cast in two parts and weighing a total of 20 tons, made in 1464 for the Turkish Sultan Mehmet II, and a mid-15th Century wrought iron gun, probably made in England and now known as the Boxted Bombard, one of very few guns of this period surviving in Europe today.

The NFC holds many pieces which are of considerable historical and technological importance. These include the first production example of what in World War I would become the famous, or infamous, Maxim machine gun made at the Royal Small Arms Factory, Enfield, in the early 1890s, serial number 1.

There is also a collection of 'sealed pattern' weapons, each produced to act as the exact model against which all other examples of that particular firearm, which could be made in the tens of thousands, were to be judged.

There is also a unique set of manufacturing gauges used at the Royal Small Arms Factory in the production of the Pattern 1853 Enfield percussion rifled musket. The manufacture by machine of all the components of this rifle represented a breakthrough in mass production technology and was a watershed in achieving the creation of complex objects from truly interchangeable parts.

The library holds a small number of medieval manuscripts, including the earliest known fencing manual, a medieval firework book, and two manuscripts relating to the tournament, as well as special collections of early print books on fencing manuals, and military manuals and drill books.

Further information regarding iconic pieces of the collection is available on the Royal Armouries website.

Preservation and management

The core collection is managed by a team of specialist curators and registrars who control the collection in accordance with policies approved by the Board of Trustees. The condition of the collection is maintained by a dedicated team of specialist conservators. Further information on the preservation and management of the collection, including the detailed collections policies, is available on the Royal Armouries website.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Investments

	Group	
	2023/24 £000	2022/23 £000
Investments as at 1 April	150	161
Additions	-	-
Disposals	(-)	(-)
Gain/(loss) in value	4	(11)
Investments as at 31 March	154	150

The investments comprise government stock, fixed interest bonds and funds.

Subsequent to initial recognition these assets are recorded at fair value, with any realised and unrealised gains and losses reflected in the Statement of Financial Activities.

12. Investments in subsidiaries

The museum owns 100% of the issued share capital of Royal Armouries Trading & Enterprises Ltd. Royal Armouries Trading & Enterprises Ltd (RATE) has capital consisting of 150,000 £1 shares all of which have been issued at par. The share issue occurred on 29 July 2010 and became fully paid up on 29 March 2011.

13. Stocks

	Group	
	2023/24 £000	2022/23 £000
Stocks valued at cost	299	243
Less: provisions for publications and other slow moving stocks	(40)	(53)
	259	190

	Museum	
	2023/24 £000	2022/23 £000
Stocks valued at cost	60	74
Less: provisions for publications and other slow moving stocks	(33)	(45)
	27	29

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Debtors

	2023/24		2022/23	
	Group £000	Museum £000	Group £000	Museum £000
Trade debtors	471	117	350	67
Other debtors	8	7	14	10
Amounts due from subsidiaries	-	2,448	-	1,897
VAT recoverable	118	239	178	262
Prepayments and accrued income	1,060	948	620	492
Provision for bad debts	(4)	(-)	(6)	(1)
	1,653	3,759	1,156	2,727

15. Creditors

Amounts falling due within one year

	2023/24		2022/23	
	Group £000	Museum £000	Group £000	Museum £000
Trade creditors	424	403	345	314
Tax and Social Security	157	141	208	189
Other creditors	189	167	12	11
Obligations under finance lease	493	493	493	493
Accumulated holiday pay	82	61	51	49
Accruals and deferred income	670	603	638	559
DCMS Loan	212	212	12	12
	2,227	2,080	1,759	1,627

Amounts falling due after more than one year

	Group & Museum	
	2023/24 £000	2022/23 £000
Obligations under finance lease	10,487	10,358
DCMS Loan	1,000	1,200
	11,487	11,558

The movement on the deferred income account in the year was as follows:

	2023/24 £000	2022/23 £000
As a 1 April 2023	14	6
Amounts released from previous years	(14)	(9)
Income deferred in the current year	29	17
As at 31 March 2024	29	14

Income has been deferred as it relates to annual membership and deposits for future corporate events.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Creditors (continued)

As at 31 March 2024 the future minimum lease payments were as follows:

	2023/24	2022/23
	Land & Buildings	Land & Buildings
	£000	£000
Not later than one year	493	493
Later than one year and not later than five years	2,270	2,170
Later than five years	668,142	668,734
Total gross payments	670,905	671,397
Less: finance charges	(659,925)	(660,546)
Total Lease Liability	10,980	10,851

The finance lease liability relates to two 999 year agreements entered into in 1996 for the rent of two areas of land in Leeds. The first is the site on which the new museum building was built. The second is land adjacent to the museum building that was initially a surface car park but has been under leased and subsequently developed with a mixture of commercial and housing properties. Both agreements have fixed rental payments across the 999 year term. Both agreements include a number of contingent rent conditions relating to the non-museum use of the site. No contingent rent payments have been made.

As detailed in Note 7, the museum leases the NFC premises on a 150 year lease. The lease is on a peppercorn rent basis and as such the lease liability is nil.

16. Related party transactions

The Royal Armouries is a Non-Departmental Public Body whose parent department is the Department for Culture, Media and Sport. During the year the Royal Armouries has had various material transactions with the Department and with other entities for which the Department is regarded as the parent department.

As a result of the Constable of the Tower of London sitting on the Royal Armouries Board of Trustees, Historic Royal Palaces is regarded as a related party. In addition, the UK Health Security Agency (UKHSA) is regarded as a related party due a Trustee being a member of the non-executive Advisory Board. The following table highlights the financial transactions in the year together with the balances outstanding at the end of the financial year. The figure are shown net of any associated VAT.

	2023/24	2023/24	2023/24	2023/24
	Income	Costs	Debtor	Creditor
	£000	£000	£000	£000
Historic Royal Palaces				
- Income relates to a contribution to site expenditure. Costs relate to our share of operating costs	424	9	424	-
UKHSA	-	-	-	-
-Costs relates to services provided				

There were no material related party transactions with the Trustees, key managerial staff, or other related parties during the year. Key management compensation is disclosed in the Remuneration and Staff Report on pages 43 to 49. As disclosed on page 3, Trustees are not remunerated.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Financial Commitments

As at 31 March 2024 the Royal Armouries group and entity had commitments to future minimum lease payments under non-cancellable operating leases as follows:

	Land £000	Other £000	2023/24 £000	2022/23 £000
Not later than one year	4	11	15	16
Later than one year and not later than five years	16	14	30	45
Later than five years	289	-	289	293
	309	25	334	354

As detailed in Note 15 the Royal Armouries group and entity is the lessor on an area of land in Leeds by virtue of entering into a 150 year underlease on the land. The underlease has an element of contingent rent. The future minimum lease payments receivable under the non-cancellable operating lease are as follows:

	2023/24 £000	2022/23 £000
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	12	12
	12	12

Rent recognised as income during the period amounted to £496k.

The Royal Armouries entity has an intra group non-cancellable contract with Royal Armouries Trading and Enterprises Limited which is not a lease or other service concession arrangement. The payments to which the Royal Armouries is committed as at 2023/24, analysed by the period during which the commitments expire, are as follows:

	2023/24 £000	2022/23 £000
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	3	3
	3	3

Payments during the period amounted to £496k.

18. Contingent Liabilities (Group and Museum)

There were no contingent liabilities as at 31 March 2024 or 31 March 2023.

19. Capital Commitments (Group and Museum)

	2023/24 £000	2022/23 £000
Capital expenditure contracted but not provided for in the accounts	57	312

The expenditure contracted but not provided for in the accounts relates to the remaining costs of the Digital Playground and temporary exhibition display case projects in Leeds. Contracts for the work were awarded in 2023/24 but not all the work had been completed by 31 March 2024. We expect work to be completed within one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Analysis of group net assets between funds

	Group			Total
	Unrestricted funds		Restricted funds	
	General £000	Designated £000	£000	
Funds balances as 31 March 2024 are represented by:				
Intangible fixed assets	-	118	225	343
Tangible fixed assets	-	21,332	60,887	82,219
Heritage fixed assets	-	-	4,399	4,399
Investments	-	-	154	154
Current assets	4,234	4,875	-	9,109
Current liabilities	(1,734)	(493)	-	(2,227)
Non-current liabilities	-	(11,487)	-	(11,487)
Total net assets	2,500	14,345	65,665	82,510

	Group			Total
	Unrestricted funds		Restricted funds	
	General £000	Designated £000	£000	
Funds balances as 31 March 2023 are represented by:				
Intangible fixed assets	-	29	86	115
Tangible fixed assets	-	26,613	53,065	79,678
Heritage fixed assets	-	-	4,328	4,328
Investments	-	-	150	150
Current assets	4,791	4,694	-	9,485
Current liabilities	(1,165)	(594)	-	(1,759)
Non-current liabilities	-	(11,558)	-	(11,558)
Total net assets	3,626	19,184	57,629	80,439

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Analysis of group net assets between funds (continued)

	Museum			Total
	Unrestricted funds		Restricted funds	
	General £000	Designated £000	£000	
Funds balances as 31 March 2024 are represented by:				
Intangible fixed assets	-	118	225	343
Tangible fixed assets	-	21,332	60,887	82,219
Heritage fixed assets	-	-	4,399	4,399
Investments	150	-	154	304
Current assets	3,943	4,875	-	8,818
Current liabilities	(1,587)	(493)	-	(2,080)
Non-current liabilities	-	(11,487)	-	(11,487)
Total net assets	<u>2,506</u>	<u>14,345</u>	<u>65,665</u>	<u>82,516</u>

	Museum			Total
	Unrestricted funds		Restricted funds	
	General £000	Designated £000	£000	
Funds balances as 31 March 2023 are represented by:				
Intangible fixed assets	-	29	86	115
Tangible fixed assets	-	26,613	53,065	79,678
Heritage fixed assets	-	-	4,328	4,328
Investments	150	-	150	300
Current assets	4,515	4,694	-	9,209
Current liabilities	(1,033)	(594)	-	(1,627)
Non-current liabilities	-	(11,558)	-	(11,558)
Total net assets	<u>3,632</u>	<u>19,184</u>	<u>57,629</u>	<u>80,445</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Statement of funds

	1 April 2023 £000	Income £000	Expenditure £000	Group Revaluation £000	Transfers £000	31 March 2024 £000
Unrestricted funds						
General fund	3,626	12,380	(11,929)	-	(1,577)	2,500
Designated fund – assets	13,815	820	(1,621)	741	30	13,785
Designated fund - land lease	5,369	493	(638)	(4,664)	-	560
Total unrestricted funds	22,810	13,693	(14,188)	(3,923)	(1,547)	16,845
Restricted funds						
Buildings	26,850	-	(1,240)	-	1,531	27,141
National Firearms Centre	882	-	(53)	-	-	829
Intangible assets	86	225	-	-	-	311
Sponsorship and Donations	6,732	36	(92)	-	-	6,676
Heritage Assets	2,381	-	-	-	16	2,397
Donated Assets	1,947	70	(15)	-	-	2,002
Revaluation Reserve	18,601	-	-	7,554	-	26,155
Investments	150	4	-	-	-	154
Total restricted funds	57,629	335	(1,400)	7,554	1,547	65,665
Total funds	80,439	14,028	(15,588)	3,631	-	82,510
				Museum		
	1 April 2023 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	31 March 2024 £000
Unrestricted funds						
General fund	3,632	10,683	(10,232)	-	(1,577)	2,506
Designated fund - assets	13,815	820	(1,621)	741	30	13,785
Designated fund - land lease	5,369	493	(638)	(4,664)	-	560
Total unrestricted funds	22,816	11,996	(12,491)	(3,923)	(1,547)	16,851
Restricted funds						
Buildings	26,850	-	(1,240)	-	1,531	27,141
National Firearms Centre	882	-	(53)	-	-	829
Intangible assets	86	225	-	-	-	311
Sponsorship and Donations	6,732	36	(92)	-	-	6,676
Heritage Assets	2,381	-	-	-	16	2,397
Donated Assets	1,947	70	(15)	-	-	2,002
Revaluation Reserve	18,601	-	-	7,554	-	26,155
Investments	150	4	-	-	-	154
Total restricted funds	57,629	335	(1,400)	7,554	1,547	65,665
Total funds	80,445	12,331	(13,891)	3,631	-	82,516

The use of restricted funds is restricted to specific purposes by conditions imposed by the providers of the funds or the nature of the appeal. The Leeds Museum building was funded by a combination of public and private sector finance, and those funds have been utilised wholly on the development of the Leeds Museum. In addition, the Royal Armouries has received other donations and contributions for specified purposes. Those funds have been or will be wholly utilised for their intended purpose.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Statement of funds (continued)

The Designated fund is split into two distinct funds. The Designated fund - assets is a fund which the Board of Trustees of the Royal Armouries has designated as being allocated to finance capital expenditure other than that associated with the Land and Buildings. The Designated fund – land lease is a fund which holds the net liability arising from the finance leases of the Leeds site. The Board of Trustees designate incoming resources from Grant-in-Aid to meet the current liability for minimum lease payments. Further details of the designation of income is given in Note 2.

The transfers between reserves primarily reflect instances where there has been expenditure from one reserve on capital assets that by their nature need to form part of a different reserve. £59k was transferred from designated reserves to restricted reserves to reflect the expenditure on heritage assets not funded by restricted grants.

22. Cash flow information (Group)

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023/24 £000	2022/23 £000
Net income/(expenditure) for the period	(1,560)	(265)
Adjustment for non-cash items:		
DCMS loan interest	12	12
Depreciation, impairment and amortisation	2,866	2,398
Finance lease charge	622	614
Loss on sale of fixed assets	63	-
(Gain) / Loss on investments	(4)	11
Donated assets – collection items	(55)	(69)
Adjustments for:		
Investment Interest received	(83)	(30)
(Increase) in stocks	(69)	(2)
(Increase) in debtors	(497)	(447)
Increase in creditors	341	19
Net cash provided by operating activities	1,636	2,241

Analysis of changes in net debt

	At start of year £'000	Cash flows £'000	Other non- cash changes £'000	At end of year £'000
Cash	8,139	(942)	-	7,197
DCMS loan falling due in less than 1 year	(12)	12	(212)	(212)
DCMS loan falling due in more than 1 year	(1,200)	-	200	(1,000)
Finance lease obligations	(10,851)	493	(622)	(10,980)
Total	(3,924)	(437)	(634)	(4,995)

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Financial Instruments

Credit risk

The Royal Armouries has cash deposits of £7,197k (2022/23: £8,139k) which are held with National Westminster Bank Plc, part of the UK Government owned RBS. Royal Armouries has never suffered any loss in relation to cash held by its bankers. 73% (2022/23: 74%) of trade and other debtor balances are with related parties or organisations working closely with us so the risks are not regarded as material.

Liquidity risk

The Royal Armouries has a £1.2m loan from DCMS and relies primarily on DCMS grants for its cash requirements. Grant-in-Aid from DCMS accounts for 60% of income (2022/23: 66%). This is further enhanced by the Trustee reserve policy which sets out the level of general reserve required as a minimum. As such the Royal Armouries has little exposure to liquidity risk.

Interest rate risk

The Royal Armouries draws down its annual Grant-in-Aid allocation according to its monthly cash flow requirements. Interest payable on the DCMS Loan is fixed at 1.03% and under 1% of overall incoming resources, £83k (2022/23: £30k) was generated from interest earned during 2023/24 so the Royal Armouries has negligible interest rate risk.

Foreign currency risk

All material assets and liabilities are denominated in sterling so they are not exposed to any currency risk.

Fair value

The balances shown on the Balance Sheet and in the notes to the accounts for fixed asset investments, short term deposits, receivables and payable have a maturity of less than one year and therefore it is assumed that the fair value of these is approximate to the book value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Financial Instruments (continued)

Financial assets and liabilities by category

	Group		
	Measured at fair value	Measured at cost	Total
	2023/24 £000	2023/24 £000	2023/24 £000
Fixed asset investments	154	-	154
Cash	-	7,197	7,197
Trade and other debtors	-	479	479
Trade and other payables	-	(613)	(613)
DCMS Loan	-	(1,212)	(1,212)
	154	5,851	6,005

	Group		
	Measured at fair value	Measured at cost	Total
	2022/23 £000	2022/23 £000	2022/23 £000
Fixed asset investments	150	-	150
Cash	-	8,139	8,139
Trade and other debtors	-	364	364
Trade and other payables	-	(357)	(357)
DCMS Loan	-	(1,212)	(1,212)
	150	6,934	7,084

	Museum		
	Measured at fair value	Measured at cost	Total
	2023/24 £000	2023/24 £000	2023/24 £000
Fixed asset investments	154	-	154
Investment in Subsidiary	-	150	150
Cash	-	5,032	5,032
Trade and other debtors	-	124	124
Amount due from subsidiary	-	2,448	2,448
Trade and other payables	-	(570)	(570)
DCMS loan	-	(1,212)	(1,212)
	154	5,972	6,126

	Museum		
	Measured at fair value	Measured at cost	Total
	2022/23 £000	2022/23 £000	2022/23 £000
Fixed asset investments	150	-	150
Investment in subsidiary	-	150	150
Cash	-	6,453	6,453
Trade and other debtors	-	77	77
Amount due from subsidiary	-	1,897	1,897
Trade and other payables	-	(325)	(325)
DCMS loan	-	(1,212)	(1,212)
	150	7,040	7,190

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Summary of Results of consolidated entries

	RAM 2023/24 £000	RATE 2023/24 £000	Intercompany & Consolidation adjustments 2023/24 £000	TOTAL 2023/24 £000
Income and endowments from				
Grant-in-Aid	8,420	-	-	8,420
Donations and legacies	2,715	-	(2,227)	488
Charitable activities	285	-	-	285
Other trading activities	824	3,738	186	4,748
Investments	83	-	-	83
Total Income and endowments	12,327	3,738	(2,041)	14,024
Expenditure on				
Raising Funds	(620)	(2,007)	310	(2,317)
Charitable activities	(13,271)	-	-	(13,271)
Total Expenditure	(13,891)	(2,007)	310	(15,588)
Gain on revaluation of investments	4	-	-	4
Net (expenditure)/income	(1,560)	1,731	(1,731)	(1,560)
Other recognised gains / (losses)				
Capital Contribution	-	496	(496)	-
Gift Aid payable by RATE to RAM	-	(2,227)	2,227	-
Gains on revaluation of fixed assets	3,631	-	-	3,631
Net movement in funds	2,071	-	-	2,071

	RAM 2022/23 £000	RATE 2022/23 £000	Intercompany & Consolidation adjustments 2022/23 £000	TOTAL 2022/23 £000
Income and endowments from				
Grant-in-Aid	8,684	-	-	8,684
Donations and legacies	2,039	-	(1,730)	309
Charitable activities	229	-	-	229
Other trading activities	701	2,956	183	3,840
Investments	30	-	-	30
Total Income and endowments	11,683	2,956	(1,547)	13,092
Expenditure on				
Raising Funds	(639)	(1,710)	301	(2,048)
Charitable activities	(11,298)	-	-	(11,298)
Total Expenditure	(11,937)	(1,710)	301	(13,346)
(Loss) on revaluation of investments	(11)	-	-	(11)
Net (expenditure)/income	(265)	1,246	(1,246)	(265)
Other recognised gains / (losses)				
Capital Contribution	-	484	(484)	-
Gift Aid payable by RATE to RAM	-	(1,730)	1,730	-
Gains on revaluation of fixed assets	5,312	-	-	5,312
Net movement in funds	5,047	-	-	5,047

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Summary of Results of consolidated entries (continued)

The Royal Armouries Group work closely and collaboratively together. Costs relating to staff disclosed for RAM and RATE in Note 24 reflect the cost of staff engaged on each entity's' activities, irrespective of whether the member of staff was employed by RATE or RAM.

During the year, £151k (2022/23: £144k) of cost relating to staff employed by the Royal Armouries were booked to RATE and £106k (2022/23: £163k) of costs relating to staff employed by RATE were booked to Royal Armouries.

There were also temporary staff sharing arrangements, for these staff, costs in the employing entities accounts are shown netted with the recovery of the costs from the non-employing entity. Costs shown for Royal Armouries are net of recovering £91k (2022/23: £60k) from RATE, and inclusive of £50k (2022/23: £17k) charged by RATE to RAM.

25. Royal Armouries Trading & Enterprises Limited

The Royal Armouries owns all the issued share capital of 150,000 issued shares of £1 nominal value of Royal Armouries Trading & Enterprises Ltd, a company registered in England and Wales (Company number 07374477). The company's principal activities are retail, catering, corporate events, sale of images and licensing and specialised training. The company commenced trading on 1 April 2011. The share issue occurred on 29 July 2010 and became fully paid up on 29 March 2011.

	2023/24	2022/23
Statement of Comprehensive Income	£000	£000
Turnover	3,738	2,956
Cost of sales	(785)	(689)
Gross profit	2,953	2,267
Administrative expenses	(1,222)	(1,021)
Profit / (loss) for the financial year	1,731	1,246
Capital contribution	496	484
TOTAL COMPREHENSIVE INCOME / (EXPENDITURE) FOR THE YEAR	2,227	1,730
Gift aid payment	(2,227)	(1,730)
CHANGE IN PROFIT & LOSS ACCOUNT	-	-

The company is an employer in its own right and directly employs a number of staff. A portion of the staff resource continues to be provided by staff employed by the Royal Armouries for which a management charge is made to the company which includes personnel costs. More details can be found in Note 24.

Income from the trading company has been consolidated onto the Statement of Financial Activities on the other trading activities income line. Costs have been included in the expenditure on raising funds cost line.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. Royal Armouries Trading & Enterprises Limited (continued)

	At 31 March 2024 £000	At 31 March 2023 £000
Statement of Financial Position		
Fixed Assets	-	-
Current assets	2,859	2,255
Creditors	(2,715)	(2,111)
Net Assets	144	144
Share Capital	150	150
Profit and Loss	(6)	(6)
Shareholder Funds	144	144

Creditors include a net balance due to the parent charity of £2,448k (2022/23: £1,897k) consisting of £2,227k (2022/23: £1,730k) due to the parent charity for a Gift Aid donation, £221k (2022/23: £167k) due to the parent charity for outstanding management charges and cost recharges.

26. Post Balance Sheet Events

There are no post balance sheet events. The financial statements were authorised for issue by the Accounting Officer and Trustees on the date they were certified by the Comptroller and Auditor General.

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