



Annual Report and Accounts 2022–23

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Imperial War Museum

Annual report and accounts 2022-2023

For the period 1 April 2022 to 31 March 2023

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1. Executive Summary

The financial year 2022-23 proved to be a time of transformation and change for IWM. The organisation faced a series of complex economic, political, and supply chain challenges that made it difficult to predict and plan for future markets. These obstacles were compounded by the rise of cost-of-living that impacted IWM staff, contractors, and visitors, as well as industrial unrest and strikes throughout the United Kingdom. Despite these challenges, IWM persevered, adapting its programming and operations to meet the evolving needs of its audience. The departure of Director-General Dame Diane Lees after 14 years brought about yet another change, leading to a period of transition for the organisation. Nonetheless, IWM rose to the occasion, delivering exceptional work throughout the year and achieving notable successes, including awards for public programming and progress in its social impact initiatives.

Over the course of the year, IWM's leadership team focused on supporting the organisation's transition to a new executive leadership, as Dame Diane Lees announced her departure and Caro Howell MBE was appointed as her successor. Other changes within the leadership team also occurred, including the appointment of a new Executive Director for Commercial and Operations, as well as new Assistant Directors for Public Engagement and Learning, and Narrative and Content. Succession planning was also initiated for the exit of the Executive Director for Collections and Governance and two long-standing Assistant Directors, who will all be leaving in the next financial year.

IWM has continued to care for our collection, and this year we digitised over 650,000 photographic negatives, 1,500 videotapes, and 1,200 film reels, preserving them for the future. We also worked to ensure that our audiences see and interact with our collections which enable us to share the important stories they tell. Our visitor figures and more details about our social impact are in our report, below.

We continue to invest in our Digital Transformation Programme to support our ability to be agile and provide customers and visitors with the high quality service expected from the IWM brand. This work is enabling us to engage with a wider, more global audience, enhance our visitor and customer experience, and support our income generation. We continue to implement the strategy to accelerate and expand our plans. Integral to this is our Digital Content Strategy which was approved in 2022 and sets out how we resource, produce, organise and measure digital content. We grew our YouTube subscriber base by 184,000 subscribers, bringing us to a total of 373,565 subscribers, to increase engagement, encourage visitors to our branches, and generate income. In addition, we will continue to invest in our Collection Storage Strategy to ensure that the risks to the most vulnerable items in the collection are reduced, which alongside our Digital Futures programme will open access to our collections to all of our audiences.

The pandemic had a significant impact on IWM's operations over the last three years, necessitating a heavy reliance on a small but dedicated team of staff, volunteers, and outsourced providers. Despite ongoing uncertainty, the team persevered, delivering outstanding work as IWM progressed through a period of recovery. This recovery was bolstered by the organisation's visitor-related income streams, which accounted for the largest area of income. IWM successfully managed to generate a surplus from commercial activities, largely due to its temporary exhibition programme, including Ukraine and Generations at both IWM North and IWM London, War Games at IWM London, and Hurricanes: An Unsung Hero at IWM Duxford. The rise of cost-of-living was factored into IWM's income generation targets and margins and a cautious approach

adopted in setting the budget for the year. In actuality, IWM has had a good year financially in comparison to the prudent budget which had been approved for the year. Income from admissions has achieved record levels although physical visits to the branches are still 20% below pre-Covid levels overall. IWM recognises the importance of diversifying its commercial income and growing other income streams to ensure a more robust financial model. To this end, the organisation is focused on increasing its support from unrestricted fundraising, including through membership and Development initiatives such as the Patrons scheme, a community of individuals and organisations giving IWM philanthropic support.

The urgency for IWM to contribute to the Government's efforts to address the climate crisis saw the approval of our Sustainability Strategy by our Trustees this year. We also progressed with the decarbonisation of our Estate, supported by the Department for Culture, Media, and Sport (DCMS) through the Public Body Infrastructure Fund Phase II. IWM was granted £27.75 million of funds to help meet the requirements of our Estate for the period 2022 to 2025, principally at IWM Duxford but with investment in IWM North and IWM London as well. This investment has been essential in driving our ambitions to improve sustainability, both environmental and economical. This work is also reducing our estate and security risk as it enables us to progress our Asset Investment Plan.

Like the rest of the nation, IWM was deeply affected by the death of Her Majesty The Queen. When the news broke, we adapted our operations and programming to support the national period of mourning. All IWM teams were impacted by the events. For example, our Battle of Britain Air Show, which took place in the mourning period, was adapted to allow for a commemorative silence, our messaging and digital output respectfully reflected recent events, and our London sites managed the impact of the lying-in-state queue and the closures of branches on the day of the State Funeral. All these changes were carried out with careful and thorough consideration for our visitors and audiences. The various teams used their ability to work collaboratively to keep IWM moving and support visitors.

More details on the exciting and impactful activities we have delivered and programmes we have progressed are in the annual report below. We also outline our plan for the next four years as we enter a new phase of leadership and direction, whilst remaining committed to developing the understanding of war and conflict.

2. 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. IWM is an exempt charity, regulated by the Department for Culture, Media and Sport.

Our vision

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

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.

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

3. Strategic Objectives

We aim to:

- **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.

- **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 our lives. We pride ourselves on the excellent customer service we will provide across all our work.

- **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.

- **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.

4. Achievements and Performance

Notwithstanding the many challenges faced over the last financial year IWM has continued to deliver progress on its strategic objectives and implement priorities as set out in its Corporate Plan. Our Key Performance Indicators, social impacts and progress against our objectives are outlined below alongside figures for 2021-22 which was a year when our activities were still affected by the Covid pandemic.

4.1. Key Performance Indicators

The results reported below represent the Key Performance Indicators based on our Management Agreement with the Department for Culture, Media and Sport (DCMS).

Performance Indicator ('000s)	2022-23	2021-22	% change
Number of visits to IWM (excluding corporate hospitality guests and virtual visitors)	1,997	1,113	79%
Number of unique website visits	19,840	18,044	10%
Number of visits to IWM by children under 16	345	187	84%
Number of overseas visitors	744	78	854%
Number of facilitated and self-directed visits to IWM by children under 18 in formal education	84	24	250%
Number of instances of children under 18 in onsite organised activities	150	93	61%
Percentage of visitors who would recommend a visit	98%	96%	2%
Admissions income (gross)	£15,342	£6,485	137%
Trading net profit	£4,866	£1,649	196%
Fundraising income	£9,929	£3,642	173%
Number of UK loan venues (<i>exact number reported</i>)	65	69	-6%

4.2. Social Impact

The IWM Social Impact Framework has been developed to enable ongoing assessment of how IWM's vision and values translate into social impact at a local, national, and international level. The framework aims to strengthen, through measurement of progress, IWM's reputation as a national asset and global leader.

We are embedding this framework as we evaluate activities throughout the organisation, including at all five branches, online, and at offsite activities. Some findings from our public facing activities this year include:

4.2.1 Museum Exit Survey

With the launch of the Social Impact Framework, IWM introduced three agreement statements into the exit survey to measure our progress on Encouraging Reflective Behaviours. Each statement is intended to measure the impact of the person's visit as a whole. In 2022-2023:

- 41% of museum visitors strongly agreed that "I feel more connected to those affected by war through the personal stories I heard at this site."*
 - This was highest at IWM London in autumn and winter (coinciding with the War Games and Ukraine exhibitions) and at IWM North in quarter four (when the Generations and Ukraine exhibitions were open)
- 36% of museum visitors strongly agreed that "My visit today helped me to think about war and conflict from a perspective I hadn't previously considered."*
 - Similarly to the connection metric above, this peaked at HMS Belfast in autumn.
- 45% of museum visitors strongly agreed that "The site produces innovative and thought-provoking exhibitions and events that inspire discussion around war and conflict."*
 - This reached 60% at IWM London and IWM North in the second half of the year.

*Total IWM results do not include IWM North, where these questions were introduced mid-year.

4.2.2 Families

The programmes were divided into four different parts:

- Camouflage Dazzle (summer and Oct. half-term 2022, London and North)
- Home Front Volunteers (Feb. half-term 2023, London and North)
- Holiday Hooks (Summer and Oct. 2022, London and North)
- STEM Activities (Feb. half-term 2023, Duxford)

The programmes focused on:

- Encouraging Reflective Behaviours: empathy, understanding, confidence and empowerment
- Improving Wellbeing Through Connectivity: connectivity and connection to history
- Keep Giving: fostering interest in historic events and current affairs

Visitor evaluation feedback from the STEM activities during February half-term at Duxford showed 43% of family visitors strongly agreed that taking part in the IWM family activities helped them feel more confident talking about war and conflict as a family. 35% strongly agreed that the activities helped them to consider the different ways conflict and war has impacted society.

4.2.3 Second World War and Holocaust Partnership Programme

The Second World War and Holocaust Partnership Programme (SWWHPP) was a Partnership between IWM and eight cultural heritage Partners across the UK.

Alongside the opening of IWM's new Second World War and Holocaust Galleries in 2021, SWWHPP has supported Partners to engage with new audiences and to share lesser-known local stories about these significant histories. Key components of the Partnership have been a Digital Internship programme, skills development amongst the Partners, access to loans from

IWM's collection, and the development of a co-created digital installation which will tour between the Partners. The Partners' programme activity completed at the end of March 2023.

An evaluation of the Digital Internship programme during 2022 highlighted positive outcomes on providing leadership, improving wellbeing through connectivity, and encouraging reflective behaviours:

- Confidence: digital Interns reported positively on how the programme diversified their range of experiences and skills in the cultural heritage sector; the 8 of 9 digital interns went on to paid roles after the end of their internships, either with SWWHPP Partners or other cultural organisations
- Keep learning: digital interns felt more employable as a result of taking part in the programme with new skills and experience they could take into future roles
- Enabling Others: Partners reflected positively on the Digital Internship programming, highlighting the development of new approaches to recruitment and enabling them to work with new audiences

4.2.4 Exhibition Social Impact Learning Outcomes

IWM conducts evaluations and online surveys for temporary exhibitions, with a link to take the survey on signage as visitors exit the exhibition. The survey allows us to ask questions about the exhibition itself, including testing the tailored learning outcomes for the programme.

Ukraine: Photographs from the Frontline

Ukraine: Photographs from the Frontline is an exhibition originally displayed at IWM North and ended the year at IWM London. *Ukraine: Photographs from the Frontline* presents photographs from internationally renowned photojournalist Anastasia Taylor-Lind. Made during her time in Ukraine between 2014 and June 2022, these powerful works document the devastating reality of living amidst conflict.

The exhibition includes Ukrainian language translations of the exhibition text and image captions, part of a museum-wide initiative to reach a broader audience and engage directly with the UK's Ukrainian community.

Several parts of the evaluation are ongoing as the exhibition is still currently on display at IWM London. The survey data from *Ukraine: Photographs from the Frontline* at IWM North in autumn 2022 shows:

- 47% of exhibition visitors strongly agreed that the exhibition made them feel "more connected to those impacted by the conflict in Ukraine."
- 58% of exhibition visitors strongly agreed that the exhibition helped them to consider "how photography can illustrate the impact of conflict on individuals."
- 31% of exhibition visitors strongly agreed that as a result of the exhibition they feel "more confident discussing war and conflict."
- 38% of exhibition visitors strongly agreed that after seeing the exhibition they would "plan to seek out ways to learn more about the conflict in Ukraine."

The summative evaluation of the exhibition (at both IWM London and IWM North) found that:

- Visitors appreciate photography as a powerful “connective” medium: the strength of the human connection drove increased empathy.
- The use of photographs starting in 2014 highlighted the story of the conflict before the invasion in 2022, providing a new perspective for many visitors.
- Those interviewed feel that IWM has a responsibility to cover contemporary war: to ensure the public is not reliant on an inconsistent media, to provide the public with insight not available through the media, and to make it clear that war is not just a historic issue of the past. This support for IWM’s work on contemporary conflict demonstrates our role in influencing public perceptions of war and conflict, another key element of the social impact framework.

War Games: Real Conflicts | Virtual Worlds | Extreme Entertainment

The UK’s first exhibition to explore what video games can tell us about conflict, *War Games: Real Conflicts | Virtual Worlds | Extreme Entertainment* was an exhibition at IWM London which sought to challenge perceptions of how video games interpret stories about war and conflict through a series of titles which, over the last forty years, have reflected events from the First World War to the present. The purpose of the exhibition ties in strongly to the museums goals of encouraging reflective behaviours and considering different perspectives.

IWM introduced a survey for the War Games exhibition to test a set of learning outcomes specific to the topic and goals of the programming using the following statements:

- “My visit helped me to think about the connection between war and video games from a perspective I hadn’t previously considered.”
- “This exhibition helped me to consider how video games can illustrate the impact of conflict on individuals.”
- “This exhibition helped me to consider how video games have impacted modern conflict.”
- “This exhibition made me think differently about how video games can portray war and conflict.”

As of late April, the survey showed that the exhibition has thus far been shown to be most successful at demonstrating how video games can illustrate the impact of conflict on individuals. More than 40% of visitors strongly agreed that IWM inspires debate and discussion around war and conflict, a key goal of this ambitious project in particular.

4.2.5 IWM Institute

The IWM Institute for the Public Understanding of War and Conflict was founded in response to research conducted by IWM in 2016. The study looked at public perception of war today, investigating our audiences’ knowledge of recent complex conflicts, and other factors such as the presentation of war in the news cycle. Their guiding principles include many opportunities to use the Framework, particularly their focus on thought leadership, public connection, and academic partnerships.

The IWM Institute have worked to include the Social Impact Framework throughout their evaluations in 2022-2023:

- **Leading Debate and Discussion:** The Conflict of Interest podcast, which launched in 2021 and was renewed for an additional series in 2022, seeks to build understanding and the confidence to have these conversations among members of the public. The average follower listened to more than 75% of the podcast and 50% per cent of listeners on Spotify were between 23 and 34 years of age. The IWM Institute also hosted a series of live events and symposiums, including *War Games Live*, of which 76% of audience members agreed with the statement 'the IWM Institute produces events that inspire discussion around important contemporary issues' and 84% agreed with the statement 'I felt empowered to share my new insights with friends, family and colleagues'.
- **Influence and Research:** IWM Institute champions ground-breaking research projects, such as Provisional Semantics, a collaboration between Tate, National Trust, Imperial War Museums, and the Decolonising Arts Institute at the University of the Arts London exploring how museums and heritage organisations can develop ethical, equitable, and transparent readings of the objects they hold. This work pushes the boundaries of our understanding of war and conflict and enable us to better understand our collections. Our research projects often have strong public outputs which give our audiences an insight into our academic research. For example, as part of Provisional Semantics several photographs from IWM's collection were analysed and recaptioned by a group of expert consultants who worked with IWM staff members on the project. These photographs and their new, recontextualised captions are now available to view on the IWM website.

5. Deliver effective stewardship of our collections

5.1. Collecting Strategies

Our Collections Information is the raw material through which we tell stories, uncover histories, make connections between the past and present, offer digital content, prepare public programmes, engage audiences, serve commercial customers, and preserve and manage our collections over the long-term.

Our Collections Information Strategy reaches across four strands:

- Information for Access and Inclusion: to open up our collections so our audiences can feel the scope, scale and impact of our collections and care about the stories we tell
- Information for Knowledge Management: in order for our staff to have the information they need to work with the collections and work with the data confidently
- Information for Commercial use: so our customers can easily select content from our website and know how to use it
- Information for Governance and Stewardship: for our stakeholders to see the outcome of our stewardship activity.

As an organisation we have a responsibility to improve diversity, access and inclusion. Our work will ensure that our collections represent our audiences and tell the diverse stories they want to hear. We will achieve this through realising our Collections Development Strategies.

Our Collecting Strategies inform our collections priorities. These strategies cover respectively the First World War and Early Twentieth Century Conflict, the Second World War and Mid-Twentieth Century Conflict, Cold War and Decolonisation, and Contemporary Conflict. The strategies are tailored to suit the needs of each collection although they all share common values.

5.2. Digital Futures

Digital Futures is a five-year project digitising 2.1 million items across our photographic, film and sound collections. This mass preservation project informs the digitising of some of our most vulnerable media from the Cold War era, aligning preservation priorities with the Digital Transformation Strategy. In 2022-23 over 650,000 photographic negatives, 1,500 videotapes, and 1,200 film reels were digitised as well as 16,000 pages of the War Artist Archive and 79,000 pages of the accession registers. Some of the collections digitised this year include British official photographs of British forces in Libya in the 1950s and 1960s and British Army of the Rhine in the Verden sector of Germany in the 1950s.

The Gerry Holdsworth Trust funded digitisation of Special Operations Executive collections material which was completed during the course of the year. The next stage is Data enrichment which is scheduled for 2023-2024.

5.3. Collections Management

Our collections management approach is responsive and dynamic. In the past year, despite the challenges, we continued to conserve and care for our world-leading collections and to make those collections 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.

Both the Estates and Collections Storage strategies are integral in the caring for our vast collection. We constantly monitor environmental conditions and conduct suspension checks on items routinely. We keep an effective inventory of our collections and their condition.

5.4. 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 2022-2023:

Baby's dress made from architectural tracing linen

This dress was made by Hilda Huitt in 1943 and worn by her daughter, Rosemary Phillips, as a baby. The tracing linen was acquired by Mrs Huitt from her husband, Walter Huitt, who worked as a civil engineer at Battersea Borough Council. The tracing linen was normally used for architectural drawings.

The dress is accompanied by photographs of the family, including photos showing the donor wearing it as a baby. It is an excellent representation of the 'make do and mend' culture promoted during the Second World War, and the ingenuity of civilians when it came to strict rationing, making use of materials wherever they could be found. IWM does not currently possess any wartime clothing made from this type of material, and has limited handmade baby clothing.

Krystyna Dabrowska's KZ dress

The addition of Krystyna Dabrowska's KZ dress to IWM's accessioned collection greatly improves the museum's ability to effectively tell personal stories relating to women prisoners in the Nazi concentration camp system. Krystyna, whose family was active in the Polish Resistance, was arrested in August 1944. She was held as a political prisoner in a sub-camp of Auschwitz, then in Ravensbrück and finally in Buchenwald.

The majority of concentration camp clothing held by IWM was worn by men and is unprovenanced, so with no personal story. The acquisition of Krystyna Dabrowska's dress is a major step towards addressing these imbalances in this area of IWM's collections. The dress was donated by her daughter.

Interview with Ruth Hill

Over a million British children were evacuated from cities during the Second World War. Most were taken in by families and treated well, but others had harder experiences. Ruth Hill was four years old at the start of the war and was evacuated from London to Devon. Despite being from a Jewish family she was placed with a Church of England family who tried to convert her. Her mother, who had just had another baby, took her back and then placed her in a home for waifs and strays in Leamington Spa, the only place which responded. This interview, which was conducted by her niece, Judith, shows the difficulties faced by Jewish children placed with non-Jewish families in trying to retain their religion and culture, and while IWM has a large number of interviews with Jewish children, largely from the Kindertransport, we have fewer with British children from Jewish families.

Exhaustion - Royal Marines flying into Lashkar Gah, Afghanistan, December 2006

One of a series of watercolour drawings made by artist Gordon Rushmer documenting the experiences of the Royal Marines on Operation Herrick 5 (2006-2007). The series, all of them donated to IWM, was begun in pencil by Gordon in the field and completed shortly afterwards. Gordon was given full access to the Marines during this tour, in which they were responding to the Taliban threat by trying to remain mobile around Helmand. Gordon's drawings capture both the striking landscape and, as in this instance, quiet moments within the noise and chaos of conflict.

Private Papers of J Livesey

These papers are an excellent record of J Livesey's daily experiences on the Western Front in the First World War, with a focus on the environmental impact of the war. His discussions, observations and interest in the sources and waste of energy in the conduct of the war make this collection significant. The collection also comprises material relating to his post war employment in engineering and his role as an ARP warden during the Second World War which makes for a complete life story.

Aluminium Fragment

An aluminium fragment identified as having been part of a V2 rocket, which exploded in Lewisham, south London, in September 1944. The fragment struck Eric Horne, then aged 14, in the face and became embedded. The fragment remained undetected until it emerged from Mr Horne's face in 2021.

Cockpits from both a Vickers Valiant B1 and a Handley Page Victor K2

These came to IWM from private collector, Nigel Towler. These cockpits will undergo restoration work in the Conservation In Action hangar in preparation for public display at a later date, recognising Mr Towler's ambition to see these objects exhibited in a national museum.

5.5 Afghanistan: Voices of Service

This year the Afghanistan Veterans Fund was awarded to the Office for Veterans' Affairs following the events in Afghanistan in 2021. The Fund aims to increase initiatives that support the Armed Forces and wider veterans' communities who have been impacted by the events in Afghanistan following the withdrawal of troops in August 2021. A grant was awarded by the Fund, and supported by the Armed Forces Covenant Trust, to the King's Centre for Military Health Research at King's College London to work on a new project with members of IWM's Contemporary Conflict team called Afghanistan: Voices of Service.

The team started working on the two-year project in August and recorded oral history interviews with current and former service personnel about their deployments to Afghanistan between 2001 and 2021. One oral history of a family member of someone who had been deployed to Afghanistan was recorded and there are plans to do more of these in the future.

Whilst we already record oral history interviews with individuals, this project has been an opportunity for us to step up our existing programme of interviewing and hopefully target gaps in our collection relating to the War in Afghanistan. We hope to record 100 oral history interviews and expand our network for future collecting. We also plan to offer some interviewees the opportunity to take part in IWM's *We Were There* programme to share their lived experiences with our visitors.

5.6 Collections Access and Research

Demand for access to the collections continues to be strong. The Archive and Research Room continued to be open three days a week throughout the year. From July 2022, we extended the opening times until 4pm and from March 2023 we have opened 15 slots instead of 9. This has reduced the waiting times from three months to four weeks. From April 2022 to March 2023, we received 1,050 bookings requests in the Research Room and 605 unique visits.

Over the past year we have piloted a project to provide access to some 3D objects and artworks as part of our aim to develop a one-stop-shop for access to all the museum collections, and we have continued to improve our pilot system to enable access to born-digital content.

There have been a number of museum-wide initiatives, including One Customer Journey board, Standard for Good Records project, and Collections Management in Practice days.

In the autumn a comprehensive survey about the IWM Research Room and Services was conducted among current users. The survey was sent out to 1,113 people who have used the Research Room since the museum reopened in May 2021. It was also publicised in the Research Room and via the Membership and Subject Specialist Network newsletters. The response rate was 30% and the survey has provided the Institute with a wealth of useful quantitative and qualitative data to understand how current users experience and perceive different aspects of the service, what the main barriers are, what they value the most about our current provision, and what improvements can be made to enhance the user experience. The data is being thoroughly analysed to elaborate an action plan for implementing improvements in the short, medium and long-term, and will also feed into the planning for the future Research Centre.

Work also started on scoping IWM's requirements for improved research facilities and services to enhance access to all the museum collections and support a strong research culture at IWM. As part of this ongoing work a Programme Board reporting to the Masterplanning Board has been set up, and an options appraisal on potential locations for the new facilities was also conducted.

6. Prioritising our audiences

6.1. Digital Audiences

Throughout the period we found new ways to reach our audiences through our digital programming and digital channels. Our website had an increased its reach with nearly 20 million unique visits. Our in-branch experiences continued where possible, and we worked to adjust our programme to maximise visitor numbers.

Between April 2022 and March 2023, our YouTube channel achieved 48.3 million views with 4 million hours of watch time. In the year we added 184,000 subscribers, bringing us to a total of 373,565 subscribers. Over the year we published 34 videos. The most viewed videos in that period were:

- *Falklands episode 3: Air war*: 3,129,058 views and 8,600 new subscribers.
- *What happened to the Air war in Ukraine?:* 1,712,663 views and 3,002 new subscribers.
- *Falklands episode 4: Land war*: 1,683,575 views and 4,296 new subscribers.
- *Russian tanks aren't obsolete. They're being used wrongly*: 1,593,847 views and 3,430 new subscribers.
- *Why have Ukrainian ATGMs destroyed so many Russian tanks?:* 1,426,794 views and 1,817 new subscribers.

6.2. Hurricane, Unsung Hero

A spotlight exhibition, *Hurricane: Unsung Hero* was held from December to February to showcase one of the Second World War's most hard-working fighter aircraft, the Hawker Hurricane. Often overlooked in favour of the Spitfire, the Hurricane accounted for sixty percent of air victories in the Battle of Britain.

With only fourteen airworthy Hurricanes remaining in the world, visitors were able to get up close to seven examples, brought together under one roof for the first time.

There were also a number of commercial talks and tours which were made available during the exhibition including a series of fascinating lectures with IWM experts, Hurricane pilots, veterans and others about the history and heritage of the Hurricane.

6.3 IWM History Festival

The inaugural IWM History Festival took place on Saturday 25 and Sunday 26 March at IWM Duxford. The two-day festival showcased IWM's collection of historic items alongside the expertise of IWM curators, book signings from leading historical authors, object handling sessions and the opportunity for visitors to engage with veterans of conflict.

IWM's own curators led talks on topics such as HMS Belfast and the Arctic Convoys, Black Americans in Britain during the Second World War, and behind the scenes of Churchill War Rooms. Other events included the opportunity to get up close and look inside the cockpit of the Avro Lancaster and Spitfire N3200, as well as the special screening of the film, *The Battle of the Ancre and Advance of the Tanks (1917)*, showing the struggle of the British Army against the

Germans in 1916. Visitor feedback was excellent, with the post-event survey seeing visitors score the event at 4.5 out of 5, which shows that the public appetite to engage with us is extremely strong. Some of the feedback received included:

'Really well curated, with relevant and interesting speakers and topics. It was also a great opportunity to network with like-minded people – excellent'.

'Excellent guest speakers. Spitfire talk, Damien Lewis talk and Parachute Regiment talk outstanding'

6.4 Holocaust Learning

The Holocaust Learning Programme at IWM London is an important part of our work as we support students visits through our Holocaust Galleries. Take up of these sessions has been extremely high this year and we have increased the number of sessions through the year.

Staff continue to collaborate externally with the wider Holocaust Learning sector. We delivered a teacher training CPD day in partnership with Facing History and participated in events, including a workshop on digital Holocaust education at the University of Sussex, and a roundtable discussion organised by the British and Irish Association of Holocaust Studies. We undertook a research visit to the International School for Holocaust Studies at Yad Vashem, as part of a grant from the International Council of Museums and met with several colleagues from across the UK and internationally.

"I believe that this learning programme is not just about visiting the exhibition. It's aiming higher and it should become a part of students' Holocaust education in the UK." – Secondary School Teacher, West London

"As each new generation learns about the Holocaust, there is a risk that the scale of the horror is diminished by the passing of time. I found the new IWM Holocaust Galleries profoundly moving. They tell a story of unimaginable mass murder and suffering through the voices of victims and survivors. The exhibition is humbling, powerful, human and vital." - Amanda Spielman, Ofsted Chief Inspector

6.5 Family activities

During school holidays, we ran a new activity in the learning centre at both IWM London and IWM North where families learnt about Civil Defence in the Second World War and various Home Front Volunteer roles. Visitors were engaged in a range of activities across the learning rooms to meet different learning styles and engagement levels. These include video, acetates on light boxes to look at blackouts, a puzzle map, aircraft spotting flash cards, and ARP themed memory cards. Once families have learnt more about these volunteer roles they are then invited to design and make a badge or fabric armband (or both) to take and wear.

The make and take element was hugely popular and the pleasant family-friendly atmosphere created in the learning centre saw high dwell time. We also invested in some Under 5's toys to keep younger siblings entertained which was very well used and commented on in feedback forms: *"I appreciated the toys on the carpet for younger children too!"*

We continued our family *We Were There* days at IWM London and IWM North, HMS Belfast and IWM Duxford, with Veterans and eyewitnesses to conflict engaging with families to share their stories on gallery.

At HMS Belfast we have run *Find your Sea Legs* with Ben Shires, created specifically to explore how STEM (Science, Technology, Engineering and Maths) has impacted real people and the causes, courses and consequences of conflict.

At IWM Duxford we ran *Spitfire Engineers*, a family activity to learn about aircraft used in the Cold War. In the American Air Museum we ran *Cockpit Control*, a fun and interactive family game based on the technological developments seen in the American Air Force in the late 1940s. Through this activity, families learned how engineering and maths helped cockpit designers improve flight safety and open opportunities for future pilots.

7. 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.

7.1. IWM Institute

The IWM Institute is IWM's development and knowledge exchange hub, which explores the connections between past conflicts, today's world and future wars and conflicts. It enables IWM to reach different audiences on high profile platforms and increases our profile in research and academic circles.

On 1 November *Ukraine: A Modern War* was broadcast live on Sky News from the Roof Terrace at IWM London. The event was held in partnership with the IWM Institute. Sky presenters and correspondents, who have been on the frontline throughout the conflict, were joined on the panel by IWM Principal Curator (Narrative) Carl Warner. Ukraine's Ambassador to the UK, Vadym Prystaiko, was among the 150 stakeholders and guests who attended the event. The event was a success and an example of working in partnership across teams internally and with external partners.

The Institute *Conflict of Interest Podcast*, Season 2 was released in April and May of 2022. In each episode celebrities ask the simple questions about the world's most complex conflicts from the Cold War-era. Questions such as: Who was fighting in Vietnam? What was the Malayan Emergency? Why is Korea divided between North and South? Guided by an IWM curator, each celebrity is taken on a journey through IWM London and HMS Belfast, discovering the objects, people and stories which bring a conflict to life.

A bonus episode of the podcast was released in August 2022 focusing on the history behind the conflict in Ukraine. It explored Ukraine's recent past, from the collapse of the Soviet Union to Russia's annexation of Crimea with guests including comedian Sophie Duker, Ukrainian journalist, expert and activist Olga Tokariuk, academic and historian Samir Puri, and senior IWM curator Carl Warner.

We also held an internal Symposium for IWM staff. Speakers included Yuliya Vaganova, acting Director of The Bohdan, and Varvara Khanenko, National Museum of Arts in Kyiv, renowned war reporter and IWM Associate Christina Lamb, and Anastasia Taylor Lind, internationally renowned photojournalist for IWM's '*Ukraine: Photographs from the Frontline*' exhibition. The Symposium also included a presentation from Louise Skidmore (Head of Contemporary Conflict at IWM), Chris Phillips (IWM Associate, Reader in International Relations at Queen Mary University of London, and Associate Fellow at the Chatham House MENA programme) and Emily Tan (formerly IWM Exhibitions) on IWM's previous Syria exhibition.

7.2 Access and Inclusion

IWM is committed to creating an environment characterised by good relations between its staff, volunteers, and visitors and to the promotion of tolerance and mutual understanding.

IWM has begun an Inclusive Terminology project, which forms a significant part of the Collections Information Strategy. This follows work to review the data and information on

Collections Online - this work demonstrated that our collections information contains language and terms which reflect the times in which they were created, and that additional interpretation and descriptions must be given to ensure it is accessible and inclusive for our audiences. The Inclusive Terminology project will seek to address this, helping IWM to make finding collections items to research and use an easier process for our audiences as well as to ensure users are offered historic context for language now perceived as being prejudiced.

We have trained our access and inclusion champions in preventing everyday racism. Staff continue to be able to attend training on Access and Inclusion, and this training has begun to be rolled out to all volunteers across sites.

In July we opened new Quiet Spaces at IWM London, IWM North and IWM Duxford. These are neutral spaces which can be used by people of all faith groups or non-religious people who require a quiet reflective space. We recognise that prayer, meditation, and quiet reflection may be performed in different ways within different faith traditions and people's beliefs. We also recognise individuals that may require a quiet place to regroup during the day. The rooms may be used for people to sit and contemplate, pray, to support personal management of mental health, neurodiverse conditions or other sensory needs, or to take a few moments to de-stress from a busy day. The spaces may also be useful for people who are affected by some of the content displayed at our branches. The rooms are available to visitors during public opening hours and to staff and volunteers during normal working hours. They include soft seating, small tables, coat hooks and shoe racks and they are also fully accessible.

We received funding for a changing places toilet at IWM Duxford, which will be built in 2023.

Our Public Engagement and Learning team has made a number of changes to be more accessible and inclusive and to provide for visitors with additional needs. At IWM London, Documentary Challenge is currently being evaluated with SEND (Special Educational Needs & Disabilities) schools in London, funded by the Kusuma Trust. During the October half term some of our Camouflage Unit Camp Live Shows were British Sign Language (BSL) interpreted. For the Holocaust Learning Programme at IWM London we have introduced ear defenders for students to use, additional large print text guides, and pre-visit resources such as a 'What to expect' film and a downloadable map of The Holocaust Galleries (specifically designed for teachers to outline both sensitive content and sensory information). At IWM North, we provide SEND kit bags with resources to support schools and family visitors with additional needs.

We undertook evaluation to investigate and research the current suitability of IWM's offer of Documentary Challenge for a wide range of SEND schools audiences, with the goal of redeveloping the programme and making the session more accessible and inclusive. We did this through inviting in SEND learners to take part in the session and provide evaluation feedback. The Social Impact Framework was used to define and measure our objectives. An evaluation was carried out with 24 school groups, 20 invited SEND groups and 4 mixed groups (SEND and non-SEND). The final evaluation and findings will be completed by August 2023.

7.3 Awards

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

- Museum and Heritage awards, Permanent Exhibition of the Year: Winner Second World War and Holocaust Galleries
- Museum and Heritage Awards, Marketing and Communications Campaign of the Year: Winner IWM New Galleries
- Design Week Awards 2022, Exhibition Design: Winner Casson Mann, for the design of the Holocaust Galleries
- Sprit of Manchester Awards 2022, Volunteer of the Year: Winner IWM North Volunteer Steve De Asha
- Teach Secondary Awards 2022, Continuous Professional Development for Teachers: Winner IWM Let's Talk about Empire and Conflict
- Marsh Charitable Trust/British Museum Volunteers for Museum Learning Awards. Regional Awards: Joint winner North West, IWM North We Were There volunteer team
- National Apprenticeship Awards, Apprenticeship Employer of the Year: Highly Commended IWM Research Room
- National Apprenticeship Awards, Apprentice of the Year: Shortlisted Zoe Melabianaki
- School Travel Awards 2022, Best Museum Visit: Imperial War Museum London

8. Increasing our financial sustainability

8.1. Digital transformation

We are continuing to accelerate our digital transformation programme as fast as is feasible with current resources. Key systems within the scope of the plan include ticketing, e-mail marketing, commerce, and finance. The overriding goal is to deliver new and integrated systems, creating more consistent offline and online experiences which aim for a clear, measurable impact on both revenue and customer satisfaction. Efficient, streamlined systems are crucial to enabling IWM to be financially sustainable. Our first phase of the programme focuses on developing the foundations of the infrastructure.

At the end of the financial year, we launched Dynamics 365 Finance across IWM. This new finance system replaced our current systems of PS Financials, Soprano and Websys for all IWM legal entities. The administration of financial data from memberships, ecommerce and donations will also migrate to the new system for ease of use, communication and data collation, in due course. We have agreed a new payment provider that supports the development of new IWM ticketing systems, the contract for which has now been signed.

8.2. Managing our estates and infrastructure

With help from the Public Body Critical Infrastructure funds from DCMS we have been able to make some significant progress on over 20 projects across the estate. This includes the replacement of oil-fired heating at IWM Duxford and other infrastructure work. 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 Estates Strategy supports IWM's purpose and strategic objectives in keeping the estate in good stead for the future. We need to maintain our estate effectively, so it is efficient and that our solutions for maintaining our infrastructure are for the long term.

We have utilised the Estate Principal Support Provider (PSP) consultant framework to manage the planning and delivery of a complex array of programmes and projects. We have begun comprehensive lease review work at IWM Duxford supported by a professional commercial property surveyor.

8.3. Duxford Air Shows

The Duxford Summer Air Show took place across the weekend of 18 and 19 June, attracting almost 17,000 visitors to IWM Duxford. The weekend featured thrilling flying displays, and a number of new activities also took place on the ground, including a traditional steam fun fair and Zoo Labs (animal and reptile handling).

The Battle of Britain Airshow was held on 10 and 11 September and the event featured flying displays including the world's only two-seater Hurricane and airworthy Bristol Blenheim. Visitors were able to enjoy 1940s music, living history groups recreating life on the home front during the Second World War and a traditional steam fairground. They also had access to the exhibitions

and hangars at the site. The air show adapted appropriately as a tribute to mark the passing of Her Majesty The Queen. It was a poignant and respectful air show, opening with a two-minute silence which was broken by a lone Spitfire doing a victory roll over the airfield. Over 27,000 visitors attended the weekend, appreciative of the adapted programme.

The Membership team were able to spend valuable time with the hundreds of IWM members that they welcomed to the Members' Area during the air shows. They are an opportunity to learn more about what they love about IWM, what motivates them to continue supporting us, and what we can do to ensure their continued loyalty and member retention.

8.4. Volunteers

Our Volunteer Engagement strategy is an important part of helping deliver the goals of IWM within a financially sustainable environment, and engaging our audiences in the most impactful way possible.

Our volunteer work is split into four key areas:

- Generalist: focused on delivering an enhanced, positive and consistent visitor experience
- 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 received the support of an average of 1,049 volunteers working across our five branches and digitally. Their valuable contribution amounted to a total of 69,218 hours, which equates to the time equivalent of around 38 full time posts. We have successfully recruited 354 new volunteers across the year and said farewell to 139. Front of House Discover Volunteers have clocked 564,140 interactions with visitors and our Dazzle Volunteers have delivered 4,839 hours of free 10-minute talks and activities to our visitors.

This year we have introduced several new volunteer roles in our Digital and Technical areas and are piloting additional roles to promote and support membership and retail. Our primary focus for our next recruitment push will be for holiday and weekend volunteers as this remains an area with gaps across all our sites.

Volunteer training and development opportunities to improve engagement and retention is an area we have focused on this year with the reintroduction of regular onsite and online coffee mornings; shared learning opportunities with IWM colleagues; and reciprocal visits with leading heritage and cultural institutions.

9. Future strategic direction

Our latest Corporate Plan (CP23), covering the four financial years April 2023 to March 2027, enables IWM to take forward the delivery of our strategic objectives as we enter a transitional period. Our plan addresses IWM's key risks, including the continuation of our recovery from the pandemic, the effects of the war in Ukraine, and the ongoing economic challenges facing the UK. The Corporate Plan 2023-2027 is a holding plan to reflect that the 2023-2024 financial year will be a time for change at the museum. We welcomed a new Director-General, Caro Howell, in May 2023.

In anticipation of the change in leadership, to help underpin our financial recovery and support our people, collections and estate, we will continue to adopt a more agile business model over this plan period. This will mean we will have a more flexible approach to resourcing, keeping fixed costs to a minimum level and being able to adapt to changing circumstances more readily. We have a specific focus on increasing our support from unrestricted fundraising.

Growing income and delivering a great experience remain our priority. This cannot be done without creating a good understanding of our audience and delivering products and standards that we know they want. Therefore, building further insight into our audiences, including visitors to our branches, customers, members and researchers, is an important focus of this plan. IWM will develop the right products that reflect our brand and values to enhance our visibility and aid understanding of our cause. The more our products build an understanding of an emotional bond with our cause, the greater the benefits will be for brand, audience and our income.

We will implement an Audience Growth Strategy which will benchmark and improve the methodology for collating data and data insights, enabling IWM to set and deliver clearer and more accurate targets. This is alongside our ambitions to continue to embed our evaluation strategy and social impact framework to ensure we also understand the impact of our programming, together with the performance of our branches and digital platforms, for our audiences. These insights will inform our decision making as we strive to become a data driven organisation.

The IWM Institute will continue to commission research projects and programming that examine global issues in innovative ways. Our public programming seeks to deliver the most powerful experiences possible for audiences across IWM. We want to be a key driver in ensuring that IWM's voice is relevant and resonant for the new audiences we need to sustain our future. Through topics that connect broadly, such as spying, Empire, and mental health, and with an approach that uses immersive design, striking object display, interactivity, and personal stories, we will create sector-leading, memorable experiences for audiences. Alongside this, we will deliver a programme that grows IWM's reputation as a thought-leader for all issues around conflict. Topics including Northern Ireland, the Russia-Ukraine war and sexual violence will examine global issues in innovative ways, providing audiences with a trusted voice to navigate and be active in these challenging conversations, and delivering our social impact agenda.

The new Blavatnik Art, Film and Photography Galleries will open in IWM London in November 2023. These ambitious galleries will showcase our world class art, photography, and film collections in a new way, exploring how artists, photographers and filmmakers together bear witness to, document and tell the story of conflict, and demonstrate how artistic interpretation can

uniquely shape our understanding of war. New acquisitions will be exhibited alongside renowned works from IWM's existing collection, including *Gassed* by John Singer Sargent, *They Shall Not Grow Old* by Peter Jackson and Steve McQueen's *Queen and Country*.

At IWM Duxford we will deliver our ambitious plans to develop new experiences and exhibitions across the site, with scene-setting AV, powerful storytelling, and a people-centred approach. We are grateful to the Garfield Weston Foundation for a donation towards our IWM Duxford Playscape. The Playscape will be a standout play experience for children, which will support the growth of family visits to IWM Duxford. Through the better use of the site's open space, the Playscape will be a sector-leading inclusive play experience that will engage children and their families with the history and adventurous spirit of the site. The project has been designed with inclusive play opportunities in mind from the outset and will closely link to the themes and learning found within our exhibitions. For example, through an interactive puzzle children will be able to set a flight path for our playful plane and see examples of radar and weather maps. The IWM Duxford Playscape will attract families, who will also interact with our world class heritage, education, and exhibitions, creating an exciting and memorable day out for children and encouraging the next generation of museum visitors.

We will develop the programme at IWM North with profile and audience as key drivers. *Ukraine: Photographs from the Frontline* has further demonstrated that programming drives audience numbers to the branch. We hope to innovate with our programming approach with an exciting partnership project in 2023 that explores the Russia-Ukraine war through how it has been reported on social media, zooming in on the experiences of individuals living with the consequences of this conflict. We will also continue to upgrade the content and experience in the IWM North Main Exhibition Space to create change that appeals to local audiences. We will redo the family-friendly Action Stations, a series of interactive exhibits that are beyond end of life. We will also replace outdated content in the silos with new research and stories, beginning with the Empire Silo. We will look to improve the visitor experience through improving the entrance experience, wayfinding and exploring the potential of the Big Picture Show to push new boundaries. IWM North will also see the introduction of the new artwork *Man on Fire*.

On HMS Belfast, we plan to deliver the next phase of the interpretation refresh in 2026. The next phase involves upgrading the experience in the forward superstructure, creating new interpretation for cabins, bridges, and across the boat deck and developing unmissable family friendly moments through immersive experiences. We will continue our approach to repopulate the ship with stories of people who worked onboard. The approach will be anchored by the principle of 'in this place, at this time'. These changes will improve the experience greatly, particularly for families, and enhance its reputation of a great day which is value for money.

At Churchill War Rooms we will invest to ensure a world-class visitor experience is sustained into the future, upgrading experiences and spaces. Our next focus will be a funded project to deliver a new entrance experience that creates more of a sense of drama on arrival.

We have a Digital Transformation plan in place. This will support us to engage with a wider and more global audience, and to provide excellent visitor and customer experience. We will continue with this, as fast as our resources will permit.

As ever we will continue to meet our compliance and statutory requirements as an organisation. We will prioritise resource to strive to optimise our mitigation of the threat to our cyber security.

IWM's success during the coming years is dependent on building our financial sustainability, growing our audiences, and supporting our staff to deliver our ambitious objectives.

10. Key supporters in 2022-23

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

- Art Fund
- Arts and Humanities Research Council
- Ministry of Defence
- National Lottery Heritage Fund

Trusts and Foundations

- The 29th May 1961 Charitable Trust
- The Adrian Swire Charitable Trust
- Blavatnik Family Foundation
- The Chaya Charitable Trust
- Clore Duffield Foundation
- David Lean Foundation
- The David Pearlman Charitable Foundation
- Dr Scholl Foundation
- The Finnis Scott Foundation
- The Foyle Foundation
- The Gerry Holdsworth Special Forces Charitable Trust
- The John S Cohen Foundation
- The Laurence Misener Charitable Trust
- Lloyd's Register Foundation
- The Lovington Foundation
- Moynitrust
- The Robert Gavron Charitable Trust

Corporate

- Avalon Aero
- BAE Systems
- Bedfordshire Police Sports and Social Club
- Bloomberg Philanthropies
- Cambridge Police Federation
- Derbyshire Constabulary Sports and Social Club
- Essex Police Sports Association
- Herman Miller
- Hertfordshire Constabulary Sports and Social Club
- John Lewis Partnership
- Jotun Paints
- Little Greene Paint Company
- Marshall Sports and Social Club

- Rebellion
- Sharp UK
- World of Tanks
- ZE Global

Individuals

- Mr Robert Zarnegin
- Ms Gwendoline Harvey – In memory of
- Mr Andrew Wiseman – In memory of

Chairman's Circle

- Ms Karen Cook
- Ms Leonie Schroder

Patrons

Exhibition Circle

- Mr John and Susan Apletree
- Dr Stuart and Clair Blackie
- Mr Douglas and Maxine Blausten
- The Hon Nigel Boardman
- Mrs Rae Byrne
- Mr David and Madeleine Cannon
- Sir Robert Crawford CBE
- Lord Duxford
- Ms Jane Frost CBE
- Mr Marc Hanson
- Mrs Clare Jakeman
- Dame Judith Mayhew Jonas DBE
- Mrs Suzanne Marriott
- Mr Jonathan Lett and Ms Fiona Percival
- Mr Timothy Robertson
- Mrs Elisa Segrave
- Mr Richard Smith-Morgan
- Dr Hilary Spencer and Mr Geoff Dawson
- Mrs Ann Stanton
- Mrs Kathryn Uhde
- Mr Mark and Rosamund Williams

Learning Circle

- Mr Ian Baggs
- Mr Jeffrey and Elizabeth Boyling
- Mr Brendan Finucane
- Mr Anthony and Maureen Hall
- Professor Margaret MacMillan
- Mr Calum and Mrs Lorian Mercer
- Dr Gary Pasternack and Michelle Pasternack
- Dr Paddy Walker

Conservation Circle

- Mr Romen and Brigid Bose
- Mr Geoffrey Mansfield
- Mr Nigel Towler
- Sir Guy Weston

Curator's Circle

- Mr Julian Schild and Victoria Brahm Schild

11. Financial Review

During the 2022-23 financial year, our branches saw a substantial recovery in visitor numbers, reaching nearly 2 million, which accounted for 80% of the visitation in 2019-20, the year before the pandemic. Despite this, our admission income surpassed the income recorded in 2019-20 by 18%, thanks to a combination of price adjustments and a shift in the profile of our visitors.

IWM approached the five-year budget set in 2022-23 with caution, acknowledging the challenges in assessing the appetite and means of our audiences to visit our museums. Surpassing our visitors' annual budget by 24% allowed us to allocate additional investments to targeted initiatives throughout the year.

The financial statements of IWM include the grant-in-aid received from the government, as well as the consolidation of the commercial and learning activities carried out by the IWM Trading Company. For further details, please refer to the Consolidated Statement of Financial Activities on page 78. These accounts adhere to the provisions outlined in the Charities Statement of Recommended Practice (SORP) 2019.

The net resources for this year, after accounting for depreciation but excluding revaluation changes, showed an inflow of £12.894 million, representing a year-on-year increase of £4.178 million. In the previous year, the funds had increased by a total of £6.433 million. This movement consists of a decrease in net unrestricted funds of £1.662 million, after transfers, and an increase in restricted funds of £5,840 million.

Income from unrestricted funds has experienced a significant increase of £8.171 million compared to 2021-22. Within this, income from admissions has risen by £8.857 million, reflecting a remarkable growth of over 137% year-on-year. The primary contributing factors include the reopening of all IWM branches for seven days a week at the start of the financial year, with all Covid safety restrictions lifted. Additionally, IWM successfully negotiated a refund of its Business Rates paid since 2017, which is recognized as external funds within the unrestricted funds.

Grant-in-Aid income received from DCMS is divided between revenue income (unrestricted) and capital income (restricted). Overall, the revenue grant-in-aid income decreased by £8.180 million compared to 2021-22. However, IWM benefited from additional recovery funds amounting to £4.958 million in 2022-23 as a result of the ongoing Covid situation. DCMS also allocated a Public Body Infrastructure Funds (PBIF II) of £27.75 million to IWM for the period of 2022 to 2025, of which £6.25 million was received in 2022-23.

Restricted funds income comprises the DCMS PBIF II grant and donations specifically designated for projects such as the Arts, Film, and Photography Galleries. The restricted funds increased by £6.230 million from 2021-22, totalling £16.074 million.

Unrestricted expenditure has increased by £10.809 million compared to the previous year, primarily due to the resumption of all exhibitions and commercial activities. Restricted expenditure remained at the same level as in 2021-22. The total expenditure amounted to £60.171 million, representing a 20% increase from the previous financial year.

Overall, the level of funds carried forward at 31 March 2023 increased by £14.671 million, compared to an increase of £5.671 million in the previous year. The revaluation of fixed assets showed a gain of £1.777 million as assessed at 31 March 2023 (decrease of £3.045 million in the previous year).

11.1.Going concern

The accounts have been prepared on the going concern basis. Under Section 2 of the Imperial War Museum Acts, 1920 and 1955, IWM 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.

Alongside this, Trustees have reviewed the new four-year Corporate Plan for 2023-27. The trajectory of the Plan sees income levels recovering in 2022-23 to pre-Covid levels with some significant pressures still on the expenditure due to the high inflation and impact on salaries and utilities. In response to this, we have built scenarios to assess measures that could be taken would the projections worsen. The measures would be of last resort but does provide additional contingency. We have also prudently decided to review our financial position in full at the halfway point of 2023-24 and if the finances allow, we will be able to allocate additional funding for the next tier of priorities that has been agreed in the planning process but not funded at present.

The reserves built in 2022-23 financial year will be able to weather the remaining challenging next three years in the Corporate Plan.

Taking into account the government funding support, the new business model and its principal risks, IWM's Trustees have a reasonable expectation that IWM will continue in operation and meet its liabilities as they fall due over the next five-year period of this assessment.

11.2.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. We will increase our reserves primarily by:

- Building unrestricted income through increasing visits to our branches

- Creating a financial return from our increased engagement digitally
- Developing unrestricted fundraising
- Achieving a greater financial return from our estate and
- Maintaining control of our cost base to core levels with greater flexibility in our resourcing.

In addition, IWM has a contingency plan to provide for a fund of five per cent 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 three months of operational expenditure for the longer term. Currently the unrestricted reserves at 31 March 2023 amount to £20.5 million which represents 4.8 months of operational expenditure. This level of reserves has been built up to fund the budgeted operational losses anticipated for 2023-24 and 2024-25.

In order to address the financial pressures arising from the rising cost of living and the inflation, IWM will use unrestricted reserves to help meet any shortfall and provide the final element of any contingency as required. IWM budget modelling includes recovery of unrestricted reserves to the policy stated level by 31 March 2027. The plan set out to succeed in reaching this level of reserves is a combination of step changing improvements in our commercial offer providing a steady increase of our admission income from our visitors combined with benefits generated from our Digital Transformation programme.

11.3. 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 2022-23 was 85 per cent (84 per cent in 2021-22).

12. Staff Report

IWM continues on the path of delivering our ambitious HR strategy as we grappled with a rapidly changing business and economic landscape, including the impact of the conflict in Ukraine, rapidly rising inflation and cost of living, and the still ongoing impact of the pandemic. The past year also saw the highest level of resignations across UK businesses for a decade.

The number of staff leaving IWM has been gradually reducing over the last few months of the year - turnover as at March 2023 is 23.5%. In comparison with the same period last year it is 16% lower. 68% of all exits were due to resignation. The business area that experienced highest turnover is our Retail and Admission function, with average of 45% turnover rate and retention of 2.6 years.

Attracting new employees to join IWM in the midst of skills shortages and increasing competition for top talent with significant wage inflation, remained a challenge for IWM and for many other organisations. Employee headcount between the start and end of the year has largely remained the same, although we had seen reduction during the year due to higher level of resignations during the first half of the year and challenges we faced with recruiting new staff.

To attract and retain the best employees, our priorities were focused on reviewing compensation and benefits to offer attractive reward packages, to provide opportunities for career growth and development, and to create a positive workplace culture that values and recognises employees' contributions. With that in mind, we have implemented a new flexible benefits platform for IWM staff and carried out a comprehensive strategic pay review to inform IWM's new approach to total reward.

Diversity, equality, and inclusion continued to dominate our agenda in 2022. Recognising the importance of creating a more diverse and inclusive workplace, we implemented new initiatives and programmes to support this goal. This included hiring practices that promote diversity, continuing to participate in the government's Kickstarter scheme offering employment experience to young people from underrepresented backgrounds, increasing the number of apprenticeship opportunities and promoting training on inclusivity and diversity subjects to all staff.

We continue to prioritise employee wellbeing and mental health. With the pandemic and rising cost of living continuing to affect many aspects of daily life, we recognise the importance of supporting our employees' mental health needs. This included providing resources and tools for staff to manage stress, anxiety, and other mental health challenges. The amount of sickness absence per FTE employee remained lower than pre-pandemic levels for the year. There were 5.1 days of absence due to sickness per FTE (4.4 in 2021-22, 1.4 in 2020-21; 5.8 in 2019-20).

In September, all IWM staff were invited to take part in a staff engagement survey, to help us understand better what matters to them in their work and experience at IWM. The survey had a high response rate, with 80% of staff taking part. We focused on measuring the effectiveness of the Employee Value Proposition (EVP) at IWM by testing the importance of key aspects of people's work at IWM and looking at how well IWM fulfils those expectations. The results were encouraging with EVP score of 60% indicating that IWM is meeting the expectations of employees to a reasonable degree across the majority of the factors that are important to them.

12.1. Training and development

We have maintained our commitment to providing a comprehensive Learning and Development Prospectus that is reviewed regularly to ensure it aligns with the identified needs of our staff and managers.

Following the successful roll out of 'Training Sets' in the previous year, which are clusters of training courses tailored to specific roles, such as new starters and managers, we continued with this approach in 2022-2023. Our focus for the year was on expanding the range of training opportunities available through the Prospectus. The new initiatives were:

- A new bespoke 'Future First' programme of facilitated workshops for members of SMT and their teams to consider efficient collaboration, to define key priorities of their department and identify development needs required to deliver those priorities.
- A revised Induction programme
- A dedicated training programme on how to write for social media and how to comply with the policy to support the roll out of the new IWM Social Media policy
- New training for in-house project management
- Revised Safeguarding training to support awareness available via Safety Media.
- Minute taking and chairing meetings training

All staff were offered access to the Museums Association 2022 Conference following a successful trial of such approach the year before.

At the end of the year, an IWM-wide training programme was rolled out by the Finance and Digital Engagement team to support the launch of the new finance system D365 Finance. The number of training sessions delivered as part of our Prospectus remained consistent over the past year with a total of 86 sessions attended by 589 staff. This equates to an average of 0.7 days of in-house training per employee, which is in line with previous years. Overall, our staff spent a total of 343 full working days participating in in-house training via the Prospectus. Additionally, some staff also took part in external seminars, conferences, and online webinars.

IWM has sponsored external training for staff who wished to enhance their professional qualifications or acquire specific skills required for their roles. Nine apprentices have been supported throughout the year in their training and development.

In January the IWM Institute staged another instalment in our biannual series of internal symposiums for IWM staff members on Microsoft Teams. The event covered questions like 'how have cultural institutions previously told the stories of ongoing conflicts in a way that does not encroach into media reportage, and what lessons can be learned?', 'what can IWM learn from other organisations and individuals (from artists, to think tanks, to journalists, to academics) in telling the story of the war in Ukraine?' and 'what have been the latest developments in the war in Ukraine, what has IWM's approach been, and what will the museum's approach be going forward?'. It looked at a previous case study of the IWM's previous Syria exhibitions for lessons to learn going forward for future Ukraine programming.

12.2. Staff composition

In 2022-23, 55% of IWM employees were women – this was 1% increase from the previous year when 54% of the employees were women. The gender pay gap at IWM has increased in 2022, with females earning on average 9.3% less per hour than males. It was 6.2% in the previous year.

This shows an upward trend since 2020, which is a result of increased proportion of higher paid males in the upper pay quartile in comparison with increased number of females in lower pay quartiles particularly within the IWM Trading Company subsidiary: male representation in the upper quartile is at 58% and 41% in the lower quartile. The increase in hourly rate differential between males and females was observed within roles where demand has been higher after the pandemic thus attracting higher market payrates, and which are traditionally occupied by males – IT, digital and facilities management. Concurrently, we had higher number of females employed in the lower two pay quartiles, within front of house, retail roles, and business support. We continue to identify and take steps to address the contributing factors that have led to this trend. We are examining our recruitment, promotion, and compensation strategies to ensure that they are fair and equitable.

When analysing other diversity criteria, IWM has 3% of employees of ethnic minority backgrounds and 4% of staff identify themselves as disabled (these figures were respectively 9% and 3% in 2021-22). Similar diversity metrics are observed across our volunteer population.

This data is based on voluntary completion of information by staff and volunteers – in the past year just over half of our employees had provided this information to us and we continue to make efforts via internal communication campaigns to increase completion rates. Our new online onboarding platform launched in 2022 will further support this initiative by enabling smoother user experience of capturing and providing key and sensitive details.

Another useful aspect of diversity and inclusion is age profile of our workforce. Interestingly we have observed a significant shift in the average age of volunteers, almost doubling from 34 years of age last year to 62 this year. This may be the effect of wider socio-economic changes during and post-pandemic where younger people have less time to volunteer. The average age for employees remains relatively steady at 40 years of age.

With almost no change on last year's demographic breakdown, the majority of IWM employees are Millennials (also known as Generation Y – aged between 26 and 40) representing 45% of the overall population (45% in 2021-22) This is closely followed by Generation X (aged between 41 and 60) at 37% (39% in 2021-22). Generation Z (those aged 25 and below) represents 10% (9% in 2021-22) and Baby Boomers (aged 61 to 76) are the smallest group at 8% (7% in 2021-22).

12.3. Recognition and reward

To effectively compete for talent with other organisations, we recognise that we needed to review our approach to pay, total reward and benefits. The results of the staff survey reinforced this view and highlighted pay and pay progression as an area IWM needed to improve on.

To deliver this crucial and complex re-evaluation project we engaged external consultants to guide our thinking. The review was completed in collaboration with our staff representatives and trade union colleagues, with input from managers and senior leaders across IWM. A report with

recommended changes setting out direction of travel was submitted to Executive Leadership Team.

A new enhanced benefit offer was introduced in the year. This included a launch of an online benefit platform, 4me. This new approach provided an exciting opportunity to make a real difference to IWM and its people, aligning our employee benefits to the HR strategy and allowing us to introduce a concept of total reward, demonstrating individual full reward packages to our employees. The platform acts as a resource hub bringing all benefit and wellbeing information available to staff into one place. More than 50% of staff logged in within first few days of the launch. Going forward, the range of benefits and perks will be reviewed periodically to ensure it remains competitive and up to date, meeting the needs of our staff.

Despite the economic pressures and following two years of pay freeze IWM was able to offer annual pay increase to our staff across IWM. The pay rises encompassed pay rates as recommended by the Real Living Wage Foundation allowing IWM to honour its commitment to meet those levels of pay as a minimum. There was no performance related bonus for IWM Trading Company staff as the corporate performance targets for 2021-2022 were not reached.

12.4. Inclusivity

Diversity, equality, and inclusion continued to dominate our agenda in 2022. Recognising the importance of creating a more diverse and inclusive workplace, we implemented new initiatives and programmes to support this goal. This included hiring practices that promote diversity, continuing to participate in the government's Kickstarter scheme offering employment experience to young people from underrepresented backgrounds, increasing the number of apprenticeship opportunities and promoting training on inclusivity and diversity subjects to all staff.

13. 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 Sustainability Strategy was approved by the Board of Trustees in December 2022. The focus of the Strategy is underpinned by the UN Sustainable Development Goals of which a key part was the protection and preservation of heritage. A number of strategic themes have been agreed:

- Decarbonisation of the estate
- Responsible consumption
- Local impact
- Building the conversation
- Protections of heritage against changing climate
- Information intelligence

Prior to the approval of the strategy, IWM has been undertaking numerous sustainability-related projects. For example, one initiative contributing to the Duxford decarbonisation plan involves heat being taken from existing water boreholes to heat the hangars and all the other, currently oil-fired, buildings. Harnessing heat from boreholes is a sustainable, environmentally friendly, and efficient way to heat buildings as it does not require the use of any fossil fuels and has low energy requirements.

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

Making space for thriving plants and wildlife habitat, environment and ecology is considered with all activities across the estate. Trees are largely fully protected and, if any are removed, then they are replaced elsewhere.

We approach sustainability in that we are ambitious about what we do, but also learning from other organisations as we go along. We aim to positively impact the conversation around sustainability.

13.1 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.

Our greenhouse gas emissions have decreased by 39%. All electricity for the estate is sourced from low carbon sources. Our Passivhaus++ archive building at IWM Duxford dramatically reduces energy requirements for collections care.

We have seen a great deal of infrastructure work at IWM Duxford and on-board HMS Belfast. We continue to replace lighting with LEDs across our estate.

13.2 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.

13.3 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. We have 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.

13.4 Performance review

Total scope 1 greenhouse gas emissions have decreased by 39%.

Total scope 2 - total electric energy emissions have gone from zero to 1,789 this year which is an increase from zero as we moved to a new tariff.

Our domestic travel emissions rose from the previous year by 80% . This is following on from a year in which staff were returning to offices after the pandemic and travel was low. It is down 57% from 2019-20 and is largely because staff have continued to make use of remote working technology to continue to collaborate remotely and this will continue going forward.

Greenhouse gas emissions (actual)	2022-23 actual	2021-22 actual	% change 21-22 to 22-23	2020-21 actual	2019-20 actual
Scope 1: total emissions (tCO ₂ e)	798	1,300	-39%	993	1,657
Scope 1: emissions from gas consumption (tCO ₂ e)	482	613	-21%	423	701

Scope 1: emissions from oil consumption (tCO ₂ e)	305	571	-47%	541	802
Scope 1: emissions from fuel consumption (tCO ₂ e) ¹	11	116 ²	-91%	29	154
Scope 2: Energy consumed electricity (tCO ₂ e)	1,789	0		1,755	2,903
Scope 2: Energy consumed (kWh) electricity, gas and oil consumption combined (<i>rounded up to nearest 000's</i>)	9,253	0		7,526	14,281
Scope 3: Domestic business travel (tCO ₂ e)	45	25	80%	11	107

Greenhouse gas emissions Financial expenditure '000s	2022-23	2021-22	% change 21-22 to 22-23	2020-21	2019-20
Carbon offset purchases	£0	£0	0%	£0	£0
Scope 1: expenditure of emissions from organisation-owned fleet vehicles (gross) ³	£10.40	£8.90	17%	£7.34	£11.50
Scope 2: expenditure of energy consumed (kWh) electricity, gas and oil consumption combined ⁴	£1,950	£1,447	33%	£1,142	£1,593
Electricity expenditure	£1,566	£1,198	31%	£967	£1,266
Gas expenditure	£278	£234	19%	£170	£246
Scope 3: Total expenditure of official business travel (subdivided below)	£162	£89	82%	£30	£380
Air travel	£15	£1	1,566%	£0	£18
Rail and underground	£95	£57	67%	£12	£225

¹ 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).

² Previous year has been restated to include aviation fuel for our Airshows.

³ Expenditure now also includes emissions from leased vehicles and aircraft fuel for improved accuracy.

Bus or coach	£0.2	£0.1	100%	£0.0	£7.0
Hire car or taxi	£17	£12	42%	£5	£38
Private vehicle	£35*	£19	46%	£12	£91

*Includes mileage and electric car charging costs

13.5 Waste management and minimisation

We have seen a 54% overall increase of waste disposal on last year. This is largely because our visitors and staff on site have increased this year. Our waste contractor, Servest, actively avoids sending any waste to landfill, instead ensuring that waste that cannot be recycled or reused is incinerated through waste-to-energy schemes, where energy created from remaining waste is channelled back into the National Grid. Waste recycling has increased steadily over the year, such that over 50% is now in that waste stream.

We advocate the use of water bottles (glass) and reusable tumblers instead of disposable plastic cups. Where the use of plastic cups is unavoidable, we have advised that recyclable/ biodegradable alternatives be purchased in place of plastic. Our public caterers offer a discount for customers who bring in their own hot beverage reusable cups to minimise the purchase and use of disposable, takeaway cups.

Waste minimisation	2022-23 actual	2021-22 actual	% change 21-22 to 22-23	2020-21 actual	2019-20 actual
Total waste disposed (tonnes)*	717	465	54%	267	519
Hazardous waste disposed	2	0	0%	0	11
Waste sent to landfill (tonnes)*	0	0	0%	0	0
Waste recycled or reused (tonnes)*	401	212	89%	105	250
Composted waste (tonnes)*	0	0	0%	0	0
Percentage of waste recycled and composted*	56%	46%	22%	39%	49%

Waste incinerated to convert to energy (tonnes)*	311	250	25%	162	268
Average waste produced per annum per visitor and full time equivalent staff (kilograms)	.36	0.42	-14.2%	1.02	0.25
Average waste recycled, reused or composted per annum per visitor and full time equivalent staff (kilograms)	.20	0.19	-5.2%	0.40	0.12

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

Waste minimisation Financial expenditure '000s	2022-23 actual	2021-22 actual	% change 21-22 to 22-23	2020-21 actual	2019-20 actual
Total expenditure on waste disposal	£155	£115	34%	£153	£210
Expenditure on waste sent to landfill	£0	£0	0%	£0	£0
Expenditure on waste recycled/reused	£87	£53*	62%	£61	£101
Expenditure on waste incinerated	£67	£62	8%	£0	£0
Expenditure on waste converted to energy	£67	£62	8%	£93	£109

*this has been restated from the figures presented in 21/22

13.6 Finite resource consumption

We have a clear picture of our water consumption due to actual meter reads being applied to bills and we are working on how we divide this between our office estate and non-office estate. Our total water consumption rose by 12.4% over the year. Given the increase in visitation during the year, as well as the increase of staff activity on site, as well as the huge volume of building and infrastructure works ongoing, this increase is modest.

We continue to make good progress in cutting back on the consumption of paper and our long-term ambition is for IWM to operate a paperless office/working culture. We have been developing a Smarter Working strategy which supports this.

Our overall print usage last year was 505 reams of paper, a decrease of 16.5%. This has fallen and considering pre-pandemic IWM used 1,335 reams (2019-2020) this shows the culture change that is in place. Our PaperCut print management system ensure that we avoid wastage through error or unnecessary print requests. Staff activate print jobs with their staff pass. 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. All timber that we procure for exhibitions programme and capital/construction projects is procured with sustainable sources, with suppliers required to provide us with certificates to validate this.

Finite resource consumption	2022-23 actual	2021-22 actual	% change 21-22 to 22-23	2020-21 actual	2019-20 actual
Finite resources, water (in cubic metres/m ³)*. <i>Rounded up to nearest 000's</i>	47	42	12%	27	92
Paper consumption - A4 (reams of paper). <i>Actual number reported</i>	490	605	-19%	305	1,335
Paper consumption - A3 (reams of paper). <i>Actual number reported</i>	15	0	-	6	50

* 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	2022-23 actual	2021-22 actual	% change 21-22 to 22-23	2020-21 actual	2019-20 actual
Expenditure on water supplied	£116	£130	11%	£128	£190
Expenditure on paper A4 & A3	£1.8	£1.4	24%	£0.7	£3.0

13. 7 Future plans

Our key activities going forward are to progress with the delivery of our Sustainability Strategy, which aims to do far more than just deal with environment and ecology throughout IWM. It is a change programme which is a cultural shift across the organisation. Sustainability is led through our Estates and Infrastructure Board, and largely managed by our Estates team. There is more to sustainability than our estate and we are doing this throughout the organisation, but we believe we can have the most impact through our vast estate and the potential to make it more sustainable. A Sustainability Action Group has continued as a sub-group of the Estates and

Infrastructure Board. The name of the group has been chosen to encourage action and deliver change within IWM.

We will continue to build on the conversation around sustainability and engage with others about the journey that we are on. For example, we presented at the MuseumNext Green Museums Summit about progress with IWM's sustainability strategy and delivery of sustainability change in our complex estate and a diverse range of operations.

The Zero Carbon Club is a voluntary group of IWM staff who meet regularly to discuss new ideas and different ways in which IWM can be more sustainable and environmentally friendly. Members of the club work across different departments and support one another to champion sustainability within teams with the aim is to inspire collective action.

We know that we are susceptible to energy price rises in the future and our spending in this area may rise, despite a fall in overall energy consumption.

Our Estates team is working to deliver an innovative solution using excess heat from the existing Cambridge Water borehole to deliver a low carbon heating solution to the main buildings and hangars across the historic core of IWM Duxford. This low carbon heating solution project will deliver 1MW of sustainable heating annually, reduce heating oil consumption by 74%, and save £41,000 annually in heating costs, whilst eliminating 429 tonnes of carbon.

After this project, we will share our learnings. By next year more hangars and buildings will be heated by renewables.



Matthew Westerman
Chair of the Trustees

Date 18 July 2023



Caro Howell MBE
Director-General and Accounting
Officer

Date 18 July 2023

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

14. 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

14.2 Principal advisors

Solicitors

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

Principal bankers

Barclays Bank
Level 12
1 Churchill Place
London E14 5HP

National Westminster Bank Plc
91 Westminster Bridge Road
London SE1 7HW

14.3 Audit

Under statute, the Comptroller and Auditor General is the principal auditor of IWM's consolidated accounts for the year ended 2022-23. The audit fee in respect of this work was £61,200.

Auditors

Consolidated accounts

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

Imperial War Museum Trading Company Limited

Moore Kingston Smith LLP
Chartered Accountants
6th Floor
9 Appold Street
London
EC2A 2AP

Imperial War Museum Film Production Limited

Moore Kingston Smith LLP
Chartered Accountants
6th Floor
9 Appold Street
London
EC2A 2AP

Internal audit

MHA MacIntyre Hudson
2 London Wall Place
London EC2Y 5AU

14.4 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 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

Sir Guy Weston (Chair)
Jon Card ACA

Annabel Jack
Dame Diane Lees DBE (until March 2023)
Carlos Mistry
Andrew Patrick
Vicky Stanbury
Tamsin Todd

14.5 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.

14.6 Director General and Accounting Officer

The Director-General and Accounting Officer for IWM is Caro Howell MBE

14.7 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 Chair

Matthew Westerman

Deputy Chair

Tim Marlow OBE

Board Members

Sherin Aminossehe
Desmond Bowen CB CMG (until December 2022)
Hugh Bullock
Lieutenant General Andrew Figgures CB CBE
Professor Margaret MacMillan CC CH DPhil
Suzanne Raine
Air Marshal Edward Stringer CB CBE
Tamsin Todd
Mark Urban
Vice Admiral Mike Utley CB OBE
Sir Guy Weston

His Excellency Stephen Smith (High Commissioner for Australia)

His Excellency Ralph Goodale (High Commissioner for Canada)

His Excellency Mr. Vikram K. Doraiswami (High Commissioner for India)

His Excellency The Hon Phil Goff (High Commissioner for New Zealand)

His Excellency Moazzam Ahmad Khan (High Commissioner for Pakistan)

His Excellency Jeremiah Nyamane Mamabolo (High Commissioner for South Africa)

Her Excellency Saroja Sirisena (High Commissioner for Sri Lanka)

14.8 Board of Trustees Committee Members

Audit Committee

Lieutenant General Andrew Figgures CB CBE (Chair)

Suzanne Raine

Air Marshal Edward Stringer CB CBE

Brigid Sutcliffe ACA (until May 2023)

Estates Advisory Committee

Hugh Bullock (Chair)

Desmond Bowen CB CMG (until December 2022)

David Godden

Mike Griffiths

Air Marshal Edward Stringer CB CBE

Vice Admiral Mike Utley CB OBE

Beth West

Dave Worthington

Art Commissions Committee

Tim Marlow OBE

Fiona Bradley

Ekow Eshun

Vikki Heywood

Jennifer Higgie

Jenny Waldman CBE

Nominations Committee

Matthew Westerman

Remuneration Committee

Matthew Westerman

Tim Marlow OBE

Lieutenant General Andrew Figgures CB CBE



Matthew Westerman
Chair of the Trustees

Date 18 July 2023



Caro Howell MBE
Director-General and Accounting
Officer

Date 18 July 2023

15. Remuneration Report

15.1 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. The Committee reviews the Director-Generals performance against agreed targets, and approves her bonus on this basis.

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.

£17,149 bonus (2021-22 nil) was paid to the Director-General. No other bonuses were paid to the other four members of the Executive Leadership Team listed below during 2022-23 or 2021-22.

In 2022/23 there was a two-step pay increase; a 4% consolidated increase on basic pay on salaries up to and including £40,000 pa FTE for London branch-based roles, (up to and including £38,500 pa FTE for roles not based at our London branches); and a 2% consolidated increase on basic pay on the remainder of salary above those amounts. In addition, a payment of £400 (or pro-rata equivalent) as a non-consolidated one-off amount to each IWM employee eligible for Pay Award, was paid in August 2022.

The pay of the Director-General and of the Executive Directors is subject to benchmarking on a periodic basis.

15.2 Remuneration (including salary) and pension entitlements

The salary and pension entitlements, subject to audit, of senior staff with corporate responsibilities as at 31 March 2023 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)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
D Lees Director General	160 - 165	155 – 160	15- 20	nil	nil	nil	(52)	26	125 – 130	180 – 185
J Card Deputy Director and Executive Director of Collections and Governance	135- 140 (140 – 145)	115 – 120	nil	nil	nil	nil	107	4	240- 245 (245 – 250)	120 – 125
G Webber Executive Director of Content and Programmes	100- 105	100 – 105	nil	nil	nil	nil	27	35	130- 135	135 – 140

J Brown Executive Director Commercial Services and Operations (until 22/02/22)	nil	95- 100 (100- 105)	nil	nil	nil	nil	nil	36	nil	125 - 130 (135 - 140)
V Stanbury Executive Director Commercial Services and Operations (from 08/08/22)	70-75 (110- 115)	nil	nil	nil	nil	nil	nil	nil	70-75 (110- 115)	nil

For 2022-23 Dame Diane Lees was provided with an accommodation allowance of £14,926 (2021-22, £14,560), the amount of which is included in the salary figures above.

Dame Diane Lees is a member of the final salary pension scheme (classic/classic plus/premium) who has transitioned to alpha, and for 2022-23 her pension benefit has decreased. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase - that is, in real terms, the pension value can reduce, hence the negative value of Dame Diane Lees' pension benefits in 2022-23 column.

Ms Stanbury, Executive Director Commercial and Operations started her post on the 8th August 2022, on a Trading contract, joining the Aviva pension scheme to which the museum contributed £5,898.

The ranges in brackets shown above for Mr Card, Ms Stanbury and J Brown, represent the full year equivalent of the remuneration which is due to these members of ELT.

Dame Diane Lees' last day of service was 31st March 2023. Jon Card, Executive Director Collections and Governance took on the additional role of Deputy Director to aid the transition with Dame Diane Lees' resignation.

Mr Brown's final day of employment for Imperial War Museum was 22nd February 2022. He was paid an amount for outstanding leave of £2,360. This amount is not included in the salary figures above. No other Executive Director was paid any allowance in 2022-23 (2021-22 - £nil).

The Director-General, Deputy Director and Executive Director, Content and Programmes have permanent contracts of employment with notice periods of three months. The Executive Director, Commercial Services and Operations, has a permanent contract of employment with a notice period of six months.

For 2022-23 IWM has omitted any disclosure of compensation payments to senior staff in line with current guidelines.

No compensation payments were made to any senior staff in 2021-22. 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 2022–23 or 2021-22. Travel and subsistence expenses paid to Trustees amounted to £nil (this was £nil in 2021–22).

15.3 Fair Pay Disclosures

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation’s workforce. These figures are subject to audit.

15.3.1 Fair Pay Disclosures comparison with the band of the highest paid director’s remuneration including bonus.

	2022-23	2021-22	
	£'000	£'000	% change
Band of highest paid director’s total remuneration	175-180	155-160	13%
Lower quartile			
Total Remuneration	£23,930	£22,720	5%
Ratio	7.42	6.93	6%
Median			
Total Remuneration	£30,687	£29,100	5%
Ratio	5.78	5.41	7%
Upper quartile			
Total Remuneration	£40,915	£38,840	5%
Ratio	4.34	4.06	7%

The banded remuneration of the highest-paid director in IWM in the financial year was £175,000 – £180,000 (2021-22, £155,000 – £160,000). This is a 13% increase in the total remuneration of the Director General, which is broken down as follows, increase in basic pay of 2%, increase of accommodation allowance of 2% and increase in bonus of 100% as no bonus was received by the Director General in 2021/22.

No other staff received a bonus during 2022-23 (2021-22 – nil).

This was 7.42 times (2021-22, 6.93) the lower quartile remuneration of the workforce, which was £23,930 (2021-22, £22,720). This remuneration was 5% higher than the lower quartile remuneration in 2021-22 and the ratio increased by 6%.

This was 5.78 times (2021–22, 5.41) the median remuneration of the workforce, which was £30,687 (2021–22, £29,100), an increase in the remuneration of 5% and increase in the ratio of 7%.

This was 4.34 times (2021-22, 4.06) the upper quartile remuneration of the workforce, which was £40,915 (2020-21, £38,826), and increase in the remuneration of 5% and an increase in the ratio of 7%

The increase in the remuneration figures for the lower quartile, median and upper quartile is because of the increase of the lowest remuneration figure in 2022-23 which was £19,745 (2021-22 £15,500). The increase in the ratio for the lower quartile the median and the upper quartile is because the total staff included in the range increased by 45 to 505 in 2021-22 (2020-21, 460).

15.3.2 Fair Pay Disclosures comparison with the Band of the highest paid director's remuneration excluding bonus.

	2022-23	2021-22	
	£'000	£'000	% change
Band of highest paid director's total remuneration excluding bonus	160-165	155-160	3%
Lower quartile			
Total Remuneration	£23,930	£22,720	5%
Ratio	6.79	6.93	-2%
Median			
Total Remuneration	£30,687	£29,100	5%
Ratio	5.30	5.41	-2%
Upper quartile			
Total Remuneration	£40,915	£38,840	5%
Ratio	3.97	4.06	-2%

The banded remuneration of the highest-paid director in IWM in the financial year, without inclusion of her bonus, was £160,000 – £165,000 (2021-22, £155,000 – £160,000). This is a 3% increase in the total remuneration of the Director General (excluding bonus), which is broken down as follows, increase in basic pay of 2%, increase of accommodation allowance of 1%.

This was 6.79 times (2021-22, 6.93) the lower quartile remuneration of the workforce, which was £23,930 (2021-22, £22,720). This remuneration was 5% higher than the lower quartile remuneration in 2021-22 and the ratio decreased by 2%.

This was 5.30 times (2021–22, 5.41) the median remuneration of the workforce, which was £30,687 (2021–22, £29,100), an increase in the remuneration of 5% and decrease in the ratio of 2%.

This was 3.97 times (2021-22, 4.06) the upper quartile remuneration of the workforce, which was £40,915 (2020-21, £38,826), and increase in the remuneration of 5% and a decrease in the ratio of 2%

The increase in the remuneration figures for the lower quartile, median and upper quartile is because of the increase of the lowest remuneration figure in 2022-23 which was £19,745 (2021-22 £15,500). The increase in the ratio for the lower quartile the median and the upper quartile is because the total staff included in the range increased by 45 to 505 in 2021-22 (2020-21, 460).

In 2022-23, no employees (2021-22, nil) received remuneration in excess of the highest-paid director. Remuneration, including the highest paid director's bonus, ranged between the following bands in 2022-23 of £20,000 to £180,000 (2021-22, £15,500 to £160,000), an increase in the midpoint of each band from £88,000 (2021-22) to £100,000 (2022-23) which is 13%.

Remuneration excluding the highest paid director's bonus ranged between the following bands in 2022-23 of £20,000 to £165,000 (2021-22, £15,500 to £160,000, an increase in the midpoint of each band from £88,000 (2021-22) to £92,500 (2022-23) which is an increase of 5%.

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.

15.4 Pension Benefits

(subject to audit)

	Accrued pension at pension age as at 31/3/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
D Lees Director General	70– 75 plus a lump sum of 45 - 50	Nil plus a lump sum of nil	1,432	1,340	(75)	Nil
J Card Executive Director of Collections and Governance	45 – 50 plus lump sum of 135 - 140	5 – 7.5 plus a lump sum of 5 -7.5	1,028	859	96	Nil
G Webber Executive Director Contents and Programmes	25- 30	0 – 2.5	422	372	7	Nil

Taking account of inflation, the CETV funded by Imperial War Museum at 31/03/23 for Dame Diane Lees, has decreased in real terms.

The figure for CETV at 31/03/22 for G Webber has been updated to include PCSPS Premium benefits which were not included in the return for 2021/22 as these are linked to current final pensionable earnings.

V Stanbury is employed via the Trading Company and as such has elected to be part of the IWM Group Pension plan. Amount paid to Aviva on her behalf during 2022/23 was £5,898.

15.5 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. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report shown below). 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 defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% 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 of 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%. 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).

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

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.

15.6 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.

15.7 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

15.8 Reporting of civil service and other compensation schemes – exit packages *(subject to audit)*

(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 (3)	nil (2)	nil (5)
£10,000–£25,000	nil (3)	nil (4)	nil (7)
£25,000–£50,000	nil (1)	nil (nil)	nil (1)
£50,000–£100,000	nil (nil)	nil (nil)	nil (nil)
Total number of exit packages	nil (7)	nil (6)	nil (13)
Total resource cost / £	£nil (£83,421)	£nil (£82,889)	£nil (£166,311)

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). Prior year comparative figures have been restated to split the total number of exit packages between number of compulsory redundancies and the number of other departures. In 2022/23, IWM made three termination payments that are not covered by the Civil Service Compensation scheme totalling £28,500.

15.9 Off-payroll Engagements

For 2022-23 there were no (2021-22, nil) off-payroll engagements in the scope of IR35 for Directors, Senior Officials or any other members of staff.

The tables below set out the off-payroll arrangements that IWM has utilised during the year in the format required by HM Treasury, with the numbers for 2021-22 provided in brackets for comparison purposes.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater	
	Number
No. of existing engagements as of 31 March 2023	33 (3)
Of which	
No. that have existed for less than one year at the time of reporting	23 (0)
No. that have existed between one and two years at time of reporting	4 (1)
No that have existed for between two and three years at time of reporting	6 (0)
No that have existed for between three and four years at time of reporting	0 (2)
No that have existed for four or more years at time of reporting	0 (0)

Table 2: All highly paid off-payroll workers engaged at 31 March 2023, earning £245 per day or greater	
	Number
No of new engagements, between 1 April 2022 and 31 March 2023	0 (0)
Of which	
Not subject to off-payroll legislation	0 (0)
Subject to off-payroll legislation and determined as in-scope of IRS35	0 (0)
Subject to off-payroll legislation and determined as out-of-scope of IRS35	0 (0)
No of engagements reassessed for compliance or assurance purposes during the year	0 (0)
Of which: no of engagements that saw a change to IRS35 status following review	0 (0)

15.10 Consultancy and Contingent Labour

For 2022-23 £85,804 was spent on consultancy, (2021-22 £56,755), the increase relating to consultancy spent on Procurement whilst the Head of Procurement post was vacant. For contingent labour, spend for 2022-23 was £98,076, (2021-22 £84,818), the increase in 2022-23 related to spend on commercial staff which was not in place in 2021-22 during the Covid-19 pandemic.6

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 2022-23. Comparative data for 2021-22 is shown in brackets.

Number of employees who were relevant union officials during 2022-23	Full-time equivalent employee number
8 (9)	8 (9)

2 Percentage of time spent on facility time

The number of employees of Imperial War Museum who were relevant union officials employed during 2022-23, and the percentage of their time spent on facility time. Comparative data for 2021-22 is shown in brackets.

Percentage of time	Number of employees
0%	5 (nil)
1%-50%	3 (9)
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 2022-23. Comparative data for 2021-22 is shown in brackets.

First Column	Figures
Total cost of facility time	£3,301 (£7,738)
Total cost of Imperial War Museum pay bill	£20,946,374 (£19,074,286)
The percentage of Imperial War Museum's pay bill spent on facility time	0.0% (0.04%)

4 Paid trade union activities

How many hours spent by employees, who were relevant union officials during 2022-23, on paid trade union activities. Comparative data for 2021-22 is shown in brackets.

Time spent on paid trade union activities as a percentage of total paid facility time hours	5% (5%)
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16. Statement of Trustees' and Accounting Officer'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 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 and the Accounting Officer is required to comply with the requirements of FReM and in particular 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 Culture, Media and Sport has designated the Director-General, Caro Howell MBE, 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 18 July 2023



Caro Howell MBE
Director-General and Accounting
Officer

Date 18 July 2023

17 Governance Statement

17.1 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. The IWM is a non-departmental public body (NDPB) sponsored by the Department for Culture, Media and Sport (DCMS) and has charity exempt status. In reviewing and setting IWM's aims, objectives and corporate plan, the Trustees have had due regard for the Charity Commission's guidance on public benefit guidance (in accordance with section 17 of the Charities Act 2011).

17.2 Corporate Governance Framework

The IWM Code of Corporate Governance, last revised in 2020 and compliant with the latest guidance, Corporate Governance in Central Government Departments Code of Good Practice, July 2005, details the corporate governance framework for the IWM.

17.2.1 Scope of Responsibility

The Trustees and Director-General, as Accounting Officer, are responsible for maintaining a sound system of internal control to support the achievement of the IWM's aims and objectives. The incoming Director-General has received assurances from the outgoing Director-General about this system of internal control. IWM's governance system ensures that public funds and IWM's 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 MHA MacIntyre Hudson, an independent company which operates in accordance with the government Internal Audit Standards. External independent sources of assurance are provided by Deloitte, on behalf of the National Audit Office, and Moore Kingston Smith, who audit the IWM Trading Company.

17.2.2 Board of Trustees

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

Membership

The Imperial War Museum Acts of 1920 and 1955, as amended by the Museum and Galleries Act 1992, determine the constitution of the Board and the broad means by which the

appointments are made. All Board appointments, except for the Commonwealth Government appointments, are made by Ministers in accordance with the IWM Acts and guidance issued by the Commissioner for Public Appointments through DCMS. The Board of Trustees consists of 22 members, including the President, who is appointed by the Sovereign. The remaining members of the Board are appointed as follows by:

- The Prime Minister 10
- The Secretary of State for Foreign, Commonwealth and Development 2
- The Secretary of State for Culture, Media and Sport 1
- The Secretary of State for Defence 1
- The seven Commonwealth Governments of Australia, Canada, India, New Zealand, Pakistan, South Africa and Sri Lanka appoint their High Commissioners.

Trustees are appointed in the first instance for a term of up to four years. The Vice-President and Chair 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.

The tenure of the Public Engagement and Learning Trustee appointed by the Secretary of State Media Culture and Sport expired in November 2020. The post remains vacant after one unsuccessful round of recruitment and a second round will be held pending Ministerial approval. Hugh Bullock, Lieutenant General Andrew Figgures, and Mark Urban have been reappointed for a second term. In January, Suzanne Raine was formally reappointed for a second term following two temporary extensions pending a decision on her reappointment from the Foreign, Commonwealth and Development Secretary. In March, the Foreign, Commonwealth and Development Office launched a campaign to recruit for a new International and Diplomatic Affairs Trustee following Desmond Bowen’s retirement from the Board in December 2022. Tamsin Todd’s second term expires in March 2023 and pending Ministerial approval to launch the campaign, we will be recruiting for a new Digital Trustee. Approval for a temporary extension to Tamsin’s term to avoid a further vacancy on the Board has been given. Professor Margaret Macmillan is also serving a temporary extension pending formal approval for her reappointment.

Approval was granted to extend Matthew Westerman’s term as Chair by one year to ease the transition to the new Director-General in 2023. Tim Marlow remains as Deputy Chair.

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 performance and the progress of projects and programmes set out in the 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, Development Committee, Remuneration Committee and Nominations Committee.

17.2.3 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. The Committee receives annual reports from IWM Duxford's Flight Safety Committee and IWM's Health and Safety Board.
- 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. The Committee holds responsibility for the IWM 14-18 NOW Legacy Fund, a national programme of 22 artist commissions inspired by the heritage of conflict and created in partnership with IWM and 14-18 NOW, the official UK arts programme for the First World War centenary.
- The Development Committee plays a crucial role in helping IWM transform the current fundraising model, helping IWM achieve its objectives of increasing and broadening the individual and corporate fundraising base through providing oversight on fundraising strategy and introducing and cultivating new supporters for IWM.
- The Remuneration Committee oversees the review of the Director-General's pay and performance.
- The Nominations Committee leads on Trustee appointments.

17.2.4 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
- Meetings and culture including the Board's functioning relationship with the Executive Leadership Team
- Effectiveness of the Chair and Board Secretary

The main considerations and discussion points at the review in 2022 were regarding:

- The (re)appointment of Trustees and the significant delays in government and what might be done with respect to succession planning and broadening diversity on the Board.

- Looking at how risk is managed and communicated throughout the organisation with a particular focus on risk appetite.

Quality of data provided to the Board

In terms of the quality of information presented to the Board, performance against the corporate plan and financial data are provided and reviewed at every meeting. Feedback from the Board Effectiveness Review relating to the level of information which is provided to Trustees suggested that there was potential for the Board to track performance against plans and strategies in a more consistent or rigorous way, which in turn would further improve the collaborative culture between Trustees and the Executive Team.

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

17.2.5 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 72% . Trustee attendance is covered within their performance assessment when cases for re-appointment are put to Ministers. The Board currently holds two vacancies.

Individual attendances are recorded as follows:

Trustee	Attendance
Sherin Aminossehe	100%
Desmond Bowen CB CMG	67% (2/3)
Hugh Bullock	100%
Lt Gen Andrew Figgures CB CBE	100%
HE Phil Goff (or representative)	50%
HE Ralph Goodale (or representative)	50%
HE Moazzam Ahmad Khan (or representative)	50%
HE Mr. Vikram K. Doraiswami (or representative)	0%
Professor Margaret MacMillan CC CH DPhil	100%
Tim Marlow OBE	100%
Suzanne Raine	100%
HE Saroja Sirisena (or representative)	0%

HE Stephen Smith (or representative)	50%
Air Marshal Edward Stringer CB CBE	100%
HE Jeremiah Nyamane Mamabolo (or representative)	0%
Tamsin Todd	100%
Mark Urban	100%
Vice Admiral Mike Utley CB OBE	100%
Matthew Westerman (Chair)	100%
Sir Guy Weston	100%

The Audit Committee met four times this 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. Average attendance over the past year has been 100%.

Committee Member	Attendance
Lieutenant General Andrew Figgures CB CBE (Chair)	100%
Suzanne Raine	100%
Air Marshal Edward Stringer CB CBE	100%
Brigid Sutcliffe ACA	100%

The Estates Advisory Committee met four times during the year. Average attendance was 79%.

Committee Member	Attendance
Desmond Bowen CB CMG	100% (3/3)
Hugh Bullock (Chair)	100%
David Godden	100%
Mike Griffiths	75%
Air Marshal Edward Stringer CB CBE	100%
Vice Admiral Mike Utley CB OBE	25%
Beth West	50%
Dave Worthington	75%

The Art Commissions Committee met three times this year. Average attendance was 83%

Committee Member	Attendance
Fiona Bradley	100%
Ekow Eshun	100%
Vikki Heywood	33%
Jennifer Higgle	67%
Tim Marlow OBE (Chair)	100%
Jenny Waldman CBE	100%

The Development Committee met four times this year. Average attendance was 94%.

Committee Member	Attendance
Hugh Bullock	100%
Professor Margaret MacMillan CC CH DPhil	75%
Leonie Schroder	75%
Matthew Westerman (Chair)	100%
Sir Guy Weston	100%

IWM's Corporate Governance Code was revised and approved by the Board of Trustees during 2020 when Trustees also agreed a revised Conflict of Interest Policy which clearly aligns to IWM's Anti-Bribery policy. Over the past year, there has been no departure from the Corporate Governance Code⁵.

17.3 Risk Management

In 2022 Trustees approved a new Risk Strategy which was developed with input from the Trustees' Audit Committee. The new strategy articulates IWM's new approach to risk management; that calculated risks must be taken to achieve our agreed vision and corporate objectives. We see the management of risk as a dynamic process and are working continuously to foresee and identify risks and opportunities that may hinder or support the attainment of IWM's vision and strategic objectives.

The new strategy signals a cultural shift in the organisation to embed risk management in every aspect of IWM's work, and is led by IWM's values to be courageous, authoritative, relevant, and

⁵ 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 Culture, Media and Sport and the Charity Commissioners, together with current applicable elements of recommended good practice from HMT's Corporate Governance Code.

empathetic. Risk management discussions are not solely focused on the consideration of risk registers. Discussions around risk and evaluation of risks are honest and consider both internal and external factors. Risk discussions are the responsibility of all staff, not just senior management. As such, we are working to empower staff to know when and how to escalate risks where necessary and in a consistent manner. The implementation of the new approach to risk escalation and management has been tested and demonstrated through the formation of a one-off Trustees' Sub-Committee, formed to work collaboratively with staff in the run up to and during the run of IWM's upcoming exhibition, *Northern Ireland: Living with the Troubles*, opening at IWM London in May 2023. The role of the sub-committee has been to support staff to anticipate, assess and mitigate risk.

Risk can be considered as the circumstances or events that could have an impact on us attaining or sustaining our strategic objectives. They are measured in terms of the likelihood of an event materialising and the scale of the impact if it is actualised. Once risks are identified we assess the nature of the event and rank the importance of each event so that they can be managed appropriately. We assess these by thinking about the likelihood (how likely this is to happen) and impact (if the event/risk were to materialise). A risk response to bring the risk likelihood and impact within an accepted level is set, informed by, and commensurate with, our risk appetite. Our strategic risk register captures the mitigating controls to bring the risk within acceptable levels, with actions that are time-bound to aid the monitoring of risk management.

Throughout 2022-23 the Executive Leadership Team and Audit Committee reviewed and revised the format of IWM's strategic risk register. The new format identifies current and future mitigations and the actions and timescales attached help monitor whether the mitigations are working. It is formatted based on guidance from DCMS and examples from peer organisations in the sector.

The focus of the strategic risk register is linked to the achievement of our four strategic objectives: Stewardship, Audience, Financial, and Reputational. Risks are separated out between those relating to our plans, which are identified by the Audit Committee, and external factors which are identified through the discussion of risk at every Governance Board meeting.

As a Non-Departmental Public Body (NDPB) IWM has a low-risk appetite in relation to compliance and regulation. In areas where the IWM aims to be relevant and influential, calculated risks are judged to be acceptable for programming and content and in developing new income streams.

17.3.1 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 four strategic risks, identification of new risks, risk appetite, current and future mitigations, and residual risk rating after mitigation. The strategic risk register is an evolving document which enables the dynamic discussion of risk.

The key risks throughout the year are outlined below.

- The risk rating for 'DCMS Support' had moved to high/red risk at certain points in the year when changes in Government meant there was rhetoric around cuts to

public spending and increased uncertainty. This moved back to medium as there were more reassurances that the position established with the Comprehensive Spending Review would be maintained. We continue to monitor the situation and make our case to DCMS for continued support.

- The risk rating for 'Our People' moved to high/red risk after mitigation. Despite our mitigations ongoing challenges with attracting and retaining staffing continue. Within the year there was a 30% turnover at times and some of the most pressing IWM projects were affected. We have had to use some specific executive searching agencies for some roles.
- Through the year the risk for 'Cyber Security' moved to high/red risk even with increased resource for mitigation. We expected that we would be at increased risk for targeting due to our content. The Audit Committee received numerous updates through the year and we continue to invest in our cyber defences.
- Inflation had moved to high/red risk due to the changes in the country's financial situation and uncertainty in the Government. High inflation creates challenges in budgeting for our own resources as well as having an impact on the cost of living for potential visitors.
- Public Appointments was rated high/red, because the changes within Government and in the processes mean that we have less control. For example, the advertisements for the Public Engagement and Learning Trustee and Digital Trustee, originally due to go live in July, have been delayed due to changes in Government. As we've outlined above we have had to have numerous extensions for Trustees and the position remains challenging.
- In the autumn we added an additional external risk of 'Criminal Damage to Estate' to our Strategic Risk Register as a consequence of being a museum in Central London with a high profile. Our security team are very aware of the threat and it is under constant review. After mitigations the rating is medium/amber.

The strategic risk register and the trends of the strategic risks are monitored at regular intervals by SMT, ELT, the Audit Committee, and the Board of Trustees to ensure that emerging threats and opportunities are identified and managed, that management actions are being carried out, and that the identified controls are effective.

17.3.2 Managing Information Security Risk, Cyber Security and Data Protection

All staff handling IWM information or using IWM 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. This was temporarily lost from the start of July 2021 owing to stretched resources and complications brought about by remote working and the changing standards to achieve accreditation. Cyber Essentials remains a priority project and it is planned to rectify this later in 2023. The annual cyber security maturity review carried out by consultants NCC Group was reported to the Audit Committee in February. IWM's overall score has improved since the previous year. The review raised some key areas which are to be addressed to continue building the level of maturity. Risk relating to cyber security has been a key priority of the Audit Committee throughout the year and the Chief Information Officer has attended meetings regularly to report updates. The IWM team have been working closely on managing cyber security with DCMS' own cyber security team and peers across the sector. A representative from DCMS now attends Audit Committee meetings as an observer, further strengthening the relationship.

17.3.3 Response to Challenges

IWM continues to be affected by the fallout from the global pandemic which disrupted the way we traditionally engage our audiences, generate income and manage our collections and estate. The 2022-23 financial year has been one of recovery and rebuilding. Ensuring IWM's financial sustainability remains a key priority as we now have the further challenge of high inflation and the impact of this on our supply chain and consumer and visitor behaviours.

We have implemented a more agile business model to rebuild and strengthen our financial resources. This includes a more flexible approach to resourcing, minimising fixed costs and being able to adapt to changing circumstances. It is critical that we continue to build and diversify commercial income and grow other income streams to support a robust financial model. Post-Covid, we have reviewed our admissions pricing policy to improve the yield from ticket sales to our paid branches. There is a specific focus on increasing support from unrestricted fundraising.

We have furthered the work which started during the pandemic to continue growing our digital audiences and this year the Digital Content Strategy was approved by Trustees, which reflects a step-change in how our digital content is resourced, produced and measured to reach new online audiences, whilst also meeting the needs of our traditional audiences. A new Audience Growth Strategy is also under development which builds on the learnings from the current Audience Development Strategy to help us target and impact our audiences most effectively.

We have responded to the ongoing war in Ukraine within our remit through our programming, both digital and physical. Meanwhile we continue to monitor the economic impact of the war, in particular the potential loss of overseas visitors, the impact on energy prices, supply chains, and fundraising. There is also an increased risk of terrorism and cyber security attacks.

On 1 May 2023 we welcomed a new Director-General after Dame Diane Lees steps down on 31 March, after 14 years at IWM. ELT has worked closely with Trustees and the incoming Director-General to mitigate any risk throughout the transition with respect to the Director-General's statutory compliance obligations, our internal governance processes, and the wider culture of the organisation. IWM worked closely with DCMS throughout the recruitment process. A robust and detailed internal and external communications plan has been in place and the incoming Director-

General has also been involved in corporate planning discussions with ELT. We have also adapted the 2023-2027 corporate plan to include a holding year, covering a four-year period instead of the usual five to reflect the changing Director-General.

17.4 Whistleblowing Policy

IWM is committed to the highest possible standards of openness, probity, and accountability in the delivery of its services. The IWM whistleblowing policy complies 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. IWM 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. The Audit Committee agreed the latest version of the policy and procedures in February 2022, available to staff via our policy management system.

17.5 Internal Audit Assessment

At the start of the financial year IWM's Audit Committee approved the 2022-23 internal audit plan. IWM's internal auditors, MHA MacIntyre Hudson, have carried out audits of the following:

- Soft and Hard FM Services
- Business Continuity Planning
- Safeguarding
- Purchase Ledger – Fraud Actions

The internal auditors were asked to undertake a follow-up review of the *Breaking The Silence* internal audit, concerning the Remembrance event at IWM London which took place in November 2021. The recommendations from the review covered revisions to internal governance and escalation procedures and risk management. All recommendations were agreed by management and the follow-up review, the results of which have been reported to the Audit Committee and Board of Trustees, found that positive action had been taken against all recommendations made.

Interim reports and an annual report on progress against the internal audit plan for 2022-23 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 is that adequate and effective management, control, and governance processes are in place in the areas examined to enable the Museum to manage the achievement of its objectives. Some enhancements have been identified to the design and operation of the system of internal control, risk management and governance to make it more effective in the future.

17.6 Parliamentary Accountability and Audit Report

The information in this report is subject to audit.

Regularity of Expenditure – The Museum has considered all of its activities during the year and confirm they are in accordance with the legislation authorising them.

The Museum has incurred no losses or made any special payments totalling more than £300,000 in the year.

Long term expenditure trends – refer to the performance analysis section of our Performance Report for details of our performance to date.

17.7 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 18 July 2023



Caro Howell MBE
Director-General and Accounting
Officer

Date 18 July 2023

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

Opinion on financial statements

I certify that I have audited the financial statements of the Imperial War Museum and its Group for the year ended 31 March 2023 under the Museums and Galleries Act 1992.

The financial statements comprise: the Imperial War Museum and its Group's:

- Balance sheet as at 31 March 2023;
- Statement of Financial Activities and Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Imperial War Museum and its Group's affairs as at 31 March 2023 and its net income for the year then ended;
- have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate report. The Trustees and Accounting Officer are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992.

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

- those parts of the Annual Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Imperial War Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report,

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

- adequate accounting records have not been kept by the Imperial War Museum or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Annual Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Museums and Galleries Act 1992 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Trustees and the Accounting Officer determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Imperial War Museum and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Museum and Galleries Act 1992.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Imperial War Museum and its Group's accounting policies and key performance indicators and performance incentives.
- inquired of management, the Imperial War Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Imperial War Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Imperial War Museum and its Group's controls relating to the Imperial War Museum's compliance with the, Museums and Galleries Act 1992, Charities Act 2011 and Managing Public Money;
- inquired of management, the Imperial War Museum's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including component audit teams and involving relevant internal specialists, including land and building valuation specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I also obtained an understanding of the Imperial War Museum and Group's framework of authority and other legal and regulatory frameworks in which the Imperial War Museum and Group operates, I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Imperial War Museum and its Group. The key laws and regulations I considered in this context included, Museum and Galleries Act 1992, the Imperial War Museum Acts 1920 and 1955, the Charities Act 2011, Managing Public Money, employment law, pensions legislation and tax legislation.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud through revenue recognition, evaluating the design and implementation of controls; testing income to corroborating evidence; assessing the completeness of revenue streams; and testing the appropriateness of significant estimates made at year-end.
- in addressing the risk of misstatement in land and building valuation, evaluating the design and implementation of controls; assessing the competence, objectivity and independence of valuers; testing the inputs and methodology used in the valuation; and evaluating the outputs of the valuation.

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

Other auditor's responsibilities

I am required to obtain 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.

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.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 18 July 2023

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road, Victoria, London, SW1W 9SP.

IMPERIAL WAR MUSEUM ACCOUNT 2022-23

Consolidated Statement of Financial Activities for the year ended 31 March 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Income and endowments from:							
<i>Donations and legacies</i>							
Grant-in-Aid	2a	24,251	8,953	33,204	32,431	6,010	38,441
External funds	2b	3,023	6,832	9,855	1,304	2,315	3,619
Lottery funding	2c	-	12	12	-	535	535
Donated objects and services	2d	-	74	74	-	23	23
		27,274	15,871	43,145	33,735	8,883	42,618
<i>Other trading activities</i>							
Income from commercial activities	3a	9,536	-	9,536	5,102	-	5,102
Fees	3b	4,294	203	4,497	3,094	479	3,573
Royalties	3c	177	-	177	340	-	340
Disposals of assets	3d	1	-	1	-	-	-
		14,008	203	14,211	8,536	479	9,015
<i>Investments</i>							
	4a	367	-	367	64	-	64
<i>Charitable activities</i>							
Admissions	4b	15,342	-	15,342	6,485	-	6,485
Government grants	4c	-	-	-	-	482	482
		15,342	-	15,342	6,485	482	6,967
Total income and endowments		56,991	16,074	73,065	48,820	9,844	58,664
Expenditure on:							
<i>Raising funds</i>							
Fundraising and publicity		2,851	49	2,900	2,498	101	2,599
Commercial costs	15	7,266	17	7,283	5,059	165	5,224
		10,117	66	10,183	7,557	266	7,823
<i>Charitable activities</i>							
Education, exhibitions and visitor services		17,608	1,985	19,593	16,465	2,100	18,565
Building care and preservation		10,768	5,684	16,452	8,907	6,698	15,605
Collections management and conservation		8,457	573	9,030	7,220	593	7,813
Grants	16	4,000	887	4,887	-	124	124
Purchases for the collection		26	-	26	18	-	18
		40,859	9,129	49,988	32,610	9,515	42,125
Total expenditure	6	50,976	9,195	60,171	40,167	9,781	49,948
Net income	5	6,015	6,879	12,894	8,653	63	8,716
Transfers between funds		231	(231)	-	(745)	745	-
<i>Other recognised gains</i>							
Profit/(loss) on revaluation of fixed assets		1,203	574	1,777	(831)	(2,214)	(3,045)
Net movement in funds		7,449	7,222	14,671	7,077	(1,406)	5,671
Reconciliation of funds:							
Total fund balances brought forward at 1 April 2022		46,479	230,302	276,781	39,402	231,708	271,110
Total fund balances carried forward at 31 March 2023	20a	53,928	237,524	291,452	46,479	230,302	276,781

All income and expenditure is due to continuing activities.

The notes on pages 80 to 101 form part of these accounts.

IMPERIAL WAR MUSEUM ACCOUNT 2022-23

Museum Statement of Financial Activities for the year ended 31 March 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Income and endowments from:							
<i>Donations and legacies</i>							
Grant-in-Aid	2a	24,251	8,953	33,204	32,431	6,010	38,441
External funds	2b	7,888	6,685	14,573	2,947	2,208	5,155
Lottery funding	2c	-	12	12	-	535	535
Donated objects and services	2d	-	74	74	-	23	23
		32,139	15,724	47,863	35,378	8,776	44,154
<i>Other trading activities</i>							
Income from commercial activities	3a	51	-	51	4	-	4
Fees	3b	1,866	203	2,069	1,642	479	2,121
Disposals of assets	3d	1	-	1	-	-	-
		1,918	203	2,121	1,646	479	2,125
<i>Investments</i>							
	4a	340	-	340	64	-	64
<i>Charitable activities</i>							
Admissions	4b	15,342	-	15,342	6,485	-	6,485
Government grants	4c	-	-	-	-	317	317
		15,342	-	15,342	6,485	317	6,802
Total income and endowments		49,739	15,927	65,666	43,573	9,572	53,145
Expenditure on:							
<i>Raising funds</i>							
Fundraising and publicity		2,851	49	2,900	2,502	101	2,603
Commercial costs		3	-	3	8	-	8
		2,854	49	2,903	2,510	101	2,611
<i>Charitable activities</i>							
Education, exhibitions and visitor services		16,531	1,941	18,472	15,539	2,025	17,564
Building care and preservation		10,770	5,683	16,453	8,910	6,697	15,607
Collections management and conservation		8,458	573	9,031	7,219	592	7,811
Grants		5,000	887	5,887	1,000	124	1,124
Purchases for the collection		26	-	26	18	-	18
		40,785	9,084	49,869	32,686	9,438	42,124
Total expenditure		43,639	9,133	52,772	35,196	9,539	44,735
Net income		6,100	6,794	12,894	8,377	33	8,410
Transfers between funds		231	(231)	-	(745)	745	-
Other recognised gains							
Profit/(loss) on revaluation of fixed assets		1,203	574	1,777	(831)	(2,214)	(3,045)
Net movement in funds		7,534	7,137	14,671	6,801	(1,436)	5,365
Reconciliation of funds:							
Total fund balances brought forward at 1 April 2022		46,825	229,956	276,781	40,024	231,392	271,416
Total fund balances carried forward at 31 March 2023	20b	54,359	237,093	291,452	46,825	229,956	276,781

All income and expenditure is due to continuing activities.

The notes on pages 80 to 101 form part of these accounts.

IMPERIAL WAR MUSEUM ACCOUNT 2022-23

Consolidated and IWM Balance Sheets as at 31 March 2023

	Notes	<u>Consolidated</u> 2023 £'000	Consolidated 2022 £'000	<u>IWM</u> 2023 £'000	<u>IWM</u> 2022 £'000
Non-current assets					
Fixed assets					
Intangible assets	8a	2,956	2,263	2,956	2,263
Tangible assets	8b	256,013	252,495	256,013	252,495
Heritage assets	9a	9,160	9,110	9,160	9,110
Lease receivables	10	1,219	834	1,219	834
Investments	15	-	-	600	600
		<u>269,348</u>	<u>264,702</u>	<u>269,948</u>	<u>265,302</u>
Current assets					
Stock	11	551	467	-	-
Debtors	12	9,689	3,600	9,357	3,935
Cash at bank and in hand	13	27,126	22,995	26,214	21,431
		<u>37,366</u>	<u>27,062</u>	<u>35,571</u>	<u>25,366</u>
Current liabilities					
Creditors: amounts falling due within one year	14a	(8,199)	(6,491)	(7,004)	(5,395)
Long term loan with current portion	14f	(1,000)	(1,000)	(1,000)	(1,000)
		<u>(9,199)</u>	<u>(7,491)</u>	<u>(8,004)</u>	<u>(6,395)</u>
Net current assets		28,167	19,571	27,567	18,971
Total assets less current liabilities		297,515	284,273	297,515	284,273
Current liabilities					
Creditors: amounts falling due after more than one year	14b	(4,063)	(4,492)	(4,063)	(4,492)
Long-term loan	14f	(2,000)	(3,000)	(2,000)	(3,000)
		<u>(6,063)</u>	<u>(7,492)</u>	<u>(6,063)</u>	<u>(7,492)</u>
Net assets		<u>291,452</u>	<u>276,781</u>	<u>291,452</u>	<u>276,781</u>
Represented by:					
Restricted funds					
Restricted funds	20	175,830	166,827	175,399	166,481
Restricted funds buildings revaluation		61,694	63,475	61,694	63,475
		<u>237,524</u>	<u>230,302</u>	<u>237,093</u>	<u>229,956</u>
Unrestricted funds:					
Designated funds	20	19,354	19,837	19,388	19,870
Designated funds buildings revaluation		19,763	18,765	19,763	18,765
		<u>39,117</u>	<u>38,602</u>	<u>39,151</u>	<u>38,635</u>
General funds	20	20,846	13,654	21,243	13,966
Finance lease reserve		(6,035)	(5,777)	(6,035)	(5,776)
		<u>14,811</u>	<u>7,877</u>	<u>15,208</u>	<u>8,190</u>
Total funds		<u>291,452</u>	<u>276,781</u>	<u>291,452</u>	<u>276,781</u>

The financial statements on pages 80 to 101 were approved by the Director and the Chair.



Matthew Westerman
Chair of the Trustees



Caro Howell MBE
Director-General and Accounting Officer

Date 18 July 2023

The financial statements were authorised for issue by the Accounting Officer and Board of Trustees on the date shown on the audit certificate

The notes on pages 80 to 101 form part of these accounts.

IMPERIAL WAR MUSEUM ACCOUNT 2022-23

Consolidated statement of cash flows for the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	22a	15,693	23,194
Cash flows from investing activities:			
Interest received	4	367	64
Purchase of fixed assets		(10,333)	(11,818)
Net cash (used in) investing activities		(9,966)	(11,754)
Cash flows from financing activities:			
Interest element of loan payments		(7)	(8)
Interest element of finance lease rental payments		(261)	(226)
Repayment of capital element of finance lease rental		(328)	(79)
Cash (outflows) from Loans		(1,000)	(1,000)
Net cash provided by financing activities		(1,596)	(1,313)
Change in cash and cash equivalents in the reporting period	22b	4,131	10,127
Cash and cash equivalents at the beginning of the reporting period	22c	22,995	12,868
Cash and cash equivalents at the end of the reporting period	13	27,126	22,995

The Museum has taken the exemption under FRS 102 from displaying a separate cash flow statement

The notes on pages 80 to 101 form part of these accounts.

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

The Imperial War Museum is a non-departmental public body, sponsored by the Department for Culture, Media & Sport (DCMS). The Group is an exempt charity as listed in Schedule 3 of the Charities Act 2011.

The financial statements are prepared in accordance with the Museums and Galleries Act 1992 Accounts Direction given by the Secretary of State for 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 (FRM), the Charities Act 2011 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.

The Museum has taken the exemption under FRS 102 from displaying a separate cash flow statement

(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, IWM 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.

Alongside this, Trustees have reviewed the new four-year Corporate Plan for 2023-27. The trajectory of the Plan sees income levels recovering in 2022-23 to pre-Covid with still some significant pressures on the expenditure due to the high inflation and impact on salaries and utilities. In response to this, we have built scenarios to assess measures that could be taken would the projections worsen. The measures would be of last resort but does provide additional contingency.

(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 20.

(d) Income and endowments

All income is recognised in the statement of financial activities ("SOFA") 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 Culture, Media and Sport

This is shown in the SOFA in the year the funding 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. The market value is estimated by in-house curators as set out in note 9(e). 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 15). The accounts of the Company set out the income recognition policies applied.

Fees

Fees are recognised in line with the period to which the funding relates.

(d) Income and endowments (continued)

Investment Income

Investment income is recognised in line with the period to which the funding relates.

Incoming resources from charitable activities

Admissions are recognised in line with when the customer visited the IWM.

Government Grants - Coronavirus Job Retention Scheme (CJRS)

Government Grants are recognised on a receivable in line with the period to which the funding relates.

(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 purchased by IWM since 2001, with a cost above £2,000, are capitalised in the balance sheet, in line with their purchased cost. Heritage assets purchased by IWM with a cost of under £2,000 are expensed on the SOFA.

Donated heritage assets

Donated heritage assets are valued by IWM, by in-house curators as set out in note 9e, 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. 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, off 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 88 years
Buildings - plant and machinery	- between 5 and 33 years
Buildings - fit-out	- between 5 and 48 years
Equipment	- 4 years
Permanent exhibitions	- over the life of the exhibition

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) Lease receivables

IWM recognises lease receivables at the lease commencement date. The lease receivable is initially measured at the present value of the lease payments that are paid from the commencement date, discounted using an agreed relevant discount rate. The Lease payments are split between capital and interest income. The capital income is recognised against the lease receivable on the balance sheet and the interest income is recognised on the SOFA as an investment income.

(j) Stocks

Stocks are stated at cost price or net realisable value, whichever is the lower. Cost price is determined based on the amount the stock was purchased at by the IWM Trading Company. A stock assessment of valuation can lead to a provision being made against slow moving and obsolete stock.

(k) 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 SOFA 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 SOFA on a straight line basis over the life of the lease.

(l) 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.

(m) 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 15.

(n) 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 SOFA.

(o) 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.

(p) 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 and a loan. Liabilities that fall due within one year are recorded at their carrying values. Liabilities that fall due after one year are also recorded at their carrying values which is deemed to be fair value.

(q) 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.

(r) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction and, at year end, balances are restated at the year-end rate. All exchange differences are taken to the SOFA.

(s) 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 2022/23 (2021/22: dormant).

(t) Key judgements and estimates

The preparation of the consolidated and the museum 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 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 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.

The following estimates have had the most significant effect on amounts recognised in the financial statements.

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 8b) are important to the Museums reported financial position and total expenditure. Revaluation of PPE requires management to rely on the expertise of professional surveyors. The freehold and leasehold properties comprising the IWM's estate were valued as at 31 March 2023 by an external valuer, Gerald Eve LLP, a regulated firm of chartered surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and UK national standards (November 2018), the Charities SORP and FRS 102. Specialised properties were valued by reference to the depreciated replacement cost method; other operational properties have been valued on the basis of current value in their existing use. In 2022–23 this exercise resulted in an upwards revaluation of £1.3M

The valuer also made reference to market evidence of land transaction prices for other land sales. An adjustment to any of these assumptions could lead to a material change in the land valuation.

2a Grant in Aid

Grant-in-Aid (from the Department for Culture, Media and Sport) has been received during the year of £33,204K (2021-22: £38,441K). This represents 55% (2021-22: 77%) 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. £8,953K (2021-22 £6,010K) of the Grant-in-Aid was restricted for critical maintenance work, refurbishment and renewals of buildings, plant and equipment and the digitisation programme. £4,576K (2021-22 £13,632K) was a Covid support package.

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
2b Donations and legacies				
Grants and donations	9,713	3,561	14,516	5,152
Sponsorship	85	55	-	-
Legacies	57	3	57	3
	9,855	3,619	14,573	5,155

The total of £9,855K is split between the IWM (£9,708K) and the Imperial War Museum Trading Company (£147K), after intercompany transactions of £5,865K.

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
2c Lottery funding				
Lottery funding	12	535	12	535
	12	535	12	535

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
2d Donated objects and services				
Donated objects and services	74	23	74	23
	74	23	74	23

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
3a Income from commercial activities				
Income from Commercial activities	9,536	5,102	51	4
	9,536	5,102	51	4

The total of £9,536K is split between the IWM (£51K) and the Imperial War Museum Trading Company (£9,485K).

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
3b Fees				
Fees	4,497	3,573	2,069	2,121
	4,497	3,573	2,069	2,121

The total of £4,497K is split between the IWM (£436K) and the Imperial War Museum Trading Company (£4,061K), after intercompany transactions of £1,633K.

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
3c Royalties				
Royalties	177	340	-	-
	177	340	-	-

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
3d Disposals of assets				
Disposals of assets	1	-	1	-
	1	-	1	-

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
4a Investment income				
Interest receivable	307	4	280	4
Lease interest	60	60	60	60
	367	64	340	64

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

The interest receivable is split between the IWM (£340K) and the Imperial War Museum Trading Company (£27K). The lease interest relates to IWM.

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
4b Admissions				
Admissions	15,342	6,485	15,342	6,485
	15,342	6,485	15,342	6,485

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
4c Government grants				
Government grants - CJRS	-	482	-	317
	-	482	-	317

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
4d Income from charitable activities by charitable expenditure				
Education, exhibitions and visitor services	6,612	3,518	6,097	3,234
Building care and preservation	4,043	1,903	3,972	1,854
Collections management and conservation	3,175	1,542	3,120	1,502
Grants	1,502	-	1,844	208
Purchases for the collection	10	4	10	4
	15,342	6,967	15,043	6,802

Group income from charitable activities includes admissions £15,342K and government grants £Nil (2021-22 admissions £6,485K and government grants £482K).

	2023 £'000	2022 £'000
5 Consolidated net income		
Net income of £12,894K, (2021-22 £8,716K) before transfers, are stated after charging:		
Auditors remuneration		
National Audit Office - IWM consolidated accounts	61	52
Moore Kingston Smith LLP - Imperial War Museum Trading Company	24	21
Moore Kingston Smith LLP - additional fee for prior year	-	3
Other Services - Moore Kingston Smith LLP, preparation of corporation tax return in relation to Imperial War Museum Trading Company	2	1
Hire purchase on equipment	84	79
Operating leases - equipment	99	88
Operating leases - land and buildings	436	299
Interest payable on finance lease	262	226
Interest payable on loan	7	8
Depreciation and amortisation of owned assets	7,886	9,311
Depreciation of assets held under finance leases	257	346
Increase/(decrease) in provision for bad debts	9	(6)

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

6 Consolidated total expenditure	Staff costs £'000	Other costs £'000	Depreciation, amortisation & impairment £'000	2023 Total £'000
Raising Funds				
Fundraising and publicity	1,601	1,277	22	2,900
Commercial costs	3,794	3,486	3	7,283
	<u>5,395</u>	<u>4,763</u>	<u>25</u>	<u>10,183</u>
Charitable activities				
Education, exhibitions and visitor services	8,799	9,538	1,256	19,593
Building care & preservation	550	9,527	6,375	16,452
Collections management and conservation	6,202	2,598	230	9,030
Other grants	-	4,887	-	4,887
Purchases for the collection	-	26	-	26
	<u>15,551</u>	<u>26,576</u>	<u>7,861</u>	<u>49,988</u>
<i>Total resources expended</i>	<u>20,946</u>	<u>31,339</u>	<u>7,886</u>	<u>60,171</u>

Consolidated total expenditure (2022 comparative)	Staff costs £'000	Other costs £'000	Depreciation, amortisation & impairment £'000	2022 Total £'000
Raising Funds				
Fundraising and publicity	1,423	1,125	51	2,599
Commercial costs	3,540	1,677	7	5,224
	<u>4,963</u>	<u>2,802</u>	<u>58</u>	<u>7,823</u>
Charitable activities				
Education, exhibitions and visitor services	8,006	9,182	1,377	18,565
Building care & preservation	570	7,519	7,516	15,605
Collections management and conservation	5,535	1,918	360	7,813
Other grants	-	124	-	124
Purchases for the collection	-	18	-	18
	<u>14,111</u>	<u>18,761</u>	<u>9,253</u>	<u>42,125</u>
<i>Total resources expended</i>	<u>19,074</u>	<u>21,563</u>	<u>9,311</u>	<u>49,948</u>

Resources expended are shown after eliminations on consolidation of transactions between IWM and the Imperial War Museum Trading Company of £7,660K (2021-22 £3,879K).

6a Division of direct and indirect expenditure	Direct costs £'000	Allocated support costs £'000	2023 Total £'000	Direct Costs £'000	Allocated support costs £'000	2022 Total £'000
Raising funds						
Fundraising and publicity	2,139	761	2,900	2,025	574	2,599
Commercial costs	7,283	-	7,283	5,224	-	5,224
	<u>9,422</u>	<u>761</u>	<u>10,183</u>	<u>7,249</u>	<u>574</u>	<u>7,823</u>
Charitable activities						
Education, exhibitions and visitor services	11,077	8,516	19,593	9,149	9,416	18,565
Building care and preservation	15,988	464	16,452	15,173	432	15,605
Collections management and conservation	5,977	3,053	9,030	5,306	2,507	7,813
Other grants (Note 15)	4,887	-	4,887	124	-	124
Purchases for the collection	26	-	26	18	-	18
	<u>37,955</u>	<u>12,033</u>	<u>49,988</u>	<u>29,770</u>	<u>12,355</u>	<u>42,125</u>
<i>Total resources expended</i>	<u>47,377</u>	<u>12,794</u>	<u>60,171</u>	<u>37,019</u>	<u>12,929</u>	<u>49,948</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 6b.

	Directorate & office services £'000	Human resources £'000	Finance and planning £'000	IT and communication £'000
6b Allocation of support				
<i>Raising funds</i>				
Fundraising and publicity	2	50	70	212
	2	50	70	212
<i>Charitable activities</i>				
Education, exhibitions and visitor services	11	257	672	1,311
Building care and preservation	-	7	10	31
Collections management and conservation	8	198	283	834
	19	462	965	2,176
	21	512	1,035	2,388

	Facilities management £'000	Depreciation & amortisation £'000	Support salary costs £'000	Allocated Support costs Total 2023 £'000
6b Allocation of support (continued)				
<i>Raising funds</i>				
Fundraising and publicity	-	23	404	761
	-	23	404	761
<i>Charitable activities</i>				
Education, exhibitions and visitor services	4,052	117	2,096	8,516
Building care and preservation	347	9	60	464
Collections management and conservation		113	1,617	3,053
	4,399	239	3,773	12,033
	4,399	262	4,177	12,794

	Directorate & office services £'000	Human resources £'000	Finance and planning £'000	IT and communication £'000
6b Allocation of support comparative 2022				
<i>Raising funds</i>				
Fundraising and publicity	1	19	45	140
	1	19	45	140
<i>Charitable activities</i>				
Education, exhibitions and visitor services	9	122	761	1,092
Building care and preservation	1	7	16	52
Collections management and conservation	6	86	214	636
	16	215	991	1,780
	17	234	1,036	1,920

	Facilities management £'000	Depreciation & amortisation £'000	Support salary costs £'000	Allocated Support costs Total 2022 £'000
6b Allocation of support (continued)				
<i>Raising funds</i>				
Fundraising and publicity	-	52	317	574
	-	52	317	574
<i>Charitable activities</i>				
Education, exhibitions and visitor services	5,289	269	1,874	9,416
Building care and preservation	232	19	105	432
Collections management and conservation	-	259	1,306	2,507
	5,521	547	3,285	12,355
	5,521	599	3,602	12,929

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

	2023 £'000	2022 £'000
7 Consolidated staff costs		
Salaries and wages	16,308	14,577
Temporary / agency staff	98	85
National Insurance	1,645	1,408
Superannuation	2,704	2,779
Early retirement, early exit and compensation costs	125	166
Apprenticeship Levy	66	59
	20,946	19,074

In addition £264K (including £16K for Superannuation) of staff costs relating to staff working exclusively on capital projects was capitalised in 2022/23 (2021/22 £446K, including £60K for Superannuation).

Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - known as "Alpha" - are an 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 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2022/23, employers' contributions of £2,205K were payable to the PCSPS (2021/22 £2,444K) 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 2021/22 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 £34K were paid to one or more of a panel of appointed stakeholder pension providers (2021-22 £36K). 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 £3K (2021-22 £3K). 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 £481k were paid in 2022/23 (£359k in 2021-22). Contributions due to Aviva at the balance sheet were £48K (2021-22 £32K).

Number of employees

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

	2023 No	2022 No
£60,001 - £70,000	11	7
£70,001 - £80,000	3	1
£80,001 - £90,000	1	6
£90,001 - £100,000	5	1
£100,001 - £110,000	1	1
£110,001 - £120,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£160,001 - £170,000	-	-
£170,001 - £180,000	1	-
	23	18

The number of staff paid above £60K (2021-22, 7; Legal and General, 1, £10,783; Aviva, 6, £37,695) to whom retirement benefits are accruing under defined contribution schemes is 9 (Legal and General, 1, £10,961; Aviva, 8, £55,553, 1 of who also has a NEST contribution £220) and under defined benefit schemes is Alpha, 14, £309,588 (2021-22, 11, Classic, 1, £35,301; Alpha, 10, £242,175).

Please see the Remuneration report on page 50 of the Annual Report for more details of senior staff costs.

Total remuneration of Managerial staff was £2,074K (2021-22, £1,907K).

7 Consolidated staff costs (continued)

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

				2023	2022
	Permanent staff	Temporary Staff	Managerial staff	Total No of staff	Total No of staff
Education, exhibitions and visitor services	169	1	5	175	179
Building care & preservation	3	-	2	5	10
Collections management and conservation	130	2	4	136	124
Trading / commercial	92	-	2	94	86
Fundraising and publicity	30	-	4	34	27
	424	3	17	444	426

In addition to the above, there were 8 (2021/22: 6) full time equivalent of 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 13 Assistant Directors.

Trustees

The Chairman and Board of Trustees received no remuneration for their services during 2022-23 (2021-22 £Nil). Travel, subsistence and entertainment expenses paid to Trustees amounted to £Nil (2021-22 £Nil).

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

Volunteers

An average of 1,049 volunteers (2021-22: 1,113) worked across the five branches, and digitally, equating to a total of 69,218 hours (2021-22: 47,586) at an estimated average cost, calculated at the average cost of living wage across the branches, of £10.48/hr (2021-22: £10.18/hr), of £725,059 (2021-22: £484,188). This equates to around 38 full time equivalent posts (2021-22 26 full time equivalent posts). The increase between the two years is due to onsite volunteering opportunities being fewer during 2021-22 because of the Pandemic.

Ex-gratia payments

During the year the IWM made no ex-gratia payments (2021-22: £Nil).

8a Consolidated intangible fixed assets	Assets under development	Customer Relationship Management System	Total
	£'000	£'000	£'000
Cost at 1 April 2022	2,263	1,384	3,647
Additions	693	-	693
Value at 31 March 2023	2,956	1,384	4,340
Amortisation at 1 April 2022	-	1,384	1,384
Provided in year	-	-	-
Amortisation at 31 March 2023	-	1,384	1,384
Net book value at 31 March 2023	2,956	-	2,956
Net book value at 1 April 2022	2,263	-	2,263

The IWM is investing in a Digital transformation and Customer Relationship Management (CRM) system to manage and improve relationships with our customers. During 2022-23 costs have been mainly for a new Finance system that went live on 1st April 2023.

8b 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 2022	41,600	141,233	45,277	20,684	2,930
Additions	-	525	585	107	8,072
Transfers between categories	-	209	590	74	(873)
Transfer out to Lease receivables	-	(385)	-	-	-
Revaluation	(3,221)	(5,108)	(7,235)	(1,373)	-
Disposals	-	-	-	-	-
Value at 31 March 2023	<u>38,379</u>	<u>136,474</u>	<u>39,217</u>	<u>19,492</u>	<u>10,129</u>
Depreciation at 1 April 2022	-	5,368	4,753	2,413	-
Provided in year	-	2,638	2,401	1,070	-
Depreciation due to revaluation	-	(8,006)	(7,154)	(3,483)	-
Disposals	-	-	-	-	-
Depreciation at 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31 March 2023	<u>38,379</u>	<u>136,474</u>	<u>39,217</u>	<u>19,492</u>	<u>10,129</u>
Net book value at 1 April 2022	<u>41,600</u>	<u>135,865</u>	<u>40,524</u>	<u>18,271</u>	<u>2,930</u>

Consolidated tangible fixed assets (continued)	Exhibitions £'000	Equipment £'000	Assets held under finance lease £'000	Total £'000
Cost/valuation at 1 April 2022	31,864	7,154	5,568	296,310
Additions	4	718	-	10,011
Transfers between categories	-	-	-	-
Transfer out to Lease receivables	-	-	-	(385)
Revaluation	-	-	(1,217)	(18,154)
Disposals	-	(149)	-	(149)
Value at 31 March 2023	<u>31,868</u>	<u>7,723</u>	<u>4,351</u>	<u>287,633</u>
Depreciation at 1 April 2022	22,341	6,460	2,479	43,814
Provided in year	989	531	257	7,886
Depreciation due to revaluation	-	-	(1,288)	(19,931)
Disposals	-	(149)	-	(149)
Depreciation at 31 March 2023	<u>23,330</u>	<u>6,842</u>	<u>1,448</u>	<u>31,620</u>
Net book value at 31 March 2023	<u>8,538</u>	<u>881</u>	<u>2,903</u>	<u>256,013</u>
Net book value at 1 April 2022	<u>9,523</u>	<u>694</u>	<u>3,089</u>	<u>252,496</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. Total cost £6,313K.

There was a full valuation of all museum sites as at 31 March 2023. All valuations were by external professional valuers Gerald Eve LLP, in accordance with the Royal Institute of Chartered Surveyors guidance notes and IFRS102 - The Financial Reporting Standards for Tangible Fixed Assets. The next full valuation is due to take place for the year ending 31 March 2028.

The valuation of the non-specialised properties was undertaken on an Existing Use Value (EUV) basis. Specialised properties were valued on a Depreciated Replacement Cost (DRC) basis

The historical cost basis of valuation is not known given the unique nature of the assets.

In assessing the land value of Specialised properties Gerald Eve have determined with what other uses a buyer of an alternative site for the specialised use would have to compete in the market. The valuation of land was based on the site area and developed accommodation. To guide the land value, the valuers considered other land sales, whilst also taking into account the amount of accommodation provided, leasehold tenure and the restricted use made of the actual site.

There is a positive relationship between other land values and the land valuation which would cause an increase in the price per acre to result in a proportional increase in fair value. Using the lowest and highest other land sales considered by the valuers, an increase in the market rate of £0.67 per acre would result in an increase in the IWM North's property by £670K, whilst a decrease of £3.75 per acre would reduce the property valuation by £3,750k.

An increase in the market rate of £0.25 per square foot would result in an increase in the IWM London's property by £2,025K, whilst a decrease of £0.79 per square foot would reduce the property valuation by £6,350K.

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.

8b Consolidated tangible fixed assets (continued)

Property	Title	Net book value at 31 March 2023 £'000	Net book value at 1 April 2022 £'000	Basis of valuation
IWM London, Lambeth Road, London SE1 including Gate Lodge, Lambeth Road, London SE1	Long leasehold Freehold	99,377	96,200	Depreciated replacement cost Depreciated replacement cost
Parkside Building, Austral Street London SE11	Freehold	6,161	7,390	Fair Value
Duxford Airfield, Cambridgeshire	Freehold	91,587	90,723	Depreciated replacement cost
Ickleton Film Store, Cambridgeshire	Long Leasehold	Nil	4,454	Depreciated replacement cost
IWM North, Manchester	Long Leasehold	31,910	30,068	Depreciated replacement cost
HMS Belfast, London SE1	Long Leasehold	2,650	5,425	Existing use
Churchill War Museum, London SW1	Long Leasehold	4,785	5,092	Depreciated replacement cost

At 31 March 2023 the valuers were of the opinion that the valuation of the Ickleton Film store should be written down to Nil, now that the buildings have been vacated.

9a Heritage assets	Acquisition at historic costs £'000	Donated assets at valuation £'000	Total £'000
Valuation at 1 April 2022	5,027	4,083	9,110
Additions	10	40	50
Value at 31 March 2023	<u>5,037</u>	<u>4,123</u>	<u>9,160</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 2022-23 were valued at £40K comprising assets and equipment capitalised in the IWM's Balance Sheet (2021-22: £20K). Values were assessed by relevant experts and other information, including valuations for tax purposes. Historical cost is not known given the unique nature of the assets.

No capitalised collection objects were disposed of during the year.

9b Five year financial summary of heritage asset transactions

	2022-23 £'000	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000
Additions	£'000	£'000	£'000	£'000	£'000
Purchases	10	115	4	76	331
Donations	40	20	372	1,200	85
Total additions	<u>50</u>	<u>135</u>	<u>376</u>	<u>1,276</u>	<u>416</u>

9c 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, we have 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. Our remit embraces the causes, conduct and consequences of conflict.

We manage our museum collections by recording each individual item. For our film collection, we 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 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.	95,196 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.	152,379 items
Sound Recordings: Our collection 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.	35,337 items

9c The nature and scale of the IWM's heritage assets (continued)

Film: IWM is one of the oldest national film archives and is the official repository for relevant film under the terms of the Public Records Act 1958.	50,429 titles
Maps: IWM holds trench maps and other maps relating to conflicts we cover, particularly the First World War	63,194 items
Proclamations: These notices, decrees and posters cover the First World War and later conflicts, from the Home Front and global theatres of war.	31,993 items

For our vast archival collections of photographs and documents, we 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 also hold an extensive series of 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 26,979 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 19,778 collections

Reference Library: The reference collection includes over 150,000 books as well as significant reference collections of printed ephemera, pamphlets and periodicals. The collection covers all nations involved in war and conflict from 1914 to the present with a particular focus on social, economic, political, literary, artistic, and military history.	252,126 items
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Total collection numbers

Museum collections	Total	428,528 items
Archive collections	Total	Estimated 33 million items, managed under 46,757 collections
Reference Library		252,126 items
Total		33,680,654 items

Changes to the figures since last year:

Category	21-22 figures	22-23 figures	Change	Reason for Change
Artworks	94,658	95,196	+538	Acquiring new items for the collection and more detailed cataloguing
Objects	152,113	152,379	+266	Acquiring new items for the collection
Sound	35,200	35,337	+137	Acquiring new items for the collection
Film	49,874	50,429	+555	Acquiring new items for the collection and more detailed cataloguing
Maps	63,031	63,194	+163	More detailed cataloguing
Proclamations	31,991	31,993	+2	No change
Documents	26,908	26,979	+71	Acquiring new items for the collection
Photographs	19,735	19,778	+43	Acquiring new items for the collection
Reference Library	250,330	252,126	+1,796	Acquiring new items for the collection

9d 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 by acquiring, providing access to and interpreting 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 meets the requirements of the Arts Council England Accreditation Standard and 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.

9d Collections Development Policy (continued)

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 an object will be the responsibility of the IWM Board of Trustees acting on the advice of the Collections Development Committee and not of any collections manager, curator, or librarian acting alone.

9e Collections management policies and procedures

We enrich people's understanding of the causes, course and consequences of war through the acquisition and interpretation of, and access to, 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 and all IWM branches are fully accredited.

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 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-standard software, Axiell Collections. IWM has a Digital Asset Management System (DAMS) integrated with Axiell Collections to consolidate and preserve our digital assets in centralised storage.

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 are copied daily to tape (in multiple copies) and the tape is itself backed up weekly. Collections information held in Axiell Collections, our system of record, is backed up in full every night, with database changes backed up hourly.

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 the physical collections (as defined through collections risk assessments), high quality collections surrogates (including digital access copies) are made available where possible.

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 assesses 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 conservation 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 Ethical Guidance* and the International Federation of Film Archives (FIAF) *Code of Ethics*.

9e Collections management policies and procedures (continued)

Specific IWM legislation

Imperial War Museum Act, 1920
Imperial War Museum Act, 1955

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

Collections Development Policy (2020)
Collections Management Policy (2019)
Due Diligence Policy (2015)

Collections Management in Practice procedures and policy for developing our collections (Entry, Acquisition and accession, Exit, Deaccession and disposal); managing our collections (Inventory, Labelling and marking, Location and movement, Cataloguing, Condition checking, Condition reporting, Conservation, Risk management, Valuation, Audit, Rights management, Use of collections), responding when things go wrong (Loss, Reporting Damage) and lending and borrowing (Loans in, Loans Out, Insurance and indemnity).

9f 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 was recalculated for 2019- 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 legally 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.

10 Lease receivables

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after 31 March 2023.

	2023	2022
	Land and other buildings	Land and other buildings
	£'000	£'000
Finance leases which expire:		
Within one year	60	60
In the second to fifth years inclusive	277	240
Over five years	8,369	6,816
	<u>8,706</u>	<u>7,116</u>
Unearned finance income	<u>(7,487)</u>	<u>(6,282)</u>
Net investment in the lease	<u>1,219</u>	<u>834</u>
Within one year	-	-
In the second to fifth years inclusive	4	-
Over five years	1,215	834
	<u>1,219</u>	<u>834</u>

The IWM leases two buildings, the All Saints building on Austral Street and the Officers Mess at IWM Duxford. The IWM has classified both leases as finance leases.

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
11 Stock	551	467	-	-

Stock consists of retail goods and IWM Publications. There is an insignificant difference between stocks existing value and its replacement cost.

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
12a Debtors				
Amounts falling due within one year				
Trade debtors	533	426	32	15
Other debtors	36	3	36	3
Amount owed by Imperial War Museum Trading Company Ltd	-	-	-	395
VAT debtor	1,172	639	1,476	1,083
Prepayments	588	422	517	385
Accrued income	6,924	1,788	6,847	1,728
Provision for bad debts	(14)	(5)	(1)	(1)
Total debtors falling due within one year	<u>9,239</u>	<u>3,273</u>	<u>8,907</u>	<u>3,608</u>
Amounts falling due after more than one year				
Accrued Income	450	327	450	327
Total Debtors	<u>9,689</u>	<u>3,600</u>	<u>9,357</u>	<u>3,935</u>

Group - Largest pledges included in accrued income are £1,500K from Garfield Weston Foundation; £1,000K from the Ministry of Defence, (2021-22: £400K from the Clore Duffield Foundation and £450K from Warner Brothers).

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
12b Intra-Government debtor balances				
Balances with other central government bodies	<u>2,846</u>	<u>1,279</u>	<u>3,150</u>	<u>1,722</u>

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
13 Cash at bank and in hand				
Balances held with commercial banks and cash in hand	14,984	18,993	14,072	17,429
Balances held on 95 days notice accounts	12,142	4,002	12,142	4,002
	<u>27,126</u>	<u>22,995</u>	<u>26,214</u>	<u>21,431</u>

The total of £27,126K is split between the IWM (£26,214K) and the Imperial War Museum Trading Company (£912K).

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
14a Creditors				
Amounts falling due within one year				
Trade creditors	2,072	1,606	2,031	1,569
Amount owing to Imperial War Museum Trading Company Ltd	-	-	511	-
Other creditors	367	144	297	282
Taxation and social security creditor	425	360	215	222
Obligations under finance lease	395	328	395	328
Accruals	3,304	2,876	2,968	2,660
Deferred income	1,636	1,177	587	334
Total creditors falling due within one year	<u>8,199</u>	<u>6,491</u>	<u>7,004</u>	<u>5,395</u>
14b Amounts falling due after more than one year				
Obligations under finance lease	3,522	3,917	3,522	3,917
Deferred income	541	575	541	575
Total creditors falling due after more than one year	<u>4,063</u>	<u>4,492</u>	<u>4,063</u>	<u>4,492</u>
Total creditors	<u>12,262</u>	<u>10,983</u>	<u>11,067</u>	<u>9,887</u>

On the amount owing to the Imperial War Museum Trading Company Ltd, no interest is charged (2021-22 £395k owed by Imperial War Museum Trading Company). The amount is repayable on demand.

Included in deferred income is £541K (2021-22 £575K) 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. Of the £541, £403K is due after more than five years.

	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
14c Intra-Government creditor balances				
Balances with other central government bodies	<u>646</u>	<u>583</u>	<u>436</u>	<u>445</u>

14d Deferred income	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
Deferred income brought forward	1,753	925	910	675
Released in year	(1,142)	(314)	(334)	(64)
Deferred in year	1,566	1142	552	299
Deferred income carried forward	<u>2,177</u>	<u>1,753</u>	<u>1,128</u>	<u>910</u>

14e Obligations under finance leases	2023	2023	2022
At 31 March 2023 IWM had commitments under finance leases as set out below:	Exhibitions £'000	Total £'000	Total £'000
Finance lease obligations: payments due			
Within one year	395	395	328
in the second to fifth year	1,834	1,834	1,729
in more than five years	1,689	1,689	2,188
	<u>3,918</u>	<u>3,918</u>	<u>4,245</u>

14f Loans	Group 2023 £'000	Group 2022 £'000	IWM 2023 £'000	IWM 2022 £'000
Amounts falling due within one year				
Long term loan with current portion	1,000	1,000	1,000	1,000
Amounts falling due after more than one year				
Long term loan	2,000	3,000	2,000	3,000
	<u>3,000</u>	<u>4,000</u>	<u>3,000</u>	<u>4,000</u>

The Museum received a loan from Department for Digital, Culture, Media and Sport of £2,000,000 in 2019-20 and £3,000,000 in 2020-21 for the Parkside project. The loan agreement shows repayments being made in five equal instalments from April 2021 to April 2025. Interest is being charged at a rate of 0.24% and 0.12%

15(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.

Profit and loss account	2023 £'000	2022 £'000
Turnover	13,885	8,119
Cost of goods sold	(8,560)	(6,295)
Gross profit	<u>5,325</u>	<u>1,824</u>
Other operating income	<u>1,147</u>	<u>1,278</u>
Administrative expenses	(1,633)	(1,147)
Operating profit	<u>4,839</u>	<u>1,955</u>
Interest receivable	27	1
Profit	<u>4,866</u>	<u>1,956</u>
Amount paid to IWM under gift-aid	(4,866)	(1,649)
Profit on ordinary activities after gift-aid	<u>-</u>	<u>307</u>

Reconciliation of results of the trading company to the Consolidated SOFA

Turnover	13,885	8,119
Intercompany transactions	(162)	(82)
Included in trading income per SOFA	<u>9,485</u>	<u>5,098</u>
Included in fees income per SOFA	<u>4,061</u>	<u>2,599</u>
Included in royalties per SOFA	<u>177</u>	<u>340</u>
External funds	1,147	1,278
Intercompany transactions	(1,000)	(1,000)
Included in external funds per SOFA	<u>147</u>	<u>113</u>
Included in government grants per SOFA	<u>-</u>	<u>165</u>
Cost of goods sold	8,560	6,295
Intercompany transactions	(159)	(77)
Included in commercial costs (£7,280K) and education (£1,121K) per SOFA	<u>8,401</u>	<u>6,218</u>
Indirect costs	1,633	1,147
Intercompany transactions	(1,633)	(1,147)
Interest receivable	27	1
Included in investment income per SOFA	<u>27</u>	<u>1</u>

15(a) IWM Trading Company Limited (continued)

Balance sheet	2023	2022
	£'000	£'000
Current assets	2,610	2,536
Current liabilities	(2,010)	(1,936)
Net assets	600	600
Called up share capital	600	600
Profit and loss account	-	-
Capital and reserves	600	600

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.

15(b) IWM Film Production Company Limited

The IWM Film Production Company has been dormant during 2022-23 and 2021-22.

16 Other grants

Other grants are split between 14 -18 NOW WW1 Centenary Art Commissions (£18K) and the IWM 14-18 NOW Legacy Fund (£833K) and the Second World War and Holocaust Partnership Programme (£36K).

14 -18 NOW WW1 Centenary Art Commissions, was an independent programme hosted within Imperial War Museum and received public funding from the National Lottery and Arts Council England, during the year 14 -18 NOW paid out co-commission grants of £18K (2021-22: £40K).

In 2022, IWM established the IWM 14-18 NOW Legacy Fund, a national partnership programme of artist commissions across the UK, reflecting on the theme of conflict. The partnership was made possible thanks to the success of Peter Jackson's critically acclaimed film They Shall Not Grow Old which was co-commissioned by IWM and 14-18 NOW and a share of the film's royalties were re-invested by IWM to establish the IWM 14-18 NOW Legacy Fund. In 2022-23, grants totalling £833K were paid to partners to start and develop their art commissions and, where relevant, public engagement activity.

IWM leads the Second World War and Holocaust Partnership Programme, a collaboration with eight cultural organisations across the UK to uncover new stories of, and engage new audiences with, the Second World War and the Holocaust. IWM received public funding from the National Lottery Heritage Fund to deliver the programme, as part of the creation of new Second World War and the Holocaust Galleries at IWM London. As agreed with NLHF in 2022-23 the grant for Digital Intern placements and development totalled £36K, (2021-22 £43K).

17 Capital commitments

At the balance sheet date, the IWM had outstanding tangible commitments, authorised by the Board of Trustees but not yet contracted of £11,538K (2021-22: £27,995K) and outstanding tangible commitments contracted but not provided of £4,852K, (2021-22: £1,676K).

At the balance sheet date, the IWM had outstanding intangible commitments, authorised by the Board of Trustees but not yet contracted of £NIL (2021-22: £775K) and outstanding intangible commitments contracted but not provided of £1,234K (2021- 22 £NIL).

18a Commitments under operating leases

At 31 March 2023 IWM had annual commitments under non cancellable operating leases as set out below:

	2023	Restated 2022	2023	2022
	Land and other buildings £'000	Land and other buildings £'000	Equipment £'000	Equipment £'000
Operating leases which expire:				
Within one year	493	483	82	99
In the second to fifth years inclusive	1,775	1,760	11	16
Over five years	10,744	11,072	-	-
	13,012	13,315	93	115

The 2022 commitments under operating leases has been restated by £4,125K to show the correct length of a lease held with the Port of London Authority and £107k for a new lease with BFI.

18b Commitments under hire agreements

At 31 March 2023 IWM had annual commitments under non cancellable hire agreements as set out below:

	2023	2022
	Equipment £'000	Equipment £'000
Hire agreements which expire:		
Within one year	77	76
In the second to fifth years inclusive	98	145
Over five years	-	-
	175	221

19 Contingent liabilities

There are no contingent liabilities (2021/22: £Nil).

20a Consolidated statement of funds

	At 1 April 2022 £'000	Income £'000	Expenditure £'000	Revaluations/ capital restructure £'000	Transfers £'000	At 31 March 2023 £'000
Unrestricted funds						
<i>Designated funds:</i>						
Buildings, collections, equipment and exhibitions	19,837	-	(483)	-	-	19,354
Buildings revaluations	18,765	-	(205)	1,203	-	19,763
Total designated funds	38,602	-	(688)	1,203	-	39,117
General funds	13,654	56,991	(50,030)	-	231	20,846
Finance lease reserve	(5,777)	-	(258)	-	-	(6,035)
IWM Trading Company reserve	-	-	-	-	-	-
	7,877	56,991	(50,288)	-	231	14,811
Total unrestricted funds	46,479	56,991	(50,976)	1,203	231	53,928
Restricted funds						
Buildings, collections, donated objects equipment and exhibitions	159,536	15,031	(4,690)	-	(4,243)	165,634
Buildings revaluations	63,475	-	(2,355)	574	-	61,694
C.JRS	-	-	-	-	-	-
Tied funds	7,291	1,043	(2,150)	-	4,012	10,196
Total restricted funds	230,302	16,074	(9,195)	574	(231)	237,524
Total funds	276,781	73,065	(60,171)	1,777	-	291,452

The tied funds (£10,196K) (2021-22 £7,291K) comprise funds donated for the application to specific projects. These include TIWML 3 Art Galleries (£3,296K) (2021-22 £649K); Masterplanning at IWMD (£1,571K) (2021-22 £Nil); 14-18 NOW Legacy (£2,200K) (2021-22 £2,958K); Aircraft Restoration (£250K) (2021-22 £250K); the AirSpace at IWM Duxford (£152K) (2021-22 £152K); the VCGC Gallery at IWM London (£25K)(2021-22 £70K) and the Holocaust exhibition at IWM London (£220K) (2021-22 £220K).

Funds of £11K (2021-22 £93K) have been transferred from general funds to tied funds to cover payments

Funds of £39K (2021-22 £2,779K) have been transferred from tied funds to cover Transforming IWM London costs and £193K (2021-22 £502K) to buildings, collections, donated objects equipment and exhibitions for capital projects.

Funds of £4,475K (2021-22 £649K) have been transferred to tied funds to cover future cost of buildings, collections, donated objects equipment and exhibitions for capital projects.

Funds of £242K have been transferred from buildings, collections, donated objects equipment and exhibitions to General funds to cover £242K TIWML 2 expenditure. Grant in Aid./ unrestricted funding was used whilst waiting for expected funding from the IWM Foundation to crystallise. This funding has now been used to replace the unrestricted funds originally used.

The unrestricted buildings, collections, equipment and exhibitions funds of £19,354K, the buildings revaluation of £19,695K, the restricted buildings, collections, donated objects, equipment and exhibitions funds of £165,594K, the buildings revaluation of £61,377K, together represent the net book value of the intangible fixed assets, tangible fixed assets and heritage assets less the assets held under finance leases £266,020K.

20b Museum statement of funds	At 1 April 2022	Income	Expenditure	Revaluations/ capital restructure	Transfers	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
<i>Designated funds:</i>						
Buildings, collections, equipment and exhibitions	19,871	-	(483)	-	-	19,388
Buildings revaluations	18,765	-	(205)	1,203	-	19,763
Collections	-	-	-	-	-	-
Total designated funds	38,636	-	(688)	1,203	-	39,151
General funds	13,966	49,739	(42,693)	-	231	21,243
Finance lease reserve	(5,777)	-	(258)	-	-	(6,035)
	8,189	49,739	(42,951)	-	231	15,208
Total unrestricted funds	46,825	49,739	(43,639)	1,203	231	54,359
Restricted funds						
Buildings, collections, donated objects equipment and exhibitions	159,502	15,031	(4,690)	-	(4,243)	165,600
Buildings revaluations	63,475	-	(2,355)	574	-	61,694
CJRS	-	-	-	-	-	-
Tied funds	6,979	896	(2,088)	-	4,012	9,799
Total restricted funds	229,956	15,927	(9,133)	574	(231)	237,093
Total funds	276,781	65,666	(52,772)	1,777	-	291,452

Building revaluations increased/(decreased) IWM London by £4,639K; IWM North by £1,831K; IWM Duxford by £3,959K; HMS Belfast by (£3,324K); Ickleton by (£4,255K); Churchill War Museum by £46K; Parkside by (£1,190K) and the finance lease by £71K.

21 Analysis of group net assets between funds	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Fund balances at 31 March 2023 are represented by:			
Fixed assets	42,020	227,328	269,348
Net current assets	17,430	10,737	28,167
Long-term creditors	(5,522)	(541)	(6,063)
Total net assets	53,928	237,524	291,452

22 Consolidated cash flow information

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

	2023 £'000	2022 £'000
Net income for the reporting period (as per the SOFA)	12,894	8,716
Investment Income	(367)	(64)
Interest element of finance lease rental payments	261	226
Interest element of loan payments	7	8
Reclassification from capital costs to revenue costs	-	11
Depreciation and impairment charge for the year	7,886	9,311
(Increase)/Decrease in stocks	(84)	67
(Increase)/decrease in debtors	(6,089)	3,428
Increase in creditors	1,185	1,491
Net cash provided by operating activities	15,693	23,194

(b) Analysis of cash flows

Increase in cash in the year	4,131	10,127
Cash flow arising from decrease in finance lease	328	79
Movement in net debt in the year	4,459	10,206
Net funds at 1 April 2022	18,749	8,543
Net funds at 31 March 2023	23,208	18,749

22 Consolidated cash flow information (continued)

(c) Changes in net debt/funds	1 April 2022 £'000	Cash flow £'000	31 March 2023 £'000
Cash at bank and in hand	22,995	4,131	27,126
Finance lease	(4,246)	328	(3,918)
Net funds	18,749	4,459	23,208

23 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 Culture, Media and Sport comprises 45% 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 £533K 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. The IWM's reserves policy is set out in the Annual Report. The Trustees believe that the level of liquid unrestricted reserves at year-end and careful planning based on expected funding levels allows the IWM to be free from unacceptably high liquidity risks.

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 2023		
Sterling	27,126	-
	<u>27,126</u>	<u>-</u>
As 31 March 2022		
Sterling	22,995	-
	<u>22,995</u>	<u>-</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.

24 Related party transactions

The Imperial War Museum is a statutory non-departmental public body sponsored by the Department for 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. All related party transactions were at a market length price. 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)	-	-	81	-	351
IWM Foundation	-	9	20	-	7
IWM Development Trust	38	-	-	4,000	-
Bletchley Park	-	1	-	-	-
Commonwealth War Graves Commission	-	1	-	-	-
Telegraph Media Group	-	1	-	-	-
Amazon	22	-	-	-	-
Design Museum	-	1	-	-	-
Ministry of Defence	-	-	1,000	-	1,000

24 Related party transactions (continued)

BBC	1	12	-	-	-
British Film Institute	87	2	-	-	-
British Museum	-	1	-	-	-
British Library	-	1	-	-	-
Historic England	2	-	-	-	-
National Maritime Museum	22	1	-	-	-
National Portrait Gallery	1	1	-	-	-
Office of Communications (OFCOM)	1	-	-	-	-
Victoria & Albert Museum	1	1	-	-	-
	175	32	1,101	4,000.00	1,358

The nature of these related parties is as follows:

Diane Lees, Director General is a Vice President and **Jon Card** is the Secretary and Treasurer of the American Air Museum in Britain. During the year IWM received donations from the AAMiB.

IWM Development Trust received a Grant of £4M (2021-22 £Nil) and was paid £38K (2021-22 £38K) relating to Ickleton rent.

The IWM Foundation is charged with raising funds to support the redevelopment of Imperial War Museum's permanent galleries. £20K was received for the IWM Transforming Project and £2k for reimbursement of expenses during the pandemic. £7K is due from the IWM Foundation for service charge (£1k) and reimbursement of expenses (£6k).

The Ministry of Defence has given £1M (2021-22 £Nil) for IWM Duxford Masterplanning .

IWM Executive Director, **Jon Card** is also a trustee for Bletchley Park. £1,220 (2021-22 £780) was received by IWM for image sales and licensing agreements.

IWM Trustees **High Commissioner of New Zealand Mr Phil Goff** and IWM Development Trust Trustee **Dame Judith Mayhew Jonas**, are Commissioners for Commonwealth War Graves Commission. £924 was received by IWM (£1k 2021-22) as fees from image sales and trade show stand.

IWM Foundation Board Trustee **Lord Black of Brentwood** is an Employee of Telegraph Media Group. £115 was received by IWM (£201 2021-22) as fees from media sales.

IWM Trustee **Mark Urban** holds shares in Amazon. £21,578.12 was paid to Amazon for items and services purchased through their website. (£24k 2021-22).

IWM Trustee **Tim Marlow** is a Director at the Design Museum. £309 (2021-22 £51) was received by IWM for media sales and media licence.

IWM Trustee **Tim Marlow's wife, Tanya Hudson** is an Executive Producer at the BBC. £12,381 (2021-22 £17K) was received by IWM for the use of IWM film and licensing agreements. £200 was paid by IWM for picture library services

£87K (2021-22 £83K) was paid to the DCMS funded **British Film Institute** for the transport and storage of cellulose nitrate films. £2K (2021-22 £4K) was received for digitisation and licensing.

No payment (2021-22 £39) was made to the DCMS funded **British Library**. £190 (2021-22 £351) was received for image sales.

£157 was received from DCMS funded **British Museum** for media sales and licensing.

£2,200 (2021-22 £300) was paid to DCMS funded **Historic England** for advisory services.

£21,580 (2021-22 £14k) was paid to the DCMS funded **National Maritime Museum** for rental and storage services. £58 was received for media sales and licensing

£270 (2021-22 £2k) was paid to the DCMS funded **National Portrait Gallery** for image licensing fees. £270 was received for media sales and licensing

£1,300 was paid to the DCMS funded **Office of Communications (OFCOM)** for licensing fees for radio equipment

£150 (2021-22 £3k) was paid to DCMS funded **Victoria & Albert Museum** training courses. £227.25 (2021-22 £767,50) was received for conservation services provided

25 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.

26 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.

