

**National Army Museum Trading Limited**  
**Financial Statements**  
**31 March 2024**

# National Army Museum Trading Limited

## Financial Statements

Year ended 31 March 2024

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# National Army Museum Trading Limited

## Directors' Report

Year ended 31 March 2024

The directors present their report and the financial statements of the company for the year ended 31 March 2024.

### Directors

The directors who served the company during the year were as follows:

Mrs J Donovan CBE  
Mr J Webb  
Mr M Hayes  
Dr J Naylor  
Ms A Marshall (Appointed 25 October 2023)  
Mr R Grimston (Resigned 25 October 2023)

### Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 23 October 2024 and signed on behalf of the board by:

Mrs J Donovan CBE  
Director

Registered office:  
National Army Museum  
Royal Hospital Road  
London  
SW3 4HT

# National Army Museum Trading Limited

## Independent Auditor's Report to the Members of National Army Museum Trading Limited

Year ended 31 March 2024

### Opinion

We have audited the financial statements of National Army Museum Trading Limited (the 'Company') for the year ended 31st March 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

# National Army Museum Trading Limited

Independent Auditor's Report to the Members of National Army Museum Trading Limited *(continued)*

Year ended 31 March 2024

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

## Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

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

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the

# National Army Museum Trading Limited

Independent Auditor's Report to the Members of National Army Museum Trading Limited *(continued)*

Year ended 31 March 2024

financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Bottom ACA (Senior Statutory Auditor)

For and on behalf of  
Hillier Hopkins LLP  
Chartered Accountants & statutory auditor  
Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP

27 October 2024

# National Army Museum Trading Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2024

	Note	2024 £	2023 £
<b>Turnover</b>		<b>565,681</b>	517,127
Cost of sales		<u>156,660</u>	<u>156,174</u>
<b>Gross profit</b>		<b>409,021</b>	360,953
Administrative expenses		<u>367,244</u>	<u>222,315</u>
<b>Operating profit</b>		<b>41,777</b>	138,638
Other interest receivable and similar income		<u>1,134</u>	377
Interest payable and similar expenses		<u>953</u>	<u>2,785</u>
<b>Profit before taxation</b>	7	<b>41,958</b>	136,230
Tax on profit		<u>-</u>	<u>6,491</u>
<b>Profit for the financial year and total comprehensive income</b>		<b>41,958</b>	<u>129,739</u>
Gift aid payment under deed of covenant		<b>(41,958)</b>	(102,069)
<b>Retained losses at the start of the year</b>		<u>-</u>	<u>(27,670)</u>
<b>Retained earnings at the end of the year</b>		<u>-</u>	<u>-</u>

All the activities of the company are from continuing operations.

The notes on pages 7 to 10 form part of these financial statements.

# National Army Museum Trading Limited

## Statement of Financial Position

31 March 2024

	Note	2024 £	£	2023 £
<b>Fixed assets</b>				
Tangible assets	8		1,112	1,335
<b>Current assets</b>				
Stocks		56,929		31,362
Debtors	9	13,153		12,580
Cash at bank and in hand		146,519		277,115
		<u>216,601</u>		<u>321,057</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>156,886</u>		<u>236,388</u>
<b>Net current assets</b>			<u>59,715</u>	<u>84,669</u>
<b>Total assets less current liabilities</b>			<u>60,827</u>	<u>86,004</u>
<b>Creditors: amounts falling due after more than one year</b>	11		10,616	35,750
<b>Provisions</b>				
Taxation including deferred tax			211	254
<b>Net assets</b>			<u>50,000</u>	<u>50,000</u>
<b>Capital and reserves</b>				
Called up share capital			50,000	50,000
<b>Shareholders funds</b>			<u>50,000</u>	<u>50,000</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 23 October 2024, and are signed on behalf of the board by:

Mrs J Donovan CBE  
Director

Company registration number: 06707366

The notes on pages 7 to 10 form part of these financial statements.



# National Army Museum Trading Limited

## Notes to the Financial Statements

Year ended 31 March 2024

### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is National Army Museum, Royal Hospital Road, London, SW3 4HT.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### (a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### (b) Going concern

The company has continued to be profitable and cash flow positive since the year end with profits forecast to continue. This, coupled with the continuing support of its parent, results in the directors considering that the going concern assumption is appropriate.

#### (c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. In preparing these financial statements, the directors have made the following judgements:

- Determine whether a provision should be made in relation to potential obsolescence of stock. Included in closing stock are provisions of £25,045 (2023: £37,428) against slow moving stock. This is based upon their knowledge of the products held and their experience of the business. If this judgement is incorrect then the value of stock could be overstated.

#### (d) Revenue recognition

The turnover shown in the profit and loss account represents amounts earned during the year from retail sales, room hire, birthday parties, children's soft play activities and related services, exclusive of Value Added Tax.

#### (e) Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

The company has entered into a deed of covenant with its parent company obligating it to donate the lower of its taxable or distributable profits within nine months of the year end.

Deferred tax is recognised in respect of all other timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### (f) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

# National Army Museum Trading Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

### 3. Accounting policies *(continued)*

#### (g) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 10 years straight line

#### (h) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### (i) Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### (j) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### (k) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

#### (l) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

### 4. Corporation tax charge

There is a small current taxation liability for the year as a result of the deed of covenant donation being restricted to the company's distributable profit. No taxation charge arises for the year as a result of the liability being matched by a reduction in the deferred tax provision.

### 5. Auditor's remuneration

	2024	2023
	£	£
Fees payable for the audit of the financial statements	<u>8,475</u>	<u>5,975</u>

# National Army Museum Trading Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

### 6. Employee numbers

The average number of persons employed by the company during the year amounted to 14 (2023: 12).

### 7. Profit before taxation

Profit before taxation is stated after charging:

	2024	2023
	£	£
Depreciation of tangible assets	<u>223</u>	<u>222</u>

### 8. Tangible assets

	Fixtures and fittings £	Total £
<b>Cost</b>		
At 1 April 2023 and 31 March 2024	<u>2,224</u>	<u>2,224</u>
<b>Depreciation</b>		
At 1 April 2023	889	889
Charge for the year	<u>223</u>	<u>223</u>
At 31 March 2024	<u>1,112</u>	<u>1,112</u>
<b>Carrying amount</b>		
At 31 March 2024	<u>1,112</u>	<u>1,112</u>
At 31 March 2023	<u>1,335</u>	<u>1,335</u>

### 9. Debtors

	2024	2023
	£	£
Trade debtors	12,323	9,508
Other debtors	<u>830</u>	<u>3,072</u>
	<u>13,153</u>	<u>12,580</u>

### 10. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	10,956	12,191
Amounts owed to parent undertaking	29,972	25,871
Amount owed to parent undertaking under deed of covenant	41,958	102,069
Corporation tax	43	127
Social security and other taxes	17,256	23,295
Other creditors	<u>56,701</u>	<u>72,835</u>
	<u>156,886</u>	<u>236,388</u>

Amount owed to parent undertaking includes £25,134 (2023: £24,647) in respect of the capital repayments due within one year on a loan from the parent. Further details of this loan are given in note 11.

# National Army Museum Trading Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

### 11. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Amounts owed to parent undertaking	<u>10,616</u>	<u>35,750</u>
	2024	2023
	£	£
Maturity analysis:		
Between 1-2 years by instalments	10,616	25,134
Between 2-5 years by instalments	-	10,616
	<u>10,616</u>	<u>35,750</u>

The company had an unsecured loan of £140,000 from its parent at 31 March 2021. The loan is repayable by August 2025, with payments having commenced in September 2021 and carries interest at a fixed rate of 1%.

### 12. Controlling party

The ultimate parent undertaking is the National Army Museum.

The ultimate controlling party is the Council of the National Army Museum.

# **National Army Museum Trading Limited**

**Management Information**

**Year ended 31 March 2024**

**The following pages do not form part of the financial statements.**

# National Army Museum Trading Limited

## Detailed Income Statement

Year ended 31 March 2024

	2024 £	2023 £
<b>Turnover</b>		
Museum Shop Sales	131,132	99,516
Catering Commission	40,960	39,425
Room Hire	86,376	85,109
Playbase Income	152,964	158,613
Birthday Parties	152,814	131,850
Other Trading Income	1,435	2,614
	<u>565,681</u>	<u>517,127</u>
<b>Cost of sales</b>		
Opening stock	31,362	75,154
Purchases	105,206	44,882
Room Hire and Party Costs	77,021	67,500
	<u>213,589</u>	<u>187,536</u>
Closing stock	56,929	31,362
	<u>156,660</u>	<u>156,174</u>
<b>Gross profit</b>	<u>409,021</u>	<u>360,953</u>
<b>Overheads</b>		
Administrative expenses	367,244	222,315
<b>Operating profit</b>	<u>41,777</u>	<u>138,638</u>
Other interest receivable and similar income	1,134	377
Interest payable and similar expenses	(953)	(2,785)
<b>Profit before taxation</b>	<u>41,958</u>	<u>136,230</u>

# National Army Museum Trading Limited

## Notes to the Detailed Income Statement

Year ended 31 March 2024

	2024	2023
	£	£
<b>Administrative expenses</b>		
Administrative staff salaries	276,444	159,042
Contractors fees	11,195	12,428
Staff pension contributions	24,086	15,054
Repairs and maintenance	5,739	5,350
Travel and subsistence	1,782	3,818
Printing postage and stationery	38	63
Staff recruitment	2,432	1,685
Membership and subscriptions	250	215
Legal and professional fees	11,678	4,858
Consultancy fees	9,000	–
Accountancy fees	7,280	6,250
Auditors remuneration	8,475	5,975
Depreciation of fixtures and fittings	223	222
Credit card charges	8,433	7,344
Bank charges	189	11
	<u>367,244</u>	<u>222,315</u>
<b>Other interest receivable and similar income</b>		
Bank interest receivable	<u>1,134</u>	<u>377</u>
<b>Interest payable and similar expenses</b>		
Bank loan interest	–	1,123
Other interest payable and similar charges	<u>953</u>	<u>1,662</u>
	<u>953</u>	<u>2,785</u>