



Annual Report and Accounts 2019–20

VISIT US AT:
IWM LONDON
IWM NORTH
IWM DUXFORD
CHURCHILL WAR ROOMS
HMS BELFAST
IWM.ORG.UK

Imperial War Museum

Annual Report and Accounts 2019-20

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1. Introduction

Who we are

IWM is a global authority on conflict and its impact on people's lives. We collect objects and stories that give an insight into people's experiences of war, we preserve them for future generations and we bring them to today's audiences in the most powerful way possible at our five branches (IWM London, IWM North, IWM Duxford, Churchill War Rooms and HMS Belfast) and across our digital channels. By giving a platform to these stories, we aim to help people understand why we go to war and the effect that conflict has on people's lives.

Our vision

Using the personal stories and experiences in our unique collections, our objective is to help people, as global citizens, make sense of an increasingly unpredictable world. We do this, in part, by helping people have a deeper understanding of the connections between past conflict and the contemporary world. This is about exploring the way war has shaped the local and the global, about appreciating diverse views and about challenging our audiences to become ready to engage in difficult decisions for themselves, their communities and their world.

Our vision is to be a leader in developing and communicating a deeper understanding of the causes, course and consequences of war.

What we stand for

As an organisation we are guided by four important values. We aim to be:

- **Courageous:** we are confident and have the courage to challenge the established wisdom, championing debate and innovative approaches
- **Authoritative:** our deep and dynamic knowledge of our rich collections makes us the first port of call on the history of modern conflict and sets standards of excellence in everything we do
- **Relevant:** we strive to make everything we do relevant to contemporary society, while maintaining a balanced and impartial point of view
- **Empathetic:** we are sensitive to people's emotions, respecting different points of view and the deep significance of our collections

2. Strategic Objectives

We aim to:

- **Increase our financial sustainability**

We will secure our long-term financial viability and create an entrepreneurial and dynamic working culture. As a result, we will build our income and financial flexibility so that we can continue to invest in our offer. We will improve our financial performance, build our resilience and strengthen IWM as a result.

- **Prioritise our audiences**

We will create excellent, inspiring and relevant visitor and learning experiences. As a result, people will have a deeper understanding of the causes, course and consequences of war and its impact on all of our lives. We pride ourselves on the excellent customer service we will provide across all of our work.

- **Deliver effective stewardship of our collections**

We will develop and care for our collections through effective management, building expertise, maximising access and improving storage. As a result, we will ensure our collections and knowledge remain relevant and accessible for audiences now and for generations to come, not least, by maintaining the momentum around reviewing and developing our collection.

- **Build our brand**

We will build our reputation as a global authority and our ability to deliver our purpose and vision by providing high quality products, services and experiences and communicating consistently in everything that we do. The strength of our brand is directly related to the scale of impact we are able to achieve.

3. Achievements and Performance

3.1 Meeting our strategic objectives

The Corporate Plan activities in 2019-20 went largely to plan, until the disruption caused by COVID-19 and the subsequent closure of all of our branches on 17 March 2020. The high-profile projects that IWM are delivering are designed to have a deep impact on our audiences, raise our profile and help us build our financial sustainability and viability over the long-term. Over the course of the year we have largely met our strategic objectives through the following progression of work and achievements:

3.1.1 Increasing our financial sustainability

IWM masterplan, Transforming IWM London Phase 2

Over the past year, we have created the building blocks of our future by investing in key transformation projects across the organisation. Work continued on our Transforming IWM London Phase 2 project which will deliver our new Second World War and Holocaust Galleries. Composed of six individual spaces that will tell the story of the conflict chronologically, exploring its global scale and impact upon people and communities, the new galleries will reveal how whole societies were drawn into the war through mobilization, direct attack and occupation. We will be the first museum in the world to connect Second World War with Holocaust galleries. In making this connection, a 783kg V-1 flying bomb will be suspended between the two new galleries, presenting an arresting symbol of how the Holocaust and the Second World War are interconnected.

Our Accommodation Strategy will enable us to convert office space into public facing galleries at IWM London, while creating new, open plan working environments for our staff. The new Park Side building, opening its doors in 2020, will provide a collaborative working environment for our creative programming teams.

Commercial performance

We have restructured our Commercial team to build a fulfilment function to facilitate the addition of a Commercial Events, Experiences and Catering team and to migrate the Visitor Experience team into Commercial enterprises. We want to engage better with our audiences and have been implementing a new customer relationship management (CRM) system, which is key to permitting us to stay in touch and communicate better with our members, visitors and supporters. This work continues into 2020.

Our commercial events were paused and cafes were shut during the COVID-19 closure, but worked continued to ensure recovery plans were in place.

Digital transformation

Work continued on implementing our Digital Transformation Strategy which modernises our business operation and supports our commercial development. In addition to the CRM work another vital element of the transformation programme is the replacement of legacy systems with infrastructure that supports business aspirations. This progressed with the implementation of effective middleware.

Managing our estates and infrastructure

Underpinning our Estate Strategy is IWM's Facilities Management Strategy, which initially

will implement our asset management plan. This ensures that maintenance and operational priorities are most effectively prioritised, coordinated and that projects are delivered within budget and timeframes.

Maintaining our estate is vital to our financial sustainability and ensures that our audiences and staff visit and work in a safe, well maintained environment. Our Estate Strategy for 2019-24 supports IWM's purpose and strategic objectives. The strategy focuses on proactively maximising opportunities for the use of our estate. This will be achieved through a risk informed approach. As our estate comprises assets at every level, an Asset Management Plan (AMP) methodology is being adopted in line with the approach favoured by the Cabinet Office's Office for Government Property. Key to its success is understanding the risks manifested by the lifecycle, maintenance or replacement backlog and leveraging our estate to exploit opportunities for increased commercial operations. In the near future this includes ventures such as the hotel project at IWM Duxford and leasing out the London All Saints building as we complete our new Park Side staff accommodation.

We enacted our business continuity plan to react to COVID-19 and keep our collection safe and secure, when we had to shut our doors.

IWM Duxford Airfield operation

The team at IWM Duxford continues to widen the impact and operation of our airfield services. Improved airfield markings had a positive impact on providing better runway approach angles and becoming an airfield locator aid. Work has commenced to enable an upgrade to the weather equipment too. A wooden boundary fence has now been installed on the southern boundary of the airfield, which will help to mitigate public infringements as there is now a clear delineation of the licensed boundary. We continued with our airfield lighting project and planning permission has been granted by the local authorities, but the project has been postponed due to the COVID-19 pandemic.

The airfield remained active during the COVID-19 lockdown initially for use by the Emergency Services which included a specialist blood courier service which combined accounted for over 1,000 movements during March and April 2020.

IT infrastructure development

Over this period, IT expertise and project investment has focused on supporting masterplan projects, introducing new ways of working to transform our work culture and supporting the digital transformation programme. Being audience-focused and enhancing our visitor experience remains a top priority. We have invested in SmartWay2, a booking system that will enable staff to book hot desks and other assets online and remotely. This will support new, agile ways of working across IWM.

Considerable resource is directed towards managing cyber security, an area identified as one of IWM's eight strategic risks, and a major focus of our IT department. We achieved the Cyber Essentials security standard and are working towards Cyber Essentials Plus accreditation.

We adapted quickly to the COVID-19 crisis to enable our staff to work from home effectively and to enable business continuity.

3.2 Prioritising our audiences

Our audiences

We welcomed over 2.2 million visitors to our branches this past year. This is 8% less than last year; this is essentially due to a decline in visit numbers at IWM North and London after an exceptional 2018-19 year with the poppy displays *Wave* and *Weeping Window* that marked the final year of our First World War Centenary commemorations in 2018-19.

In addition, COVID-19 saw March 2020 figures severely impacted with reductions followed by closure from 17 March.

A quarter of the total number of visits to IWM are repeat visits. This is less than 2018-19 as the poppies re-engaged a lapsed audience, but it is consistent with previous years. This measure varies across our branches: IWM Duxford draws just over 60% of repeat visits with a significant uplift in members' visits (+42% compared to 2018-19). Our paying London branches, HMS Belfast and Churchill War Rooms, attract greater numbers of overseas visitors and consequently have fewer repeat visits - 14% on average. Churchill War Rooms has a particularly high percentage of overseas visitors with an average of approximately 70% of our annual visitors coming from abroad. Non-paying branches IWM North and IWM London average around between 20% and 30% repeat visitors respectively.

Visitors to our five branches reported good visitor satisfaction levels, with around 65% of our visitors rating their visit as excellent and nearly 70% indicating that they would definitely recommend a visit to our branches to others. In total, more than the half of our visitors are from overseas (54% - 10% more than in 2018-19 with 1.2 million coming from overseas) The poppies in 2018-19 re-engaged a local audience at our London sites and Manchester while 2019-20, with its rich programming engaged a more international audience. Achieving steady growth in overseas visitors was a key goal of our Audience Development Strategy as this audience plays a crucial role in the financial sustainability of our London branches in particular. With the impact of COVID-19 on international travel we will need to reconsider our audience development priorities and the most sustainable way to engage audiences and raise revenue. The sustained, high levels of overseas visitors to our branches reflect the significant contribution we make to the economy through tourism, which we have calculated to be over £105 million¹ in 2019-20. We continue to attract a more diverse audience to our branches - through our public programme we ensure that we serve everyone and that our offer is accessible to everyone. Those who self-identify as ethnic minorities represents 8% of our audience and we have recorded a proportional increase by more than 40% of visitors with a limiting disability who represent 11% of our audience. Our new Changing Places toilet at IWM London was welcomed by disability networks and is a positive step towards making IWM more accessible. Family visits are stable, representing 21% of the total number of visits to IWM in 2019-20.

¹ In terms of our economic impact, we use the Association of Independent Museums' toolkit to calculate the effect of visitors to our branches. (segmenting local, day and overseas visitors and applying a 'spend per visitor' assumption.

IWM Visitor Numbers '000s	2019-20 Actual	2018-19 actual	% change year on year
Total number of visits to IWM	2,231	2,688	-8%
Total number of website visits	12,265	11,393	7%

Our public programme

We bring to life our collections and the personal stories we hold through our programme of curated exhibitions and events. Our public programme is created to appeal to and sustain our core audiences, while elements of our programming are curated to bring in new, developmental audiences to IWM (for example through content that appeals to younger audiences and stories that are representative of the local and global communities that we serve).

Our seasons of programming this year, with *Culture Under Attack* at IWM London and *Yemen* at IWM North, successfully met the aims to draw in our developmental audiences (Middle Youth and Culture Vulture audiences). More than 113,000 visitors engaged with the *Culture Under Attack* season and nearly 73,000 visited the *Yemen* exhibition. Both exhibitions had a positive impact on our audiences increasing their understanding of the cause, course and consequences of war and helping them to make connections between past and contemporary conflicts but also helping them to feel more connected to how war can impact on people's lives. While innovative programming raises IWM profile and engages a new audience, our permanent exhibitions and activities around major commemorations anniversaries continue to successfully re-engage our audiences.

Culture Under Attack

Our 'seasons' approach to programming has continued, with a successful *Culture Under Attack* programme of activity. The three exhibitions: *What Remains*, *Art in Exile* and *Rebel Sounds*, achieved 113,000 visitors. *What Remains*, in partnership with Historic England, explored why cultural heritage is attacked during war and the ways we save, protect and restore what is targeted. Over 50 photographs and oral histories were on display, both from IWM's and Historic England's collections. *Art in Exile* uncovered how cultural treasures in British museums and galleries were evacuated and protected during the Second World War. *Rebel Sounds* showed how people are willing to risk everything to protect their threatened culture. *Rebel Sounds Live* was a season of exhibitions, live music, performances and talks at IWM exploring how war threatens not just people's lives, but also the things that help define us.

Yemen

At IWM North, as part of our *Conflict Now* series, *Yemen, Inside a Crisis*, was the UK's first exhibition to address Yemen's ongoing conflict and humanitarian crisis and showcased around 50 objects and photographs, many of which were exclusively sourced from Yemen for this exhibition. *Yemen: Say Hello to Connect*, a travelling digital artwork

and interactive experience took the conversation beyond the museum walls and around Manchester, inviting audiences to connect with the real issues people face in Yemen.

The installation launched in June with live performance of commissioned piece *My Yemen is Beautiful* from British/Yemeni performance poet Amerah Saleh and music from Reform Radio at Hatch in Manchester. The piece travelled across Manchester city centre to areas of high footfall including Manchester Piccadilly Station, Great Northern Warehouse and University of Manchester Students' Union over the duration of the *Yemen* season.

In workshops with poet Amerah Saleh and IWM, young people at the Greater Manchester Yemeni Association and Liverpool Arabic Centre explored the complex situation in Yemen through creative responses culminating in performances at Manchester Piccadilly Station

D-Day 75

In June 2019, we marked the 75th anniversary of the D-Day landings with moving events taking place at HMS Belfast, IWM Duxford and Churchill War Rooms to highlight the roles that the historic sites played in the D-Day campaign. The flight display *Daks Over Duxford*, which was hosted in partnership with *Daks Over Normandy*, finished with over 20 Dakota military aircraft, which were used extensively on D-Day, taking off for a spectacular cross-channel flight and parachute landing in Normandy on 6 June. On HMS Belfast, visitors were able to step into the shoes of those involved in the D-Day campaign through interactive activities. We went beyond our museum walls for this national moment and installed a life-size Spitfire model in the atrium at London Bridge station and digital screens at Waterloo Station, displaying archive footage and interviews with veterans.

The D-Day 75 campaign drew in global media attention with press previews of the *Daks Over Duxford* event and a media day on HMS Belfast on 6 June. The campaign resulted in 937 items of coverage with a reach of more than 600 million. The communications campaign surpassed audience reach target by more than 450%. Broadcast coverage highlights include BBC Breakfast, Songs of Praise, The One Show, Newsnight, ITV This Morning and CNN. A press trip in partnership with Normandy Tourism resulted in features in *The Guardian*, *The Telegraph*, *The I* and *BBC History Magazine*.

On 4 June President Donald Trump and Prime Minister Theresa May visited Churchill War Rooms as part of the US State Visit to coincide with the 75th Anniversary of D-Day. IWM's Director-General and the Assistant Director of Narrative and Content led the tour, which also included First Lady Melania Trump, Sir Kim Darroch and Ambassador Woody Johnson as well as other senior White House, US Embassy and Number 10 officials. We also managed to use the visit to promote Churchill War Rooms as Piers Morgan interviewed the US President exclusively onsite for *Good Morning Britain*.

Fall of the Berlin Wall

IWM marked the 30th anniversary of the fall of the Berlin Wall with two artworks from two esteemed street artists, Thierry Noir and STIK, who created *WALL*, a new artwork on segments of the Berlin Wall in collaboration with IWM. On 10 November a limited edition poster signing with the artists was held at IWM London. Ahead of the signing, some

street art enthusiasts slept outside the museum overnight, and a continual queue formed throughout the day of roughly 500 people. Volunteers were available to speak to visitors about the wall and its significance.

Our learning programmes

IWM's Public Engagement and Learning (PEL) Strategy for 2018-21 aims to transform the way we engage with our visitors onsite, offsite and online by increasing our impact and reach and by engaging with, and inspiring, new and more diverse audiences. This year we launched new programming that embodies the principles of the strategy:

- Second World War Loans Boxes, funded by Zochonis, launched as part of PEL's teacher CPD programme. The resources containing handling collection, classroom activities and CPD materials for teachers are designed to be borrowed by schools, artists, media and other groups.
- We have been busy developing a new Holocaust learning programme for rollout alongside the new Second World War and Holocaust Galleries at IWM London. We are holding an ongoing CPD series for teachers and those working in education. The events which were trialled last year will consist of guest speakers across heritage, education, government, the arts and beyond as well as expertise shared from within IWM.
- Field Music's *Making a New World* album was released on 10 January and received 4 and 5 star reviews in The Times, The Guardian, The I, The Evening Standard and much of the music press all crediting IWM, with the Irish Times calling it 'clever, illuminating brilliance'. It demonstrates how PEL's season work has a legacy beyond seasons and in the wider world for audience development and social impact.

Schools programme

Our schools programme development continues with work to increase immersive storytelling and narrative. We developed a new STEM Learning Strategy this year, which focuses on 'real people, real stories and real science'. Children's television presenter Ben Shires is the face of the STEM programme. On HMS Belfast, *Sea Legs* opened with a focus on the science and ingenuity that kept a ship the size of a small town functioning and invites families to step into the role of marine engineers inspecting the ship to ensure damage is controlled, communications are functioning, the course is set and the crew are fed and warm.

We have also progressed our BBC Teach partnership by filming ten videos with our Second World War eyewitnesses and veterans as part of a partnership with BBC Teach for Key Stage 2 audiences. These are online with wraparound learning resources.

Families programme

PEL launched two new high quality, creative, interactive on-gallery programmes *Story Seekers* and *Family Mission: D-Day Edition*. *Story Seekers* is a way for families to learn

our stories together, while handling real artefacts. Immersive family trail *Family Mission: D-Day Edition* developed with KIT Theatre gives families the opportunity to explore the airfield or the ship through the eyes of a service person preparing to deploy as part of the D-Day operations.

Cockpit Control launched at IWM Duxford over Christmas and focuses on development of human centred design and ergonomics for military aircraft and its real world, life and death impacts. Families are invited to rise to the challenge faced by designers in the 1940s to solve one of the biggest aviation challenges of all time.

The *Holiday Hooks* events series continued throughout the year with programming around the theme of *Animals in Wartime* over October half term. Inspired by the Penguin/IWM book *Tales of Amazing Animal Heroes*, the two days encompassed content about the Dickin Medal (recognised worldwide as the animals' Victoria Cross) from the UK's leading veterinary charity PDSA. Alongside, there was storytelling and music based on true stories of animal bravery in partnership with Penguin Random House as well as a guest appearance by Mali, the living Dickin Medal recipient along with the Royal Veterinary Corps who talk to the public about the work they do and the story behind Mali's medal. A special edition of *Story Seekers* also ran, themed around the stories of animals in IWM's collections.

Wartime Mealtimes ran over the Christmas holidays with programming about rationing and wartime nutrition featuring guests from the Army Catering Corps. A *We Were There* programme featured real veterans' and civilians' stories, a wartime tuck shop in which everything is not always what it seems, and new programme *Rationbook Challenge*.

Youth and adult programming

Breaking the Silence, a youth music project at IWM London and IWM North supporting young people to create compositions, was played onsite on Remembrance Sunday. In London, project partners included Serious (live jazz producers and London Jazz festival organisers) and high-profile jazz musician Soweto Kinch. At IWM North, programme partners were Drake Music (a national organisation who work across music, disability and technology to make music more inclusive) and FUSION (a group of twelve young disabled female musicians who create new music as part of Drake Music's Go Compose project).

Things to do in the blackout, a new HLF-funded youth programme led by Anstee Bridge and Bounce Theatre Company, was created for young people facing a range of emotional and social challenges. IWM will support access to Second World War collections and stories and the development of the young people's creative responses.

Digital programming during COVID-19

Our Public Engagement and Learning team reacted rapidly to adapt when our doors were closed in mid-March due to COVID-19.

A series of broadcasts called *Adventures in History* was developed aimed at school audiences. From shelters to submarines and life on the Home Front, IWM is bringing

history into the homes of home schoolers including teachers across the world during lockdown. *Adventures in History* is released every Wednesday at 2pm on IWM's YouTube Channel.

Every Friday families are called to action as part of our *Family Mission* digital series offering families fun interactive challenges and activities to take part in and then share their work with us via our Facebook and Twitter channels.

PEL engagement figures 2019-20

This was a record year with IWM reaching over 1.9 million learners onsite, offsite and digitally in 2019-20, the second year of our new strategy. We had expected to reach 1.5 million people by year three, 2020-21, so have met our targets a year earlier than forecast.

IWM learner numbers '000s	2019-20	2018-19 Actual	% change
Learners in onsite educational programmes (adult and youth)	8.7	120	-92%
Children in onsite and offsite educational programmes	275	254	+8%

3.4 Deliver effective stewardship of our collections

Collecting Strategies

We have launched our ambitious new Collecting Strategies which will inform our collection priorities for our Corporate Plan 20-25. Those strategies cover, respectively, the First World War and Early 20th Century Conflict, the Second World War and Mid-20th Century Conflict, Cold War and Decolonisation and Contemporary Conflict. Each strategy is different to suit the needs of each collection although all the strategies share common values.

Collections development

Our collections management approach is responsive and dynamic. In the past year we continued to conserve and care for our collection and make our world-leading collection widely accessible and usable. This work is crucial to masterplanning and interpretation development and ensures that our collections and the stories that we hold remain relevant for present and future audiences.

IWM's Collections Review programme continues to shape our collections strategically, working with our Collecting Strategies and our Curator Charter. The programme ensures

that our resources are directed towards the preservation of our original, unique material while addressing the collections access needs of the audiences we serve. The programme is geared to support the development of our future galleries and public programmes, with a particular emphasis on our collections relating to Second World War themes, as Transforming IWM London Phase 2 continues, and contemporary collecting to support IWM's *Conflict Now* public programme. Our teams work with the IWM Institute Associates as well as external advisors and practitioners in building a body of knowledge, responding appropriately to contemporary events.

Notable acquisitions

New acquisitions to IWM's collections support our mission to tell important stories of conflicts since 1914, as they have affected service personnel and civilians across the globe. Below are some acquisitions of note from 2019-20:

- A collection of toy furniture made in POW Camp 307 at Fanara, Egypt, by Italian prisoners of war for Camp Adjutant Captain Frank Naylor were received from Clare Howes. Captain Naylor was held in high regard by his charges who presented him with these items on his return to England in 1947. The collection complements an album of photographs, showing Naylor and the camp, already held by IWM and together they tell an effective story of life in an Italian POW camp.
- The painting *Incendiary Bombs* by Warner Cooke was presented by his daughter Penelope Gretton. An unusually dark depiction of the experience of those working in Civil Defence in the Second World War, the work shows how hopeless and demoralising it could be. It could easily sit alongside other similar works in the art collection, such as *Night Convoy* by William Scott and *Blackout* by Joan Connew.
- An example of an advanced short range air-to-air missile was received from MBDA Missile Systems. Developed to provide enhanced aerial combat capabilities for fighter aircraft at the end of the 1990s the missile equips the Tornado GR4 and the Typhoon and is capable of performing under the complex environmental conditions presented in Afghanistan and Iraq.
- Four items of clothing, comprising two t-shirts with slogans, a shirt and baseball cap and a rug given to the donor during her service as political, military and economic counsellor in Baghdad 2005-06 were received from Jane Marriot. These items complement the diary recording her time as political advisor in Maysan, 2003-04, photographs and body armour already in our collection.
- A lively and interesting collection of photographs taken in China during the troubles of the 1920s was donated anonymously. These albums touch on some unusual details of the British serviceman's experience in China, including the adoption of local customs like mah-jong and images suggestive of the international presence in the region: Chinese, Japanese, American and possibly Swedish troops are all pictured. One of the albums in particular is well captioned with names, places and some contextual information. This is a particularly underrepresented area of our collection.

- An Allied Victory Medal, together with a copy of the letter of welcome from HM King George V to US soldiers and an associated photograph, recording the service of Private Harold G Beckett were received from Anne Beckett. These items illustrate the contribution made by American servicemen to the Allied victory in the First World War.
- A historically significant collection of official and personal records pertaining to the service of Flying Officer N Marrian was received from John Shand. An RAF Air Observer and Navigator, Marrian was killed during the massed bomber raid on Nuremberg at the end of March 1944, while serving as a Special Duty Operator aboard Lancaster bomber DV 264. The collection includes Marrian's official Flying Log Book, scrapbooks compiled during his training and service, personal letters to his fiancée and later wife, official Air Ministry and other correspondence and photographs, all of which construct a rich narrative of his RAF experiences up to and including the night of his death. The collection is an important addition to our otherwise fairly sparse archival documentation of the Nuremberg raid.
- The favourite teddy bear of Anne Simpson who, at the age of three, was forced to flee France with her British parents in June 1940 to escape the German invasion, was presented by Jo Abbott. With German forces approaching, all of their possessions had to be left behind but Anne cried so much over the teddy bear that her parents relented and took it with them. This wonderful object, with an emotive story of refugees fleeing war and occupation, is accompanied by a collection of photographs of Anne with her toys.

Collections access

We opened a new sector-leading storage facility at IWM Duxford for our document and paper collections, with world-class technical environment controls and record low carbon emissions. The new paper store has received Passivhaus certification. This relocation outside of London has made IWM Duxford our collections hub. The paper store is bringing up to 14,000 linear metres of IWM's collections into one central repository and will provide for up to 30 years' expansion.

We are meeting our targets to publish more of our records online. Over 1 million records are now published to Collections Online and over 300,000 records are available online for use and reuse. We have published 100% of Art records, 95% of Sound and are close to the target for Objects. The publication of Library records will now be the priority. To improve Collections Online searching, new period terms have been implemented, 8,725 records updated with new period data and 285,000 records updated with web category.

3.5 Building our brand

Through developing our voice we provide a forum for questions to be asked and answered, leading IWM's position in contemporary debate as a confident and authoritative voice about the world around us and the conflict it inherently creates.

IWM Institute

Over this past year we invested significantly in the IWM Institute for the Public Understanding of War and Conflict pilot, with a view to launching fully in 2020.

Our IWM Associates have engaged throughout the year ensuring the impact of our global citizenship learning programme, our research activities and our public programme are maximised through identifying and nurturing sustainable partners and new audiences for IWM.

The Institute held its first public event at the Hay Festival in May 2019. We drew inspiration from the exhibition *Art in Exile* as part of the *Culture Under Attack* season to explore how we decide what to save when our culture is threatened by conflict. Chaired by BBC Arts Editor Will Gompertz, the panel was made up of IWM's Alex Walton, the author Ben Okri and Tommy Wide from Smithsonian East. The panel provoked discussion and debate with the Hay Festival audience. The event sold out and we received enthusiastic audience feedback. This was a useful exercise in testing the festival format as a means of deepening public understanding of war and conflict.

In September, the Institute held a sold-out *Culture Under Attack* Symposium at IWM London targeting development audience members. Over 120 members of the public spent the day listening to a series of debates and discussion which unpicked stories and subjects featured in IWM's *Culture Under Attack* season. Speakers included poet Lemn Sissay, award-winning journalist Lindsay Hilsum, Director of the Design Museum Tim Marlow, Syrian performer Hamsa Mounif and writer and political scientist Elif Shafak.

In December 2019, the Institute developed a pilot podcast series called *Conflict of Interest*, unpacking some of the world's most complicated recent conflicts in under an hour. Trustee Suzanne Raine, TV presenter and journalist Rick Edwards and James Taylor, Assistant Director for Narrative and Content, took part in the first episode recording, which focused on the Iraq War. The podcast series weaves objects from the IWM collection into the conflicts covered in each episode. It is expected to be launched in late 2020.

In early 2020 we were successful in an application to the research funding body, UKRI, as part of the *Towards a National Collection* initiative, titled "Provisional Semantics: Addressing the challenges of representing multiple perspectives within an evolving digitised national collection". This project will include a number of workshops that will bring together veterans and their descendants, specialists and historians to engage with a sample of British Official Photographs taken in India during the Second World War. This 18 month project focuses on how museums and heritage organisations can engage in decolonising practices to produce search terms, catalogue entries and interpretations fit for purpose for an evolving digitised national collection.

Loans programme

Through our lending programme we share key items from our collection with cultural venues across the world, deepening audience access to our collections. Seventy items were lent to eighteen UK and six International venues from 1 April 2019 to 30 March 2020. Below are a few examples of loans that demonstrate the scope of IWM's reactive loans programme. The type of material requested for loan demonstrates the diversity in the type of external led exhibitions to which IWM contributes. The COVID-19 pandemic has interrupted some of these exhibitions, with a number of borrowers requesting extensions to their original exhibition schedules.

- Two items, a painting by William Orpen entitled *A Peace Conference at the Quai d'Orsay, 1919* and doodle by David Lloyd George made at a meeting to discuss the terms of the Armistice, Versailles, November 1918 were lent to the Musée de la Grande Guerre du Pays de Meaux for the exhibition *Dans Les Couloirs De La Paix*, 8 June - 8 December 2019.
- A painting by William Orpen of Field Marshall Sir Douglas Haig has been loaned long-term to the Mercers' Company, London, for display within their Court Dining Room until 5 June 2022.
- A Wolseley pattern tropical headdress and a tropical spine pad were lent to the Science and Industry Museum, Manchester for the Science Museum's touring exhibition *The Sun: Living with Our Star*, 20 July 2019 - 5 January 2020.
- A British coastal motor boat (CMB 4) built by J Thornycroft has been lent to the Portsmouth Naval Base Property Trust on long-term loan for the exhibition *The Forgotten Craft*. A replica of this craft is currently being constructed within the boathouse, so visitors can understand what is being built, as well as understanding the story of vessel itself.
- A painting entitled *A Corner of Merton, August 16th 1940* by Harry Bush has been lent to the Museum MORE, Gorssel, Netherlands, for the exhibition *British Realist Painting in the 1920s and 1930s*, 14 September 2019 - 5 January 2020.
- Six items, including a drawing by John Fairleigh entitled *September 13th 1940: Shelterers in Belsize Park Tube Station*, and a watercolour by Frank Dobson entitled *An Escalator in an Underground Factory, 1944*, plus a wireless receiver, 1939-45 were lent to the London Transport Museum for the exhibition *Hidden London*, 11 October 2019 - 31 January 2021.
- Nine items, consisting of drawings and sketches from IWM's documents collection, relating to Far East prisoners of war were lent to the Victoria Gallery & Museum, Liverpool for the exhibition *The Secret Art of Survival: British Far East Prisoners of War 1942-45*, 19 October 2019 - 27 June 2020.
- A drawing by Fortunino Matania entitled *Signing the Peace Treaty* and a painting by Herbert Arnold Olivier entitled *Sketch of the Table in the Hall of Mirrors*, at which the Treaty of Versailles was Signed, 1919 were lent to the exhibition *Versailles Revival 1867-1937* at the Musée national des châteaux de Versailles et de Trianon, 19 November 2019 - 15 March 2020.
- A painting by Norman Wilkinson entitled *Troops Landing on C Beach, Sulva Bay, Later in the Day, 7 August 1915* was lent to the British Museum's exhibition *Troy: Myth and Reality*, 21 November 2019 - 8 March 2020.
- Six dazzle painted First World War ship models were lent to the V&A's exhibition *Cars: Accelerating the Modern World*, 23 November 2019 - 19 April 2020.
- Two drawings by Henry Moore, including *At the Coal Face, A Miner Pushing a Tub, 1942* and two photographs by Bill Brandt of the *Elephant & Castle Tube station, 1940* were lent to the Hepworth Wakefield for the exhibition *Bill Brandt/ Henry Moore*, 7 February - 21 May 2020.

- A model of the Iranian Embassy, London, 1980, was lent to the Unit Museum, Hereford as part of a display of the Iranian Embassy siege in 1980, 17 February - 29 May 2020.
- A painted photography (c-type printed from a negative) entitled HMS Belfast, 2012 by the artist Hew Locke was lent to Colby College Museum of Art, Maine, USA, 20 February - 7 June 2020 for the retrospective exhibition tour of *Hew Locke: Here's the Thing*, which transferred from the Kemper Museum of Contemporary Art, Missouri, USA.
- Six works by Barnett Freedman, including a painting entitled The Gun, 1944 and a drawing entitled Fatigue-Duty, 1944, were lent to Pallant House for the exhibition *Barnett Freedman: Designs for Modern Britain*, 14 March - 14 June 2020.

Awards

We are delighted to have been recognised in the following awards over the past year:

- At the Museums and Heritage awards, the film *They Shall Not Grow Old* was awarded the Innovation of the Year prize. The First World War Centenary Partnership, led by IWM, was also nominated for the Partnership of the Year award.
- At the Focal International awards, IWM Senior Film Curator Jane Fish won Footage Person of the Year and *They Shall Not Grow Old* won for Best Use of Footage in a Cinematic Feature. These awards are the leading set of awards for the archive footage industry and celebrate achievement in the use of footage in all variety of genres, across all media platforms, plus its restoration.
- IWM Duxford was crowned Best Educational Day Out in the East in the 2019 Day Out With the Kids Family Favourites Awards. IWM North was a finalist in Best Free Family Day out in the North West and Duxford was finalist in Best Attraction Event in the East for *Family Mission: D-Day Edition*. The Awards, voted on by over 25,000 families, aim to celebrate the array of amazing days out running across the country.
- The paper store at IWM Duxford has been shortlisted for a RIBA East 2020 Award.
- Our touring installation *Yemen: Say Hello to Connect* was a finalist in the SXSW Art Program.
- Producer Holiday Donaldson won The British Association of Friends of Museums' Robert Logan Award recognising an outstanding contribution to the museum sector for *Family Mission: D-Day Edition*.
- Producer Ngaire Bushell was runner up in the Special Award for Volunteer Management at the London Heritage Volunteer Awards 2019.
- The schools Meet and Greet programme was a finalist at the Visitor Experience Awards for Best Volunteer Led Experience.

Volunteer engagement

Through external networks, awards, showcasing, steering groups and representation we maintain our positive external standing as a volunteer-involving organisation. A dedicated team of volunteers add value to most areas of work at IWM. In 2019-20 our mission, and the work that we do, was supported by on average 579 volunteers working across our

organisation. Their enormous contribution amounted to a total of 57,105 hours in 2019-20, which equates to the time equivalent of around 51 full time equivalent posts in additional resource capacity.

Volunteers deployed across IWM deliver excellence in customer service through their support of IWM's membership welcome, and our schools Meet and Greet service. They give valuable support to our Public Engagement and Learning, Customer Experience, Marketing and Interpretation departments. A significant number of volunteers support us, not just with customer service but 'back of house' digital roles, collections care and conservation. Over the year, 28,303 hours were given by volunteers to these areas specifically.

This year we have been developing a new Volunteering Strategy as we want to increase volunteering at IWM and to create a programme that is impactful, flexible and appealing. We will be recruiting nine Volunteer Team Leader posts to develop and support our volunteers. Our strategy seeks to better utilise IWM's full talent and workforce (paid and voluntary) to underpin the delivery of IWM strategic goals within a financially sustainable environment.

Delivery of our volunteer work is split across four key areas: Generalist: focused on delivering an enhanced, positive and consistent visitor experience/journey; Specialist: focused on changing the way people think and feel about conflict; Technical: focused on the stewardship of our collection; Digital: focused on our digital transformation and access.

We have also been expanding our training to include volunteer management courses through our IWM Training and Development Prospectus. These courses have been developed in 2019-20 and will support staff in the organisation to lead, engage and work with volunteers effectively. Delivery of the first programme is scheduled for summer 2020.

This year we have expanded our efforts to recruit corporate volunteers, who use up their corporate volunteering days to support IWM. We have developed a relationship with Cisco who have sent us a team of volunteers.

3.6 Key supporters in 2019-20

IWM remains extremely grateful for all the generous individual donations, grants and sponsorships to the museum during the last year. This support is essential in helping us achieve our charitable mission, which is to communicate a deeper understanding of the causes, the course and the consequences of war and conflict since the First World War. While it is not possible to acknowledge all the contributions that we receive, we would particularly like to thank the funders and donors below, as well as those who wish to remain anonymous.

Public Funders

- Arts Council England
- Art Fund
- DCMS/Wolfson Museums and Galleries Improvement Fund
- Embassy of the United States of America
- The National Lottery Heritage Fund

Trusts and Foundations

- The Bamford Charitable Foundation
- Briess Rayner Charity Trust
- The Michael Bishop Foundation
- Chelsea Foundation
- The Desmond Foundation
- The Dorfman Foundation
- The Robert Gavron Charitable Trust
- Geneva Trust
- Charles Hayward Foundation
- The Headley Trust
- The Hintze Family Charitable Foundation
- The Hobson Charity
- The De Laszlo Foundation
- The Laurence Misener Charitable Trust
- Moynitrust
- Pears Foundation
- PF Charitable Trust
- Old Possum's Practical Trust
- Sigrid Rausing Trust
- The Rothermere Foundation
- The Alan and Babette Sainsbury Charitable Fund
- The JMCMRJ Sorrell Foundation
- The Steinberg Family Charitable Trust
- The Adrian Swire Charitable Trust
- Taube Philanthropies
- The Charles Wolfson Charitable Trust
- The Zochonis Charitable Trust

Corporate

- Avalon Aero Ltd
- Bedfordshire Police Sports and Social Club

- Bloomberg
- Cambridge Police Federation
- CISCO Systems
- Civil Service Club
- Essex Police Sports and Social Club
- Hertfordshire Constabulary Sports & Social Club
- J Leon Philanthropy
- John Lewis Partnership
- Marshall Sports & Social Club
- The Little Greene Paint Company
- Tru Vue

Individuals

- Mr Anthony Baxter - In memory of
- Mr David Fullarton - In memory of
- Commander George Greaves - In memory of
- Mr John Hobbs
- Philip and Suzy Goldberg
- Mr Steven Lewis
- Alan Leibowitz and Barbara Weiss
- Mr Nick Leslau
- Scott and Laura Malkin
- Ms Denise Rayner - In memory of
- Mr David Wells
- Mr Matthew Westerman
- Ms Phyllis Wills
- Mr Robert Zarnegin

Patrons

Nash Circle

- John and Susan Apletree
- Mr Ian Baggs
- Dr and Mrs Stuart Blackie
- Mr Douglas Blausten
- Mr Peter Blausten
- Prof Lynda Gratton and Nigel Boardman
- Jeffrey and Elizabeth Boyling
- Rae Byrne
- David and Madeleine Cannon
- Lt Cmdr Paul Fletcher
- Anthony and Maureen Hall
- Marc Hanson
- Mrs Clare Jakeman
- Mr Robert Levy
- Dame Judith Mayhew Jonas DBE
- Dr and Mrs Gary Pasternack
- David Routledge
- Elisa Segrave

- Colin and Cathy Smith

Singer Sargent Circle

- Romen and Brigid Bose

Orpen Circle

- The David Pearlman Charitable Foundation

4. Plans for Future Periods

Our Corporate Plan for 2020-25 was revised in response to the COVID-19 crisis which caused all five of our branches to close on 17 March 2020 for the first time since the Second World War. This had huge financial implications and we were only able to meet our audiences virtually whilst our doors were closed.

Four of our branches re-opened (IWM London, IWM Duxford, IWM North and Churchill War Rooms) on 1 August 2020. However our visitor figures have been, and will continue to be, greatly reduced due to the need to social distance, and we anticipate a slow return of tourism. In the longer term we expect a drop in overseas visitors to the UK to continue until the summer of 2022.

The Government has agreed to support IWM with a grant of up to £4.5million, subject to the demonstration of need. We will also be receiving additional funding from Government towards carrying out critical infrastructure works and to help the preservation of the collections on HMS Belfast and at IWM Duxford. The rescue package and capital investment are very welcome, but they only address two thirds of the shortfall we need to keep IWM going. So, we still need to take actions to mitigate the impact of COVID-19 on our financial longevity. We will continue to face difficulties and challenges like we have never experienced before, for at least the next 18 months. We are expecting to see a reduction of approximately £18 million in resources available to us this year. The impact will continue into next year too as there is still great uncertainty surrounding our audience's appetite for and ability to visit us physically. This has meant we have had to substantially reconsider and re-profile our activities so that they are commensurate and deliverable within our reduced resources and disrupted timetables.

There has been a rigorous review and reduction of activity and budgetary resources and all parts of the organisation have reviewed and adjusted their expenditure to the bare minimum activity required for the first two years of the five year plan to deliver our priorities, attract audiences and raise income. This has been in parallel with creating plans for reopening and gaining an understanding of the costs involved in doing so.

Although our plans have been amended and mitigations put in place, our strategy and goals remain the same. We are still highly ambitious for the future.

4.1 Increase our financial sustainability

In order to deliver on the ambitions of our Corporate Plan, we need to be fiscally robust. Even the reduction of expenditure and activity is not enough on its own to guarantee IWM's financial viability and we will need to introduce further mitigations to help us address the shortfall. These mitigations will include a recruitment freeze, options for early retirement or voluntary exit and enabling and encouraging staff to consider flexible working. We will need to consider our long-term future, including a business model that provides more flexibility and greater robustness. We will not be returning to our old normality, but creating a new one as we navigate the difficult times ahead. This will also bring about opportunities for us to develop, improve and innovate.

We continue to have income generation ambition and will continue to deliver the Strategy to secure greater income gains, emphasising the causal nature of IWM, as well as

achieve further efficiencies. This is in keeping with our Financial Strategy that is designed to ensure that IWM is sustainable over the long-term.

We are working to develop events to bring in different audiences, make use of our unique spaces and diversify our income. This programme has been reviewed and redesigned to ensure that we provide great visitor experience while ensuring the safety of staff and visitors. We will be reviewing our catering options going forward as the current arrangements come to an end in 2022 and we will need to protect this important income.

A new cause message, supporting our Membership Strategy, has been developed to be rolled out across museum touch points from the website to museum signage. The message is *No other museum tells stories that matter more than these. Be part of it.* This is a statement that would differentiate IWM from other museums, bringing attention to our mission as a museum of war and conflict. The statement will be incorporated into brand guidelines and brand packs for each branch.

Our digital transformation programme will enable greater understanding of what motivates our customers. This continues as planned with projects in train unimpeded by COVID-19. A review of the Digital Strategy for the longer term aims is being conducted with a focus on ensuring the customer is at the heart of delivery.

Our ability to invest to become more financially sustainable has been impacted by COVID-19.

Because of these mitigations due to COVID-19, IT lifecycle infrastructure investment has had to be decreased, so the priorities will need to be reviewed and changed to reflect that only the urgent infrastructure can be updated in Years 1 and 2 of the Corporate Plan. The deferring of infrastructure upgrades until funding is available increases our operational risk. We will continue to work on protecting IWM from cyber-crime and will maintain our accreditation.

The Estate Strategy will undergo a detailed review to reflect and assess the impact of COVID-19. We remain focused on supporting the delivery of our major projects which have continued throughout lockdown. As with the Estate Strategy, the IWM 10 Year Estate Asset Investment Model will need to be reviewed to reflect the impact of reducing substantially investment in lifecycle budget in our Corporate Plan. This will change the priorities of the following years as risks increase and more pressure is put on reactive maintenance.

A new Fundraising Strategy will be launched, building on stakeholder engagement and supporting our programme of major projects. Immediate priority will be focused on fundraising for the Transforming IWM London project. We also aim to raise funds for the IWM Institute through seed and endowment funding, and unrestricted income from trusts and foundations, corporate partnership and individual support.

4.2 Prioritise our audiences

We exist to reach our audiences and give them access to our stories, our collections and our spaces. Our Corporate Plan for 2020-25 lays the foundation for major change through the phased implementation of masterplans for IWM London and IWM Duxford, alongside activity to systematically upgrade all our branches. By 2021 we will deliver the second phase of Transforming IWM London and will have commenced our masterplan

for IWM Duxford with the Operations Room open in September 2020. We will have delivered, as well, an improved experience on HMS Belfast. The realisation of these projects will be transformative: vastly improving our visitor experience, increasing our market share and building income return through admissions growth and visitor engagement.

We have adapted our temporary exhibition programme, with the programme reduced for the first two years of the plan. It then returns to the previously established rhythm and frequency from Year 3 (2022-23). The *Refugees* season will go ahead and the running time has been significantly increased at IWM London and IWM North to provide a strong offer for reopening and maximise the number of visitors who will visit as the public becomes more culturally active. The extended runs will be replicated across the programme to maximise value.

We will continue to deliver our Public Engagement and Learning Strategy and review and revise as the strategy period comes to an end in 2021. Our schools programme will ensure that IWM becomes the place to explore and debate issues that matter to the world we live in. The programme will be digital only until 2021 when self-guided and Holocaust schools programming will be available onsite. We will launch new Holocaust and Second World War learning programmes and resources. The programme will support teachers with ways of interpreting our challenging subject matter and engaging young people with the Holocaust as it fades from living memory. Our programme for adult audiences will establish IWM as the place for experimentation and engaging with contemporary conflict. We will work with strategic partners to extend our reach and impact

Our Anniversaries Strategy will continue. There will be a focus on digital moments until further notice, which will raise awareness among our audiences and encourage site visits where appropriate. In 2020 we marked Victory 75 and the 80th Anniversary of the Battle of Britain and in 2021 we will focus on the 20th anniversary of 9/11.

We are improving the way that we evaluate our activity and impact, share audience research results across the organisation and use this evidence in forward planning. Over the next five years, we are working to deliver a framework for measuring the social impact of IWM across our five branches, digital channels and IWM Institute for the Public Understanding of War and Conflict, so that we are able to evidence the impact our organisation is having on our audiences, the communities we serve, within our sector and on a national and international platform.

4.3 Building our brand

Through the continual strengthening of our voice, IWM will maintain its position as an authority and a driving educational force on the issues of war and conflict which affect us today, as well as guardians of historic records of the battles of the past.

Our success in delivering major capital change is contingent on bringing stakeholders and, in particular, funders with us. We will embed a clear, targeted Stakeholder Strategy that identifies the primary influencing and advocacy relationships that support our business and those that we will nurture at each of our branches. We will build unrestricted giving by focusing our energy on maintaining these important relationships.

We will continue to implement our Partnerships Strategy which will identify how we build on the momentum and successes of our existing partnerships. We will build on the success of the War and Conflict Subject Specialist Network established in 2019 to increase capacity, connections and confidence in the cultural heritage sector. It will provide a forum for sharing knowledge and skills and deliver national programmes - initially focusing on imminent major Second World War anniversaries.

Following its successful pilot, the formal establishment of the IWM Institute for the Public Understanding of War and Conflict will combine IWM's own expertise with insights from related sectors. We will formally launch the Institute, virtually, in the next year. It will become an innovative hub for exploring new ways of deepening knowledge of 20th and 21st century war and conflict, focusing on a broad range of activities that include academic research and collaboration, public programming and digital content creation.

We will be delivering our Volunteering Strategy that ensures we continue to offer life-enhancing opportunities to our volunteers, grow volunteer participation and contribution by 67%, attract a more diverse pool of volunteers and evidence the positive gains volunteering has on the delivery of IWM strategy.

4.4 Effective stewardship of our collection

We care for an extraordinary collection of art, documents, film, photographs, books, sound recordings and objects for generations to come. Our founding mission, to collect material to illustrate the common experience of war and record individual experiences, means that our collections contain the reactions, memories and stories of the whole of society.

Our inventory record and data on the condition of our collections will be maintained and upheld as new items enter IWM's management control. We are making progress in the strategic digitisation of our collection (for access, preservation and commercial purposes), prioritised according to our major projects.

Our Digital Futures project will digitise 1.8 million items in the next five years. Our focus will be on images, film and sound. For late 20th century conflicts, these highly vulnerable media need to be digitised to ensure their long-term preservation. During the life of this project we will monitor the rate of deterioration and use a rapid response budget to save the collections.

Condition information will drive a programme of preventive care and conservation projects, so as to support masterplanning and inform preservation digitisation priorities.

We have a more sustainable and dynamic collections management approach, strategically shaping our collection by identifying key acquisitions and managing the targeted disposals programme. We are also working hard to build and share research, knowledge and understanding around our collection. The coming years will also see us embed the delivery of our Contemporary Collecting Strategy, ensuring that our world-leading collections remain relevant, dynamic, accessible and usable to our audiences under the educational remit of global citizenship.

Our curators are guarantors of the continuing global relevance of our stories. They will continue to enhance and open up this world-class asset through the implementation of

the Collections Development Strategies. By facilitating and enabling all other teams in the museum our curators will embed authority and empathy throughout our work.

5. Financial Review

IWM's financial statements include the Grant-in-Aid received from government and the consolidation of the commercial and learning activities performed by the IWM Trading Company. The Consolidated Statement of Financial Activities is to be found on page 73.

The accounts are presented in accordance with the provisions of the Statement of Recommended Practice (SORP) 2015. The movement in net resources for this year, after depreciation but before revaluation changes, is an inflow of £3.942 million, an increase of £0.074 million year on year. The previous year had seen funds increase by a total of £7.664 million.

The change in 2019-20 is made up of a decrease in the net unrestricted funds of £0.689 million, after transfers, and an increase in restricted funds of £3.942 million.

Income from unrestricted funds has grown by £2.431 million. Within this, income from admissions has grown by £0.644 million which is just over 5 per cent year on year. The major contributor to this has been the success of the Churchill War Rooms. Income from commercial activities has grown similarly on the back of visitor numbers and the success of the Air Show season.

Unrestricted expenditure has increased by £2.050 million compared to the previous year. This is mainly as a result of an increase in the investment in the public programme with a further 12 per cent of costs.

The net movement on restricted funds is attributable to income funding received in support of our Transformation project for IWM London.

Overall the level of funds carried forward at 31 March 2020 increased by £8.701 million in comparison to an increase of £12.925 million in the previous year. In addition to the positive income growth, part of the increase is due to the revaluation gain on fixed assets as assessed at 31 March 2020 (£5.448 million).

The Trustees continued to apply the approved investment policy during the year. The policy states that the credit rating of the banks with which IWM and its subsidiaries place funds must be at least a 'double A' rating, as assessed by the Standard and Poor's index. In addition, in order to spread risk as widely as possible, IWM entities have a cap of £4 million or 25 per cent of the total Group funds available for investment at that date, whichever is the lower, with any one institution, unless exceptional amounts of cash are being held. All investments were held in cash at 31 March 2020.

5.1 Reserves policy

Objective

The policy, approved by the Trustees as part of the Corporate Plan, incorporates policies for contingency to cope with short-term variations in estimates of market conditions, and to build longer-term reserves to ensure financial stability for the future and investment for essential projects.

Contingency

The ongoing regime of expenditure controls and cash flow management will continue. Budget forecasts are subject to detailed review on a quarterly basis. Budget holders have real-time access to their budget information and commitments against these. They are required to complete a formal review on a monthly basis. Specifically, a third of the annual budget amount is withheld until the actual results of the first six months of activity are known. In addition, projects that are to be funded from externally raised income will not be started until such funding is secure. These mechanisms have worked effectively in allowing us to adapt and respond within financial years without significant disruption.

In addition, IWM has a contingency plan to provide for a fund of 5% of operational expenditure.

Reserves

The reserves policy is an integral part of the strategic approach to financial management of IWM. Funds held by IWM comprise restricted monies and/or funds designated to capital expenditure. The financial strategy is to increase unrestricted reserves to build robustness and flexibility. The policy is to increase reserves to 3 months of operational expenditure for the longer term.

In order to address the financial pressures arising from the impact of COVID-19 the Museum will utilise unrestricted reserves to help meet any shortfall and provide the final element of any contingency as required. Contingency funding has been reduced to minimal levels in the short term and lifecycle programmes have been curtailed substantially. The combination of these factors, together with the uncertainty regarding the realisation of visitor projections and the risks regarding any further lockdown measures arising from a second wave of infection, highlight the need to bolster funds as much as is possible.

5.2 Public sector payment policy

IWM has implemented the Confederation of British Industries' Prompt Payers Code. All suppliers are informed by standard letter of IWM's payment procedure and the system for addressing complaints and disputes. The percentage of invoices paid promptly within 30 days in 2019-20 was 84% (85% in 2018-19).

5.3 Key performance indicators

The results reported below represent the performance indicators based on our Management Agreement with the Department for Digital, Culture, Media and Sport (DCMS). Results are shown in '000s unless otherwise stated.

Performance indicator ('000s)	2019-20	2018-19	% change
Access			
Number of visits to IWM (excluding corporate hospitality guests and virtual visitors)	2,230	2,688	-17%
Number of unique website visits	12,265	11,393	7%
Audience profile			
Number of visits to IWM by children under 16	517	520	-5%
Number of overseas visitors	1,199	1,097	9%
Learning and outreach			
Number of facilitated and self-directed visits to IWM by children under 18 in formal education	141	175	-19%
Number of instances of children under 18 in onsite organised activities	169	203	-16%
Visitor satisfaction			
Percentage of visitors who would recommend a visit	99%	99%	-
Income generation			
Admissions income (gross)	£12,684	£12,040 ²	5%
Trading net profit	£4,664	£4,986 ³	-6%
Fundraising income	£8,497	£14,916 ⁴	-43%
Regional engagement			
Number of UK loan venues (<i>exact number reported</i>)	70	98	-28%

² 2018-19 Admissions income figure has been restated

³ 2018-19 Trading net profit figure has been restated

⁴ 2018-19 figure reflects incoming funds from Transforming IWM London fundraising campaign

6. Staff Report

During this reporting year we have developed a new IWM HR Strategy, approved by the IWM Board of Trustees in September 2019. Key initiatives and implementation plan were devised based on the key corporate objectives, identified business needs and emerging workforce trends. The vision of our HR Strategy is to enable IWM's workforce to use its diversity, experience and talent to succeed in delivering the objectives and plans of the museum within a financially sustainable environment.

To meet our corporate HR objectives, we undertake multiple initiatives across the year, which are mapped on our Strategic Implementation Framework. We recognise that key areas of people and workforce management, such as talent management, engagement, recognition, development or wellbeing, are not just a HR function. At IWM we are working in partnership with managers to drive successful people management in its full spectrum to its full potential, supporting our teams and individuals to get the best out of our staff, and in return our people strive to perform at their best.

At the heart of our HR Strategy is continuous improvement and excellence; the HR-led initiatives, cross departmental projects and day-to-day service delivery are all aligned with our key impact trends identified in our HR Strategy.

Our HR policies seek to ensure that IWM's workforce structure is both flexible and sustainable and that we create a working culture where staff are supported, skilled and proud of the work that they do. In matters of HR policy, we work in partnership with our recognised trade unions, Prospect, FDA and PCS.

Over the past year, small-scale restructures have been undertaken to ensure that we have the requisite structures and skills in place to help us achieve our transformational strategies.

Since 1 January 2019, the majority of new staff⁵ are employed through the IWM Trading Company, on different terms and conditions to current museum employees. This includes the offer of different pension scheme options as part of the new IWM Group Pension Plan, which means that we are able to offer a more flexible reward package. Roles which are unique to the museums, libraries and heritage sector, continue to be employed through IWM Museum and will still have access to the Civil Service Pension scheme, if they choose. This will help us to continue to attract employees with the required knowledge, skills and experience for more bespoke museum professions. These roles include curators, the majority of collections management staff and librarians.

Our cultural change programme is responsive to staff feedback and is committed to bringing about a positive change to our daily working lives. This agenda is championed by our Cultural Change Ambassador Network (CCAN). This voluntary group of staff have been working to promote and embed cultural change at IWM since 2015. In the past year the group facilitated a September showcase, a freshers fayre type event, where staff were able to showcase the work of their teams and learn about the entire organisation. They also produced posters to support staff wellbeing and promote HR services, such as

⁵ There is no change to terms and conditions of current contracts for existing IWM staff although some staff have elected to change their terms and conditions.

the Employee Assistance Programme.

We continue our journey to become a high performing learning organisation and this year saw the embedding of our new online performance management systems, Clear Review, which replaced our annual appraisal process. The new system enables continuous performance conversations throughout the year, tracks performance objectives and facilitates personal development.

IWM's Apprenticeship Scheme is helping us transform the way that we engage with and develop future talent from within the local communities, by encouraging people to enter the cultural and heritage sector and get experience on the job, while gaining their vocational tertiary qualification. In 2019-20, nine apprentices worked in departments across IWM.

IWM offers generous family friendly policies and above-average benefits for maternity and paternity, adoption or shared parental leave, which we believe to be one of the reasons why there is a high proportion of women employed at IWM (see staff composition section below).

We operate a policy, and have systems in place, to proactively monitor and manage staff absences. Short and medium-term sick leave averaged at 2.42 days per employee for 2019-20 (compared with 3 days for 2018-19). When long-term sickness is included, the total number of absence days is 4.07 (4.28 in 2018-19). We continue to put in place initiatives to increase the wellbeing of our staff to bring down the number of sick days.

6.2 Training and development

Providing our staff with the skills, knowledge and confidence to be their best is key to us building a resilient and inclusive organisational culture. During the first quarter of 2019-20, the HR team led the work on the pulse staff engagement survey and to develop response plan afterwards.

Following the successful implementation of the IWM Learning & Development Prospectus in the second half of 2019-20 we have reviewed and tailored the programme to match the identified needs of our staff which came through the pulse staff engagement survey. The management development programme has also been revised after feedback from previous participants and change in lead trainer.

During 2019-20, we delivered 102 sessions as part of the Prospectus, which were attended by 919 staff. This translates into total of 516 full working days spent by our staff engaging in in-house training via the Prospectus, which means on average we had delivered just over one day of in-house training per employee. In addition, we sponsored 97 external specific courses, supported nine staff with higher education studies and employed nine apprentices. Many staff participated in seminars, conferences and online webinars although attendance records are not available.

Over the past year the HR team has also worked on fostering awareness and wellbeing – a new online learning platform, Good Habitz, focusing on mental wellbeing, building resilience and good management has been procured (launched in Q1 of 2020-21). We have also promoted several pension resources to encourage staff to consider increasing

pension contributions or switching from Museum contract to Trading.

The COVID-19 outbreak presented additional challenges with financial management for staff and the imposed lockdown impacted our overall wellbeing. To support staff during these challenges we have provided a number of courses on the Intranet, promoting the Employee Assistance Programme as well as directory of other online support from charities and support networks.

6.3 Staff composition

We follow policy guidelines issued by the Cabinet Office about the employment of disabled people. We are an Equal Opportunities Employer and have agreed statements of safety policy under section 2(3) of the Health and Safety at Work Act 1974.

At the last survey of our workforce, our staff was made up of 54% female and 46% male employees. Our Executive Leadership Team membership reflects a constitution of 50% female and 50% male (this includes our Director-General, Diane Lees), while our Senior Management Team reflects exactly the same ratio as across the IWM: we have 54% female and 46% male Assistant Directors. Our Board of Trustees (non-executive) has a constitution of 45% female and 55% male Trustees.

At the end of March 2020, 1% of our staff considered themselves to have a limiting disability (of the 24% who made a declaration). 1% of our staff were from a black or minority ethnic group (representative of a 28% declaration rate for ethnicity). 1% of our staff identified themselves as LGBTQ+ (representative of a 24% declaration rate for sexual orientation).

6.4 Inclusivity

IWM recognises that diversity is vital to a successful organisation and remains committed to further developing a culture of diversity and inclusion to ensure equal opportunities for all. In 2019-20 we have continued to implement our Access and Inclusion Strategy which was approved in 2018. The strategy sets out how we will transform our work to ensure that anyone can access IWM and that staff, audiences and collections at our national museums reflect the diversity of our local communities, the nation as a whole and the Commonwealth. Through small, meaningful changes over time, access and inclusion will become embedded and part of business as usual. Implementing the strategy is being taken forward by IWM's Access and Inclusion Governance Board.

Over the past year our HR practices have been reviewed to help remove unconscious bias from the recruitment application process, supported by an organisation-wide training programme. We have robust recruitment policies in place to ensure fair assessment based on competency. We are working towards introducing anonymous applications to reduce any potential unconscious bias and are reviewing essential/entry requirements for each role to focus on abilities rather than educational background.

We seek to adopt best practice in inclusive design in all our projects, activities and visitor service provision to ensure that physical, sensory and intellectual access is maximised. Access, equality and diversity issues are considered when developing our public programmes and projects from project initiation documents and throughout all exhibition planning. One of our key objectives is to prioritise diversity and access as part of our

major capital projects, where project design teams work closely with access advisory groups to ensure that the layout of our buildings (entrances, circulation, visitor routes and wayfinding), soft services and amenities, exhibition spaces and narrative development are considered. The team working on Transforming IWM London Phase 2 are working to an access design guide for the new galleries and are running a series of access consultation focus groups to inform the approach within the galleries.

Wider access to our collections continues to be facilitated through our website and Collections Online service, through research room visits, our loans programme, digital projects and the First World War Centenary Partnership as well as our digital learning resources.

7. Environmental Sustainability Report

We are committed to reducing our carbon footprint and the impact of our operations on the environment. We actively seek to conserve energy, water, paper and other resources, particularly those that are scarce or non-renewable. We aim to reduce and minimise waste through best practice by reusing and recycling and by using reconditioned and recycled products and materials where such alternatives are available.

Our Sustainable Development Policy aims to improve our performance and practice by meeting all relevant current and foreseen statutory regulations and official codes of practice, using passive and low energy systems wherever practicable and achieving the sustainable development targets set by Government.

We are registered with the Government Reduction Commitment (CRC) Energy Efficiency Scheme, measuring and monitoring consumption at each of our five branches and making this information available to the public through Display Energy Certificates.

7.1 Greenhouse gas emissions

One of IWM's strategic aims is to increase our financial sustainability to secure the long-term financial viability of our organisation and continue to fund our world-class public offer. Efficiency is at the heart of this objective and energy consumption reduction is a priority, measured as one of our Key Performance Indicators and reported to Senior Management.

We have made great progress in being better able to record our greenhouse gas emissions. This year our greenhouse gas emissions have increased by 9%. However, we now have the ability to reflect the current costs more accurately as we are including more information about fuel consumption from our air shows. If this figure had been calculated without this new information it would have reduced as we have made many efficiencies, despite our ongoing Transforming works.

7.1.1 Collections management

With regard to new initiatives, we have made significant progress in reducing energy consumption and greenhouse gas emissions with the introduction of new, sustainable collections storage solutions. Our new collections store at IWM Duxford, which opened in 2019, has radically reduced energy consumption. It has been built to a high fabric performance (with minimal U-values, no thermal bridges and high air tightness). The new store is coupled with the ground to maintain the cool temperatures required, essentially reducing heating, ventilation and air conditioning requirements of our store to domestic levels. The result is an archive that can maintain PD5454 conditions with no heat input, the only services required being a domestic sized supply MVHR unit with a small amount of dehumidification and cooling. This approach maintains exceptionally stable conditions and in the long-term will bring down energy usage and costs considerably.

7.1.2 Estate management and masterplanning

The management of our estate is an area where we can make long-term, demonstrable improvement. The estate we manage is considerable, comprising 114 buildings, an

operational airfield dating back to the First World War, a Second World War cruiser and Churchill's wartime bunker beneath Whitehall. The nature of our estate and the age, condition and variety of the heritage buildings in our care present us with a considerable challenge in reducing our carbon footprint and operating costs. We are achieving energy savings in our permanent collections and temporary exhibitions through a continued, phased programme of replacing lighting with more efficient schemes. We continue to replace the lighting schemes at IWM London with LEDs.

In implementing our masterplan for IWM London and for Transforming IWM London Phase 2, we have collaborated with the project sustainability consultants on drafting and implementing two new sustainability frameworks:

- a framework for IWM construction projects that will guide the development of Transforming IWM London Phase 2 and give us with a standardised approach for future construction projects
- a framework for general building operation that will introduce a score card to help us assess performance and set improvement targets. This is a key part of our Sustainability Strategy currently being developed to bring emissions levels down further.

7.1.3 Exhibition delivery

Waste minimisation continues to be a major objective of our exhibitions production. We maintain a stock of showcase fronts which are incorporated where possible in the designs for our temporary exhibitions. These have been used many times before and shared across our branches. Moving forward, we are procuring a reusable showcase system for our temporary exhibition programme that will improve sustainable practice and reduce waste. If we are unable to reuse showcases they are offered to other museums.

Our mission to make our collections as widely accessible as possible through the loans of our collection has an impact on our carbon footprint. To minimise this, every effort is made to consolidate loans and combine shipments, while part-load transits are used to save on fuel and reduce resources.

7.1.4 Performance review

Total scope 1: greenhouse gas emissions shows an increase of 9%, as noted. Total scope 2: energy consumed in KwH has also fallen by 20% on last year. We saved over £52,000 on energy costs this year, despite energy prices rising.

Our travel emissions went down slightly by 3.6%. This is mainly due to the continued roll out of technological solutions to allow our teams to meet remotely via Skype and Microsoft Teams.

We have seen a 5.9% fall in overall waste disposal on last year.

Greenhouse gas emissions (actual)	2019-20 actual	2018-19 actual	% change year on year	2017-18 actual	2016-17 actual
Scope 1: total emissions (tCO ₂ e)	1,657	1,520	+9%	1,580	1,429
Scope 1: emissions from gas consumption (tCO ₂ e)	701	759	-7%	833	818
Scope 1: emissions from oil consumption (tCO ₂ e)	802	738	+8%	720	577
Scope 1: emissions from fuel consumption (tCO ₂ e) ⁶	154	23	+569	27	35
Scope 2: Energy consumed electricity (tCO ₂ e)	2,903	3,639	-20%	4,685	5,519
Scope 2: Energy consumed (kWh) electricity, gas and oil consumption combined (<i>rounded up to nearest 000's</i>)	14,281	15,973	-11%	16,710	17,066
Scope 3: Domestic business travel (tCO ₂ e)	107	111	-3%	84	66

Greenhouse gas emissions Financial expenditure '000s	2019-20	2018-19 actual	% change year on year	2017-18 actual	2016-17 actual
Carbon offset purchases	£0	£0	-	£0	£0
Scope 1: expenditure of emissions from organisation-owned fleet vehicles (gross) ⁷	£11.50	£11.96	-4%	£13.07	£15.92
Scope 2: expenditure of energy consumed (kWh) electricity, gas and oil consumption combined ⁸	£1,593	£1,564	+2%	£1,433	£1,436
Electricity expenditure	£1,266	£1,308	-3%	£1,200	£1,225
Gas expenditure	£246	£256	-4%	£233	£211
Scope 3: Total expenditure of official business travel (subdivided below)	£380	£429	-11%	£379	£276

⁶ Previous year totals have been restated as they were based on fuel consumption solely from IWM owned vehicles. This has been adjusted to include emissions from all vehicles used in our operations (including leased vehicles).

⁷ Previous year totals have been restated as they were based on fuel consumption solely from IWM owned vehicles. This has been adjusted to include emissions from all vehicles used in our operations (including leased vehicles).

⁸ 19/20 comparative figure is 1,514 (down 3%). 19/20 expenditure now also includes aircraft fuel for improved accuracy

Air travel	£18	£20	-1%	£18	£13
Rail and underground	£225	£255	-11%	£225	£164
Bus or coach	£7	£8	-12%	£7	£5
Hire car or taxi	£38	£43	-11%	£38	£28
Private vehicle	£91	£103	-11%	£91	£66

7.2 Waste management and minimisation

We work in partnership with our waste service provider to ensure that no waste is sent to landfill and that all waste generated is responsibly sorted and disposed of so that the bulk of waste from our daily museum operations, large-scale visitor events (such as air shows), corporate hospitality and the maintenance of our grounds is recycled or composted. Where appropriate, waste material is reused. Our waste provider actively avoids sending any waste to landfill, instead ensuring that waste that cannot be recycled or reused is incinerated through the waste-to-energy schemes, where energy created from remaining waste is channelled back into the National Grid.

IWM has put sustainability front and centre as we move to paperless working and electronic records management.

Waste minimisation	2019-20 Actual	2018-19 actual	% change year on year	2017-18 actual	2016-17 actual
Total waste disposed (tonnes) *	519	592	-12%	638	499
Hazardous waste disposed	11	12	-8%	9.27	0
Waste sent to landfill (tonnes)**	0	0	-	0	35
Waste recycled or reused (tonnes) *	250	271	-7%	163	167
Composted waste (tonnes) *	0	18	-100%	18	17
Percentage of waste recycled and composted *	49%	28%	+75%	37%	43%

Waste incinerated to convert to energy (tonnes)*	268	445	-28%	280	297
Average waste produced per annum per visitor and full time equivalent staff (kilograms)*	.25	0.26	-4%	0.26	0.32
Average waste recycled, reused or composted per annum per visitor and full time equivalent staff (kilograms)*	.12	0.09	+36%	0.09	0.14

* Waste figures prior to November 2016 excluded Churchill War Rooms and HMS Belfast due to a complex supply chain that was in place at the time and the fact that this information was not available from the service providers. We now have one provider in place for all five branches.

** The proportion of waste to landfill is zero as our service providers since November 2016 do not send any waste to landfill.

Waste minimisation Financial expenditure'000s	2019-20 actual	2018-19 actual	% change year on year	2017-18 actual	2016-17 actual
Total expenditure on waste disposal	£210	£185	+13.5	£193	£200
Expenditure on waste sent to landfill	£0	£0	-	£0	£0
Expenditure on waste recycled/reused	£101	£84	+20%	£88	£51
Expenditure on waste incinerated	nil	nil	-	nil	nil
Expenditure on waste converted to energy	£109	£100	+9%	£105	£139

7.3 Finite resource consumption

We actively take measures to conserve water, paper and other scarce or non-renewable resources by investing in efficient systems and technologies and encouraging more responsible use of resources across IWM.

All timber that we procure for our exhibitions programme and capital/construction projects is procured from sustainable sources, with suppliers required to provide us with certificates to validate this.

We continue to make good progress in cutting back on the consumption of paper and our long-term ambition for IWM is to operate a paperless office/working culture. Our overall print usage reduced by 256,000 sheets of paper on last year. Our PaperCut print

management system ensures that we avoid wastage through error or unnecessary print requests. Staff activate all print jobs with their staff pass. A proportion of jobs sent to print will remain unreleased and this function continues to have a demonstrable positive impact on paper consumption.

Our policy is to use FSC-certified or recycled paper for our printed publications. We work with print suppliers who can demonstrate a commitment to sustainability, for example through environmental policies and accreditations.

We now have a clearer picture of our water consumption due to actual meter reads being applied to bills. In previous years bills were based on estimates. Some of our water suppliers still estimate and we are working on this for an even more accurate picture. We are also in the process of installing water loggers, which should help with our reporting in future years.

Finite resource consumption	2019-20 actual	2018-19 actual	% change year on year	2017-18 actual	2016-17 actual
Finite resources, water (in cubic metres/m ³)*. <i>Rounded up to nearest 000's</i>	92	100	-8	126	75
Paper consumption - A4 (reams of paper). <i>Actual number reported</i>	1,335	1,983	-32	2,170	2,525
Paper consumption - A3 (reams of paper). <i>Actual number reported</i>	50	155	-67	70	155

* The water consumption figure above excludes Churchill War Rooms as the data is not available (this service is independently managed by HM Treasury as Churchill War Rooms is situated in the basement of the Treasury).

Finite resource consumption Financial expenditure '000s	2019-20 actual	2018-19 actual	% change year on year	2017-18 actual	2016-17 actual
Expenditure on water supplied	£190	£193	-1	£183	£156
Expenditure on paper A4 & A3	£3	£5	-4	£5	£6

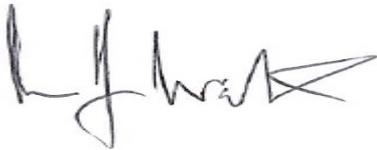
7.4 Procurement

In the preparation of tenders, our questionnaire always asks suppliers to provide their environmental and sustainability policy. In cases where sustainability issues are critical to the performance of a product or service (in the case of energy consumption, the lifetime of the product or lifecycle of the consumables), we always request specific information to be provided, so as to form part of the criteria for assessment.

7.5 Future plans

Transforming IWM London Phase 2, the second phase of our long-term masterplan for IWM London, is currently underway. The project involves new gallery development within a grade 2 listed, historic building and as such we are working to a bespoke framework which draws from BREEAM (a recognised environmental assessment method and rating system for buildings). We are also aiming for BREEAM excellence for Park Side, the project to deliver new staff accommodation to the rear of All Saints, London. The project design team's consultants are reporting against the framework throughout the design and construction programme.

We aim to put together a Sustainability Strategy in 2020-21 as outlined in our Corporate Plan. This will look at our overall effect on the climate including transportation, energy and performance.



Matthew Westerman
Chair of the Trustees

Date 22 September 2020



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 22 September 2020

8. Reference and Administrative Details of the Charity, the Trustees and Advisers

8.1 Addresses

IWM London

Lambeth Road
London SE1 6HZ

IWM North

The Quays
Trafford Wharf Road
Manchester M17 1TZ

IWM Duxford

Cambridgeshire CB22 4QR

Churchill War Rooms

Clive Steps
King Charles Street
London SW1A 2AQ

HMS Belfast

The Queen's Walk
London SE1 2JH

Website

iwm.org.uk

8.2 Principal advisers

Solicitors

IWM employs the Treasury Solicitor and commercial solicitors on an ad hoc basis

Principal bankers

Barclays Bank
Leicester
Leicestershire
LE87 2BB

National Westminster Bank Plc
Bishopsgate Corporate Business Centre
15 Bishopsgate
London EC2P 2AP

8.3 Audit

Under statute, the Comptroller and Auditor General is the principal auditor of IWM's consolidated accounts for the year ended 2019-20. The audit fee in respect of this work was £53,000.

Auditors

Consolidated accounts

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

So far as the Accounting Officer and the Board is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing his report, of which the auditor is unaware. Having made enquiries of the Board of Trustees, the Accounting Officer has taken all the steps that she is obliged to take as Accounting Officer in order to make herself aware of any relevant audit information.

Imperial War Museum Trading Company Limited

Moore Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

Imperial War Museum Film Production Limited

Moore Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

Internal audit

For 2019/20 –
Mazars
Tower Bridge House
St Katharine's Way
London E1W 1DD

From 2020/21 –
MHA Macintyre Hudson
2 London Wall Place
London EC2Y 5AU

8.4 The Imperial War Museum Trading Company

The Imperial War Museum Trading Company Limited (registration number 3719634) was incorporated on 25 February 1999, and commenced trading on 1 April 1999. All of the issued share capital of the company is held by the Trustees of the Museum as a body corporate.

The principal activity of the Trading Company is the operation of the commercial and learning activities of IWM, including retailing, corporate hospitality and the IWM Duxford air shows. The registered office of the Trading Company is the Imperial War Museum London.

The Directors of the Imperial War Museum Trading Company

Tamsin Todd (Chair)
Keith Cameron
Jon Card ACA
Elizabeth Cleaver
Jim Cruickshank
Diane Lees CBE
Catharine Pusey

8.5 The Imperial War Museum Film Production Limited

The Imperial War Museum Film Production Limited (registration number 9612995) was incorporated on 28 May 2015. The principal activity of the Company is to engage in the production and distribution of commercial film, including 14-18 NOW: First World War Centenary Art Commissions and IWM co-commissioned film projects. This company continues to be dormant.

8.6 Director-General and Accounting Officer

The Director-General and Accounting Officer for IWM is Diane Lees CBE FMA FRSA

Members of the Board of Trustees of the Imperial War Museum

President

His Royal Highness The Duke of Kent KG GCMG GCVO

Vice President and Chairman

ACM Sir Stuart Peach GBE KCB DL (to 13 December 2019)

Matthew Westerman (wef 14 December 2019)

Deputy Chairman

Matthew Westerman (to 13 December 2019)

Tim Marlow OBE (wef 14 December 2019)

Board Members

Desmond Bowen CB CMG

Hugh Bullock

Elizabeth Cleaver

Lt General Andrew Figgures CB CBE

Rear Admiral Amjad Hussain CB (to 31 December 2019)

Angus Lapsley (wef 1 March 2020)

Professor Margaret MacMillan CC CH DPhil

Suzanne Raine
Tamsin Todd
Mark Urban
Peter Watkins CBE (to 31 December 2019)

His Excellency The Hon George Brandis QC (High Commissioner for Australia)
Her Excellency Mrs Janice Charette (High Commissioner for Canada)
Her Excellency Mrs Ruchi Ghanashyam (High Commissioner for India)
His Excellency Lt General the Rt Hon Sir Jerry Mateparae (High Commissioner for New Zealand)
His Excellency Mohammad Nafees Zakaria (High Commissioner for Pakistan)
Her Excellency Ms Nomatamba Tambo (High Commissioner for South Africa)
Her Excellency Manisha Gunasekera (High Commissioner for Sri Lanka)

8.8 Board of Trustees Committee Members

Audit Committee

Matthew Westerman (to 13 December 2019)
Lt General Andrew Figgures CB CBE
Rear Admiral Amjad Hussain CB (to 31 December 2019)
Suzanne Raine (wef 14 December 2019)
Brigid Sutcliffe ACA (wef 1 July 2019)

Estates Advisory Committee

Hugh Bullock
Desmond Bowen CB CMG
Rear Admiral Amjad Hussain CB (to 31 December 2019)
David Godden
Mike Griffiths
Beth West (wef 1 September 2019)

Art Commissions Committee

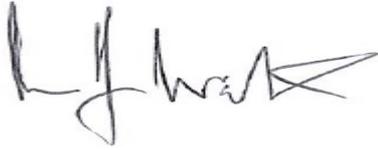
Tim Marlow OBE
Fiona Bradley
Paul Seawright
Jennifer Higgie
Jenny Waldman CBE

Nominations Committee

ACM Sir Stuart Peach GBE KCB DL (to 13 December 2019)
Matthew Westerman
(Committee re-constituted in April 2020)

Remuneration Committee

ACM Sir Stuart Peach GBE KCB DL (to 13 December 2020)
Matthew Westerman
Rear Admiral Amjad Hussain CB (to 31 December 2020)
(Committee reconstituted in March 2020)



Matthew Westerman
Chair of the Trustees

Date 22 September 2020



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 22 September 2020

9. Remuneration report

9.1 Remuneration Committee and policy

The Board's Remuneration Committee meets annually to consider pay awards for the Director-General. The Committee comprises the Chairman and Deputy Chairman of the Board of Trustees and the Chair of the Audit Committee. The Director-General is eligible for a discretionary bonus of up to 15 per cent of which up to 2 per cent may be consolidated into pay as the annual rise. In addition the Committee receives details of the Executive Directors' pay. The Executive Directors are set objectives based on IWM's business plans. The Director-General reviews their performance against these. During the year, a bonus was paid to the Director-General. No other bonuses were paid to either the Director-General or the three members of the Executive Directors team listed below during 2019-20 or 2018-19. Pay rises were capped at 2 per cent for all Directors in 2019-20. The pay of the Director-General and of the Executive Directors is subject to benchmarking on a periodic basis.

9.2 Remuneration (including salary) and pension entitlements

The audited salary and pension entitlements of senior staff with corporate responsibilities as at 31 March 2020 were as follows:

Single total figure of remuneration										
	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£1,000)		Total (£1,000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
D Lees Director General	155 - 160	150 - 155	19	19	nil	nil	163	59*	210 - 215	210 - 215
J Card Executive Director of Collections and Governance	115 - 120	110 - 115	nil	nil	nil	nil	26	18	130 - 135	130 - 135
G Webber Executive Director of Content and Programmes	100 - 105	100 - 105	nil	nil	nil	nil	40	39	135 - 140	135 - 140
J Brown Executive Director Commercial Services and Operations	100 - 105	100 - 105	nil	nil	nil	nil	40	39	135 - 140	135 - 140

*For 2018-19, the pension benefits for Ms Lees were recalculated as a result of her retrospective transition to the alpha scheme.

For 2019-20 Ms Lees was provided with an accommodation allowance of £14,560 (2018-19, £13,462), the amount of which is included in the salary figures above. No other benefits in kind were made available to the Director-General or Executive Directors in the year.

The Director-General and Executive Directors have permanent contracts of employment with notice periods of three months. Other than those stated in the table above, no other benefits in kind were made attributable to them for the year.

No compensation payments were made to any senior staff (2018-19, nil). In the event of early termination of employment the provisions of the Civil Service Pension Scheme are to be followed.

The Chairman and Board of Trustees received no remuneration for their services during 2018–19 or 2017–18. Travel and subsistence expenses paid to three Trustees amounted to £764 (this was £507 in 2018–19).

9.3 Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation’s workforce.

	2019-20	2018-19
	£1,000	£1,000
Band of highest paid director’s total remuneration	175-180	170-175
Median total remuneration	£29,507	£27,816
Ratio	6.02	6.20

The banded remuneration of the highest-paid director in IWM in the financial year was £175,000– £180,000 (2018-19, £170,000 – £175,000). This was 6.02 times (2018–19, 6.20) the median remuneration of the workforce, which was £29,507 (2018–19, £27,816).

In 2019-20, no employees (2018-19, nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £16,500 to £180,000 (2017-18, £16,000 to £175,000).

Total remuneration includes salary, non-consolidated performance-related pay as well as benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

9.4 Pension Benefits

	Accrued pension at pension age as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/20	CETV at 31/3/19	Real increase in CETV	Employer contribution to partnership pension account
	£’000	£’000	£’000	£’000	£’000	Nearest £100
D Lees Director General	60 – 65 plus lump sum of 45 – 50	7.5 – 10 plus lump sum of 2.5 - 5	1,259	1,068*	138	nil
J Card Executive Director of Collections and Governance	35 – 40 plus lump sum of 105 - 110	0 – 2.5 plus lump sum of 2.5 – 5	828	799	26	nil

G Webber Executive Director Contents and Programmes	10 – 15 plus lump sum of nil	0 – 2.5 plus lump sum of nil	136	99	24	nil
J Brown Executive Director of Commercial Services and Operations	5 – 10 plus lump sum of nil	0 – 2.5	110	73	26	nil

*For 2018-19, the pension benefits for Ms Lees were recalculated as a result of her retrospective transition to the alpha scheme.

9.5 Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. 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: 3 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 in 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 5 months from their normal pension age on 1 April 2012 will switch to alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha will 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 percent and 8.05 percent 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 from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during the period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3 percent if their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase

legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 percent. 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. The employer makes a basic contribution of between 8 percent and 14.75 percent (depending on age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 percent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

From January 2019, all new employees of the Imperial War Museum Trading Company are enrolled into the IWM Group Pension Plan. The minimum employee contribution made is 2% of pensionable salary, for which the IWM Trading Company will contribute 6% of pensionable salary. If an employee chooses to increase their contributions to 3% of pensionable salary, the IWM Trading Company will contribute 7% of pensionable salary. Employee contributions of 4% pensionable or more, and the IWM Trading Company will contribute 8% of pensionable salary.

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

9.6 Cash Equivalent Transfer Value (CETV)

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 pension benefits they have 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 which the member has transferred to the Civil Service pension arrangements. They include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETV's are worked out in accordance with The Occupational

Pension Schemes (transfer Values) (Amendment) Regulations 2008 and do not take into account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

9.7 Real increase in CETV

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

9.8 Reporting of civil service and other compensation schemes – exit packages

(Comparative data is shown in brackets for previous years)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	nil (nil)	4 (11)	4 (11)
£10,000–£25,000	nil (nil)	1 (9)	1 (9)
£25,000–£50,000	nil (1)	nil (2)	nil (3)
£50,000–£100,000	nil (nil)	1 (3)	1 (3)
£100,000–£105,000	nil (nil)	nil (nil)	nil (nil)
Total number of exit packages	nil (1)	6 (25)	6 (26)
Total resource cost / £	£nil (£27,000)	£109,316 (£438,690)	£109,316 (£465,690)

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 of the early departures being agreed. Where the IWM has agreed early retirements, the additional costs are met by the IWM and not by the Civil Service pension scheme. Ill-health retirement costs are met by pension scheme and are not included in the table. Included in the exit costs above are redundancy compensation, top-up compensation to buy out the actuarial reduction on pension, PILON (Payment In Lieu Of Notice, salary part) and CILON (Compensation In Lieu Of Notice, pension part).

The Trade Union (Facility Time Publication Requirements) Regulations 2017

1 Relevant union officials

The total number of the employees of Imperial War Museum who were union officials during 2019-20. Comparative data for 2018-19 is shown in brackets.

Number of employees who were relevant union officials during 2019 - 20	Full-time equivalent employee number
4 (4)	4 (4)

2 Percentage of time spent on facility time

The number of employees of Imperial War Museum who were relevant union officials employed during 2019-20, and the percentage of their time spent on facility time.

Comparative data for 2018-19 is shown in brackets.

Percentage of time	Number of employees
0%	nil (nil)
1%-50%	4 (4)
51%-99%	nil (nil)
100%	nil (nil)

3 Percentage of pay bill spent on facility time

The percentage of the total pay bill of Imperial War Museum spent on paying employees who were relevant union officials for facility time for 2019-20. Comparative data for 2018-19 is shown in brackets.

First Column	Figures
Total cost of facility time	£11,069 (£10,510)
Total cost of Imperial War Museum pay bill	£20,455,265 (£20,165,523)
The percentage of Imperial War Museum's pay bill spent on facility time	0.05% (0.05%)

4 Paid trade union activities

How many hours spent by employees, who were relevant union officials during 2019-20, on paid trade union activities. Comparative data for 2018-19 is shown in brackets.

Time spent on paid trade union activities as a percentage of total paid facility time hours	3.97% (4.19%)
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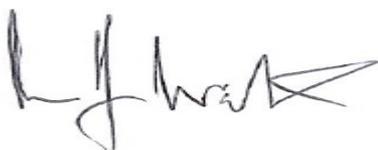
10. Statement of Trustees' and Director-General's Responsibilities

Under Section 9 (4) and 9 (5) of the Museums and Galleries Act 1992, the Board of Trustees is required to prepare a statement of accounts on an accruals basis for each financial year in the form and on the basis determined by the Secretary of State for the Department for Digital, Culture, Media and Sport with the consent of the Treasury. The accounts are prepared to show a true and fair view of IWM's financial activities during the year and of its financial position at the end of the year.

In preparing IWM's accounts the Board of Trustees is required to:

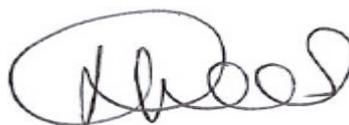
1. Observe the accounts direction issued by the Secretary of State and the Government Financial Reporting Manual, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
2. Make judgements and estimates on a reasonable basis
3. State whether applicable accounting standards as set out in the Government Financial Reporting Manual and the Statements of Recommended Practice have been followed, and disclose and explain any material departures in the financial statements
4. Prepare the financial statements on the going concern basis, unless it is inappropriate to assume that IWM will continue in operation

The Accounting Officer for the Department for Digital, Culture, Media and Sport has designated the Director-General, Diane Lees CBE, as the Accounting Officer for IWM. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records and the safeguarding of IWM assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money. As far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and she has made herself aware of any relevant audit information and established that the entity's auditors are aware of that information. The Accounting Officer confirms that the annual report and accounts is fair, balanced and understandable and takes responsibility for the Annual Report and Accounts.



Matthew Westerman
Chair of the Trustees

Date 22 September 2020



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 22 September 2020

11. Governance Statement

11.1 Introduction

IWM was founded on 5 March 1917 when the War Cabinet approved a proposal by Sir Alfred Mond MP for the creation of a national war museum to record the events still taking place during the First World War. The intention was to collect and display material as a record of everyone's experiences during that war – civilian and military – and to commemorate the sacrifices of all sections of society.

The interest taken by the Dominion governments led to the renaming of the National War Museum to Imperial War Museum later in 1917. It was formally established by Act of Parliament in 1920 and a governing Board of Trustees appointed.

IWM is now governed by a Board of Trustees acting on the authority of the Imperial War Museum Acts 1920 and 1955, the Museums and Galleries Act 1992 and other relevant legislation. We are a non-departmental public body (NDPB) with the Department for Digital, Culture, Media and Sport (DCMS) as our sponsoring body.

11.2 Corporate governance framework

11.2.1 Scope of responsibility

The Trustees and Director-General, as Accounting Officer, have responsibility for maintaining a sound system of internal control to support the achievement of our aims and objectives. IWM's governance system ensures that public funds and our assets are safeguarded in accordance with HM Treasury's 'Managing Public Money' and, specifically, the Management Statement and Financial Memorandum between IWM and DCMS. Internal audit for the period of this report was provided by Mazars, an independent company which operates within the government Internal Audit Standards. External independent sources of assurance are provided by Grant Thornton, on behalf of The National Audit Office, and Kingston Smith, who audit our Trading Company.

11.2.2 Board of Trustees

As a non-executive board, IWM's Trustees are collectively responsible for the management and control of IWM.

Membership

The Board of Trustees has 22 members, including the President, who is appointed by the Sovereign. The remaining members of the Board are appointed variously by:

- The Prime Minister
- The Secretary of State for Foreign and Commonwealth Affairs
- The Secretary of State for Digital, Culture, Media and Sport
- The Secretary of State for Defence

- The seven Commonwealth Governments of Australia, Canada, India, New Zealand, Pakistan, South Africa and Sri Lanka who are represented by their High Commissioners in an *ex officio* capacity.

Apart from the President, the High Commissioners and an *ex officio* Ministry of Defence appointee, appointments to the Board are made on merit, following a fair and transparent process, which is regulated by the Office of the Commissioner for Public Appointments. Trustees are appointed in the first instance for a term of up to four years. The Vice-President and Chairman of the Board is elected – in accordance with the provisions of the Imperial War Museum Act 1920 – by the Trustees from among their number to lead Board meetings and to represent the Board and interests of IWM.

Air Chief Marshal Sir Stuart Peach and Peter Watkins retired from the Board in December 2019. Rear Admiral Amjad Hussain resigned his position as a Trustee the same month. Guy Weston was appointed Business Trustee in November 2019 in succession to Lord Ashcroft and Angus Lapsley joined the Board as the Ministry of Defence *ex officio* appointee in succession to Peter Watkins in March 2020. Successors to the Naval and Royal Air Force vacancies will be made during 2020. Tim Marlow's term of office has been temporarily extended for a period of eight months to October 2020.

In July 2019 Matthew Westerman was appointed Chair of Trustees, in accordance with the provisions of the Imperial War Museum Act 1920, in succession to ACM Sir Stuart Peach, with effect from 13 December 2019. Tim Marlow was appointed Deputy Chair in succession to Matthew Westerman from the same date.

Role

The Board of Trustees has legal responsibility for the management of IWM's collections, buildings and financial assets. It approves IWM's Corporate Plan objectives and targets that are agreed with DCMS through our Funding Agreement. Along with approving strategic direction, the Board of Trustees monitors our performance and the progress of projects and programmes set out in our Corporate Plan. It is supported in carrying out these duties by a number of committees, including the Audit Committee (who have delegated responsibility for monitoring the process of risk management), Estates Advisory Committee, Art Commissions Committee, Remuneration Committee and Nominations Committee.

11.2.3 Committees

- The Audit Committee advises the Director-General and the Board of Trustees on the adequacy of audit arrangements, risk management and internal control. It regularly reviews risk management. The Board of Trustees in turn reviews the effectiveness of our risk management process on an annual basis. The Committee recommends the Annual Report and Accounts for approval to the main Board and is responsible for policy review. It reviews internal and external audit reports, and agrees an Internal Audit Strategy that is responsive to our strategic and key operational risks. Annually the Committee receives a report from IWM Duxford's Flight Safety Committee, and IWM's Health and Safety Report.
- The Estates Advisory Committee provides assurance to the Board that adequate processes of estate strategic planning and asset management are in place and

working effectively. The Committee reviews and advises on the range and sequence of projects to be brought forward to deliver the strategy. It monitors the development and implementation of specific masterplans and makes recommendations to the Board and the Executive Leadership Team as appropriate. Key property related risks are monitored and reported to the Board and the Trustees' Audit Committee.

- The Art Commissions Committee is empowered by the Trustees to select and agree terms with artists for the commission of works relating to all aspects of British and Commonwealth Forces' activities, including their role as part of UN military, humanitarian or civilian operations. It agrees interpretative or retrospective commissions which relate specifically to IWM's remit. In 2019 a restricted fund established as a legacy of the 14-18 NOW programme was transferred to the Art Commissions Committee (ACC) for the purpose of co-commissioning new artworks relating to the heritage of conflict. Revised terms of reference and membership of the ACC were agreed in March 2020 to reflect this legacy fund which will enable IWM to expand and extend the way it supports the creation of new artwork relating to heritage.
- The Remuneration Committee oversees the review of the Director-General's pay and performance.
- The Nominations Committee takes the lead in Trustee appointments. It was reconstituted in March 2020 with new terms of reference extending the remit to review and refinement of the process for appointing the Chair of Trustees in accordance with the provisions of the IWM Act 1920.

11.2.4 Executive Teams

11.2.4.1 The Executive Leadership Team

Our Executive Leadership Team (ELT) is an executive, decision-making body that is responsible for the strategic leadership of IWM. The team supports the Accounting Officer in the delivery of our strategic aims and objectives as agreed with the Board of Trustees.

Membership

- Director-General (Chair)
- The Executive Director of Collections and Governance
- The Executive Director of Content and Programmes
- The Executive Director Commercial Services and Operations
- Assistant Director, Strategy and Governance (Minutes)

Role

ELT is tasked with setting IWM's strategic direction in agreement with our Board of Trustees. They monitor the use of public funds, ensure that best value for money is delivered and approve major projects, investment and resource allocation. The team maintains an overview of the compliance and regulatory systems of IWM. They are responsible for ensuring that the safeguards and controls we have in place effectively manage our risks, assets and funds. ELT ratifies new strategy and key areas of policy

and process, prior to presentation to the Board of Trustees for final approval. The team leads on the process of change, including cultural change, as the organisation continues to develop our ongoing change programme.

They are supported in the implementation of our strategic and regulatory function by our Senior Management Team.

11.2.4.2 The Senior Management Team

Our Senior Management Team (SMT) supports the Director-General and ELT in the general management of IWM. Following direction from ELT, the team takes forward IWM's agreed strategic aims and objectives.

Membership

- Assistant Director Strategy and Governance (Chair)
- Assistant Director Collections Management
- Assistant Director Commercial Services
- Assistant Director Major Projects
- Assistant Director Narrative and Content
- Assistant Director Operations
- Chief Information Officer
- Assistant Director Communications and Marketing
- Assistant Director Exhibitions and Interpretation
- Assistant Director Public Engagement and Learning
- Assistant Director Digital Transformation
- Assistant Director Resources
- Director Development
- Head of Strategy and Business Planning (Minutes)

Role

SMT actively manages the system of controls determined by ELT. This includes stewardship of funds and assets and the management of risk. They prepare strategy documents and recommend policy changes to ELT. SMT coordinates our key business processes and information including the preparation of the Corporate Plan, progress and evaluation reports and the implementation of internal audit recommendations. The team is responsible for coordinating budget and staff resource to ensure that we deliver our Corporate Plan activities and our highest strategic priorities.

SMT is active in helping to embed new ways of working, monitoring performance across all areas of business and actively supporting organisational change.

11.2.4.3 Governance Boards

Our Governance Boards support SMT in the delivery of our strategic priorities. In 2018 a governance review was undertaken and a new Governance Board structure implemented as follows:

Strategic Boards

- Access and Inclusion
- Visitor Experience
- Income Generation
- Reputation and Brand
- Methods of Working
- Valuing our Staff and Volunteers

Stewardship Boards

- Collections Management
- Estates and Infrastructure
- Health and Safety
- Information Governance

Programme Boards

- Digital Transformation
- IWM institute
- Masterplanning
- Public Programmes

IWM's Governance boards work to specific remits as identified within their terms of reference, with priorities agreed as part of corporate planning. The boards all report into SMT via the Chair or by a nominated Assistant Director. The new structure facilitates close cross-departmental working and collaboration and in doing so ensures that we are directing resource to our highest strategic objectives.

11.3 Annual review

11.3.1 Board of Trustees

The Board of Trustees signed off the Annual Report and Accounts for 2018-19 and IWM's Corporate Plan 2020-25. It has approved disposals from the collections in compliance with our statutory and governance requirements. Financial performance and progress against Corporate Plan 2019-24 targets and objectives has been monitored. The Board has carried out annual reviews of risk management and strategic development and received annual reports from the Audit Committee and Directors of the Trading Company as well as an annual presentation from the 14-18 NOW Centenary Commissioning Programme.

Key areas of business considered and approved include:

- Progress of IWM's major projects including Transforming IWM London Phase 2 (the redevelopment of our Holocaust and Second World War Galleries), the IWM Duxford and HMS Belfast masterplans, our Collections Storage programme and the Park Side staff accommodation project
- Our Collecting Strategies and Curator Charter
- IWM's public programme and the IWM Institute
- Approval of IWM strategies relating to Commercial - Income Generation, Human Resources, Stakeholder Relations, Partnerships, Collecting, Marketing & Communications and IT & AV and our Safeguarding Policy

- Consideration of IWM response to COVID-19 and revised corporate plan

The Board held its annual Away Day in May 2019 when Trustees carried out their annual effectiveness review, heard from the Director-General about plans and priorities going forward and discussed particular areas of strategic focus.

11.3.2 Board effectiveness review

The Board of Trustees reviews its effectiveness annually through a questionnaire which assesses performance in the following areas:

- Governance and compliance
- Constitution and skills sets
- Strategic direction
- Meetings and succession planning

The review in May 2019 found that the overall response was indicative of a positive governance process, and effective meetings and committees. Trustees concluded that they would continue to work closely as a team, listen and come together for discussion at meetings. They recognised a gap on the Board for a Trustee with oversight for ethics. Subsequently, Trustees with oversight for Ethics (Suzanne Raine), Safeguarding (Elizabeth Cleaver) and Whistleblowing (Lt General Andrew Figgures) have been appointed.

11.3.3 Quality of data provided to the Board

In terms of the quality of information presented to the Board, performance and financial data provided are reviewed at every meeting. At the last review of Board effectiveness, the Trustees agreed that they receive information of a high standard and appropriate level of detail.

The Executive Directors report on the progress of their Corporate Plan objectives via their quarterly reports, with the key developments and emerging risks summarised in reports issued to the Board of Trustees on a quarterly basis.

11.3.4 Audit Committee

Over the course of the year, the Audit Committee has carried out its regular review of the organisational strategic risk register. A risk workshop was held in February 2019 when members of the Committee, with the Chairs of other Committees and members of the Executive Leadership Team carried out a fundamental review of strategic risks in advance of a refresh of the register in May 2019. The Audit Committee approved IWM's Internal Audit Strategy for 2019-20 and the new risk register format and 8 identified risks. The Audit Committee monitored the progress of internal audits for the current year, ensuring that outstanding recommendations from prior audits have been actioned. Annual assurances from IWM Duxford's Flight Safety Committee and the Health and Safety Annual Report were received and the IWM's Annual Report and Accounts were recommended for approval. A strategy to mitigate and prevent fraud bribery and corruption was approved and the Committee's Terms of Reference are reviewed annually.

11.3.5 Estates Advisory Committee

The Committee has advised on IWM's Estate Strategy, approved in March 2019, and routinely monitors progress against development of the Estates and Asset investment plans. It has monitored progress of IWM's major projects: Transforming IWM London Phase 2, new Park Side staff accommodation and IWM Duxford masterplan.

11.3.6 Nominations Committee

The Board's Nominations Committee did not meet during 2019 and was reconstituted with revised membership and terms of reference in March 2020.

11.3.7 Board and Committee attendance

The Board of Trustees' record of attendance is considered to be important and the ability to attend meetings is a key criterion in the appointment of Trustees. The Board meets four times a year. Attendance has been monitored over the past year with Board attendance averaging at 71%. Trustee attendance is covered within their performance assessment, when cases for re-appointment are put to Ministers.

Individual attendances are recorded as follows:

Trustee	Attendance
Desmond Bowen CB CMG	100%
HE The Hon George Brandis QC (or representative)	75%
Hugh Bullock	100%
HE Mrs Janice Charette (or representative)	50%
Elizabeth Cleaver	100%
Lt General Andrew Figgures CB CBE	75%
HE Mrs Ruchi Ghanashyam (or representative)	75%
HE Manisha Gunasekera (or representative)	0%
Rear Admiral Amjad Hussain CB	100% (3/3)
Angus Lapsley	100% (1/1)
Professor Margaret MacMillan CC CH DPhil	75%
Tim Marlow OBE	75%
HE Lt General the Rt Hon Sir Jerry Mateparae (or representative)	25%

HE Mohammad Nafees Zakaria (or representative)	25%
Air Chief Marshal Sir Stuart Peach GBE KCB DL	100% (3/3)
Suzanne Raine	100%
HE Ms Nomatamba Tambo (or representative)	0%
Tamsin Todd	75%
Mark Urban	75%
Peter Watkins CBE	100% (3/3)
Matthew Westerman	100%
Guy Weston	100% (2/2)

The Audit Committee meets four times a year and attendance is reported to the Board via an annual report to the Board, and in accordance with HM Treasury guidelines for best practice. Attendance over the past year has been 100%.

Committee Member	Attendance
Matthew Westerman (Chair to December 2019)	100% (3/3)
Lt General Andrew Figgures CB CBE (Chair wef December 2019)	100%
Rear Admiral Amjad Hussain CB (to December 2019)	100% (3/3)
Suzanne Raine (wef December 2019)	100% (1/1)
Brigid Sutcliffe ACA	100% (3/3)

The Estates Advisory Committee met five times during the year. Attendance was 95%

Committee Member	Attendance
Hugh Bullock (Chair)	100%
Desmond Bowen CB CMG	100%
David Godden	100%
Mike Griffiths	100%
R Admiral Amjad Hussain CB (to December 2019)	100% (3/3)

Beth West	50% (1/2)
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The Art Commissions Committee met once this year:

Committee Member	Attendance
Tim Marlow OBE (Chair)	100%
Fiona Bradley	-
Jennifer Higgle	100%
Paul Seawright	-
Jenny Waldman CBE	100%

Over the past year, there has been no departure from the Corporate Governance Code⁹.

11.4 Internal accountability mechanisms

11.4.1 Executive managers

Assistant Directors, senior managers and their management teams regularly review their Corporate Plan objectives and the risks involved in achieving them. Risks and mitigating actions are reported via quarterly reports and in the Governance Board risk registers. In this way emerging issues and risks at operational level are brought to the attention of SMT and ELT. As part of this review of risk, controls are checked to ensure they are operating effectively. This is to provide assurance to the Director-General, ELT, SMT, the Audit Committee and the Board of Trustees that the controls in place are fit for purpose.

The controls, systems and processes we have in place are further tested by a series of management checks that are carried out by designated staff in their respective areas. The corporate management check framework is under review to ensure checks that are in place are relevant and effective and that there are no gaps in its coverage.

Management accounts are reviewed by budget holders on a monthly basis. It is the Assistant Director's responsibility to ensure that monthly management reports in their area have been checked and are formally signed. This is one of our key control mechanisms to provide assurance over the financial data reported on each quarter.

ELT and SMT are requested to annually sign a Memorandum of Representation, which is their representation of the operation of governance procedures and internal controls, including controls of the security of personal information in their areas of responsibility.

11.4.2 Board of Trustees

⁹ IWM's Corporate Governance Code brings together the powers and responsibilities recorded in legislation and regulations laid down by Parliament, HM Treasury (HMT), the Department for Digital, Culture, Media and Sport and the Charity Commissioners, together with current applicable elements of recommended good practice from HMT's Corporate Governance Code..

A register of Trustees' interests is maintained and is available for public inspection via our website. Trustees are required to review their assurance statements and related party transactions annually and to declare any conflicts of interest at the commencement of each meeting of the Board and its committees.

11.5 Risk management

IWM's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. It can only provide reasonable and not absolute assurance of effectiveness therefore. Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities.

In 2019-20 our Executive Leadership Team and Audit Committee reviewed and refreshed IWM's strategic risk register. The process identified the key threats and challenges to IWM and informed the number and nature of the strategic risks that we monitor and manage going forward.

The strategic risk review identified eight strategic risks covering our highest priority risk areas, management of which is tracked in IWM's strategic risk register. Our strategic risk register and the eight risks that we monitor and control are currently under review to ensure that we are capturing and effectively describing the threats and unique risks to IWM (risks that are unique, even within the sector, include operational and safety risks associated with flying and air show operations at IWM Duxford and the sensitive nature of our subject matter and the collections and stories that we hold).

In managing risk we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. Our approach to risk management and the process for implementation are outlined in IWM's Risk Management Strategy, updated in May 2019.

As a Non Departmental Public Body (NDPB) IWM has a low risk appetite in relation to compliance and regulation. In areas where we aim to be relevant and influential, we are prepared to take calculated risks, such as adopting a medium risk appetite for programming and content and in our efforts to develop new income streams. ELT determine whether our overall risk profile is commensurate with our risk appetite and report it for approval to the Audit Committee annually.

11.5.1 Risk profile

At each meeting, IWM's Audit Committee assess an updated version of the strategic risk register, which includes a full evaluation of the management of IWM's eight strategic risks, identification of new risks and direction of travel once controls have been put in place.

Throughout the year, the majority of our risks has been in an improving or static position, until the outbreak of COVID-19 which changed the position of many risks substantially.

The key changes throughout the year are outlined below.

- The risk rating for financial sustainability has moved to red, due to the challenging financial position caused by the closure of the museum. This dramatic loss in income through lack of admissions, retail and sponsorship will have lasting effects. Although there are plans in place for fundraising there is a tough environment for this. There is continued uncertainty around the comprehensive spending review which is unlikely to happen in the near future. The delay in projects, such as Transforming IWM London Phase 2 and our Park Side project could also have financial consequences.

The museum has a number of actions that it is undertaking to ensure that it remains a “going concern” financially during this time of uncertainty. This includes modelling the potential loss of income for the future year and beyond and recalibrating the Corporate Plan expenditure accordingly. At a fundamental level a financial stress test has been performed to determine that the museum could survive.

- The operations, safety and security risk rating has changed to amber having previously improved through the year due to obtaining the PCI compliance certification. We also hold the government’s Cyber Essentials Accreditation. However the closure of the museum brings security challenges due to operating with a small team as the museum doors are closed. As more staff work from home, new cyber security arrangements are required to ensure that core systems remain protected.
- The business continuity risk is now at red due to the crisis. The plan is being enacted and followed. COVID-19 represents a risk to all of society and this includes IWM staff. This includes the illness itself, and/or other health problems caused from increased working from home. Increased working from home due to COVID-19 may lead to more cyber or fraud vulnerabilities and use of ‘shadow IT’. Mitigations have been put in place, but this is likely to remain red until the crisis is resolved.

Our strategic risk register and the direction of travel are monitored at regular intervals by SMT, ELT and our Audit Committee to ensure that emerging threats and opportunities are identified and monitored, that actions are being carried out and that the identified controls are effective.

11.5.2 Managing information security risk, cyber security and data protection

All staff handling IWM information or using our information systems are responsible for ensuring that they comply with IWM's Information Security Policy.

Every IWM information asset has a nominated Information Asset Owner (IAO), responsible for regularly auditing their system. The Information Asset Register has been fully reviewed and updated and is based on a template recommended by the Information Commissioner. The Data Protection Policy is published to all staff annually via the IWM compliance tool NETconsent. All staff are required to complete a data protection training module on appointment.

No data breach or data loss reports have been made to the Information Commissioner over the past year.

IWM was first awarded Cyber Essentials Accreditation in January 2018 and this was renewed again in the current year. A maturity review was first carried out by consultants NCC who reported to the Audit Committee in June 2018 and now do so annually. The overall maturity score for IWM is improving. A road map and action plan is in place to address areas of concern to bring the score to the average expected by next year and we are on track to achieve this.

11.5.3 Response to challenges

Our most pressing challenge is now responding to the COVID-19 crisis. This urgent health and economic crisis will have huge financial ramifications as well as increased threats to staff health and safety, security challenges and reputational damage if the response is mismanaged.

IWM closed its sites to the public from 17 March 2020 and transitioned into remote working. All sites are secured and available for essential work, while staff able to operate from home do so. Non-essential staff unable to work from home have been identified for potential furlough as part of the Government COVID-19 Job Retentions Scheme (CJRS).

FY19/20 ended ahead of budget and on net profit. However, the loss of admissions income is a significant factor and accounts for around 70% of net profit going forward. The May Air Show and July Flying Legends Air Show have been cancelled and we are managing refunds/rebooking with admissions staff.

Temporary additional governance has been put in place including weekly meetings to manage the COVID-19 response and current closure. ELT and relevant SMT members are meeting more regularly and as required in addition to this. All teams are working on a recovery plan to identify what is required to happen to enable sites to reopen and staff to return to work. Resources, including time, budget and staff, are being identified to then establish what is essential for reopening for varying scenarios for reopening.

In addition to direct communication with DCMS, we are coordinating responses with National Museum Directors' Council (NMDC) and communicating with counterparts at other National Museums and Arm's Length Bodies (ALBs). The Government has agreed to support IWM with a grant of up to £4.5million, subject to the demonstration of need. We have provided several returns for DCMS regarding staff, financial sustainability and procurement. We will continue to submit returns as and when required.

The Commercial team is focusing on future planning and online business activity. Urgent action is in place to find new and exploit current revenue streams. Membership recruitment continues through central channels and a credit scheme is being offered to members unable to visit sites through extending their memberships which has stabilised retention. We are planning a relaunch of the membership scheme with new cause messaging as part of reopening sites.

The Second World War and Holocaust Galleries works have paused. Our base build

contractor has closed all of their sites to ensure the safety of their workers, and have worked to close down our site safely and securely. Scenario planning with impacts on budget and schedules is being conducted.

Other major projects, including Park Side and elements of the IWM Duxford masterplan (including the Battle of Britain Zone), have also been paused with scenario planning incorporating impacts on budget and schedules being considered. Fundraising is ongoing via remote presentations. Our *Refugees* season has been postponed and we are currently planning for when this could reopen in the summer or autumn, taking into account revised install timeframes.

Our digital activity will come to the foreground during this period with digital engagement opportunities being rolled out over the coming weeks. We have brought forward plans for YouTube content strands and re-scoped the format to make production possible during remote working, providing more in-depth reflection on issues of war and conflict which the public look to us for information on.

Out with COVID-19, our most pressing challenges continue to be our increasing cyber-reliance and threats to IT security. The continued implementation of our IT Security Strategy along with funding of IT security and lifecycle priorities protects us from the constantly evolving threat of cyber-attacks and the reputational and business interruption risk presented by this threat materialising. We are aiming to achieve Cyber Essentials Plus Accreditation which will provide a greater level of assurance. Conversely while cyber-reliance exposes us to operational risk, emerging technologies and digitisation presents us with enormous opportunity to widen access, facilitate commercial growth and work more efficiently and collegiately. These opportunities are being maximised with the phased implementation of our Digital Transformation Strategy.

Internal threats involve the management of our considerable estate and replacement of IT legacy systems, specifically the significant funds required to manage and upgrade so as to bring fixed costs down to an acceptable level. Long-term masterplanning and delivery of a new Estate Strategy ensure that, in the longer term, this risk will reduce.

Our staff are key to the successful delivery of IWM's strategic objectives. We continue to invest in the business systems and professional development that enable all IWM staff and volunteers to possess the requisite knowledge, skills and tools and the empowerment that this brings. Continued change and improvement has now become a norm and we will continue to progress culture change to bring positive changes to our working culture and reduce adverse risks to staff motivation and productivity.

11.6 Whistleblowing policy

IWM is committed to the highest possible standards of openness, probity and accountability in the delivery of our services. Our whistleblowing policy is in accordance with The Public Interest Disclosure Act 1998, which reflects article 10 of the European Convention of Human Rights in providing the right to freedom of expression. Our staff have a right and duty to raise concerns about malpractice, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. IWM's whistleblowing policy encourages staff with serious concerns to come forward and voice those concerns, while procedures are in place to enable them to

do so. It has been reviewed and updated during 2019 and made available to all staff via our Policy Management system.

11.7 Internal audit assessment

At the start of the financial year IWM's Audit Committee approved the 2019-20 internal audit plan. Internal auditors, Mazars, has carried out audits of the following:

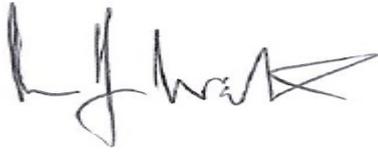
- Physical Security
- Contract Management
- Collections Management
- Payroll and Expenses
- Purchasing and Procurement
- General Ledger
- Follow up report on Risk Management
- KPI Management
- Value for Money
- CRM
- Marketing Impact

Interim reports and an annual report on progress against the internal audit plan for 2019-20 were issued over the course of the year. The reports include the internal auditors' independent opinion of whether there is an adequate level of assurance presented by the controls in place within the relevant business area audited. Recommendations for improvement are agreed with ELT and management, who work to an agreed timetable wherein they are actioned. Progress on implementing audit recommendations is monitored by ELT and the Audit Committee.

Overall the opinion provided by our internal auditors on IWM's governance, risk management and internal control arrangements is moderate in its overall adequacy and effectiveness. Certain exceptions and areas of improvement have been highlighted by internal audit work undertaken this past year. Recommendations made are being addressed by IWM management as a matter of priority.

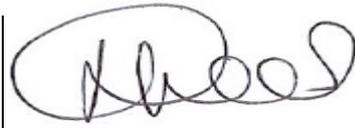
11.8 Assurance statement by the Audit Committee

The Audit Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by the IWM's internal and external auditors, and by management, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. The Audit Committee will continue to draw to the Board's and Accounting Officer's attention any matters of serious concern. No significant internal control issues have arisen over the course of the past year.



Matthew Westerman
Chair of the Trustees

Date 22 September 2020



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 22 September 2020

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 Imperial War Museum for the year ended 31 March 2020 under the Museums and Galleries Act 1992. The financial statements comprise: the Statements of Financial Activities, the Group and Parent Balance Sheets, the Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Imperial War Museum's affairs as at 31 March 2020 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Emphasis of Matter

I draw attention to Note 7b to the financial statements, which describes the basis for valuing the Museum's property. Management consider that, due to the impact of COVID-19, there is a 'material valuation uncertainty' associated with this balance. Consequently, less certainty and a higher degree of caution should be attached to management's valuation than would normally be the case. My opinion is not modified in respect of this matter.

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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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 2016. I am independent of the Imperial War Museum in accordance with the ethical requirements that are relevant to my audit and 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Imperial War Museum's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Imperial War Museum have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Museum's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

As explained more fully in the Statement of Trustees and Director-General's Responsibilities, the Trustees and the Director-General are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Museums and Galleries Act 1992.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Museum's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the Imperial War Museum's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Imperial War Museum (or where relevant, the group's) ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Imperial War Museum (or where relevant, the group) to cease to continue as a going concern.

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 that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Other Information

The Trustees and Director-General are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, 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, 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 parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992;
- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report which I provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 25 September 2020

IMPERIAL WAR MUSEUM ACCOUNT 2019-20

Consolidated Statement of Financial Activities for the year ended 31 March 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Income and endowments from:							
<i>Donations and legacies</i>							
Grant-in-Aid	2a	18,466	4,356	22,822	17,586	8,153	25,739
External funds	2b	1,123	6,154	7,277	1,162	13,669	14,831
Lottery funding		-	955	955	-	2,321	2,321
Donated objects and services		-	1,220	1,220	-	85	85
		19,589	12,685	32,274	18,748	24,228	42,976
<i>Other trading activities</i>							
Income from commercial activities	13	10,224	-	10,224	10,737	-	10,737
Fees		4,325	1,160	5,485	2,860	220	3,080
Royalties	13	288	-	288	341	-	341
Disposals of assets		-	-	-	2	-	2
		14,837	1,160	15,997	13,940	220	14,160
<i>Investments</i>	3	89	-	89	40	1	41
<i>Charitable activities</i>							
Admissions		12,684	-	12,684	12,040	-	12,040
Total income and endowments		47,199	13,845	61,044	44,768	24,449	69,217
Expenditure on:							
<i>Raising funds</i>							
Fundraising and publicity		2,802	303	3,105	2,733	1,305	4,038
Commercial costs	13	7,426	-	7,426	7,559	28	7,587
		10,228	303	10,531	10,292	1,333	11,625
<i>Charitable activities</i>							
Education, exhibitions and visitor services		19,286	2,696	21,982	17,187	7,607	24,794
Building care and preservation		11,170	5,416	16,586	11,041	4,785	15,826
Collections management and conservation		7,715	480	8,195	7,830	368	8,198
Grants	14	-	468	468	-	5,567	5,567
Purchases for the collection		29	-	29	28	-	28
		38,200	9,060	47,260	36,086	18,327	54,413
Total expenditure	5	48,428	9,363	57,791	46,378	19,660	66,038
Net income/(expenditure)	4	(1,229)	4,482	3,253	(1,610)	4,789	3,179
Transfers between funds		540	(540)	-	720	(720)	-
Other recognised gains							
Gains on revaluation of fixed assets		1,110	4,338	5,448	4,164	5,582	9,746
Net movement in funds		421	8,280	8,701	3,274	9,651	12,925
Reconciliation of funds:							
Total fund balances brought forward at 1 April 2019		43,015	219,302	262,317	39,741	209,651	249,392
Total fund balances carried forward at 31 March 2020	18	43,436	227,582	271,018	43,015	219,302	262,317

All income and expenditure is due to continuing activities.

The notes on pages 77 to 97 form part of these accounts

IMPERIAL WAR MUSEUM ACCOUNT 2019-20

Museum Statement of Financial Activities for the year ended 31 March 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Income and endowments from:							
<i>Donations and legacies</i>							
Grant-in-Aid	2a	18,466	4,356	22,822	17,586	8,153	25,739
External funds		5,735	6,153	11,888	6,087	13,857	19,944
Lottery funding		-	955	955	-	2,321	2,321
Donated objects and services		-	1,220	1,220	-	88	88
		<u>24,201</u>	<u>12,684</u>	<u>36,885</u>	<u>23,673</u>	<u>24,419</u>	<u>48,092</u>
<i>Other trading activities</i>							
Income from commercial activities		11	-	11	-	-	-
Fees		2,644	1,160	3,804	1,810	220.00	2,030
Disposals of assets		8	-	8	2	-	2
		<u>2,663</u>	<u>1,160</u>	<u>3,823</u>	<u>1,812</u>	<u>220</u>	<u>2,032</u>
<i>Investments</i>	3	74	-	74	29	1	30
<i>Charitable activities</i>							
Admissions		12,684	-	12,684	12,040	-	12,040
Total income and endowments		<u>39,622</u>	<u>13,844</u>	<u>53,466</u>	<u>37,554</u>	<u>24,640</u>	<u>62,194</u>
Expenditure on:							
<i>Raising funds</i>							
Fundraising and publicity		2,803	303	3,106	2,736	1,306	4,042
Commercial costs		8	-	8	5	-	5
		<u>2,811</u>	<u>303</u>	<u>3,114</u>	<u>2,741</u>	<u>1,306</u>	<u>4,047</u>
<i>Charitable activities</i>							
Education, exhibitions and visitor services		18,056	2,550	20,606	16,315	7,455	23,770
Building care and preservation		11,161	5,449	16,610	11,041	4,914	15,955
Collections management and conservation		7,715	480	8,195	7,830	368	8,198
Grants		1,190	468	1,658	1,200	5,817	7,017
Purchases for the collection		30	-	30	28	-	28
		<u>38,152</u>	<u>8,947</u>	<u>47,099</u>	<u>36,414</u>	<u>18,554</u>	<u>54,968</u>
Total expenditure		<u>40,963</u>	<u>9,250</u>	<u>50,213</u>	<u>39,155</u>	<u>19,860</u>	<u>59,015</u>
Net income/(expenditure)		<u>(1,341)</u>	<u>4,594</u>	<u>3,253</u>	<u>(1,601)</u>	<u>4,780</u>	<u>3,179</u>
Transfers between funds		<u>489</u>	<u>(489)</u>	<u>-</u>	<u>584</u>	<u>(584)</u>	<u>-</u>
<i>Other recognised gains</i>							
Gains on revaluation of fixed assets		1,110	4,338	5,448	4,164	5,582	9,746
Net movement in funds		<u>258</u>	<u>8,443</u>	<u>8,701</u>	<u>3,147</u>	<u>9,778</u>	<u>12,925</u>
Reconciliation of funds:							
Total fund balances brought forward at 1 April 2019		43,461	218,846	262,307	40,314	209,068	249,382
Total fund balances carried forward at 31 March 2020		<u>43,719</u>	<u>227,289</u>	<u>271,008</u>	<u>43,461</u>	<u>218,846</u>	<u>262,307</u>

All income and expenditure is due to continuing activities.

IMPERIAL WAR MUSEUM ACCOUNT 2019-20

Consolidated and IWM Balance Sheets as at 31 March 2020

	Notes	Consolidated 2020 £'000	Restated 2019 £'000	IWM 2020 £'000	Restated 2019 £'000
Fixed assets					
Intangible assets	7a	1,258	1,038	1,258	1,038
Tangible assets	7b	248,768	240,335	248,768	240,335
Heritage assets	8	8,599	7,323	8,599	7,323
Investments	13	-	-	600	600
		<u>258,625</u>	<u>248,696</u>	<u>259,225</u>	<u>249,296</u>
Current assets					
Stock	9	463	388	-	-
Debtors	10	9,300	10,869	8,881	10,793
Cash at bank and in hand	11	15,601	14,363	14,804	12,788
		<u>25,364</u>	<u>25,620</u>	<u>23,685</u>	<u>23,581</u>
Current liabilities					
Creditors: amounts falling due within one year	12a	(6,070)	(6,576)	(5,001)	(5,147)
Short-term Loan	12e	-	-	-	-
		<u>(6,070)</u>	<u>(6,576)</u>	<u>(5,001)</u>	<u>(5,147)</u>
Net current assets		19,294	19,044	18,684	18,434
Total assets less current liabilities		277,919	267,740	277,909	267,730
Creditors: amounts falling due after more than one year	12b	(4,901)	(5,198)	(4,901)	(5,198)
Long-term Loan	12f	(2,000)	-	(2,000)	-
Provisions for liabilities and charges	12g	-	(225)	-	(225)
		<u>(6,901)</u>	<u>(5,423)</u>	<u>(6,901)</u>	<u>(5,423)</u>
Net assets		<u>271,018</u>	<u>262,317</u>	<u>271,008</u>	<u>262,307</u>
Represented by:					
Restricted funds					
Restricted funds	18	152,697	145,927	152,404	145,471
Restricted funds buildings revaluation		74,885	73,375	74,885	73,375
		<u>227,582</u>	<u>219,302</u>	<u>227,289</u>	<u>218,846</u>
Unrestricted funds:					
Designated funds	18	22,849	23,637	22,883	23,671
Designated funds buildings revaluation		21,191	20,326	21,191	20,326
		<u>44,040</u>	<u>43,963</u>	<u>44,074</u>	<u>43,997</u>
General funds	18	4,665	4,072	4,914	4,484
Finance Lease Reserve		(5,269)	(5,020)	(5,269)	(5,020)
		<u>(604)</u>	<u>(948)</u>	<u>(355)</u>	<u>(536)</u>
Total funds		<u>271,018</u>	<u>262,317</u>	<u>271,008</u>	<u>262,307</u>

Matthew Westerman
Chair of the Trustees

Diane Lees CBE FMA FRSA
Director-General and Accounting Officer

Date 22 September 2020

IMPERIAL WAR MUSEUM ACCOUNT 2019-20

Consolidated statement of cash flows for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	20a	12,099	9,765
Cash flows from investing activities:			
Interest received	3	89	41
Purchase of fixed assets		(12,407)	(7,690)
Net cash (used in) investing activities		(12,318)	(7,649)
Cash flows from financing activities:			
Interest element of finance lease rental payments		(297)	(312)
Repayment of Capital element of finance lease rental		(246)	(231)
Cash inflows/(outflows) from Loans		2,000	(1,416)
Net cash provided by financing activities		1,457	(1,959)
Change in cash and cash equivalents in the reporting period			
	20b	1,238	157
Cash and cash equivalents at the beginning of the reporting period	20c	14,363	14,206
Cash and cash equivalents at the end of the reporting period	11	15,601	14,363

The notes on pages 77 to 97 form part of these accounts

Notes to the Financial Statements**1 Accounting Policies****(a) Basis of accounting**

The financial statements are prepared in accordance with the Museums and Galleries Act 1992 Accounts Direction given by the Secretary of State for Digital, Culture, Media and Sport, with the approval of HM Treasury. The accounts comply with the requirements of the Financial Reporting Standard 102, Statement of Recommended Practice "Accounting and Reporting by Charities", the Treasury's Financial Reporting Manual (FRoM), the Charities Act and applicable accounting standards. The particular accounting policies adopted by the Trustees are described below.

IWM is exempt from corporation tax on charitable activities under section 505 of the Income and Corporation Taxes Act 1988. Income arising from the activities of the trading subsidiary is gift aided to IWM.

The financial statements have been prepared under the historical cost convention as modified for the inclusion of fixed assets at their value to the business by reference to current costs and of investments at market value on a going concern basis.

The statutory accounts are consolidated and represent the combined accounts of IWM, the Imperial War Museum Trading Company Limited, and the Imperial War Museum Film Production Limited and have been consolidated on a line-by-line basis.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand.

IWM is a public benefit entity as defined by FRS 102.

(b) Going concern status

The accounts have been prepared on the going concern basis. Under Section 2 of the Imperial War Museum Acts, 1920 and 1955, the Museum has a statutory responsibility for keeping its collections and making them available for inspection by the public, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient Government funding support will continue to be made available to fulfil this responsibility.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of IWM. Some unrestricted funds are designated by the Trustees to the funding of long-term objectives of IWM, including initiatives for collections management and conservation, exhibitions replacement and management of the estate.

Restricted funds are funds subject to specific restrictions imposed by donors. Restricted funds and the purpose for which their income may be applied are detailed in note 18.

(d) Income and endowments

All income is recognised in the statement of financial activities when the museum becomes entitled to the funds, any restriction attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be reliably measured.

The following accounting policies are applied to Income:

Grant in Aid from the Department for Digital, Culture, Media and Sport

This is shown in the statement of financial activities in the year it is received.

External funds

These comprise grants, sponsorship and donations and are reported gross when receivable. They are recognised as incoming resources when the Museum becomes entitled to the income, receipt is probable and the amount is quantifiable. Tax recoverable is accounted for when receivable.

National Lottery income

This is recognised as income when the conditions for its receipt have been met.

Donated objects and services

Items of a value above £10,000, given to IWM free of charge are recognised as incoming resources at their estimated market value when receivable. If the items are not capitalised they are expensed. Services are recognised as incoming resources at the value IWM would be prepared to pay for an equivalent service if it was procured on the open market with an equivalent amount recognised as an expense.

Other Trading income

This mainly relates to income generated from the Imperial War Museum Trading Company Ltd and paid to the Museum under Deed of Covenant (see note 13) The accounts of the Company set out the income recognition policies applied.

(d) Income and endowments (continued)*Investment Income*

Investment income is recognised on a receivable basis.

Incoming resources from charitable activities

Admissions are recognised on a receivable basis.

(e) Expenditure

All expenditure is accounted for on an accruals basis and is classified on the following basis:

Allocation of costs

Expenditure is classified under the principal categories of costs of charitable activities and costs of raising funds.

Where possible, expenditure has been directly attributed to the activities to which it relates.

Support service costs, which comprise Directorate and Office services, Human resources, Finance, Governance and Planning, IT and Communications and Facilities Management are allocated between the activities on the basis of staff numbers.

Charitable activities

Costs of Charitable activities comprise the costs associated with the performance of museum activities (all those costs associated with the public programmes and of the media programmes and website, including exhibitions, education and communications and marketing expenditure); museum operations (visitor services and operations costs); and the costs of maintaining the Collection (including conservation and acquisitions-related expenditure).

Costs of raising funds

Costs of raising funds comprise fund-raising and publicity costs, being those costs incurred in seeking voluntary contributions for the IWM and in publicising it. Commercial costs and trading expenditure are those direct costs incurred in raising the income from commercial activities and trading.

(f) Heritage assets*Purchased heritage assets*

All heritage assets that are purchased by IWM, since 2001, above £2,000 are capitalised in the balance sheet. Heritage assets purchased by IWM with a cost of under £2,000 are expensed on the Statement of Financial Activities ("SOFA").

Donated heritage assets

Donated heritage assets are valued by IWM and, when regarded as having a market value of £10,000 or above are capitalised, and recognised on the balance sheet at the valued amount.

Depreciation and revaluation of heritage assets

Both purchased and donated heritage assets are not depreciated as they have indefinite lives. Heritage assets are revalued when there is evidence of impairment.

Heritage assets not on the balance sheet

Heritage assets that were acquired by IWM before 2001 have not been capitalised on the balance sheet as no valuations are available for these items. IWM considers that the cost of obtaining valuation for the collection of assets held, which is the majority of IWM's works of Art, objects and records, is significant, and is not commensurate with the benefit obtained by including additional capitalised value in the financial statements.

(g) Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. Amortisation is charged yearly on a straight-line basis, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life. The useful economic lives, over which the assets are being depreciated are as follows:

Customer Relationship Management system - 4 years.

(h) Tangible fixed assets

Tangible fixed assets comprise expenditure on any item in excess of £2,000 provided it meets the following criteria: it has a useful life of at least 1 year; it is used in running IWM; it is not bought for resale; and, it provides additional future benefits.

Depreciation is provided on all tangible fixed assets, other than freehold land, assets under construction and collection acquisitions, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life.

In accordance with Financial Reporting Standard 102 - Section 17, *Property, Plant and Equipment*, where a fixed asset comprises two or more major components with substantially different economic lives, each component is accounted for separately for depreciation purposes and depreciated over its useful economic life. The buildings have three separable material components: structure; plant and machinery; and fit-out, which have different remaining asset lives.

The useful economic lives, over which the assets are being depreciated are as follows:

Buildings and runway - structure	- between 6 and 90 years
Buildings - plant and machinery	- between 3 and 35 years
Buildings - fit-out	- between 2 and 50 years
Equipment	- 4 years
Permanent exhibitions	- over the life of the exhibition

(h) Tangible fixed assets (continued)

A full year of depreciation is provided for in the year of acquisition of an asset, whilst there is none provided in the year of disposal. Including assets at their value to the business by reference to current costs is achieved as follows:

Land and buildings (structure, plant and machinery and fit-out)	- by external professional valuation at least every five years and using appropriate indexation in the intervening years.
Equipment	- equipment comprises IT/electronic items. As IT assets are low in value and have short lives, depreciated cost is deemed to be suitable proxy for current value and are therefore not subject to indexation.
Permanent exhibitions	- historic depreciated cost. Permanent Exhibitions have not been revalued as their current cost is equal to their actual cost, but the life of these assets are reviewed annually to reflect their true value.

Impairment reviews are carried out annually. If there is evidence of impairment of the asset, either in the market value, physical damage, or if the asset has become obsolete, the value will be written down.

(i) Stocks

Stocks are stated at cost price or net realisable value, whichever is the lower.

(j) Leases

Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to IWM, are capitalised in the Balance Sheet and depreciated over the life of the lease. The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. IWM holds material finance leases with EP3 Ltd.

Rental costs in respect of operating leases are charged to the statement of financial activities on a straight line basis over the life of the lease.

(k) Permanent exhibitions

Capital expenditure on permanent exhibitions includes the cost of materials and externally contracted services. Allocations are made of additional related internal labour costs.

(l) Imperial War Museum Trading Company Limited

IWM Trading Company Limited is a wholly owned subsidiary of the Trustees of the Imperial War Museum. It commenced trading on 1 April 1999. The authorised share capital of the company is 600,000 shares of £1 each. Under the gift aid agreement, all taxable profits from IWM Trading Company Limited are paid to IWM. A summary of the income and expenditure account is provided in note 13.

(m) Foreign currencies

Assets and liabilities denominated in foreign currencies are recorded at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate prevailing at the time of the transaction. All exchange differences are taken to the statement of financial activities.

(n) Pension schemes

In 2019, for employees of the IWM Trading Company on permanent contracts, or employees who opt out of the Civil Service Pension schemes, IWM introduced the Imperial War Museum Group Pension Plan, a defined contribution pension scheme, the assets of which are held separately from those of IWM in an independently administered fund with Aviva. Some past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS). The defined benefit elements of the schemes are unfunded and are contributory. IWM recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from the employees' services by the payment to the PCSPS of amounts calculated on an accruing basis. Liability for the payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, IWM recognises the contributions payable for the year.

(o) Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on IWM's balance sheet when IWM becomes a party to the contractual provisions of the instruments.

Financial assets consist of debtors and are recorded at their carrying values less any provision for bad or doubtful debts.

Financial liabilities consist of creditors. Creditors that fall due within one year are recorded at their carrying values. Creditors that fall due after one year are also recorded at their carrying values which is deemed to be fair value.

(p) Cash and liquid resources

Funds placed on money market deposit for more than one day are defined as liquid resources. Funds held in cash or in current or call accounts are defined as cash.

(q) Imperial War Museum Film Production Company Limited

IWM Film Production Company Limited is a wholly owned subsidiary of the Trustees of the Imperial War Museum. The company was incorporated on 28 May 2015. The authorised share capital of the company is 1 share of £1 each. The IWM Film Production Company has been dormant during 2019-20.

(r) Key judgements and estimates

The preparation of the financial statements requires IWM to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition - grant income

Revenue is recognised on grant agreements when the IWM is entitled to the funding. In certain agreements, including those with the National Lottery Heritage Fund (NLHF), performance conditions exist that prevent recognition of income until specified activities have been completed and outputs delivered. This income is expected to be recognised in future periods, as the projects are delivered.

Valuation of property, plant and equipment

Property, plant and equipment represents a significant proportion of the Museums balance sheet and therefore the estimates and assumptions made to determine their carrying value and related depreciation (Note 7b) are important to the Museums reported financial position and total expenditure.

Provisions

For IWM, provisions are made when an obligation exists for a future liability in respect of a past event, where the amount of the obligation can be reliably estimated, and where the outflow of resources is probable. Provisions are also made against debts where debtors enter into insolvency proceedings or where debts are older than one year and all efforts to recover them have been exhausted.

2a Grant in Aid

£22,822K of Grant-in-Aid (from the Department for Digital, Culture, Media and Sport) has been received during the year (2018-19 £25,739K). This represents 39% of the annual expenditure in running the organisation. The balance of funding needs, including most capital improvements, is delivered from resources that are self-generated. £4,356K of the Grant-in-Aid was restricted for refurbishment and renewals of buildings, plant and equipment and the digitisation programme.

	2020 £'000	2019 £'000
2b Donations and legacies		
Grants and donations	6,656	14,748
Sponsorship	-	62
Legacies	621	21
	7,277	14,831

The total of £7,277K is split between the IWM (£7,222K) and the Imperial War Museum Trading Company (£55K).

	2020 £'000	2019 £'000
3 Investment income		
Interest receivable	89	41
	89	41

The interest receivable is on cash and short-term deposits.

The interest is split between the IWM (£74K) and the Imperial War Museum Trading Company (£15K).

	2020 £'000	2019 £'000
4 Net income/(expenditure)		
Net income of £3,253K, (2018-19 £3,179K) before transfers, are stated after charging:		
Auditors remuneration		
National Audit Office - IWM consolidated accounts	53	41
Kingston Smith LLP - Imperial War Museum Trading Company	21	14
Kingston Smith LLP - additional fee for prior year	-	1
Other Services - Kingston Smith LLP, Preparation of Corporation Tax Return and attending Audit committee meetings in relation to Imperial War Museum Trading Company	2	5
Hire purchase on equipment	72	72
Operating leases - equipment	99	101
Operating leases - Land and buildings	404	321
Interest payable on finance lease	297	312
Depreciation and amortisation of owned assets	7,823	7,705
Depreciation of assets held under finance leases	249	234
(Decrease)/increase in Provision for bad debts	5	(6)

The National Audit Office did not provide any non-audit services.

5 Total expenditure	Staff costs £'000	Other costs £'000	Depreciation, amortisation & Impairment £'000	2020 Total £'000	2019 Total £'000
Raising Funds					
Fundraising and publicity	1,565	1,479	61	3,105	4,038
Commercial costs	3,542	3,876	8	7,426	7,587
	<u>5,107</u>	<u>5,355</u>	<u>69</u>	<u>10,531</u>	<u>11,625</u>
Charitable activities					
Education, exhibitions and visitor services	9,056	11,421	1,505	21,982	24,794
Building care & preservation	586	9,836	6,164	16,586	15,826
Collections management and conservation	5,706	2,155	334	8,195	8,198
Other grants	-	468	-	468	5,567
Purchases for the collection	-	29	-	29	28
	<u>15,348</u>	<u>23,909</u>	<u>8,003</u>	<u>47,260</u>	<u>54,413</u>
<i>Total resources expended</i>	<u>20,455</u>	<u>29,264</u>	<u>8,072</u>	<u>57,791</u>	<u>66,038</u>

Resources expended are shown after eliminations on consolidation of transactions between IWM and the Imperial War Museum Trading Company of £7,991K (2018-19 £8,361K).

5a Division of direct and indirect expenditure	Direct costs £'000	Allocated support costs £'000	2020 Total £'000	2019 Total £'000
Raising funds				
Fundraising and publicity	2,506	599	3,105	4,038
Commercial costs	7,426	-	7,426	7,587
	<u>9,932</u>	<u>599</u>	<u>10,531</u>	<u>11,625</u>
Charitable activities				
Education, exhibitions and visitor services	12,384	9,598	21,982	24,794
Building care and preservation	15,941	645	16,586	15,826
Collections management and conservation	5,706	2,489	8,195	8,198
Other grants (Note 14)	468	-	468	5,567
Purchases for the collection	29	-	29	28
	<u>34,528</u>	<u>12,732</u>	<u>47,260</u>	<u>54,413</u>
<i>Total resources expended</i>	<u>44,460</u>	<u>13,331</u>	<u>57,791</u>	<u>66,038</u>

Allocated support costs relate to the IWM's Directorate, Human Resource, Finance and Planning, Information Technology and Communication and Facilities Management functions, which are stated below in note 5b.

5b Allocation of support	Directorate & office services £'000	Human resources £'000	Finance and planning £'000	IT and communication £'000	Subtotal 2020 £'000
Raising funds					
Fundraising and publicity	2	22	45	139	208
	<u>2</u>	<u>22</u>	<u>45</u>	<u>139</u>	<u>208</u>
Charitable activities					
Education, exhibitions and visitor services	14	149	745	1,276	2,184
Building care and preservation	1	8	16	49	74
Collections management and conservation	8	94	200	588	890
	<u>23</u>	<u>251</u>	<u>961</u>	<u>1,913</u>	<u>3,148</u>
	<u>25</u>	<u>273</u>	<u>1,006</u>	<u>2,052</u>	<u>3,356</u>

5b Allocation of support (continued)

Allocation of support	Facilities	Depreciation	Support	Allocated
	management	& amortisation	salary costs	Support costs
	£'000	£'000	£'000	Total 2020
				£'000
Raising funds				
Fundraising and publicity	-	61	330	599
	-	61	330	599
Charitable activities				
Education, exhibitions and visitor services	5,047	316	2,051	9,598
Building care and preservation	439	22	110	645
Collections management and conservation	-	305	1,294	2,489
	5,486	643	3,455	12,732
	5,486	704	3,785	13,331

Support costs have been allocated to the above activities on the basis of staff numbers.

6 Staff costs	2020	2019
	£'000	£'000
Salaries and wages	15,270	14,894
Temporary / agency staff	312	321
National Insurance	1,470	1,479
Superannuation	3,245	2,943
Early retirement and early exit costs	109	241
Provision for early exit	-	225
Apprenticeship Levy	49	62
	20,455	20,165

In addition £826K (including £106K for Superannuation) of staff costs relating to staff working exclusively on capital projects was capitalised in 2019-20 (2018-19 £609K).

Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - know as "Alpha" - are unfunded multi-employer defined benefit scheme. IWM is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2019-20, employers' contributions of £3,077K were payable to the PCSPS (2018-19 £2,871K) 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 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees may opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of **£81K** were paid to one or more of a panel of appointed stakeholder pension providers. Employer contributions are age-related and range from 8% and 14.75%. Employers also match employee contributions up to 3% of pensionable pay. In addition employer contributions of 0.5% of pensionable salary were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were **£5K**. Contributions prepaid at that date were nil.

From January 2019, employees of IWM Trading Company were offered membership of the Imperial War Museum Group Pension Plan (defined contribution) with Aviva. Non Trading Company employees are also eligible to request to join the scheme if opting out of the Civil Service Pensions (CSPS or partnership schemes).

Employer contributions to IWM Group Pension Plan are between 6% and 8%. Employees contribute a minimum of 2% of pensionable salary.

Employer's contributions of **£193k** were paid in 2019-20 (£18k in 2018-19). Contributions due to Aviva at the balance sheet were **£23k** (2018-19 £5k)

Pension benefits are provided through the Civil Service pension arrangements. 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: 3 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.

6 Staff costs (continued)

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 in 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 5 months from their normal pension age on 1 April 2012 will switch to **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** will 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**. 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 set at the rate of 4.6% to 8.05% of pensionable earnings for **classic**, **premium**, **classic plus** and **nuvos**. 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' 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 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

Number of employees

The following number of employees, including the Accounting Officer, received remuneration within the ranges below:

	2020	2019
	No	No
£60,001 - £70,000	5	3
£70,001 - £80,000	1	4
£80,001 - £90,000	4	1
£90,001 - £100,000	-	-
£100,001 - £110,000	2	3
£110,001 - £120,000	1	2
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,000 - £170,000	-	-
£170,001 - £180,000	1	1

The number of staff paid above £60K (2018-19, nil) to whom retirement benefits are accruing under defined contribution schemes is 2 and under defined benefit schemes is 12 (2018-19, 14).

Please see the Remuneration report on page 47 of the Annual Report for more details of senior staff costs.

Total remuneration of Managerial staff was £1,623K (2018-19, £2,005K).

The average number of staff employed by Imperial War Museum across the year, split by function, is as follows:-

	2020			2019
	Permanent staff	Temporary Staff	Managerial staff	Total No of staff
Education, exhibitions and visitor services	199	9	7	215
Building care & preservation	11	-	-	11
Collections management and conservation	128	3	3	134
Trading / Commercial	135	1	2	138
Fundraising and publicity	27	1	4	32
	500	14	16	530
				470

In addition to the above, there was the Full Time Equivalent of 10 members of staff directly employed to work on capital projects and their costs have been capitalised.

The Managerial Staff are the members of the Museum's Executive Leadership Team, which consists of the Director General and three Executive Directors, and the Senior Management Team which consists of the full time equivalent of thirteen Assistant Directors.

Trustees

The Chairman and Board of Trustees received no remuneration for their services during 2019-20. Travel, subsistence and entertainment expenses paid to two Trustees amounted to £763 (2018-19 £507 paid to two Trustees).

The Trustees are appointed for periods of up to four years and may be reappointed for one further four year term.

Ex-gratia payments

During the year the IWM made no ex-gratia payments.

7a Consolidated intangible fixed assets	Assets under development £'000	Customer Relationship Management System £'000	Total £'000
Cost at 1 April 2019	-	1,384	1,384
Additions	566	-	566
Transfers between categories	-	-	-
Value at 31 March 2020	<u>566</u>	<u>1,384</u>	<u>1,950</u>
Amortisation at 1 April 2019	-	346	346
Provided in year	-	346	346
Amortisation at 31 March 2020	-	<u>692</u>	<u>692</u>
Net book value at 31 March 2020	<u>566</u>	<u>692</u>	<u>1,258</u>
Net book value at 1 April 2019	<u>-</u>	<u>1,038</u>	<u>1,038</u>

The IWM is investing in a Digital transformation and Customer Relationship Management (CRM) system to manage and improve relationships with our customers.

7b Consolidated tangible fixed assets	Land freehold and leasehold £'000	Structure £'000	Plant and machinery £'000	Fit-out £'000	Assets under construction £'000
Cost/valuation at 1 April 2019	33,722	127,751	45,737	18,756	7,437
Additions	-	274	3	571	10,053
Transfers between categories	-	56	170	295	(521)
Transfer to current	-	-	-	-	(448)
Revaluation	590	3,778	558	662	-
Disposals	-	-	-	-	-
Value at 31 March 2020	<u>34,312</u>	<u>131,859</u>	<u>46,468</u>	<u>20,284</u>	<u>16,521</u>
Depreciation at 1 April 2019	-	1,256	1,480	688	-
Provided in year	-	2,434	2,311	1,227	-
Depreciation due to revaluation	-	141	46	89	-
Disposals	-	-	-	-	-
Depreciation at 31 March 2020	-	<u>3,831</u>	<u>3,837</u>	<u>2,004</u>	-
Net book value at 31 March 2020	<u>34,312</u>	<u>128,028</u>	<u>42,631</u>	<u>18,280</u>	<u>16,521</u>
Net book value at 1 April 2019	<u>33,722</u>	<u>126,495</u>	<u>44,257</u>	<u>18,068</u>	<u>7,437</u>

Consolidated tangible fixed assets (continued)	Exhibitions £'000	Equipment £'000	Assets held under finance lease £'000	Total £'000
Cost/valuation at 1 April 2019	30,867	6,431	5,430	276,131
Additions	-	318	-	11,219
Transfers between categories	-	-	-	-
Transfer to current	-	-	-	(448)
Revaluation	-	-	156	5,744
Disposals	(591)	(31)	-	(622)
Value at 31 March 2020	<u>30,276</u>	<u>6,718</u>	<u>5,586</u>	<u>292,024</u>
Depreciation at 1 April 2019	24,876	5,799	1,697	35,796
Provided in year	1,022	483	249	7,726
Depreciation due to revaluation	-	-	20	296
Disposals	(531)	(31)	-	(562)
Depreciation at 31 March 2020	<u>25,367</u>	<u>6,251</u>	<u>1,966</u>	<u>43,256</u>
Net book value at 31 March 2020	<u>4,909</u>	<u>467</u>	<u>3,620</u>	<u>248,768</u>
Net book value at 1 April 2019	<u>5,991</u>	<u>632</u>	<u>3,733</u>	<u>240,335</u>

On 12 October 2001 IWM entered into a finance lease for the current accommodation of the Churchill War Rooms, for additional space, and for refurbishment of the space. The landlord is EP3 Ltd. Rent is payable until 2030-31. Cost £6,313K.

The IWM Duxford was revalued on 31 March 2019. All other sites were revalued on 31 March 2018. All valuations were by external professional valuers Gerald Eve, in accordance with the Royal Institute of Chartered Surveyors guidance notes.

7b Consolidated tangible fixed assets (continued)

The IWM IWM Duxford was revalued on 31 March 2019. All other sites were revalued on 31 March 2018. All valuations were by external professional valuers Gerald Eve, in accordance with the Royal Institute of Chartered Surveyors guidance notes. All sites have been revalued using prices indices. Land, structure and fit-out have been revalued using the U0004802 - Build Cost indexation adjusted by the location factor. Plant and Machinery have been revalued using the Office of National Statistics - JV45 2562000000 Machining Services

In coming to the valuation, management have used relevant cost indices to update opinions of value. The current response to COVID-19 means that the unprecedented set of circumstances which may reduce the accuracy of the indices. Their professional valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, IWM will keep their valuation under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

All tangible fixed assets are used for charitable activities.

In accordance with Financial Reporting Standard 102 - Section 17, *Property, Plant and Equipment*, buildings are split between structure, plant and machinery and fit-out. Each of the major components has substantially different economic lives.

Property	Title	Net book value	Net book value	Basis of valuation
		at 31 March 2020 £'000	at 1 April 2019 £'000	
IWM London, Lambeth Road, London SE1 including Gate Lodge, Lambeth Road, London SE1	Long leasehold Freehold	89,995	86,660	Depreciated replacement cost Depreciated replacement cost
All Saints Annexe, Austral Street, London SE11	Freehold	4,351	4,145	Existing use
Duxford Airfield, Cambridgeshire	Freehold	88,473	91,665	Depreciated replacement cost
Ickleton Film Store, Cambridgeshire	Long Leasehold	4,731	4,967	Depreciated replacement cost
IWM North, Manchester	Long Leasehold	29,694	29,954	Depreciated replacement cost
HMS Belfast, London SE1	Long Leasehold	3,660	2,735	Existing use
Churchill War Museum, London SW1	Long Leasehold	5,966	6,151	Depreciated replacement cost

8a Heritage assets	Acquisition at historic costs £'000	Donated assets at valuation £'000	Total £'000
Restated cost/valuation at 1 April 2019	4,832	2,491	7,323
Additions	76	1,200	1,276
Value at 31 March 2020	<u>4,908</u>	<u>3,691</u>	<u>8,599</u>

IWM acquires donated objects by gift, bequest and from the translation of long term loans for the collections into permanent acquisitions. Objects wholly or partially donated to the IWM in 2018-19 were valued at £1,200k comprising assets and equipment capitalised in the IWM's Balance Sheet (2018-19 £85K). Values were assessed by relevant experts and other information, including valuations for tax purposes.

No capitalised collection objects were disposed of during the year.

The opening cost/valuation of Donated assets has been restated by £483K to reflect the market value of a painting received via the Acceptance in lieu scheme in 2014-15.

8b Five year financial summary of heritage asset transactions

	2019-20 £'000	2018-19 £'000	2017-18 £'000	2016-17 £'000	2015-16 £'000
Additions	76	331	29	4	1,213
Purchases	<u>76</u>	<u>331</u>	<u>29</u>	<u>4</u>	<u>1,213</u>
Donations	<u>1,200</u>	<u>85</u>	<u>93</u>	<u>414</u>	<u>262</u>
Total additions	<u>1,276</u>	<u>416</u>	<u>122</u>	<u>418</u>	<u>1,475</u>

8c The nature and scale of the IWM's heritage assets

IWM's collections are remarkably broad, including extensive holdings of art and objects. The archival holdings of written, audio and visual records are major specialist resources which support internal and external research with world-wide audiences. The collections as a whole allow the presentation and interpretation of IWM's powerful subject matter in its full historical context. In addition to British and Commonwealth material, there are extensive holdings relating to allied and enemy forces.

IWM is the national museum of conflict involving British and Commonwealth forces from the First World War onwards. It illustrates and records all relevant aspects of modern war, and of the individual's experience of war and wartime life, whether allied or enemy, service or civilian, military or political, social or cultural. Its remit embraces the causes, conduct and consequences of conflict.

We manage our museum collections by recording each individual item, as we have done for many years. For our film collections, we now report the number of titles (i.e. moving image works), instead of elements, as each film title has duplicate reels. This better communicates the number of unique content items for which we are responsible and enables us to report more effectively on the progress of digitisation.

Artworks: IWM holds a large and world-class collection of modern British art. The core is paintings, prints and drawings commissioned or purchased during the First and Second World Wars, added to by the acquisition of both historical and contemporary works of art. The collection includes digital and mixed media artworks, sculptures, cartoons and camouflage designs and almost 20,000 international posters.	94,044 items
Objects: IWM holds a diverse range of three dimensional material, covering the full spectrum of objects associated with modern warfare. These include vehicles, aircraft and aero engines, uniforms, medals, models, currency and equipment. IWM is the repository of the National Collection of modern firearms. HMS <i>Belfast</i> is included as a heritage asset and is subject to ongoing conservation assessment and treatment.	150,561 items
Sound Recordings: Our archive of sound recordings includes personal interviews, speeches and sound effects totalling many thousands of hours, and is one of the largest of its kind in the world.	34,997 items
Film: IWM is believed to be the longest established national film archive. IWM is the official repository for relevant film under the terms of the Public Records Act 1958.	50,697 titles
Maps and proclamations	95,397 items

For our vast archival collections of photographs and documents, we now report the estimated number of items as this better reflects the scale of these holdings, with the numbers of collections through which these are managed.

Documents: IWM is among the world's leading repositories for the private papers of those involved in warfare since 1914. We hold an extensive series of foreign records from Germany, Japan and Italy during the Second World War, deposited at IWM as captured enemy documents under the Public Records Act 1958.	Estimated 22 million items, managed under 26,796 collections
Photographs: We hold approximately 11 million images from official, press agency and private photographers. IWM is the official repository for relevant photographs under the terms of the Public Records Act 1958.	Estimated 11 million images, managed under 19,651 collections

Reference Library: The reference collection includes over 150,000 books as well as significant reference collections of printed ephemera, pamphlets and periodicals.	249,505 items
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Changes to the figures since last year:

Category	18-19 figures	19-20 figures	Change	Reason for Change
Artworks	93,938	94,044	+ 106	Acquiring new items for the collection
Objects	149,771	150,561	+ 790	Acquiring new items for the collection
Sound	34,529	34,997	+ 468	Acquiring new items for the collection
Film	175,855	50,697 titles	no change in titles	Now reported as number of titles
Maps and Proclamations	105,042	95,397	- 9,645	Adjusted to reflect historic exits pre-1990s
Documents	26,716	26,796	+ 80	Acquiring new items for the collection
Photographs	18,485	19,651	+ 1,116	Acquiring new items for the collections
Reference Library	241,869	249,505	+ 7,636	Creating more granular records for the collection, to enable better access. Additions to the collection are limited.

8d Collections Development Policy

IWM is the world's leading authority on conflict and its impact, focusing on Britain, its former Empire and the Commonwealth, from the First World War to the present. We enrich people's understanding of the causes, course and consequences of war through the acquisition, access and interpretation of art, material culture and artefact collections, archives of documents, film, photographs and sound recordings, and a library with reference publications.

IWM records and interprets all relevant aspects of modern war, and of the individual's experience of war and wartime life, whether allied or enemy, service or civilian, military or political, social or cultural. In order to explain the causes of the First World War onwards, IWM collects from 1900 to the present day.

IWM acquires objects and collections through donation and purchase and is the official repository for relevant film and photographs under the terms of the Public Records Act 1958.

IWM was granted the power to "exchange, sell, or otherwise dispose of any duplicate objects belonging to the Museum, and with the consent of the Treasury exchange, sell, or otherwise dispose of any objects belonging to the Museum which the Board consider unfit to be preserved or not to be required for the purposes thereof" by the Imperial War Museum Act 1920.

IWM's Collections Development Policy is based upon the requirements of the Arts Council England Accreditation Standard and it complies with the Museums Association's ethical guidelines. The Board of Trustees will ensure that the disposal process is carried out openly and with transparency. By definition, IWM has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board of Trustees, therefore, accepts the principle that sound curatorial reasons for disposal must be established before considerations given to the disposal of any items in IWM's collections.

IWM will confirm that it is legally free to dispose of an item and agreements on disposal made with donors, depositors and transferors will be taken into account. When disposal of an object is being considered, IWM will establish if it was acquired with the aid of an external funding organisation. In such cases, any conditions attached to the original grant will be followed.

Any decision to dispose of a specimen or object, will be the responsibility of the IWM Board of Trustees acting on the advice of the Collections Development Committee and not of any archivist, collections manager, curator, or librarian acting alone.

8e Collections management policies and procedures

We enrich people's understanding of the causes, course and consequences of war through the acquisition, access and interpretation of art, material culture and artefact collections, archives of documents, film, photographs and sound recordings, and a library with reference publications. The collections are defined as the total body of culturally significant items held by IWM.

The Department of Collections Management is actively responsible for strategy, policy, procedure and its implementation through training (ensuring competency in people undertaking collection management tasks) and supporting (by maintaining competency) museum staff and collection users. Our staff deliver services to internal clients across IWM, including object movement, support to exhibitions, documentation, conservation, preservation, digitisation, photography, asset ingest, data import and the management of hazardous and licensed collections.

IWM was accepted for full registration in 2005 within the first phase of the Registration Scheme, now the Accreditation Scheme, administered by Arts Council England (ACE). The Accreditation Scheme sets out nationally-agreed standards, which inspire the confidence of the public and funding and governing bodies.

IWM's archive collections and Museum Archive are also fully accredited under the Archive Service Accreditation Scheme, administered in England by the National Archives. This scheme defines good practice and standards for archive services across the UK, and allows IWM to assure The National Archives that IWM maintains the standards required of a Place of Deposit.

Documentation

IWM's Collection Management Policy, data standards and collections management documents set out how IWM obtains, documents, maintains and makes available information about our collections.

Collections management systems provide the software and infrastructure required to support effective collections management recording throughout IWM. We develop our systems to maximise efficiency of collection management transactions to support collections access. Our centralised collections management system supports information retrieval. We use sector-leading software, Adlib (in 2020 to be replaced with Axiell Collections). IWM has a Digital Asset Management System (DAMS) integrated with Adlib to consolidate and preserve our digital assets in

IWM is committed to the protection of vital records and information about the collections. Paper records are archived in line with the *Code of Practice on Archives for Museums and Galleries in the United Kingdom (3rd ed., 2002)*. Electronic collection records and digital collections are maintained by IWM's IT department. Digital assets and priority collection data are replicated to a back-up server (at Duxford) on a daily basis. Adlib is backed up every two hours.

IWM's policies and procedures relating to the management of collections information comply with the *Spectrum* standard for Collections Management (published by the Collections Trust).

Access

We are committed to providing access to our collection content and information to all potential users and customers. Increasingly we are investing in ensuring that internal and external users can identify, select, use and re-use our collections with ease in a primarily digital environment.

IWM's website identifies the point of access (i.e. Site), nature (whether supervised or unsupervised) and lead-time for access to our collections and information. We encourage public access to our extensive collections, partly delivered by lending items for public display.

Where access to or use of original collections material cannot be facilitated because of risks to physical collections (as defined through collections risk assessments), high quality collections surrogates (including access digital copies) are made available where possible.

8e Collections management policies and procedures (continued)

Collections care

We are committed to sustainable conservation and preservation of the collections under our stewardship. Preservation priorities are determined through a risk management approach and in accordance with corporate priorities: balancing programmes for long-term care (determined by surveys and risk analysis) with collections access and use (through exhibitions, loans and the public offer). Preservation and Conservation schedules reflect public access requirements; research and exhibitions needs; funding and staff resources, and the urgency of preservation need.

IWM's Preservation team assess the overall condition of the collection. This can be sampled-based analysis or a full item-by-item survey. Assessments are framed in terms of risks such as an item's: inherent stability; effect on/from other items; action by people on them and the effects of the environment they are housed in. The results are used with environmental risk assessments to decide how best to prioritise resources. The extent of our modern material archival holdings necessitate careful investment between capturing the content in digital form and the need to retain original, analogue content.

IWM's Conservation staff assess the condition of individual objects. Condition reports and technical assessments are used when: two parties need to agree the condition of an item, usually when items enter as a loan in or in some case as an acquisition; an item leaves IWM management control; and, in management of our extensive hazardous or licenced collections.

IWM minimises collections items chemical and physical deterioration by preventative risk management before interventive conservation work is considered. Depending on how each item's cultural significance is demonstrated, interventive treatments may either stabilise an item, minimising cleaning or other changes to its existing appearance, or may stabilise then enhance an item's original material to achieve its best possible appearance as informed by an interpretation brief.

IWM manages hazardous and licensed items in our collections within relevant legislation and our Risk Management guidelines. Active hazards inherent in collections items or care processes have been identified, documented and the appropriate risk and hazard management procedures and legislation applied. Materials used for conservation are subject to Control of Substances Hazardous to Health (COSHH) assessments.

We manage collections care within the UK Institute of Conservation's *Professional Guidelines and Code of Ethics* and the International Federation of Film Archives (FIAP) *Code of Ethics*.

Legislative requirements and relevant guidelines

Imperial War Museum Act, 1920
Imperial War Museum Act, 1955
Museums and Galleries Act, 1992
Public Records Act, 1958, amended 1967
Data Protection Act, 1998
General Data Protection Regulation, 2018
Freedom of Information Act, 2000
Equality Act, 2010
Human Rights Act, 1998
Racial and Religious Hatred Act, 2006
Copyright, Designs and Patents Act, 1988
Copyright and Related Rights Regulations, 2003
Control of Substances Hazardous to Health Regulations, 2002
Health and Safety at Work Act, 1974
Management of Health and Safety at Work Regulations, 1999
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1995
Ionising Radiation Regulations, 2017
Human Tissue Act, 2004
Firearms Act, 1968, and Firearms Security Handbook 2005
The Control of Asbestos Regulations, 2012
Misuse of Drugs Regulations, 2001 and later revisions
Manufacture and Storage of Explosives Act, 2005
Explosives Regulations, 2014
Joint Service Publication (JSP) 482 - Ministry of Defence Explosives Regulations
European Agreement concerning the International Carriage of Dangerous Goods by Road, (ADR - *Accord européen relatif au transport international des marchandises Dangereuses par Route*), 2013
Registration, Evaluation, Authorisation & restriction of Chemicals (REACH), 2007
Lifting Operations and Lifting Equipment Regulations, 1998
Provision and Use of Work Equipment Regulations, 1998
The Work at Height Regulations, 2005

International conventions

Convention for the Protection of Cultural Property in the Event of Armed Conflict, First Protocol 1954 and Second Protocol 1999
Convention for the Safeguarding of the Intangible Cultural Heritage, 2003
Convention on International Trade in Endangered Species of Wild Fauna and Flora, 1973
Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, 1970
Convention on the Protection of the Underwater Cultural Heritage, 2001
UNIDROIT Convention on Stolen and Illegally Exported Cultural Objects, 1995

8e Collections management policies and procedures (continued)

National standards and guidelines

Accreditation Scheme for Museums and Galleries in the United Kingdom: Accreditation Standard, Arts Council England, 2011 and 2018.
 PAS 197: Code of practice for cultural collections management, 2009
 PAS 198: Specification for managing environmental conditions for cultural collections, 2012
 PD 5454:2012 Guide for the storage and exhibition of archival materials, 2012
 Government Indemnity Scheme Guidelines for national institutions, Arts Council England, 2016
 Disposal Toolkit, Museums Association 2014
 SPECTRUM: The UK Museum Documentation Standard, Collections Trust, version 5, 2017
 Code of Practice on Archives for Museums and Galleries in the United Kingdom, 2002
 Benchmarks in Collections Care for Museums, Archive and Libraries 2.1, Collections Trust, 2018
 UK Institute of Conservation's Code of Conduct, 2014

IWM's policies and procedures relating to acquisition, preservation, management and disposal

Collections Development Policy (2015)
 Collections Management Policy (2019)
 Documentation Strategy (2015)
 Due Diligence Policy (2015)
 Procedures and guidelines for Entry, Loans In, Acquisition and Accession, Labelling and Marking, Inventory, Location and Movement, Cataloguing, Condition Checking, Condition Reporting, Conservation, Insurance and Indemnity, Valuation, Rights of Management, Exit, Loans Out, Loss, Damage, Disposal and Deaccession, Due Diligence, Use of Collections, Transport and Risk Management.

8f Obstacles to a meaningful valuation of the Collection

In 2011 IWM calculated the cost of valuing the collections in their entirety at well over £5 million. This has been recalculated at 2020 figures as 285 person years of work and a cost of over £6.2 million.

IWM has therefore determined that full valuations of our historic collections acquired in the twentieth century cannot be obtained for a reasonable cost, would result in no public benefit and would severely limit our ability to deliver our objectives. IWM has determined that public money is best spent and the needs of its visitors, commercial users, stakeholders and staff are best served by directing staff time towards developing accountable, accessible and sustainable collections.

For these reasons the provision of internal valuations is neither a simple nor a cost-effective solution.

Expertise	IWM employs specialist curators, archivists and librarians but they are not professionally trained nor widely experienced in providing valuations. Expertise is not available equally for all elements of the collections
Logistics	Our vast, diverse and complex collections are displayed and stored across IWM's five branches, loan venues and external storage locations.
Market value	IWM's collections contain much that is unique and for which no market price could be ascertained. Market values, where ascertainable, are subject to severe fluctuations around significant anniversaries.
Ownership	Significant parts of the film, photograph and documents collections are deposited under the Public Records Act and therefore not owned by IWM. The practicalities of valuing this material would need to be established.
Digital	The collections include a growing proportion of digital material (primarily film and photographs). The extent to which these would be classed as heritage assets must be determined.

The employment of external valuers may cost more overall than the use of internal valuations, including both fees paid and staff time. Significant staff time would be required to create lists of objects, to provide direct access to them, and to draw together the various sources of information available. The number of experts required to value the breadth of collections items would be high, requiring many separate contracts and arrangements.

The purely financial difficulties of obtaining fair valuations are not the only obstacle. IWM has determined that public money is best spent on the needs of its visitors, commercial users, stakeholders and staff are best served by directing staff time towards the creation of accountable, accessible and sustainable collections. This involves the creation of inventory and catalogue records where these do not already exist and the improvement of existing records to our current specified standards. While the collections are not fully catalogued, attempts towards full valuation would be both partial and flawed. IWM is working within an ongoing Collections Review framework. The completion of this project and stage 3 documentation will ensure that the collections are fully documented and assessed for significance. After this point, IWM would be in a far more robust position to begin a valuation programme if it was determined that delivered a public benefit.

9 Stock

Stock consists of retail goods and IWM Publications

	Group 2020 £'000	Group 2019 £'000	IWM 2020 £'000	IWM 2019 £'000
10a Debtors				
Amounts falling due within one year				
Trade debtors	912	733	148	179
Other debtors	69	458	69	458
Amount owed by Imperial War Museum Trading Company Ltd	-	-	-	131
VAT debtor	1,252	535	1,645	951
Prepayments	368	413	359	396
Accrued Income	6,020	5,184	5,971	5,127
Provision for bad debts	(11)	(6)	(1)	(1)
Total debtors falling due within one year	<u>8,610</u>	<u>7,317</u>	<u>8,191</u>	<u>7,241</u>
Amounts falling due after more than one year				
Accrued Income	690	3,552	690	3,552
Total Debtors	<u>9,300</u>	<u>10,869</u>	<u>8,881</u>	<u>10,793</u>

Group - Accrued Income includes £1M from the Pears Foundation; £1M from the Bamford Charitable Foundation; £1.1M from the Wolfson Foundation; £0.8M from the Clore Duffield Foundation and £1M from the AFIWM for Transforming IWM London

	Group 2020 £'000	Group 2019 £'000	IWM 2020 £'000	IWM 2019 £'000
10b Intra-Government debtor balances				
Balances with other central government bodies	1,399	1,604	2,157	2,397
Balances with bodies external to government	7,901	9,265	6,724	8,396
Total debtors	<u>9,300</u>	<u>10,869</u>	<u>8,881</u>	<u>10,793</u>

	2020 Total £'000	2019 Total £'000
11 Cash at bank and in hand		
Imperial War Museum	14,804	12,788
Imperial War Museum Trading Company Limited	797	1,575
	<u>15,601</u>	<u>14,363</u>

	Group 2020 £'000	Group 2019 £'000	IWM 2020 £'000	IWM 2019 £'000
12a Creditors				
Amounts falling due within one year				
Trade creditors	1,114	1,556	1,071	1,504
Other creditors	1,196	772	747	772
Amounts owing to the Imperial War Museum Trading Company	-	-	321	-
Obligations under finance lease	262	246	262	246
Accruals	2,662	2,540	2,531	2,380
Deferred income	836	1,462	69	245
Total creditors falling due within one year	<u>6,070</u>	<u>6,576</u>	<u>5,001</u>	<u>5,147</u>
12b Amounts falling due after more than one year				
Obligations under finance lease	4,257	4,520	4,257	4,520
Deferred income	644	678	644	678
Total creditors falling due after more than one year	<u>4,901</u>	<u>5,198</u>	<u>4,901</u>	<u>5,198</u>
Total creditors	<u>10,971</u>	<u>11,774</u>	<u>9,902</u>	<u>10,345</u>

Included in deferred income is £644K which represents funds given to the Museum by the Airborne Forces in relation to its occupation of certain office and gallery spaces in the Museum. An amount representing an annual rental payment is released each year.

	Group 2020 £'000	Group 2019 £'000	IWM 2020 £'000	IWM 2019 £'000
12c Intra-Government creditor balances				
Balances with other central government bodies	266	307	570	677
Balances with bodies external to government	10,705	11,467	9,332	9,668
Total creditors	<u>10,971</u>	<u>11,774</u>	<u>9,902</u>	<u>10,345</u>

12d Deferred income	Group 2020 £'000	Group 2019 £'000	IWM 2020 £'000	IWM 2019 £'000
Deferred income brought forward	2,140	1446	923	891
Released in year	(1,504)	(768)	(245)	(178)
Deferred in year	844	1462	35	210
Deferred income carried forward	<u>1,480</u>	<u>2,140</u>	<u>713</u>	<u>923</u>

12e Obligations under finance leases

At 31 March 2020 IWM had commitments under finance leases as set out below:

	2020 Exhibitions £'000	2020 Total £'000	2019 Total £'000
Finance lease obligations: payments due			
Within one year	262	262	246
in the second to fifth year	1,330	1,330	1,204
in more than five years	2,928	2,928	3,316
	<u>4,520</u>	<u>4,520</u>	<u>4,766</u>

12f Loans	Group 2020 £'000	Group 2019 £'000	IWM 2020 £'000	IWM 2019 £'000
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Amounts falling due after more than one year

Long term loan	2,000	-	2,000	-
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>

The Museum received a loan from Department for Digital, Culture, Media and Sport of £2,000,000 in March 2020 and £3,000,000 due in 2020-21 for the Parkside project. The loan agreement shows repayments being made in four equal instalments from April 2021 to April 2025. Interest is being charged at a rate of 0.24%

12g Provisions for liabilities and charges	Balance as at 1 April 2019 £'000	Additions in year £'000	Provision reversed £'000	Balance as at 31 March 2020 £'000
Early exit scheme	225		(225)	-
Amounts falling due within one year				-
Amounts falling due after more than one year				-
Total provisions				<u>-</u>

The provision represents the Early exit scheme obligation that existed at 31 March 2020

13(a) IWM Trading Company Limited

The IWM Trading Company provides educational services to IWM and performs the commercial activities of retailing, catering, corporate hospitality, commercial events and temporary exhibitions ticketing.

	2020 £'000	2019 £'000
Profit and loss account		
Turnover	14,017	14,051
Cost of goods sold	(8,932)	(8,741)
Gross profit	5,085	5,310
Other operating income	1,245	1,323
	6,330	6,633
Administrative expenses	(1,681)	(1,658)
Operating profit	4,649	4,975
Interest receivable	15	11
Profit	4,664	4,986
Amount paid to IWM under gift-aid	(4,664)	(4,986)
Profit on ordinary activities after gift-aid	-	-
<i>Reconciliation of results of the trading company to the Consolidated Statement of Financial Activities</i>		
Turnover	14,017	14,051
Intercompany transactions	(98)	(131)
Included in trading income per SOFA	10,213	10,737
Included in fees income per SOFA	3,418	2,842
Included in royalties per SOFA	288	341
External funds	1,245	1,323
Intercompany transactions	(1,190)	(1,200)
Included in external funds per SOFA	55	123

13(a) IWM Trading Company Limited (continued)

Cost of goods sold	8,932	8,741
Intercompany transactions	(118)	(125)
Included in commercial costs (£7,418K) and education (£1,396K) per SOFA	8,814	8,616
Indirect costs	1,681	1,658
Intercompany transactions	(1,681)	(1,658)
	-	-
Interest receivable	15	11
Included in investment income per SOFA	15	11

	2020 £'000	2019 £'000
Balance sheet		
Current assets	2,586	2,586
Current liabilities	(1,977)	(1,977)
Net assets	609	609
Called up share capital	600	600
Profit and loss account	9	9
Capital and reserves	609	609

The authorised share capital of the Company is 600,000 shares of £1 each.

The future plans of the Company forecast longer term growth.

The Financial Statements of the IWM Trading company have been prepared on a going concern basis.

13(b) IWM Film Production Company Limited

The IWM Film Production Company has been dormant during 2019-20 and 2018-19.

14 Other grants

14 -18 NOW WW1 Centenary Art Commissions, is an independent programme hosted within Imperial War Museums and receives public funding from the National Lottery and Arts Council England, during the year 14 -18 NOW paid out co-commission grants of £468K.(2018-19 £5,567K)

15 Capital commitments

At the balance sheet date, the IWM had outstanding capital commitments, authorised by the Board of Trustees but not yet contracted of £6,608K,(2018-19 £21,445K) and outstanding capital commitments contracted but not provided of £6,713K, (2018-19 £7,161K).

16a Commitments under operating leases

At 31 March 2020 IWM had annual commitments under non cancellable operating leases as set out below:

	2020	2019 Restated		
	Land and other buildings £'000	Land and other buildings £'000	2020 Equipment £'000	2019 Equipment £'000
Operating leases which expire:				
Within one year	410	367	99	99
In the second to fifth years inclusive	1,439	1,266	137	236
Over five years	<u>6,232</u>	<u>5,178</u>	<u>-</u>	<u>-</u>
	<u>8,081</u>	<u>6,811</u>	<u>236</u>	<u>335</u>

The 2019 Land and Buildings figure has been restated by £4.4M to include Licences to Occupy previously not shown or shown as a one year

16b Commitments under hire agreements

At 31 March 2020 IWM had annual commitments under non cancellable hire agreements as set out below:

	2020		2019 Restated
	Equipment £'000		Equipment £'000
Hire agreements which expire:			
Within one year	56		72
In the second to fifth years inclusive	33		89
Over five years	<u>-</u>		<u>-</u>
	<u>89</u>		<u>161</u>

The 2019 Equipment figure has been restated by £11K to include a Ford transit van that was purchased in 2018-19.

17 Contingent liabilities

There are no contingent liabilities

18 Consolidated statement of funds	Restated At 1 April 2019 £'000	Income £'000	Expenditure £'000	Revaluations/ capital restructure £'000	Transfers £'000	At 31 March 2020 £'000
Unrestricted funds						
<i>Designated funds:</i>						
Buildings, collections, equipment and exhibitions	23,637	32	(820)	-	-	22,849
Buildings revaluations	20,326	-	(245)	1,110	-	21,191
Total designated funds	43,963	32	(1,065)	1,110	-	44,040
General funds	4,063	47,167	(47,114)	-	540	4,656
Finance Lease Reserve	(5,020)	-	(249)	-	-	(5,269)
IWM Trading Company reserve	9	-	-	-	-	9
	(948)	47,167	(47,363)	-	540	(604)
Total unrestricted funds	43,015	47,199	(48,428)	1,110	540	43,436
Restricted funds						
Buildings, collections, donated objects equipment and exhibitions	127,625	10,647	(3,931)	-	1,739	136,080
Buildings revaluations	73,375	-	(2,828)	4,338	-	74,885
Tied funds	18,302	3,198	(2,604)	-	(2,279)	16,617
Total restricted funds	219,302	13,845	(9,363)	4,338	(540)	227,582
Total funds	262,317	61,044	(57,791)	5,448	-	271,018

The Restricted funds at 1 April 2019 have been restated by £483K to reflect the market value of a painting received via the Acceptance in lieu scheme in 2014-15.

Restricted funds	At 1 April 2019 £'000
Buildings, collections, donated objects equipment and exhibitions	127,142
Heritage Asset revalued to Market price	483
Restated at 1 April 2019	127,625

The tied funds (£16,616K) comprise funds donated for the application to specific projects. These include Transforming IWM London (£11,858K); 14-18 NOW Legacy (£1,665K); the AirSpace at IWM Duxford (£225K); the VCGC Gallery at IWM London (£126K) and the Holocaust exhibition at IWM London (£220K).

Funds of £50K have been transferred from restricted funds to unrestricted funds to cover eliminations on consolidation of transactions.

Funds of £2,205K have been transferred from tied funds to cover Transforming IWM London costs and £24K to buildings, collections, donated

Funds of £490K have been transferred from restricted buildings, collections, donated objects equipment and exhibitions, to unrestricted funds to cover movement of previous capital costs to current.

The unrestricted buildings, collections, equipment and exhibitions funds of £22,849K, the buildings revaluation of £21,191K, the restricted buildings, collections, donated objects, equipment and exhibitions funds of £136,080K, the buildings revaluation of £74,885K, together represent the net book value of the intangible fixed assets, tangible fixed assets and heritage assets less the assets held under finance leases £255,005K.

Designated funds comprise assets funded by IWM, including capital building works, collections, equipment and exhibitions. Restricted funds comprise funds received specifically for expenditure on such assets. These include the American Air Museum and AirSpace at IWM Duxford, IWM North, the Churchill War Rooms expansion project, HMS Belfast Pavilion and the redevelopment of IWM London and the Holocaust exhibition.

Building revaluations increased/(decreased) IWM London by £5,603K; IWM North by £363K; IWM Duxford by £(1,195)K; All Saints by £312K; HMS Belfast by £178K; Ickleton by £(39)K; Churchill War Museum by £90K and the finance lease by £136K.

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
19 Analysis of group net assets between funds			
Fund balances at 31 March 2020 are represented by:			
Tangible fixed assets	47,660	210,965	258,625
Net current assets	2,033	17,261	19,294
Long-term creditors	(6,257)	(644)	(6,901)
Total net assets	43,436	227,582	271,018

20 Cash flow information

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

	2020 £'000	2019 £'000
Net income for the reporting period(as per the statement of financial activities)	3,253	3,179
Investment Income	(89)	(41)
Interest element of finance lease rental payments	297	312
Interest element of Loan payments	-	-
Loss on disposal of tangible fixed assets	60	119
Reclassification from capital costs to revenue costs	447	877
Depreciation and impairment charge for the year	8,072	7,939
(Increase) in stocks	(75)	(9)
Decrease/ (increase) in debtors	1,569	(3,073)
(Decrease)/Increase in creditors	(1,435)	462
Net cash provided by operating activities	12,099	9,765

(b) Analysis of cash flows

Increase in cash in the year	1,238	157
Cash flow arising from decrease in finance lease	246	231
Movement in net debt in the year	1,484	388
Net funds at 1 April	9,597	9,209
Net funds at 31 March	11,081	9,597

(c) Changes in net debt/funds

	1 April 2019 £'000	Cash flow £'000	31 March 2020 £'000
Cash at bank and in hand	14,363	1,238	15,601
Finance lease	(4,766)	246	(4,520)
Net funds	9,597	1,484	11,081

21 The role of financial instruments

Sections 11 of the accounting standard FRS 102, *Financial Instruments*: requires disclosure of the role which financial instruments have had during the period, in creating or changing the risks IWM faces in undertaking its activities.

The following disclosures relate to the whole group.

Credit, liquidity or market Risk

Grant-in-aid from the Department for Digital, Culture, Media and Sport comprises 37% of total incoming resources. The remaining amount is funded via self generated income, which tends to fluctuate around historically predictable performance. The majority of financial instruments relate to contracts to buy non-financial items in line with IWM's expected purchase and usage requirements. As a result, IWM is exposed to some credit, liquidity or market risk.

IWM is exposed to credit risk of £912K of trade debtors - however this risk is not considered significant as major customers are familiar to IWM. Bad and doubtful debts are provided for on an individual basis.

IWM has sufficient unrestricted funds to cover its current liabilities.

Cash is held by IWM's bankers and invested in compliance with the Trustees' approved policy to spread risk and impose minimum credit ratings for institutions. IWM has not suffered any loss in relation to cash held by bankers.

Interest rate risk

100% of IWM's financial assets carry nil or fixed rates of interest. IWM is not therefore exposed to significant interest rate risk.

The following table shows the interest rate profile of IWM's financial assets:

Interest rate profile	Fixed rate financial assets £'000	Non- interest bearing financial assets £'000
As 31 March 2020		
Sterling	15,601	-
	<u>15,601</u>	
As 31 March 2019		
Sterling	14,350	13
	<u>14,350</u>	<u>13</u>

The book value equals the fair value for all assets held.

Foreign currency risk

IWM's exposure to foreign currency risk is not significant.

22 Related Party Transactions

The Imperial War Museum is a statutory non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS). DCMS is regarded as a related party and during the year the Museum has had various material transactions with the Department. The IWM received grants from the Heritage Lottery Fund (HLF) for which the DCMS is also recognised as the parent body department. None of the Trustee board members, key managerial staff or other related parties has undertaken any material transactions with the Museum during the year. During the year the museum had significant related party transactions with the following bodies:

	Amount Purchased £'000	Amount Sold £'000	Donations / Grants Received £'000	Donations / Grants Given £'000	Year End Balance £'000
American Air Museum in Britain (AAMiB)	-	-	119	-	176
IWM Foundation	-	12	2,233	-	3
IWM Development Trust	-	2	-	-	2
American Foundation of IWM (AFIWM)	-	-	1,101	-	1,101
National Lottery Heritage Fund (formerly HLF)	-	-	955	-	164
Commonwealth War Graves Commission	-	1	-	-	-
Artichoke	-	-	-	10	-
University of Lincoln	10	-	-	-	-
The Royal Academy of Arts	-	-	-	-	-
Foreign and Commonwealth Office	-	27	-	-	-
Ministry of Defence	-	-	-	-	-
Jacobs UK Ltd	3	-	-	-	-
British Library	9	-	-	-	-
National Maritime Museum	19	-	-	-	-
National Portrait Gallery	-	-	-	-	-
Science Museum	7	2	-	-	-
Victoria & Albert Museum	-	1	-	-	-
BBC	-	272	-	-	-
Historic England	1	-	65	-	-
British Film Institute	74	10	-	-	-
British Museum	-	-	-	-	-
Arts Council of England	-	-	25	-	7

The nature of these related parties is as follows:

Diane Lees, Director General is a Vice President and Air Chief Marshall Sir Stuart Peach is the President of the AAMiB. During the year IWM received donations from the AAMiB.

Diane Lees, Director General, is a member of the council of The Friends of the Imperial War Museum (FIWM). Donations were received from FIWM.

A total of £2,000 was received from the IWM Trust in 2019-20 (2018-19 £2k) in service charges as per the operating agreement.

The IWM Foundation is charged with raising funds to support the redevelopment of Imperial War Museum's permanent galleries. Fees totalling £12,000 were received from the Foundation in 2019-20 (2018-19 £12k).

Funding of £640,000 (2018-19 £2,300K) was received from the DCMS funded National Lottery Heritage Fund (formally known as Heritage Lottery Fund) in relation to 14-18 NOW, £160,000 (2018-19 £21K) was received to fund the Ordinary People Extraordinary Lives Second World War project with a further £164,000 due in 2020-21.

IWM Trustees HE Janice Charette is a Commissioner for Commonwealth War Graves Commission. £732 was received as fees from image sales.

IWM Trustee Tim Marlow is also a Trustee of Artichoke. £10,000 (2018-19 £80k) paid by 14-18 NOW for final payment of Processions Project.

22 Related Party Transactions (continued)

£10,000 was paid to the University of Lincoln's Heritage Dot Conference, IWM was a sponsor of the conference. £242.28 was received in repayment for courier costs incurred by IWM. Diane Lees, Director General is the Governor of the University of Lincoln.

£108 was received from the Royal Academy of Arts for image sales. Sian Westerman, wife of Trustee Matthew Westerman is a Trustee of the Royal Academy of Arts.

£27,187 was received from the Foreign and Commonwealth Office for closing CWR to host a private tour as part of the US President's State Visit. IWM Trustee Angus Lapsley is a member of the Foreign and Commonwealth Office.

£80 was received from the Ministry of Defence for image sales. IWM Trustee Angus Lapsley is a member of the Ministry of Defence.

£2,924 was paid to Jacobs UK Limited for professional fees relating to IWM Duxford. IWM Trustees Rear Admiral Amjad Hussain is an Executive Director of Jacobs UK Ltd.

Rental costs of £19,253 (2018-19 £16K) were incurred with the DCMS funded National Maritime Museum.

£229 was received from the National Portrait Gallery for image licensing fees.

A NMDC membership contribution payment of £7,369 was made to the DCMS funded Science Museum Group. Payment of £2,594 was received relating to image sales and licensing. £242 was received as a contribution to catering costs for an event hosted at IWM. £2,181 was received for conservation services provided.

Payments totalling £139 were made to the Victoria & Albert Museum for the loan of items for the Culture Under Attack Season. £928 was received as payment for conservation services provided.

Payment totalling £73,834 (2018-19 £134K) was made to the DCMS funded British Film Institute for the transport and storage of cellulose nitrate films. £10,164 (2018-19 £4K) was received for images sales and licensing.

£288 was received from the DCMS funded British Museum for fees relating to a loan from IWM's collection.

£271,851 (2018-19 £72K) fees were paid by BBC to IWM for the use of IWM film and licensing agreements, during 2019-20. Tanya Hudson, wife of IWM Trustee Tim Marlow, is an Executive Producer at the BBC.

£64,500 (2018-19 £135K) was received from the DCMS funded Historic England. This grant is a contribution to Marketing costs relating to the *Culture Under Attack* season and events relating to the season. £1,345 was paid to Historic England for advisory services and exhibition materials.

Payments totalling £9,098 (2018-19 £1K) were paid to the British Library for digitisation services.

£25,000 (2018-19 £533K) was received from the Arts Council of England, a DCMS funded organisation. A balance of £6,676 is due in 2020-21.

23 Losses, special payments and gifts.

Costs falling into the category of losses, special payments and gifts were below the level of £100,000. Losses exceeding this amount are required to be shown in a Loss Statement, with any individual losses of more than £100,000 being listed separately.

24 Post balance sheet events

The accounts were authorised for issue by the Accounting Officer and the Board of Trustees on the date given on the audit certificate.

