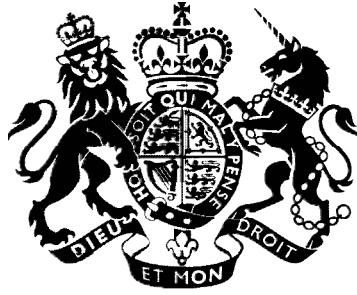




Annual Report and Accounts 2018–19

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Imperial War Museum

Annual Report and Accounts 2018–2019

Presented to Parliament
by the Secretary of State for Digital, Culture, Media and Sport
by Command of Her Majesty

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1. Introduction

Who we are

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

Our vision

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're 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're sensitive to people's emotions, respecting different points of view and the deep significance of our collections

2. Strategic Objectives

We aim to:

- **Increase our financial sustainability**

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

- **Prioritise our audiences**

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

- **Deliver effective stewardship of our collections**

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

- **Build our brand**

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

3. Achievements and Performance

3.1 Marking the Centenary of the First World War

IWM's First World War Centenary Programme

Our museum was founded in 1917 while the First World War was still being fought. From our foundation we collected material that could illustrate the common experience of war and record the individual experiences of the millions of men, women and children who took part in the war effort. Our collections started with the generosity of others in donating their precious personal possessions that represented something of great meaning to them and their family. They entrusted them in the hope that such modest yet unique items would engage future generations with the war. For this reason, the centenary of the First World War meant a great deal to us.

In 2010 we embarked on an ambitious project to engage audiences widely with our First World War collections and stories of regional, national and global importance. Our ambition was to work with 300 global, cultural partners to deliver a programme of events developed at grass roots levels. We felt strongly that members would collectively organise and present a vibrant, diverse and far-reaching programme to reflect how people wanted to commemorate the conflict in their own communities, in a way that was meaningful for them. Launched in 2014, and with generous support by Arts Council England (ACE), the Partnership grew into a major digital community of not-for-profit cultural and educational organisations which, over the course of the centenary, collaborated to help millions of people across the world to commemorate the centenary of the First World War. The reach and impact of the Partnership far exceeded our original ambitions, and as the First World War Centenary drew to a close in late 2018, it was a dynamic network of some 4,000 members, representing 60 different countries.

In 2018 the centenary of the First World War Armistice was marked with an engaging and memorable programme of events that brought our five-year, First World War Centenary Programme to a close.

Through the First World War Centenary Partnership we presented *Armistice 100 Days* which commemorated the centenary of the Hundred Days Offensive and Armistice of 11 November 1918 through a powerful literary project. We engaged 100 authors to each write 100 words about 100 individuals who experienced the First World War. Their research was supported by 100 members of the First World War Centenary Partnership from across the world. One story was shared every day from 5 August to 12 November 2018, giving a vivid impression of the breadth of lives that were impacted by the conflict.

IWM also worked with members of the First World War Centenary Partnership and the composer Laura Rossi to bring the 1917 film *The Battle of the Ancre and Advance of the Tanks* to global audiences. This astonishing IWM archive film was screened across the world. Five screenings of the film were accompanied by live performance of the score, performed at venues across England.

At our branches, IWM London and IWM North were the final venue for 14-18 NOW's UK-tour of the iconic poppies by artist Paul Cummins and designer Tom Piper. The displays, *Wave* and *Weeping Window*, were installed outside IWM North and IWM London respectively. Timed around the lead-up to and centenary of Armistice Day, the

installations drew over 477,000 visitors in the short period they were displayed (199,000 visitors to IWM North and 278,000 to IWM London).

Audiences to the museum were invited to reflect on this momentous anniversary through IWM's *Making a New World* season, which at IWM North, centred on the exhibition, *Lest We Forget?* The exhibition explored how symbols of commemoration - from the poppy to the two minute silence - have endured for a century but also sparked controversy. A highlight was the display of ten, iconic paintings from IWM's art collection by prominent war artists Paul Nash, Wyndham Lewis, Stanley Spencer - including John Singer Sargent's giant masterpiece *Gassed* (1919) which had recently returned to IWM after a two-year, international tour. We produced a new, immersive Big Picture Show to accompany the exhibition, featuring a new poem, *Mightier than War*, written by Manchester's own Tony Walsh, set to a striking backdrop of photographs and historical footage from our collections.

At IWM London, our *Making a New World* season explored how the First World War shaped our society through a range of innovative exhibitions, installations, immersive experiences and public debates and performances. Season highlights included;

- The immersive sound installation, *I Was There: Room of Voices*, which brought together the personal testimonies of 32 people from IWM's sound archives. The personal experiences of soldiers, civilians and children recorded at the time of the First World War Armistice gave our visitors insight into how this moment was imprinted on an entire generation.
- The exhibition *Renewal: Life after the First World War in Photographs*, explored how countries, cities and individuals regenerated on an extraordinary scale. This journey was powerfully depicted through an extensive collection of 130 black and white photographs, documents and objects that explored the complex process of rebuilding the human body, a home, town or continent in the aftermath of the First World War.
- *Moments of Silence* was an immersive installation that explored the origins, history and future of remembrance rituals. Commissioned by IWM, and created by Olivier and Tony award-winning 59 Productions, the installation combined animation, light, sound projections and space to vividly convey collective and more intimate forms of remembrance in new and experiential ways. A mix of archival and contemporary recording of two minute silences (recorded predominantly over the UK in 2017) included the first-ever recorded silence at the 1929 Cenotaph Remembrance Service, juxtaposed with recordings taken at Everest Base Camp and HMS *Ambush*, an Astute Class Submarine.
- *Mimesis: African Soldier*, a multi-screen installation by artist John Akomfrah¹, remembered the millions of African and colonial soldiers, labourers and carriers who served in the First World War. Projected onto three screens, the artwork combined newly created footage, shot by Akomfrah at locations across the world, with archival footage and an evocative sound score to reflect the African experience of the First World War.

¹ Co-commissioned by 1418-NOW, New Art Exchange, Nottingham and Smoking Dogs Films, with additional support from Sharjah Art Foundation

- Field Music were specially commissioned by IWM to perform musical pieces inspired by an item in our collection. The sell-out events at IWM London and IWM North (attended by 550 people) connected many first time visitors with our collections and brought new audiences to the museum. A further 263,790 people were reached via a *BBC Six Music Live Session*.

Our *Making a New World* season engaged 278,000 visitors across IWM North and IWM London (from 27 July 2018 to end of March 2019). Our associated public learning and engagement programmes were particularly successful, engaging more than 5,000 participants (well above targets for the programme). Nearly 191,000 users engaged with our website content and through social media channels we reached just over 5 million online users; this community generating 5,000 mentions of the season. Excellent media coverage amounted to 373 articles or instances of broadcast coverage, with prominent media coverage over the Armistice centenary period, when the season featured on *BBC Breakfast*, *BBC Radio Manchester* and *BBC Radio London*. We also contributed to the *Observer's* Armistice supplement in which John Akomfrah wrote a comment piece about the role of the African Soldier.

Through digital technology we were able to 'bring to life' a memorial that was intended to be built as the end of the First World War approached. In 1918, there were plans to create a national war memorial – the Hall of Remembrance – that would house commissioned artworks by the most prominent twentieth century war artists such as Paul Nash, Stanley Spencer and John Singer Sargent. This was never realised, but through IWM's *Hall of Remembrance* interactive launched last year, we were able to share these masterpieces of IWM's art collection with a wide audience. The interactive received a very positive response in outlets that included *MailOnline*, *Daily Mirror* and *i*.

Our interactive digital memorial, *Lives of the First World War*, saw a significant increase in engagement around the centenary of Armistice 1918. On 11 November over 41,700 users interacted with Lives. We engaged with more than 350 people at public engagement events, and also reached 61,000 school children online as part of a BBC Live Lesson on Remembrance. Lives of the First World War, since launching in 2014, invited people from across the world to discover, build and share the life stories of those who served in uniform and worked on the home front during the First World War. Over this time users were encouraged to make the connections between various data sources available to them; including IWM's digitised collections, data from our partner organisations and archives, as well as the ability to add material from private family collections. Now that the centenary has come to a close, the eight million Life Stories that were built through crowd sourcing have been brought into our collections management system, thereby creating a permanent digital memorial and record of how our generation commemorated the First World War Centenary

14-18 NOW

14-18 NOW was the UK official cultural programme for the First World War Centenary. Through its programme of new art commissions, 14-18 NOW engaged 35 million people across the UK from its inception in 2014 until it drew to a close with the centenary of the Armistice in November 2018. It leaves a significant legacy, especially as it succeeded in engaging eight million people under the age of twenty-five.

The programme offers a valuable model for the future. It was initiated by the government, established independently under its Board chaired by Vikki Heywood CBE, and hosted within IWM. 14-18 NOW's work was made possible by National Lottery distributors (£10 million from the National Lottery Heritage Fund, £5 million from Arts Council England and £0.3 million from the National Lottery Community Fund) and the UK Government (£14.1 million). This funding leveraged a further £25.6 million from partners' contribution and from funds raised by 14-18 NOW from corporate, philanthropic and other sources.

Over three seasons, 14-18 NOW featured 107 projects producing 269 new artworks in a wide variety of artforms, including theatre, film, visual arts, music, literature and digital. The commissioned artists that worked with us took their inspiration from a range of First World War heritage, especially through generous access to the archives of IWM as well as those of other heritage organisations.

14-18 NOW's artworks allowed people across the UK to come together and mark the centenary in a variety of ways, and in doing so, extended understanding of the conflict, explored hidden histories and the contested heritage of the war and offered an alternative to the established commemorative approaches. The artworks engaged new audiences and made the First World War relevant to new generations. The associated learning and engagement programme was designed to reach younger audiences and deepen understanding of the artworks and the related First World War heritage.

14-18 NOW's major projects have had a deep impact on those who were touched by them. YouGov surveys in 2016 and 2018 reported 85 per cent approval of 14-18 NOW's key projects, which included:

- Peter Jackson's film *They Shall Not Grow Old*, co-commissioned by 14-18 NOW and IWM in association with the BBC, which was screened simultaneously across the UK, and broadcast by *BBC Two* on the evening of 11 November 2018. A DVD of the film was sent to every secondary school in the UK, together with learning materials. Since then it has been presented around the world.
- *We're here because we're here* by Jeremy Deller with Rufus Norris saw 'ghost soldiers' appear unannounced in a wide variety of urban and rural locations to mark the centenary of the first day of the Battle of the Somme. It was produced by a network of 28 theatres across the UK, working with 2,000 volunteers. It was seen live by two million people and inspired a staggering three hundred and forty million social media impressions.
- Danny Boyle's *Pages of the Sea* was presented on 11 November 2018, on 32 beaches around the British Isles, with trained volunteers creating large-scale images of First World War casualties in the sand before the tides came in and covered them. A specially commissioned poem by poet laureate Carol Ann Duffy was read on each beach. This poignant and moving commission engaged 94,500 people who visited one of the beaches on the day, and a further 31.5 million people through social media, television and media coverage.
- 14-18 NOW's 2015 – 2018 tour of the Poppies sculptures *Wave* and *Weeping Window* by artist Paul Cummins and designer Tom Piper travelled to 19 locations. Through the project the iconic artworks were shared with communities across the UK, shining a light on regional stories of the First World War. The sculptures are

now in the long-term care of IWM; their purchase was made possible by the generosity of the Backstage Trust and the Clore Duffield Foundation.

Other 14-18 NOW projects took place in 220 locations spread across all four nations of the UK. 80 per cent of the programme was outside London and 61 per cent was free to access. Throughout the programme, 14-18 NOW's free outdoor events significantly increased the number and diversity of people engaging with the centenary, while working with broadcasters and social media greatly increased public awareness and engagement.

In all, 580 arts and heritage organisations across the UK worked with 14-18 NOW, from small independent organisations to national institutions. Some 6,600 volunteers gave 137,000 hours of their time and several projects involved active participation from the public. A number of the projects have toured internationally and many have been broadcast on television and radio.

Now that the programme has ended, IWM will hold 14-18 NOW's assets in a dedicated archive, as a permanent record of this ground-breaking project and a legacy of how the centenary of the First World War was commemorated in the UK.

3.2 Meeting our strategic objectives

The high-profile projects that IWM are delivering are designed to have a deep impact with our audiences, raise our profile and help us build our financial sustainability and viability over the long-term. Over the course of the year we have met our strategic objectives through the following progression of work and achievements.

3.2.1 Increasing our financial sustainability

IWM Masterplans

Transforming IWM London, Phase 2

In phase two we will open new, connected Second World War Galleries and The Holocaust Galleries in 2021. We will create adjoining learning facilities to support on-gallery learning and the ethos of our Learning and Public Engagement Strategy. The project builds on the launch of new First World War Galleries in phase one, and in doing so, brings us closer to realising our full masterplan for IWM London – redevelopment to present our remit chronologically, investment to substantially improve the visitor experience and audience and commercial growth to secure the financial sustainability of IWM London. The completion of this project will see us meet audience expectation for comprehensive coverage of the Second World War² and will set Holocaust interpretation firmly within the context of the Second World War³.

Over the past year the project team has made significant progress with content development, text writing and gallery design. Our evolving interpretation approach has routinely been tested by audience research, and through consultation with our Access Group and Academic Advisory Panel. The appointed Base Build Principal Contractor took possession of the site areas in March 2019 and construction of the new spaces commences this year. The campaign to fund the project has gained traction and 89 per cent of our fundraising target has now been achieved.

The building of a new staff accommodation block (Park Side) at our All Saints site in London will facilitate the movement of staff from out of IWM London to free-up further space for public gallery and services development – another principle of the long-term masterplan for IWM London. Park Side is also an important cultural change initiative as the new build will be open-plan, facilitating greater collaboration between teams and resolving issues around silo working. In doing so, it addresses a major source of frustration identified in staff engagement surveys. Over the past year we have consulted widely with stakeholders and have submitted designs for planning permission.

Transforming IWM Duxford

A 20-year masterplan for IWM Duxford sets out how we will develop the branch to reach its potential as a major heritage site, visitor attraction and integral part of the regional economy in East of England. Through a phased programme to transform the site we aim to grow audience attendance from a current baseline of 300,000 to 500,000 visitors annually.

² In phase one, the existing Second World War public offer was removed to allow for the creation of new First World War Galleries in 2014. The galleries were over twenty years old and in need of updating. Since that time we have offered limited Second World War interpretation in the terrace displays at IWM London. Phase two addresses this temporary shortcoming and ensures that new interpretation is relevant and accessible to both current and future audiences.

³ Audience research has revealed gaps in knowledge about the Holocaust, particularly its connection to the Second World War. IWM will be the first museum in the world to present the Holocaust within the context of the war.

Progress this past year has focussed on securing formal protection for the site, air and ground, to protect the IWM Duxford's long-term viability as a museum, heritage site and living airfield. We have been working successfully with major stakeholders to achieve this. A twenty-year implementation plan is in place so that masterplanning is integrated into IWM's strategic plans and annual corporate planning. Further details about Transforming IWM Duxford projects in the coming year can be found in our forward plan (section four of this report).

Digital Transformation

Digital technologies give us the opportunity to transform how we achieve our vision to enrich people's understanding of the causes, course and consequences of war. Through digital engagement we will increase our impact by widening and deepening access to our collection, and by using digital media to deliver curation and interpretation through new channels and digital experiences. Through improving the customer experience by gathering and connecting data, we will support commercial expansion and income generation, thereby contributing to our long-term sustainability. These are the guiding principles of our Digital Transformation Strategy, which we are now executing.

A five-year digital investment roadmap has been agreed and prioritised, with initial focus on middleware acquisition and membership digital development. Our ongoing Customer Relationship Management (CRM) project has been integrated with the transformation programme, to align work on CRM with corresponding digital projects. In the past year we have procured systems and delivery partners and restructured the in-house team, bringing new skills into our IT and Digital Engagement departments. We have undertaken a comprehensive review of collections online and its discovery process for general, academic and schools audiences. This will now inform our short and long-term plan to transform collections discovery.

Commercial performance

IWM has a broad commercial income base that includes retail, public catering, corporate hospitality, media sales and licensing, publishing and brand licensing, IWM's membership programme and admissions to our charging branches and for special events such as air shows at IWM Duxford.

In 2018-19 we generated £5.6 million in profit through trading activity, which is an increase on the previous year of 31 per cent. Our commercial success was aided, in part, by a high interest in the centenary of First World War Armistice, which we maximised through publishing and brand licensing, and media sales and licensing operations. The popularity of the touring poppies at IWM North and IWM London attracted audiences to the branches, which along with a popular merchandise offer, led to strong retail sales and public catering performance.

At IWM Duxford we delivered our most successful air show season to date, with an audience of over 107,000 attending our three air shows in 2018-19. IWM was an official partner for the Royal Air Force Centenary, and the September Battle of Britain Air Show, which celebrated RAF aircraft, past and present, achieved the highest audience and income for an IWM air show weekend on record. The branch also generated robust income from commercial filming fees and pleasure flying, with a high take-up of Spitfire flying.

IWM's Membership scheme performed well over its first year of operation, having recruited 31,700 members. Membership to IWM has great potential for development and we are now focused on growing membership acquisition and retention in 2019 and beyond, in order to create a loyal base of members that support the work that IWM does.

Managing our estates and infrastructure

Developing and using our estate efficiently, providing secure and appropriate storage for our collections and ensuring that our IT infrastructure development is aligned with our business needs are high priorities.

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

Underpinning our Estate Strategy is IWM's Facilities Management Strategy, which initially will implement our asset management plan and our portfolio approach to project management, to ensure that maintenance and operational priorities are most effectively coordinated and that projects are delivered within budget and timeframes. This has been supported by the restructure of, and introduction of new skill sets within, our Facilities Management team.

Over the past year we have progressed priority projects identified in our corporate plan, most notably supporting the development of Park Side, the new staff office accommodation block at IWM London, and managing the building works of our Collections Storage Masterplan for IWM Duxford. We have started to conduct strategic space planning at IWM London, HMS Belfast and IWM Duxford. This approach ensures that we plan the use of our vast estate as effectively and efficiently as possible, balancing public, commercial, staff accommodation and collections storage space needs appropriately.

Significant elements of our lifecycle programme have included replacement of a chiller at IWM North, updating and refurbishing the AirSpace corporate hospitality rooms at IWM Duxford, refurbishment of public toilets on HMS Belfast, and surveys of the electrical circuit and heating system that will inform the overhaul of these services on board the ship. We have replaced boilers (building 6 and 215) at IWM Duxford and the Building Management System at Churchill War Rooms, which will now control conditions at the branch in the most energy efficient means.

IWM Duxford Airfield operation

Our Airfield team at IWM Duxford has taken significant steps to widen the impact and operation of our airfield services. We have strength tested all airfield paved surfaces,

published the relevant Pavement Classification Number (PCN) and undertaken a runway survey for it to be classified a Code 3 runway, allowing us to extend our facilities to corporate aircraft use. We continue to work closely with the Civil Aviation Authority (CAA), which approved an upgrade to CAT 4. This now opens our airfield services to increased aircraft size and give us greater freedom in drawing different air show content. These operational advances will have a positive impact on revenue generation going forwards.

In the coming year we will be installing airfield lighting to extend our hours of operation. We have been liaising with the CAA on the motions to apply a safety case and implementation procedures. The safe operation of our airfield and air shows continues to be our highest priority. Over this period we have reviewed all risk assessments for the airfield operation, including air shows, along with the relevant operational manuals. Our Flying Display Directors continue to introduce new and exciting acts to the displays and the Operations team work closely with the emergency services, AA and Highways agencies to ensure that the air shows are fully compliant to operate smoothly and safely. In addition we continue to offer and collaborate on training and educational activities. Our in-house Fire and Rescue Services have worked on medical training with Proudly Bidvest and with the British Antarctic Survey fire teams at IWM Duxford.

IT infrastructure development

Over this period, IT expertise and project investment has focussed on supporting masterplan projects and introducing new ways of working to transform our work culture. Being audience-focussed and enhancing our visitor experience remains a top priority. We are progressing with our Wi-Fi upgrade project, in response to audience expectation for comprehensive coverage across our branches and vast estate. The upgrade will be completed in the coming year. We have tested the viability of using Wi-Fi and iBeacons for geo location of devices through a pilot of iBeacon technology in the American Air Museum at IWM Duxford. We have invested in a booking system that will enable staff to book hot desks and other assets online and remotely. This will support new, agile ways of working across IWM; in particular within IWM's new Park Side staff office accommodation block in London. We have delivered an improved internal communications tool and collaborative working platform with the launch of our new intranet.

Considerable resource is directed towards managing cyber security, an area identified as one of IWM's 11 strategic risks, and a major focus of our IT Department. Over the past year we have restructured the IT and AV Department to create a new post that supports both masterplan development and project delivery, and the ongoing implementation of IWM's IT security strategy. We have in-house resource dedicated to managing regular patch testing and upgrades to our IT security systems. Having achieved Cyber Essentials security accreditation in 2018, we are working to achieve Cyber Essentials Plus security standard. In the past year we have invested in a new security data monitoring tool, meeting a criterion for Cyber Essentials Plus compliance.

3.3 Prioritising our audiences

Our audiences

We welcomed almost 2.7 million visitors to our branches this past year, which is nine per cent more than last year. We experienced growth across all our branches, with audience engagement heightened during the final year of our First World War Centenary commemorations; the poppy displays, *Wave* and *Weeping Window*, drawing audiences to IWM London and IWM North. Targeted marketing campaigns and strong public programmes (such as our record-breaking air show season at IWM Duxford) contributed to sustained growth across our paying branches. The complete redevelopment and relaunch of our schools programme at the start of the new academic year in 2018–19 has brought healthy numbers of learners to IWM. The upward trajectory is mirrored in IWM’s digital audience engagement, with high levels of interest in anniversaries and online curatorial content, contributing to substantial growth. Over 1.3 million engaged with IWM social media channels, and the number of unique visitors to our website increased from 6.6 million in 2017–18 to 11.4 million this past year. Growth in traffic to our website is largely driven by editorial content about war and conflict and page views of items in our digitised collections (8.5 million total page views), which opens our collections to a sizeable audience.

Visitors to our five branches reported good visitor satisfaction levels, with around 70 per cent of our visitors rating their visit as excellent and 99 per cent indicating that they would recommend a visit to our branches. Measures that monitor levels of connectivity to IWM also fared well, with around 30 per cent of footfall from repeat visits; a proxy measure of quality assurance and brand loyalty. This measure varies across our branches, with the paying, public offer at IWM Duxford drawing just over 50 per cent of repeat visitors, and non-paying branches, IWM North and IWM London, averaging around 40 per cent repeat visitors respectively. Our paying London branches, HMS Belfast and Churchill War Rooms attract greater numbers of overseas visitors and consequently have fewer repeat visits (in particularly Churchill War Rooms, which averages around 70 per cent of visitors from abroad).

In total, almost half of our visitors are from overseas (46 per cent). Achieving steady growth in overseas visitors is a key goal of our Audience Development Strategy as this audience plays a crucial role in the financial sustainability of our London branches in particular. The sustained, high levels of overseas visitors to our branches, reflects the significant contribution we make to the economy through tourism, which we have calculated to be over £134 million in 2018–19⁴.

IWM visitor numbers '000s	2018–19 actual	2017–18 actual	% change year on year
Total number of visits to IWM	2,688	2,465	9%
Total number of website visits	11,393	6,646	71%

⁴ In terms of our economic impact, we use the Association of Independent Museums’ toolkit to calculate the effect of visitors to our branches (segmenting local, day and overseas visitors and applying a ‘spend per visitor’ assumption).

Our public programme

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

The exhibition *Age of Terror: Art Since 9/11* sought to increase IWM's profile with developmental audiences by exploring contemporary conflict through contemporary artists' responses. The exhibition, which ran until 28 May 2018, explored the complex issues around global responses to 9/11, and the nature of modern warfare, through the display and interpretation of contemporary artworks that included works by Grayson Perry, Ai Weiwei, Jenny Holzer and Jake & Dinos Chapman. It received critical acclaim, with *The Times* labelling the exhibition 'Provocative' and the *Londonist* endorsing it as 'The most important exhibition you'll see this year'. Audiences connected strongly with the themes of the exhibition; 74 per cent of audiences reporting that it deepened their understanding of the causes, course and consequences of the aftermath of 9/11. Our associated, Age of Terror Conflict Cafés, invited audiences to meet eyewitnesses to incidents of terror from 9/11 to the recent Westminster attacks. Some 250 visitors attended, with the events generating a wide social media reach and press coverage in the *Evening Standard*.

Our Syria season concluded with the transfer of the exhibition, *Syria: A Conflict Explored* from IWM London to IWM North. The exhibition, which explored the origins, escalation and impact of the Syria conflict, performed strongly with IWM North audiences. It was accompanied by a series of events, including 'I Swear To Tell The Truth', by creative collective Anagram, which explored information and misinformation relating to the Syria conflict, and Conflict Cafés (a forum through which our visitors have the opportunity to talk to those who lived through the conflict). These interactions deepen engagement with the subject matter of the exhibition. *Hearing stories first hand from people involved in the Syrian conflict/migrant crisis. No mediator, bias, influence just stories!* Feedback from an audience member.

The IWM Short Film Festival is a showcase of films that have been inspired by our collections and our mission to explore the cause, course and consequences of conflict and its impact on people's lives. Running at IWM London from 25 - 29 October 2018, the Festival featured public screenings of all the short-listed films, in addition to special screenings of Peter Jackson's film, *They Shall Not Grow Old*. We accept submissions from across the globe and in 2018, the award for the best use of IWM archive was awarded⁵ to Peter Roch and Jason Davidson for their film *The Little Chicken and the Victoria Cross*, which told the gripping story of how a teenager became the first London sailor to receive the Victoria Cross for his part in the Zeebrugge raid in 1918. The medal is on long-term loan to, and on display at, IWM.

Note: IWM's major season in 2018–19 was 'Making a New World'. The performance review of the season can be found within the overview of First World War Centenary programme in section one.

⁵ The IWM Short Film Festival prize sponsorship and student placements are made possible by our partnerships with October Films, R3Store Studios Ltd, Kings College London, London Southbank University and R3el.com

Press and broadcast

We achieved significant media coverage for *Making a New World* seasonal programming, with more than 373 items of print, online and broadcast coverage, averaging a reach of 232 million. Notable features included *BBC 6 Music* coverage of the Field Music commission and performances, an *FT Life & Arts* interview with John Akomfrah (*African Soldier*), a *FRIEZE Magazine* review and news pieces in the *Guardian*.

Our most successful communications campaign of 2018 supported the release and distribution of Peter Jackson's film, *They Shall Not Grow Old*, which was launched with screenings at the London Short Film Festival on 16 October 2018, distributed to over 260 cinemas nationwide, and broadcast on *BBC Two* on Armistice Day. The film received five star reviews across the national UK press, with a YouGov poll estimating that 52 per cent (28.1 million) of the UK adult population were aware of the film, while an audience of 3.9 million watched it live on *BBC Two* and *BBC iPlayer*. The press campaign received a media reach of more than 290 million and generated over 3,311 items of print, online and broadcast coverage in total.

The opening of *Weeping Window* at IWM London and *Wave* IWM North generated widespread broadcast interest that included coverage across *Good Morning Britain*, *BBC London News*, *BBC Radio London*, *Daily Telegraph*, *Evening Standard* and the *Daily Express*. Coverage was also wrapped into wider stories on the centenary of Armistice and Remembrance commemorations across the UK in November 2018, including articles in the *Daily Mail*, *Daily Express* and *The Sun*.

We are delighted that our new, more experimental, public engagement programming attracted great media coverage and stellar reviews. Our Conflict Café events generated interviews on *BBC Radio Manchester* (Syria Conflict Café event at IWM North) and with Vanessa Feltz on *BBC Radio London* (Age of Terror Conflict Café event at IWM London). The Field Music performances at IWM London and IWM North received 32 pieces of coverage across media and online platforms including *BBC Breakfast* and the *Guardian* with a total reach of 29 million. 'Of all the centenary events for the First World War, there can't have been many this original or obliquely emotional' *The Times* ****

Overall coverage of the First World War Centenary put IWM in a prominent position with our media campaigns marking the end of the centenary programme, reaching more than 47 million from October until the end of November 2018 alone. This fantastic result included coverage of *The Poppies*, Armistice, our First World War Centenary Partnership activities and a visit to IWM London from HRH The Duchess of Cambridge to view letters in our archives, relating to three brothers of her great-grandmother, all of whom fought and died in the First World War. The Royal visit resulted in major front page news stories on the cover of *The Times* and *Daily Telegraph*.

IWM also received substantial press coverage for a number of IWM's publications including *Life and Death and the Battle of Britain* (serialised in the *Mail on Sunday*), *London at War* (coverage in *BBC History Magazine*), *Poppies – Blood Swept Lands And Seas of Red* (a feature in the *Guardian*) and *The War on Paper* (supported by a photo call at Churchill War Rooms in September 2018 and coverage in the *Guardian*, *Daily Express*, *The Times* and the *Mail Online*).

Our learning programmes

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

Schools Programme

Our school programme for Key Stage 2 onwards, runs across IWM London, IWM North, IWM Duxford, with self-guided visits offered at HMS Belfast and Churchill War Rooms and online resources available for all schools. We work closely with learning practitioners through IWM's acclaimed programme of Continual Professional Development for teachers. *'Brilliant focus on diversity. Overall one of the best CPD sessions I have ever attended'* – Secondary School teacher (Lincolnshire)

Our self-guided, meet and greet service is a volunteer-led programme that runs daily, providing a welcome and orientation for teachers and students and an introductory talk about one or more key objects in the collection. The programme ensures that school visits are supported and that large numbers of school visitors can be accommodated.

A programme of interactive sessions, targeted at different Key Stage groups, can be booked by schools. The sessions have generated excellent feedback from the teachers and students involved. They include;

- Documentary Challenge (at IWM Duxford, IWM London and IWM North). The programme invites students to step into the role of documentary makers and film their own documentary, shining a spotlight on the stories too important to remain in a museum. Also available as part of our families programme, the session has inspired sector interest and we are presenting a case study at the Heritage Dot conference as part of an EU funded research programme coordinated by ITU in Copenhagen about designing hybrid museum experiences.
- Ministry of Memory is our schools session for Key Stage 2 students at IWM North. It encourages active exploration of curriculum subjects in relation to objects in our galleries. Guided by audio headsets and movement-based performance, students are tasked with rediscovering Remembrance, uncovering past and present Remembrance rituals and even creating a new way to remember. *'What a fantastic opportunity for the children! Genuine artefacts combined with state-of-art technology! What more could children ask for!'* – Teacher
- The Cold War: Shadow of the Future is offered at IWM Duxford for Key Stage 4 students. The interactive game is based around Cold War decision making and its consequences and draws heavily on IWMs' collections. *'A great way to gain an understanding of the difficult decisions that leaders of the USA and USSR had to make during the Cold War and the level of trust and mistrust that they had.'* – KS4 Teacher
- We Were There – Ask Questions About Conflict is one of our most popular learning sessions. Participants meet and are encouraged to ask questions of veterans and eyewitnesses of recent and historic conflict, so as to make

connections between real, lived experience, the National Curriculum and IWM's collections. The programme is underpinned by bespoke safeguarding practice for participants, volunteer eyewitnesses and session leaders.

We also run award-winning Holocaust learning programmes for Key Stage 4 students at IWM London and IWM North. The programmes are now being expanded and redeveloped to coincide with the opening of The Holocaust Galleries in 2021.

Over 196,700 participants engaged with our new schools programme in 2018–19 (on- and off-site). Although we are unable to make a meaningful comparison with performance in previous years (as we temporarily paused our learning offer to develop the strategy); onsite learner engagement has exceeded IWM target by 25 per cent. Our offsite target over-performed significantly, largely in part to high demand for our First World War Loans Boxes (containing handling collection objects), which reached a record-breaking 5,279 students in November 2018, over the centenary of the First World War Armistice.

Families programme

In addition to welcoming families to our permanent galleries, we run activities during the school holidays to encourage families to learn together. The offer at IWM London and IWM North includes We Were There, the hugely popular drop-in version of our schools programme, which invites our visitors to engage in conversations with eye-witnesses in our galleries as well as our acclaimed Documentary Challenge experience. In December 2018 we ran Damage Control!: An Escape Room Adventure on HMS Belfast, which received overwhelmingly positive evaluation. *'It brought a good understanding of conditions that crews faced. I like interactive exhibits at museums and IWM does some of the best'* – audience member. In March 2019 we trialled a new offer, Story Seekers which invites families visiting IWM London, IWM North and IWM Duxford to join 'The Story Seekers', a mysterious organisation tasked with ensuring the safety of stories in IWM collections; finding stories and protecting them for posterity. Our family audiences are given the opportunity to take part in conservation activities through Ship Shape on HMS Belfast and Aeroplane Investigators at IWM Duxford.

Over 65,300 participants took part in onsite family activities in 2018–19. Our full programme is still in development, with planning being informed by recently commissioned audience research. This should drive up further audience engagement in the coming year. When IWM Duxford Air Show family programme attendance numbers and offsite activities are included, the total number of family participants in 2018–19 is over 126,800, which is a very encouraging outcome.

IWM learner numbers '000s	2018–19 Actual	2017–18 Actual	% change
Learners in on-site educational programmes	439	217	+102%*
Children in on- and off-site educational programmes	254	138	+84%*

* In 2018–19 we launched our new Public Engagement and Learning Programme, following a hiatus (for the strategic review of our approach and redevelopment of the programme). This accounts for the year-on-year variance. Strong performance in exceeded 2018–19 target (of 285,300) which is an excellent result.

3.4 Deliver effective stewardship of our collections

Collections Development

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

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. Acquisitions that support our post-2001 Contemporary Conflict Collections Development Strategy allow us and our audiences to explore, interpret and debate social change in relation to contemporary conflict.

Acquisitions of note in 2018–19 included the painting *Armistice Day, November 11th, 1918, Grosvenor Place, London* by John Lavery, which we purchased from Sotheby's with generous support from the Art Fund and National Heritage Memorial Fund.

We are delighted to have been presented with a contemporary meditation on the legacy of the First World War battle of Kosturino, by Jen Gash - winner of the Sky Arts Landscape Artist of the Year 2018. Her painting, *Land heals, memories remain*, was commissioned in 2018 for the competition. It was displayed at IWM North where it drew considerable press and media coverage.

We have added to our collection the draft text of a broadcast speech by Winston Churchill, from June 1941. Although incomplete, the autograph component of this draft is significant, allowing a high degree of comparison between manuscript, typescript and final broadcast text. The subject-matter reflects the growing significance and urgency of Anglo-US cooperation in the fight against Hitler's Germany.

We continue to record interviews for our current oral history projects. Of particular note is an oral history interview with Caroline Paige, a navigator in the RAF and the first member of the British Armed Forces to openly transition gender during service.

We acquired an ISIS flag picked up during the re-taking of Mosul by Iraqi forces in early 2017 by the BBC's Middle East Correspondent Quentin Summerville, who was embedded with the Emergency Response Division special-forces.

We record contemporary responses to conflict and social change, and have added to our collection, a sticker bearing the slogan *Refugees Not Welcome, Millwall*, from 2018. Similar stickers bearing the words "Refugees Not Welcome" were created by right-wing

anti-immigration groups in 2016 and started to appear across Europe in a parody of the “Refugees Welcome” stickers which followed the refugee crisis of 2015.

Collecting activity has in recent years focused heavily on Second World War material to support the new gallery development at IWM London. The acquisition of the private papers of T T Rufai, a black African crewman who served with the British Merchant Navy during the Second World War, record his work. For most black crewmen at the time, this work was physically demanding, dangerous and low-paid. As a trimmer and fireman, Rufai was responsible for supplying and stoking the coal fired boilers in the engine room.

Collections storage masterplan

Our new collections store at IWM Duxford and the relocation of our nitrate film collection to the BFI will significantly improve our financial and collections sustainability.

The build of a new archive store at IWM Duxford was completed in March 2019. Attaining this milestone has secured full Archive Service Accreditation from The National Archives (due to be renewed again in 2020). The completion of the new store is a major step change in the care and management of our collections. It means that 76 per cent of our collections will now be stored in appropriate environmental conditions (this was 22 per cent prior to project completion). It is also a key enabling project for Transforming IWM London Phase 2, as it allows our teams to move stored collections from out of London to support the redevelopment of the branch and creation of new galleries.

In the past year we have relocated all of IWM’s cellulose nitrate masters to sub-zero storage at the BFI’s master film store, and prepared duplicate copies for disposal by destruction. This shared solution with the BFI allows us to clear our existing nitrate film store at Ickleton, and in the coming years this will reduce estates and utilities costs and bring emissions levels down (further details can be found in the Sustainability Report in section seven).

Collections access

Through our Customer Relationship Management project, we launched a new online research booking function to facilitate greater access to our collections and research rooms in London, while minimising the administrative burden for IWM. Further development is underway to integrate the photograph collections access, research access at IWM Duxford and website integration for a seamless customer journey.

We have made good progress in digitising our collection (prioritised for access, preservation and commercial purposes). We carried out a successful trial of our digitisation on demand project for film delivery, which will inform which model we follow to efficiently deliver this service to our users and customers. Strategic focus was directed at digitising our War Artists Archive, Accession Registers and Discoverable Second World War Images Project. A lot of this work supports our masterplan for staff office accommodation, by facilitating the exit of collections stored at All Saints in London.

We have worked on a key digital transformation project to relaunch our Collection Search function. When completed this will enable all users to identify and select material from our entire collection

3.5 Building our Brand

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

IWM Institute

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

The recruitment of IWM Associates and creation of this body is a notable achievement. It ensures the impact of our global citizenship learning programme and research activities are maximised through identifying and nurturing sustainable partners and audiences for IWM. Through closer engagement with the academic sector and by bringing together our research, expertise and public programming under the umbrella of the Institute, we will be able to demonstrate our impact in the broadest sense and on an international platform. We will develop a more structured relationship with the Higher Education and museums sector nationally and internationally, providing focus as an Independent Research Organisation (IRO). This will enable innovation and experimentation beyond traditional museum practices and open the sharing of IWM's knowledge of interpretation beyond the confines of our organisation.

Over the past year we appointed a new Head of the Institute, who joined us in February 2019. IWM's Academic Research and Library departments have been formally co-opted into the Institute, and our Public Engagement and Learning department are working much more closely with the Institute on the development of IWM's adult events programme and to explore greater innovation in public engagement. This was facilitated by a workshop with IWM Associates to share ideas and network with IWM staff. A further Associates event is being held in July 2019, which will look at the creation of new digital content. This event will mark the end of the first pilot year of the Institute.

We have been awarded our third Collaborative Doctorate Programme by the Arts and Humanities Research Council, which will give IWM nine studentships over three years.

Loans Programme

Through our lending programme we share key items from our collection with cultural venues across the world, deepening audience access to our collections. Over the centenary of the First World War we have worked intensively to widen access to our unparalleled First World War collection of art and objects. In 2018–19 we supported a number of cultural organisations marking the end of the First World War Centenary, with the loan of one hundred and forty-six items to thirty-one venues, of which six were international venues.

- Nine major works from our internationally celebrated art collection were loaned to Tate Britain for their exhibition *Aftermath: Art in the Wake of World War One*. Works such as *Paths of Glory* by C R W Nevinson (1917), William Orpen's *To the Unknown British Soldier in France* (1921) and Charles Sims, *The Old German Front Line, Arras* (1916) were central to the theme of this exhibition.
- Five Victoria Cross medal groups from IWM's *Extraordinary Heroes* display were lent to the Provincial Court, Brugge, Belgium for an exhibition entitled *The Battle for the North Sea* in 2018. Organised by the Embassy of Belgium, the aim of this

exhibition was to bring all eleven Victoria Cross medals associated with the Battle of Zeebrugge 1918, together for the first time in history. IWM acted as coordinator for all lenders, which included ourselves, Lord Ashcroft, National Museum of the Royal Navy, Royal Navy Trophy Fund, Library and Archives Canada and private lenders.

- The Royal Memorial Museum & Art Gallery in Exeter incorporated eight IWM artworks in their exhibitions *Devon Voices 1914-1918: Home Front Stories* and *Canadians in Devon 1914-1918: War Photographs*. These included two drawings by Gyrth Russell entitled *The Top of Vimy Ridge, 23rd February 1918* and *Arras*, as well as the *Study of a Canadian* by Augustus E John (1918).
- Major works from our First World War art collection, such as *Women Working in a Gas Retort House* by Anna Airy (1918) and works by Paul Nash, including *The Ypres Salient at Night* (1918) were lent to the Muzeum Sztuki w Łodzi, Poland for their exhibition, *The Great War*.

Other notable loans for exhibitions included;

- Posters from our collection, an Anglo- Russian Hospital Badge and commemorative photo-postcard album entitled *The Anglo-Russian Hospitals with the Russian Army*, loaned to the Science Museum, London's *The Last Tsar: Blood and Revolution* exhibition.
- Seven artworks, including the painting *Irish Troops in the Judaeen Hills Surprised By A Turkish Bombardment* (1919) by Henry Lamb for the Salisbury Museum exhibition *Out of the Shadows*.
- Hew Locke's *HMS Belfast* (C-type printed from a negative), which featured in The Ikon Gallery, Birmingham's retrospective, *Hew Locke: Here's the Thing*

From our contemporary art collection, Rasheed Araeen's *White Stallion*, toured multiple venues including MAMCO (Musée d'art moderne et contemporain) Geneva, the Baltic Centre for Contemporary Art, Gateshead and Garage Museum of Contemporary Art, Moscow.

We supported the Royal Air Force centenary commemorations by participating in the RAF100 Aircraft Tour Project, displaying our replica Spitfire at events in City Hall Gardens, Cardiff (May 2018), Horse Guards Parade, London (July 2018) and Victoria Square, Birmingham (August 2018) and Cathedral Gardens (September 2018). Our replica Spitfire has since been displayed at London Bridge railway station to mark the 75th anniversary of D-Day in June 2019.

Awards

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

- IWM's Retail and Brand Licensing team celebrated two wins from the ACE 2018 Best Product Awards in April 2018 - the coveted awards for Best Product (with our Spitfire Watch) and Best Licensed Product (for our Vehicle Construction Sets).
- IWM North was awarded "Best Historic Venue" and a Silver award in the "Best Unusual or Unique Venue" category of the inaugural National Venue Awards in May 2018.

- Peter Jackson's film, *They Shall Not Grow Old*, which was produced in partnership with 14-18 Now, received significant recognition of excellence by being BAFTA nominated in the category 'Best Documentary'.
- The film won the Innovation award at the 2019 Museum and Heritage Awards. In making their decision, the judging panel agreed that *They Shall Not Grow Old* was 'ground breaking' and won the award in recognition of its 'huge impact'.

Volunteer engagement

A fantastic team of volunteers add value to most areas of work at IWM. In 2018–19 our mission, and the work that we do, was supported by on average 1,167 volunteers working across our organisation. Their enormous contribution has amounted to a total of 92,749 hours, which equates to the time equivalent of around 51 Full Time Equivalent posts in additional resource capacity.

Volunteers deployed across IWM deliver excellence in customer service through their support of IWM's Membership welcome, and our schools meet and greet service. They give valuable support to our Public Engagement and Learning, Customer Experience, Marketing and Interpretation departments.

We are privileged to be supported by a team of veterans and specialist volunteers that bring to our audiences, an understanding of the connections between past conflict and the contemporary world, by taking part in IWM programmes such as Veterans and Eyewitnesses and We Were There. Our volunteer veterans span ages 28 to 97, and their interaction with our visitors has a deep and meaningful impact. *'Brilliant day, humbling, took our 11 year old studying the Second World War at school. There are volunteers from the war happy to talk to you.'*

We also value the skills and expertise of our large base of technical volunteers, who support the safeguarding, care, access and preservation of our collection via activities including aircraft, military vehicle and ship conservation, radio station operation, collections support, cataloguing and archiving.

We celebrate and recognise the incredible contribution volunteering delivers to our organisation, through the IWM Recognition Awards, which is comprised of thirty nominations across five categories.

Through external networks, awards, showcasing, steering groups and representation we maintain our positive external standing as a volunteer-involving organisation.

3.6 Key supporters in 2018–19

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

Public Funders

Arts Council England
Art Fund
The National Lottery Heritage Fund
National Heritage Memorial Fund

Trusts and Foundations

The 29th May 1961 Charitable Trust
The John S Cohen Foundation
The Desmond Foundation
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Lt Cmdr Paul Fletcher
Anthony and Maureen Hall
Clare Jakeman
Dame Judith Mayhew Jonas
Dr & Mrs. Gary Pasternack
David Routledge
Colin and Kathy Smith

4. Plans for Future Periods

Our Corporate Plan for 2019–24 lays the foundation for major change through the phased implementation of masterplans for IWM London and IWM Duxford, alongside activity to systematically upgrade all our branches. By 2021 we will deliver the second phase of Transforming IWM London and will have commenced our masterplan for IWM Duxford. The realisation of these projects will be transformative: vastly improving our visitor experience, increasing our market share and building commercial return through admissions income growth.

We will build on the remarkable legacy of our First World War Partnership and programme, with the establishment of the War and Conflict Subject Specialist Network. The Specialist Network will build capacity, connections and confidence in the cultural heritage sector to improve the public understanding of war and conflict. It will provide a forum for sharing knowledge and skills; and deliver national programmes - initially focusing on impending major Second World War anniversaries.

Following its successful pilot, the formal establishment of the IWM Institute for the Public Understanding of War and Conflict will combine IWM's own expertise with insights from related sectors. It will become an innovative hub for exploring new ways of deepening knowledge of twentieth and twenty first century war and conflict; focusing on a broad range of activities that include academic research and collaboration, public programming and digital content creation.

Our commercial ambition over this period is substantial. We will deliver an Income Generation Strategy to secure greater income gains, as well as achieve further efficiencies. This is in keeping with our financial strategy that is designed to ensure that IWM is sustainable over the long-term.

4.1 Increase our financial sustainability

Our Corporate Plan demonstrates real progress on all fronts. In order for us to deliver its ambitions, deliver outstanding public programmes and channel investment in the development of our collection, we need to increase our financial robustness through managing our cost base. Over the next five years we will build our financial resilience further, with the delivery of new change initiatives, placing us in a better position to manage potential financial risks and new pressures over this period. Implementation of an Efficiency Plan will deliver incremental savings.

Our new Estate Strategy sets out our property asset management and maintenance objectives over the next five years. The strategy will ameliorate a key area of risk, as the size, age and complexity of our considerable estate and maintenance backlog presents a significant financial challenge. The successful implementation of the strategy will be measured against clear performance indicators and targets. Governance of this area will be overseen by a new IWM Trustee subcommittee: the Estates Advisory Committee, which also has oversight of Transforming IWM London Phase 2 delivery, thereby providing assurance that masterplanning and estates management are totally integrated.

We will make major progress on masterplans to systematically upgrade each of our branches. In 2021, completion of phase two of Transforming IWM London, will vastly

improve our visitor experience and build market share by growing our core audiences and engaging developmental audiences. During this period we will also progress plans for phase three of Transforming IWM London - the creation of new Cold War displays and new gallery spaces for our world-class art collection. Our IWM Duxford masterplan will transform the historic site and in doing so, drive higher visitor numbers. The masterplan will commence in the coming year with the creation of a new Battle of Britain zone, that brings the story of the 1940 Operations Room to life and sees the reinterpretation of our public accessible Hangers at IWM Duxford. At the same time we will further develop the phased delivery of the full IWM Duxford masterplan.

Our plans for Churchill War Rooms balances the need to invest in the digital offer of the Churchill Museum with maintenance of the historic war rooms. HMS Belfast development will include a total upgrade of the interpretation on board, and the planning of innovative public engagement projects to maximise its potential as a major London attraction.

Financial robustness will be secured through ongoing commercial development, and our Corporate Plan sets out our ambition to grow commercial profit by nearly £2 million over five years (on current levels). IWM's Digital Transformation Strategy is a key enabler of this objective, as it supports the development of commercial systems and services that will enhance our responsiveness to customer demand and expectation. Our CRM project will enable greater understanding of what motivates our customers and further phases of this project will be rolled out as part of our Digital Transformation programme. The successful expansion of our IWM Membership programme over this period will build customer loyalty and commercial return. Key commercial projects will be identified in a new Income Generation Strategy for the museum that sets out our commercial ambition and direction of travel. The hotel development at IWM Duxford is a significant commercial venture that will progress and be delivered within this Corporate Plan period.

4.2 Prioritise our audiences

At the very heart of our work is our strategic objective to prioritise our audiences. To support this objective we will continue to implement our customer services standards across IWM.

We continue to embed a truly audience-focused public engagement and learning approach: delivering programmes and activities that are innovative, inclusive, sector-leading, impactful and sustainable. Future plans include the launch of new Holocaust and Second World War learning programmes and resources. We are planning a large-scale national youth engagement project to gather young people's responses to the Second World War and Holocaust and present these to the public in a touring programme. We will continue to support teachers in how to interpret our challenging subject matter and how to engage young people with the Holocaust, particularly as it fades from living memory. IWM will become established as the place for experimentation and engaging with contemporary conflict, with the delivery of a must-see adult programme that is targeted to IWM's developmental audiences. We will build on our expertise of offering STEM learning opportunities around the world-class collections we hold. New STEM schools and families programmes will be rolled out across our sites from October 2019. A new, STEM on-gallery learning space on the AirSpace mezzanine in IWM Duxford will be developed within the overarching IWM Duxford masterplan programme.

As an Independent Research Organisation, IWM will shape new projects that enrich our

public programmes and increase our understanding of our collections. Particular emphasis is given to research which supports collecting in the post-1945 era and Conflict Now, our contemporary conflict public programme. In terms of new programming, the next IWM Season is the *Culture Under Attack* season at IWM London and *Yemen: Inside a Crisis* exhibition at IWM North in 2019–20. This will be followed by our season on 'Displacement/Refugees' across both branches in 2020–21. In 2021–22 IWM North will feature a Tim Hetherington exhibition and the IWM London season is dedicated to the theme of 'War Games'.

We have been working in partnership with Normandy Tourism on *Daks Over Normandy* to mark the 75 Anniversary of D-Day in 2019. This Second World War, mass flight display, culminated in a cross-channel flight and parachute landing in Normandy on 5 June 2019. Ahead of this, the IWM Duxford Air Show, *Daks Over Duxford* on 4 and 5 June 2019 brought the extraordinary story of D-Day to life through flight displays and mass parachute jumps that saw the greatest number of Douglas C-47 (Dakotas) in one location since the Second World War.

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

4.3 Effective stewardship of our collection

We care for an extraordinary collection of art, documents, film, photographs, books, sound recordings and objects for generations to come. Our founding mission, to collect material to illustrate the common experience of war and record the individual experiences of the millions who took part in the First World War, means that our collections contain the reactions, memories and stories of the whole of society. We make these collections – the scale, depth and range of which is unparalleled – accessible to our visitors and users.

Over this period we will continue to care for our collections and prioritise the material we make accessible to the widest possible audience. Our digital transformation will create immersive content and joined-up digital enhancements of our objects, exhibitions and events. IWM will integrate digital outputs into our public programme and curatorial work, the result will be to make accessible and to enhance targeted parts of our collections, with IWM's expertise and narratives guiding audiences through rich digital as well as physical experiences onsite, online and via mobile. Ensuring that members of the public and researchers have access to our collections as well as continual improvement in the service we offer are major considerations of our storage masterplan and IWM's Digital Transformation Strategy.

Our conservation programme will continue to focus on large objects, including aircraft, held at IWM Duxford and a targeted response to the findings of the extensive survey of HMS Belfast in March 2018. Condition information will drive a programme of preventive care and conservation projects, so as to inform preservation digitisation priorities and support masterplanning. In our current Corporate Plan this will involve appraising the condition of our art collection to inform the development of new art galleries as part of the

third phase of Transforming IWM London.

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

4.4 Building our Brand

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

Our impact and reach is amplified by working in partnership and over the coming four years we will build on the extraordinary success of our First World War Centenary Programme and embed this extensive legacy by expanding our partnership programme to cover the Second World War and Holocaust. This programme is supported by an HLF grant that will facilitate public understanding and engagement in the Second World War and Holocaust by supporting the telling of local stories on a national stage. We will continue to deliver the Partnership digitally, providing a full range of IWM resources, toolkits, assets, and by facilitating events and national moments to support our regional partners.

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

Through our volunteering programme we have the potential to reach and involve more people and communities in the work we do and our subject matter. In 2019 we will deliver a volunteering strategy that sets out how we grow volunteer participation and contribution and attract from a more diverse pool of volunteers. We will set measures that evidence the positive gains volunteering has on the delivery of IWM strategy.

The successful delivery of our Plan is in the hands of our teams and we will continue to ensure that they are skilled and confident through our Learning and Development programme and setting of a new HR Strategy. We will build new staff office accommodation at All Saints in London and in doing so deliver a key cultural change project. Park Side will transform the way we work, with open-plan offices, enhanced meeting areas and a staff canteen, facilitating greater collaboration and creative energy. This project will make great strides in resolving current frustrations around silo working. This major change to our productivity and the way we work, will see an increase in flexible arrangements such as hot desking and remote working. We will continue to support our teams through the culture change championed by our Cultural Change Ambassador Network, Management and Leadership teams, to ensure that our teams are

proud of their contribution they make towards developing and communicating a deeper understanding of the causes, course and consequences of war

5. Financial Review

IWM's financial statements include the Grant-in-Aid received from government and the consolidation of the commercial and learning activities performed by the IWM Trading Company. The Consolidated Statement of Financial Activities is to be found on page 76.

The accounts are presented in accordance with the provisions of the Statement of Recommended Practice (SORP) 2015. The movement in net resources for this year, after depreciation but before revaluation changes, is an inflow of £3.179 million, an increase of £7.664 million year on year. The previous year had seen funds decrease by a total of £15.683 million.

The change in 2018–19 is made up of an increase in the net unrestricted funds of £0.890 million, after transfers, and an increase in restricted funds of £4.069 million.

Income from unrestricted funds has grown by £3.249 million. Within this, income from admissions has grown by £1.185 million which is just over 11 per cent year on year. The major contributor to this has been the success of the Churchill War Rooms. Income from commercial activities has grown similarly on the back of visitor numbers and the success of the air show season.

Unrestricted expenditure has increased by £2.842 million compared to the previous year. This is for a number of reasons as follows:

- commercial expenditure has increased by 12 per cent as a result of the higher level of business;
- there has been an increase in the investment in the public programme with a further 3 per cent of costs;
- the level of expenditure incurred on managing the estate, including building maintenance and rates, has increased by 18 per cent.

The net movement on restricted funds is attributable chiefly to income, which is £10.887 million higher than the previous year. This is funding received in support of our Transformation project for IWM London. The increase year on year represents the timing of the recognition of such funds for these projects.

Overall the level of funds carried forward at 31 March 2019 increased by £12.925 million in comparison to an increase of £0.587 million in the previous year. In addition to the positive income growth, part of the increase is due to the revaluation gain on fixed assets as assessed at 31 March 2019 (£9.746 million).

The Trustees continued to apply the approved investment policy during the year. The policy states that the credit rating of the banks with which IWM and its subsidiaries place funds must be at least a 'double A' rating, as assessed by the Standard and Poor's index. In addition, in order to spread risk as widely as possible, IWM entities have a cap of £4 million or 25 per cent of the total Group funds available for investment at that date, whichever is the lower, with any one institution, unless exceptional amounts of cash are being held. All investments were held in cash at 31 March 2019.

5.1 Reserves policy

Objective

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

Contingency

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

In addition, IWM has a contingency plan to provide for a fund of 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. Trustees deem it appropriate to keep unrestricted funds to a minimum, given the contingency plan that is in place.

5.2 Public sector payment policy

IWM has implemented the Confederation of British Industries' Prompt Payers Code. All suppliers are informed by standard letter of IWM's payment procedure and the system for addressing complaints and disputes. The percentage of invoices paid promptly within 30 days in 2018–19 was 85 per cent (78 per cent in 2017–18).

5.3 Key performance indicators

The results reported below represent the performance indicators based on our Management Agreement with DCMS. Results are shown in '000s unless otherwise stated.

Performance indicator ('000s)	2018–19	2017–18	% change
Access			
Number of visits to IWM (excluding corporate hospitality guests and virtual visitors)	2,688	2,465	9%
Number of unique website visits	11,393	6,646	71%
Audience profile			
Number of visits to IWM by children under 16	520	511	2%
Number of overseas visitors	1,097	1,018	8%
Learning and outreach			
Number of facilitated and self-directed visits to IWM by children under 18 in formal education	175	138	27%
Number of instances of children under 18 in on-site organised activities	203	81	151% ⁶
Visitor satisfaction			
Percentage of visitors who would recommend a visit	99%	99%	0%
Income generation			
Admissions income (gross)	£12,166	£10,855	12%
Trading net profit	£5,580	£4,252	31%
Fundraising income	£14,916 ⁷	£4,063 ⁸	267%
Regional engagement			
Number of UK loan venues (<i>exact number reported</i>)	98	92	7%

⁶ In 2018-19 we launched our new schools programme, following a pause in services to review and relaunch. This accounts for the year-on-year increase, although the figures have exceeded targets we set,

⁷ 2018-19 figure reflects incoming funds from Transforming IWM London fundraising campaign

⁸ 2018-17 figure has been restated

6. Staff Report

Our HR policies seek to ensure that IWM's workforce structure is both flexible and sustainable and that we create a working culture where staff are supported, skilled and proud of the work that they do. In matters of HR policy, we work in partnership with our recognised trade unions, Prospect, FDA and PCS. In the past year we have revised and updated our Staff Handbook to better reflect IWM values and brand. Further development work will include building a comprehensive library of manager and staff guides as accessible online resources.

IWM's strategic change programme, which delivered a fundamentally new staff structure in 2015, is now ongoing practice to ensure that we are agile and can adapt to change. Over the past year, small-scale restructures have been undertaken to ensure that we have the requisite structures and skills in place to help us achieve our transformational strategies.

As of 1 January 2019, the majority of new staff⁹ are employed through the IWM Trading Company, on different terms and conditions to current museum employees. This includes the offer of different pension scheme options as part of the new IWM Group Pension Plan, which means that we are able to offer a more flexible reward package. Roles which are unique to the museums, libraries and heritage sector, continue to be employed through IWM Museum and will still have access to the Civil Service Pension scheme, if they choose. This will help us to continue to attract employees with the required knowledge, skills and experience for more bespoke museum professions. These roles include curators, the majority of collections management staff and librarians.

Our cultural change programme is responsive to staff feedback and is committed to bringing about a positive change to our daily working lives. This agenda is championed by our Cultural Change Ambassador Network (CCAN). This voluntary group of staff have been working to promote and embed cultural change at IWM since 2015. In 2018 the programme focussed on staff well-being and a series of CCAN well-being days were held across IWM branches, giving staff the opportunity to network and connect with colleagues, take part in activities such as yoga, attend talks or share resources and tips on keeping well. In 2019 the group will focus on developing an annual agenda and delivery plan to further enhance cultural transformation at IWM.

We continue our journey to become a high performing learning organisation and this is supported by the introduction of an online performance management system, which we successfully piloted at the end of 2018–19, to replace our annual appraisal process. The new system enables continuous performance conversations throughout the year, tracks performance objectives and facilitates personal development.

IWM's Apprenticeship Scheme is helping us transform the way that we engage with and develop future talent from within the local communities, by encouraging people to enter the cultural and heritage sector, gain experience on the job, while gaining their vocational tertiary qualification. In 2018–19, six apprentices worked in departments across IWM and another two members of staff have engaged in leadership qualification training.

⁹ There is no change to terms and conditions of current contracts for existing IWM staff.

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

We operate a policy, and have systems in place, to proactively monitor and manage staff absences. Short and medium-term sick leave averaged at 3 days per employee for 2018–19 (compared with 2.85 days for 2017–18). When long-term sickness is included, the total number of absence days is 4.28 (5.23 in 2017–18). We continue to put in place initiatives to increase the wellbeing of our staff to bring down the number of sick days.

The strategic development of HR is now represented at Senior Management by the Assistant Director of Resource; a new appointment in 2018–19. Further policy development and a new HR Strategy for IWM will be developed in 2019–20.

6.2 Training and Development

Providing our staff with the skills, knowledge and confidence to be their best is key to us building a resilient and inclusive organisational culture. The launch of our Learning and Development Prospectus in 2018 responded to staff feedback that highlighted a need for more professional development and career progression opportunities. The courses offered have addressed specific training needs identified by staff and managers, and in particular, training that enables leadership development from within IWM. Over the past year we rolled out management training, with modules for both senior managers and new managers, to over 100 line managers across IWM. We have also facilitated personal development through a new round of 360 degree feedback surveys and by encouraging staff to develop their own action plans in response to the outcomes of this exercise. A report with the results from 360 degree feedback process, and comparisons to the 2016 exercise, was shared with staff via our intranet, staff briefings and bulletins. The opportunities for improvement highlighted by the report are being taken forward by our Senior Management Team. In early 2019–20 we will carry out a pulse, staff engagement survey to assess the progress made since our last staff engagement survey was conducted in February 2018.

The average, recorded, number of training days per employee over this period was 1.86¹⁰ days. This measure is a conservative indicator as it only represents training booked directly from our Learning and Development Prospectus and excludes staff attendance of seminars, conferences, CPD days, externally provided training, coaching and mentoring, which are not currently booked or recorded in our HR system.

6.3 Staff composition

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

The Gender Pay Gap Regulations passed in 2017 required all employers with over 250 staff to carry out Gender Pay Reporting. IWM published results in March which reported that the difference between the average (mean) hourly rates of pay for men and women

¹⁰ This measure was not recorded in previous financial years.

as of April 2018 was 1.4 per cent and the median was 5.8 per cent, in favour of women¹¹. This has shifted from a 2 per cent mean and 1.25 per cent median in favour of men as of April 2017. The change in our gender pay difference is mainly due to the larger proportion of female senior managers in the upper two pay quartiles. On average (over the period), our workforce was made up of 45 per cent male and 55 per cent female employees. Our Executive Leadership Team membership reflects a constitution of 50 per cent female and 50 per cent male (this includes our Director-General, Diane Lees), while our Senior Management Team is made up of 58 per cent female and 42 per cent male Assistant Directors. Our Board of Trustees (non-executive) has a constitution of 50 per cent female and 50 per cent male Trustees.

At the end of March 2019, 1 per cent of our staff considered themselves to have a limiting disability. The 1 per cent reported is of those who made a declaration, and for a limiting disability, this is 22 per cent of our staff. 1 per cent of our staff were from a black or minority ethnic group (representative of a 27 per cent declaration rate for ethnicity). 4 per cent of our staff identified themselves as LGBTQ (representative of a 23 per cent declaration rate for sexual orientation).

6.4 Inclusivity

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

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

We seek to adopt best practice in inclusive design in all our projects, activities and visitor service provision, to ensure that physical, sensory and intellectual access is maximised. Access, equality and diversity issues are always considered when developing our public programmes; from project initiation documents and throughout all exhibition planning. One of our key objectives is to prioritise diversity and access as part of our major capital projects, where project design teams work closely with access advisory groups to ensure that the layout of our buildings (entrances, circulation, visitor routes and wayfinding), soft services and amenities, exhibition spaces and narrative development are considered. The team working on the second phase of Transforming IWM London are working to an access design guide for the new galleries and are running a series of access consultation focus groups to inform the approach within the galleries.

¹¹ These results are based on a specific 'snapshot date' and the difference can vary month on month, as staff members leave or join the organisation at different levels.

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

6.5 Personal data

There were no personal data-related incidents to report for the period 2018–19.

7. Environmental Sustainability Report

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

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

A new Sustainability Strategy for the museum is being developed to underpin this policy and establish the approach and measures we take to achieve our Sustainable Development Policy objectives. The strategy development is focusing on three key areas; IWM's management of environmental policies and performance, energy and transport. These are areas that we have prioritised for improvement, or where targets can be set and actions taken that will bring about further, demonstrable emission and cost reductions.

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

7.1 Greenhouse gas emissions

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

7.1.1 Collections Management

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

Over the past year we concluded a project to rationalise our nitrate film archive (for example by responsibly disposing duplicate copies); and re-house the collection at the BFI's film store. This shared service initiative to locate our nitrate film collection with the BFI has provided us with a sustainable way forward, enabling IWM to share existing,

specialised film storage facilities and to vacate our former nitrate storage at Ickleton, considerably reducing emissions emitted from the operation of this building and round-the-clock refrigeration of our film stock.

7.1.2 Estates 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 presents us with a considerable challenge in reducing our carbon footprint and operating costs. We are making incremental progress through a phased lifecycle maintenance programme to progressively develop or replace existing infrastructure with more energy efficient systems. In the past year the replacement of boilers in IWM Duxford building 6 and 215, and the replacement of the Building Management System at Churchill War Rooms will introduce more energy frugal measures and bring consumption and emissions levels down further. At Churchill War Rooms the plant is now being shut down earlier in the day and we expect to see electricity savings from 2019–20. A holistic (whole building) heating survey undertaken at IWM London which will inform masterplanning and sustainable development of the branch.

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

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

7.1.3 Exhibition delivery

We are achieving energy savings in our permanent collections and temporary exhibitions through the progression of a phased programme of replacing lighting with more efficient schemes. In the past year LED track lighting was installed at the Churchill Museum and we have invested in new LED projectors to replace the showcase lights in the Main Exhibition Space at IWM North. The old light fittings from the Churchill Museum were responsibly disposed by selling to a lighting company to recycle.

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

7.1.4 Performance review

There was a fall of 4 per cent in the volume of scope one, greenhouse gas emissions on last year. Gas consumption in particular was lower (by 9 per cent) as a result of a milder winter this past year and tighter management of consumption. Facilities Management have closely monitored gas use to ensure that heating is commensurate with outside air condition. This should have a continued positive trajectory going forward. Total scope two, energy consumed in Kwh has also fallen by 4 per cent on last year. We are encouraging our staff to practice best behaviour and make small changes where possible to reduce energy use and eradicate emissions from wastefulness. This has been imparted to staff via our new intranet.

We have seen a decrease in vehicle fuel emissions of 15 per cent due to the reduction in use of vehicles for exhibitions and the replacement of two of our vehicles at IWM Duxford with electric models. The emissions and expenditure figure in 2017–18 has been re-profiled as it reflected fuel consumption solely from IWM owned vehicles. This has been adjusted to include emissions from all vehicles used in our operations (including leased vehicles).

We are working towards more robust accountability measures for our domestic business travel emissions, but in the interim have based current estimates on sample travel claims and itemised bills in order to report on this. The figures, which show a sharp increase on last year, are representative of the change in organisational structure, with centralised roles working corporately and subsequent increased levels of travel regionally, across our five IWM branches. Through digital solutions and encouraging efficient travel procedures (arranging group and public travel rather than private travel, facilitating remote working, use of Skype for Business and expanding our video conferencing facilities) we are minimising domestic travel to bring down emissions levels.

Greenhouse gas emissions (actual)	2018–19 actual	2017–18 actual	% change year on year	2016–17 actual	2015–16 actual
Scope 1: total emissions (tCO ₂ e)	1,520	1,580	-4%	1,429	1,554
Scope 1: emissions from gas consumption (tCO ₂ e)	759	833	-9%	818	948
Scope 1: emissions from oil consumption (tCO ₂ e)	738	720	+3%	577	557
Scope 1: emissions from fuel consumption (tCO ₂ e) ¹²	23	27	-15%	35	49
Scope 2: Energy consumed electricity (tCO ₂ e)	3,639	4,685	-22%	5,519	5,462

¹² 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).

Scope 2: Energy consumed (kWh) electricity, gas and oil consumption combined (<i>rounded up to nearest 000's</i>)	15,973	16,710	-4%	17,066	19,686
Scope 3: Domestic business travel (tCO2e)	111	84	+32%	66	70

Greenhouse gas emissions Financial expenditure '000s	2018–19 actual	2017–18 actual	% change year on year	2016–17 actual	2015–16 actual
CRC Energy Efficiency Scheme	£77	£198	-61%	£122	£124
Carbon offset purchases	£0	£0	-	£0	£0
Scope 1: expenditure of emissions from organisation-owned fleet vehicles (gross) ¹³	£11.96	£13.07	-9%	£15.92	£23.15
Scope 2: expenditure of energy consumed (kWh) electricity, gas and oil consumption combined	£1,564	£1,433	+9%	£1,436	£1,383
Electricity expenditure	£1,308 *	£1,200	+9%	£1,225	£1,198
Gas expenditure	£256	£233	+10%	£211	£185
Scope 3: Total expenditure of official business travel (subdivided below)	£429	£379	+13%	£276	£221
Air travel	£20	£18	+11%	£13	£11
Rail and underground	£255	£225	+13%	£164	£131
Bus or coach	£8	£7	+14%	£5	£4
Hire car or taxi	£43	£38	+13%	£28	£22
Private vehicle	£103	£91	+13%	£66	£53

* Increased electricity expenditure on last year is largely due to 24 hour cooling of an exhibition space at IWM North this past year. This was to create exceptional, optimal conditions for the loan of a prominent item, featured in our temporary exhibition.

¹³ Previous year totals have been restated as they were based on fuel consumption solely from IWM owned vehicles. This has been adjusted, to include emissions from all vehicles used in our operations (including leased vehicles).

7.2 Waste management and minimisation

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

We have a single waste service contractor working across our five branches, which means that we are able to implement a cohesive waste minimisation strategy across IWM and since 2016 have monitored the performance of all five branches. Note: prior to November 2016 waste consumption figures for Churchill War Rooms and HMS Belfast were excluded from our reports due to the complex supply chain in place at the time. Waste minimisation strategies are also actively practiced and championed by our on-site contractors (environmental sustainability being an important aspect of our procurement process).

Over the past year, we have sustained zero volume of waste sent to landfill. The volume of waste that is incinerated through waste-to-energy has reduced significantly on last year (-28%). A greater volume (+66 per cent) of waste generated through our operations has been recycled or reused. In 2019–20 we will aim to improve performance management monitoring so that we are able to capture all waste disposal that falls outside of the museum's direct remit.

We are taking action to minimise single use plastic consumption. 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 reusable cups to minimise the purchase and use of disposable, takeaway cups.

We have a long practice of reusing and repurposing exhibition material to ensure that our public programmes are sustainable and minimise adverse impact on the environment. We maintain a stock of showcase fronts which are incorporated where possible in the designs for our temporary exhibitions. These have been used many times before and shared across our branches. Moving forward, we are procuring a reusable showcase system for our temporary exhibition programme that will improve sustainable practice and reduce waste. If we are unable to use showcases they are offered to other museums - earlier this year two large showcase was taken by the Falklands Museum. The showcase fronts, lighting, cases, interactives and a selection of props from galleries that are being redeveloped at IWM London have all been retained and will be used for future exhibitions including upcoming at projects at IWM Duxford in 2019.

Our IT Department continue to adopt policies that promote sustainable practice. We are rolling out our 'one device' strategy, which has reduced our number of devices and wastage. This will continue at pace with our new staff office accommodation project – Park Side - which will be our first completely agile workspace (hot desking and remote

working will reduce our stock of hardware and the disposal of obsolete devices). We will start to move more services to the cloud, following the migration of our Intranet (SharePoint) to a cloud based service in 2018–19. This saves on power consumption, data centre cooling, but also physical hardware replacement and related waste.

Waste minimisation	2018–19 actual	2017–18 actual	% change year on year	2016–17 actual	2015–16 actual
Total waste disposed (tonnes) *	592	638	-7%	499	559
Hazardous waste disposed	0.12	9.27	-99%	0	1.38
Waste sent to landfill (tonnes)**	0	0	-	35	21
Waste recycled or reused (tonnes) *	271	163	+66%	167	218
Composted waste (tonnes) *	18	18	-	17	22
Percentage of waste recycled and composted *	49%	28%	+75%	37%	43%
Waste incinerated to convert to energy (tonnes)*	321	445	-28%	280	297
Average waste produced per annum per visitor and full time equivalent staff (kilograms)*	0.22	0.26	-15%	0.26	0.32
Average waste recycled, reused or composted per annum per visitor and full time equivalent staff (kilograms)*	0.11	0.09	+22%	0.09	0.14

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

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

Waste minimisation Financial expenditure'000s	2018–19 actual	2017–18 actual	% change year on year	2016–17 actual	2015–16 actual
Total expenditure on waste disposal	£185	£193	-4%	£200	£71
Expenditure on waste sent to landfill	£0	£0	-	£0	£5
Expenditure on waste recycled/reused	£84	£88	-5%	£51	£24
Expenditure on waste incinerated	nil	nil	-	nil	nil
Expenditure on waste converted to energy	£100	£105	-5%	£139	£40

7.3 Finite resource consumption

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

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

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

Each year we progressively cut down on paper print usage and our ultimate objective is to introduce a paperless office culture in our new Park Side staff office accommodation block (through hot desking and minimal paper filing/storage facilities). This year our IT Department reduced the size of our print fleet; down from 90 printers to 57. The new contract has achieved efficiencies, reducing the lease costs and the cost per copy and contributing to further reduction in print paper usage. Our overall print usage reduced by 181.5K sheets of paper on last year. Our PaperCut print management system ensures that we avoid wastage through error or unnecessary print requests. Staff activate all print jobs with their staff pass. A proportion of jobs sent to print will remain unreleased and this function continues to have a demonstrable positive impact on paper consumption. In 2018–19 we saved 106,991 sheets of paper from unreleased jobs, an equivalent cost of £2,677 and impact of 481.5kg of CO₂ (or 1.33 trees) saved and over 30,314 light bulb hours saved (this measure equates the manufacturing energy of the paper saved to the energy consumed by a standard light bulb in hours). Decreased paper usage can also be attributed to other efficiency measures of the system, such as enforced double-sided printing, routing large jobs to the most cost effective devices and the technology to track print and associated costs by individual user, office or department. Other small changes that are contributing to more responsible use of resources, includes giving all staff a

single laptop device which reduces reliance on paperwork. All our devices are ENERGY STAR® certified.

Finite resource consumption	2018–19 actual	2017–18 actual	% change year on year	2016–17 actual	2015–16 actual
Finite resources, water (in cubic metres / m ³)*. <i>Rounded up to nearest 000's</i>	100	126	-21%	75	68
Paper consumption - A4 (reams of paper). <i>Actual number reported</i>	1,983	2,170	-9%	2,525	5,255
Paper consumption – A3 (reams of paper). <i>Actual number reported</i>	155	70	121%	155	200

* 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	2018–19 actual	2017–18 actual	% change year on year	2016–17 actual	2015–16 actual
Expenditure on water supplied	£193	£183	+5%	£156	£136
Expenditure on paper A4 & A3	£5	£5	0%	£6	£14

7.4 Procurement

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

7.5 Future plans

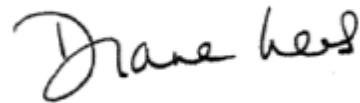
Transforming IWM London Phase 2, the second phase of our long-term masterplan for IWM London is currently underway. The project involves new gallery development within a grade 2 listed, historic building and as such we are working to a bespoke framework which draws from BREEAM (a recognised environmental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

The new sustainability strategy for IWM London will see targets set around the following key areas: IWM management, energy and transport. This framework of performance measures will improve the governance, monitoring and reporting of sustainable practice and performance across IWM.



Air Chief Marshal Sir Stuart Peach GBE KCB
ADC DL
Chairman of the Trustees

Date 5 July 2019



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 5 July 2019

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

8.1 Addresses

IWM London

Lambeth Road
London SE1 6HZ

IWM North

The Quays
Trafford Wharf Road
Manchester M17 1TZ

IWM Duxford

Cambridgeshire CB22 4QR

Churchill War Rooms

Clive Steps
King Charles Street
London SW1A 2AQ

HMS *Belfast*

The Queen's Walk
London SE1 2JH

Website

iwm.org.uk

8.2 Principal advisers

Solicitors

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

Principal bankers

Barclays Bank
Leicester
Leicestershire
LE87 2BB

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

8.3 Audit

Under statute, the Comptroller and Auditor General is the principal auditor of IWM's consolidated accounts for the year ended 2018–19. The audit fee in respect of this work was £41,000.

Auditors

Consolidated accounts

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

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

Imperial War Museum Trading Company Limited

Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

Imperial War Museum Film Production Limited

Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

Internal audit

Mazars
Tower Bridge House
St Katharine's Way
London E1W 1DD

8.4 The Imperial War Museum Trading Company

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

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

The Directors of the Imperial War Museum Trading Company

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

8.5 The Imperial War Museum Film Production Limited

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

8.6 Director-General and Accounting Officer

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

8.7 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 Chairman

ACM Sir Stuart Peach GBE KCB DL

Deputy Chairman

Matthew Westerman

Board Members

Lord Ashcroft of Chichester KCMG PC (to 31 August 2018)
Desmond Bowen CB CMG
Hugh Bullock
Elizabeth Cleaver
Lt General Andrew Figgures CB CBE
Rear Admiral Amjad Hussain CB
Professor Margaret MacMillan CC CH DPhil (from 1 February 2019)
Tim Marlow
Suzanne Nicholas
Tamsin Todd
Mark Urban
Peter Watkins

His Excellency The Hon George Brandis QC (High Commissioner for Australia)
Her Excellency Janice Charette (High Commissioner for Canada)
Her Excellency Mrs Ruchi Ghanashyam (High Commissioner for India)

His Excellency Lt General the Rt Hon Sir Jerry Mateparae (High Commissioner for New Zealand)

His Excellency Mohammad Nafees Zakaria (High Commissioner for Pakistan)

Her Excellency Ms Nomatamba Tambo (High Commissioner for South Africa)

Her Excellency Manisha Gunasekera (High Commissioner for Sri Lanka)

8.8 Board of Trustees Committee Members

Audit Committee

Matthew Westerman

Lt General Andrew Figgures CB CBE

Rear Admiral Amjad Hussain CB

Estates Advisory Committee

Hugh Bullock

Desmond Bowen

Rear Admiral Amjad Hussain CB

David Godden

Art Commissions Committee

Tim Marlow

Fiona Bradley

Paul Seawright,

Jennifer Higgie

Jenny Waldman

Nominations Committee

ACM Sir Stuart Peach GBE KCB DL

Matthew Westerman

Vacant

Remuneration Committee

ACM Sir Stuart Peach GBE KCB DL

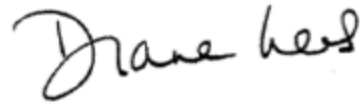
Matthew Westerman

Rear Admiral Amjad Hussain CB



Air Chief Marshal Sir Stuart Peach GBE KCB
ADC DL
Chairman of the Trustees

Date 5 July 2019



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 5 July 2019

9. Remuneration Report

9.1 Remuneration Committee and policy

The Board's Remuneration Committee meets annually to consider pay awards for the Director-General. The Committee comprises the Chairman and Deputy Chairman of the Board of Trustees and the Chair of the Audit Committee. The Director-General is eligible for a discretionary bonus of up to 15 per cent of which up to 2 per cent may be consolidated into pay as the annual rise. In addition the Committee receives details of the Executive Directors' pay. The Executive Directors are set objectives based on IWM's business plans. The Director-General reviews their performance against these. During the year, a bonus was paid to the Director-General. No other bonuses were paid to either the Director-General or the three members of the Executive Directors team listed below during 2018–19 or 2017–18. Pay rises were capped at 1.5 per cent for all Directors in 2018–19. The pay of the Director-General and of the Executive Directors is subject to benchmarking on a periodic basis.

9.2 Remuneration (including salary) and pension entitlements [Audited]

The audited salary and pension entitlements of senior staff with corporate responsibilities as at 31 March 2019 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)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
D Lees Director General	150 - 155	150 - 155	19	20	nil	nil	43	16	210 - 215	185 - 190
J Card Executive Director of Collections and Governance	110 - 115	110 - 115	nil	nil	nil	nil	18	13	130 - 135	120 - 125
G Webber Executive Director of Content and Programmes	100 - 105	100 - 105	nil	nil	nil	nil	39	39	135 - 140	135 - 140
J Brown Executive Director Commercial Services and Operations	100 - 105	95 - 100	nil	nil	nil	nil	39	39	135 - 140	135 - 140

For 2018–19 Ms Lees was provided with an accommodation allowance of £13,462 (2017–18, £13,462), the amount of which is included in the salary figures above. No other benefits-in-kind were made available to the Director-General or Executive Directors in the year.

The Director-General and Executive Directors have permanent contracts of employment

with notice periods of three months. Other than those stated in the table above, no other benefits-in-kind were made attributable to them for the year.

During 2017–18, the Executive Director for Collections and Governance, Jon Card, took a period of sick leave. A fee of £79,659 was paid to Odgers for an Interim Director of Finance to cover this absence.

No compensation payments were made to any senior staff (2017–18, nil). In the event of early termination of employment the provisions of the Civil Service Pension Scheme are to be followed.

The Chairman and Board of Trustees received no remuneration for their services during 2018–19 or 2017–18. Travel and subsistence expenses paid to three Trustees amounted to £507 (this was £418 in 2017–18).

9.3 Pay multiples [Audited]

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

	2018–19	2017–18
	£1,000	£1,000
Band of highest paid director’s total remuneration	170-175	170-175
Median total remuneration	£27,816	£27,405
Ratio	6.20	6.29

The banded remuneration of the highest-paid director in IWM in the financial year was £170,000– £175,000 (2017–18, £170,000 – £175,000). This was 6.20 times (2017–18, 6.29) the median remuneration of the workforce, which was £27,816 (2017–18, £27,405).

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

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

9.4 Pension Benefits [Audited]

	Accrued pension at pension age as at 31/3/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/19	CETV at 31/3/18	Real increase in CETV	Employer contribution to partnership pension account
	£’000	£’000	£’000	£’000	£’000	Nearest £100
D Lees Director General	50 – 55 plus a lump sum of 40 – 45	2.5 – 5 plus a lump sum of 0 – 2.5	1,071	922	40	nil

J Card Executive Director of Collections and Governance	30 – 35 plus a lump sum of 100 - 105	0 – 0.25 plus a lump sum of 2.5 - 5	799	737	18	nil
G Webber Executive Director Contents and Programmes	5 – 10	0 – 2.5	99	62	23	nil
J Brown Executive Director of Commercial Services and Operations	5 – 10	0 – 2.5	73	36	25	nil

9.5 Civil Service Pensions

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were in 10 years of their normal pension age on 1 April 2012, remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years 5 months from their normal pension age on 1 April 2012 will switch to alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha will have their PCSPS benefits “banked”, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a “money purchase” stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service from October 2002

worked out as in premium. In nuvos a member builds up a pension based on their 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 per cent if their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. 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 per cent and 14.75 per cent (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 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

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

9.6 Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

The figures include the value of any pension benefit in another scheme which the member has transferred to the Civil Service pension arrangements. They include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETV's are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take into account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

9.7 Real increase in CETV

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

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

(Comparative data is shown in brackets for previous years)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	nil (nil)	11 (10)	11 (10)
£10,000–£25,000	nil (nil)	9 (3)	9 (3)
£25,000–£50,000	nil (nil)	3 (8)	3 (8)
£50,000–£100,000	nil (nil)	3 (2)	3 (2)
£100,000–£105,000	nil (nil)	nil (1)	nil (1)
Total number of exit packages	nil (nil)	26 (24)	26 (24)
Total resource cost / £	nil (nil)	£465,690 (£651,071)	£465 690 (£651,071)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of the early departures being agreed. Where the IWM has agreed early retirements, the additional costs are met by the IWM and not by the Civil Service pension scheme. Ill-health retirement costs are met by pension scheme and are not included in the table. Included in the exit costs above are redundancy compensation, top-up compensation to buy out the actuarial reduction on pension, PILON (Payment In Lieu Of Notice, salary part) and CILON (Compensation In Lieu Of Notice, pension part).

The Trade Union (Facility Time Publication Requirements) Regulations 2017

1 Relevant union officials

The total number of the employees of Imperial War Museum who were union officials during 2018–19. Comparative data for 2017–18 is shown in brackets.

Number of employees who were relevant union officials during 2018 - 19	Full-time equivalent employee number
4 (2)	4 (2)

2 Percentage of time spent on facility time

The number of employees of Imperial War Museum who were relevant union officials employed during 2018–19, and the percentage of their time spent on facility time. Comparative data for 2017–18 is shown in brackets.

Percentage of time	Number of employees
0%	nil (nil)
1%-50%	4 (2)
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 2018–19. Comparative data for 2017-18 is shown in brackets.

Total cost of facility time	£10,510 (£5,083)
Total cost of Imperial War Museum pay bill	£20,165,523 (£19,486,159)
The percentage of Imperial War Museum's pay bill spent on facility time	0.05% (0.03%)

4 Paid trade union activities

As a percentage, how many hours spent by employees, who were relevant union officials during 2018-19, on paid trade union activities. Comparative data for 2017–18 is shown in brackets.

Time spent on paid trade union activities as a percentage of total paid facility time hours	4.19% (4.25%)
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10. Statement of Trustees' and Director-General's Responsibilities

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

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

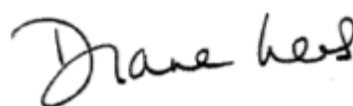
1. Observe the accounts direction issued by the Secretary of State and the Government Financial Reporting Manual, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
2. Make judgements and estimates on a reasonable basis
3. State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

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



Air Chief Marshal Sir Stuart Peach GBE KCB
ADC DL
Chairman of the Trustees

Date 5 July 2019



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 5 July 2019

11. Governance Statement

11.1 Introduction

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

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

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

11.2 Corporate governance framework

11.2.1 Scope of responsibility

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

11.2.2 Board of Trustees

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

Membership

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

- The Prime Minister
- The Foreign Secretary
- The Secretary of State for Defence
- The Secretary of State for Digital, Culture, Media and Sport
- The seven Commonwealth Governments of Australia, Canada, India, New Zealand, Pakistan, South Africa and Sri Lanka who are represented by their High Commissioners in an *ex officio* capacity.

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

Lord Ashcroft resigned his place as Business Trustee during 2018–19; the position remains vacant and a successor is currently being recruited. Professor Margaret MacMillan was appointed to the Board in February 2019 in succession to Professor Sir Hew Strachan.

Role

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

11.2.3 Committees

- The Audit Committee advises the Director-General and the Board of Trustees on the adequacy of audit arrangements, risk management and internal control. It regularly reviews risk management, including risks relating to our major projects programme. The Board of Trustees in turn reviews the effectiveness of our risk management process on an annual basis. The Committee recommends the Annual Report and Accounts for approval to the main Board and is responsible for policy review. It reviews internal and external audit reports, and agrees an internal audit strategy that is responsive to our strategic and key operational risks. Annually the Committee receives a report from IWM Duxford's Flight Safety Committee, and IWM's Health and Safety Report.
- The Estates Advisory Committee provides assurance to the Board that adequate processes of estates strategic planning and asset management are in place and working effectively. The Committee review and advise 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 Remuneration Committee oversees the review of the Director-General's pay and performance.
- The Nominations Committee takes the lead in Trustee appointments and provides a representative of the Board to sit on appointments panels.

11.2.4 Executive Teams

11.2.4.1 The Executive Leadership Team

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

Membership

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

Role

ELT is tasked with setting IWM's strategic direction in agreement with our Board of Trustees. They monitor the use of public funds, ensure that best value for money is delivered and approve major projects, investment and resource allocation. The team maintains an overview of the compliance and regulatory systems of IWM. They are responsible for ensuring that the safeguards and controls we have in place effectively manage our risks, assets and funds. ELT ratifies new strategy and key areas of policy and process, prior to presentation to the Board of Trustees for final approval. The team leads on the process of change, including cultural change, as the organisation continues to develop our ongoing change programme.

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

11.2.4.2 The Senior Management Team

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

Membership

- Assistant Director Strategy and Governance (Chair)
- Assistant Director Collections Management
- Assistant Director Commercial Services

- Assistant Director Major Projects
- Assistant Director Narrative and Content
- Assistant Director Visitor and Property Services
- Chief Information Officer
- Assistant Director Communications and Marketing
- Assistant Director Exhibitions and Interpretation
- Assistant Director Public Engagement and Learning
- Assistant Director Digital Transformation
- Assistant Director Resource

Role

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

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

11.2.4.3 Governance Boards

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

Strategic Boards

- Access and Inclusion
- Customer Experience
- Income Generation
- Reputation and Brand
- Ways of Working
- Valuing our Staff and Volunteers

Stewardship Boards

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

Programme Boards

- Digital Transformation
- IWM institute
- Major Projects
- Public Programmes

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

11.3 Annual review

11.3.1 Board of Trustees

The Board of Trustees signed off the Annual Report and Accounts for 2017–18 and IWM's Corporate Plan 2019–24. It has approved disposals from the collections in compliance with our statutory and governance requirements. Financial performance and progress against Corporate Plan 2018–21 targets and objectives has been monitored. The Board has carried out annual reviews of risk management and strategic development and received annual reports from the Audit Committee and Directors of the Trading Company as well as an annual presentation from the 14-18 NOW Centenary Commissioning Programme.

Key areas of business considered and approved include:

- Progress of IWM's major projects including the second phase of Transforming London (the redevelopment of our Holocaust and Second World War Galleries), the IWM Duxford masterplan, our Collections Storage programme and Park Side staff office accommodation project
- Our Collections Development programme, including Contemporary Collecting Strategy
- Organisational change, including the Digital Transformation Strategy and the outcomes of the latest Staff Engagement Survey
- IWM's Public Programme and the IWM Institute
- Approval of IWM's Access and Inclusion, and Estates strategies

The Board held its annual Away Day in April 2018 when Trustees carried out their annual effectiveness review, heard from the Director-General about plans and priorities going forward and discussed three particular areas of strategic focus.

11.3.2 Board effectiveness review

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

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

The review in April 2018 found that the overall response was indicative of a positive governance process, and effective meetings and committees. Recommendations were made in respect of meeting agendas allowing for more strategic discussion and greater scope for reporting on risks and IWM's strategic risk register.

11.3.3 Quality of data provided to the Board

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

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

11.3.4 Audit Committee

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

11.3.5 Estates Advisory Committee

The Committee, established this past year, has advised on IWM's Estates Strategy which it recommended for approval by the Board of Trustees. It has monitored progress of IWM's major projects; Transforming IWM London Phase 2 and new staff office accommodation, Park Side.

11.3.6 Nominations Committee

The Board's Nominations Committee was established in March 2016 in order to take the lead in Trustee appointments. It has been consulted twice in the current year.

11.3.7 Board and Committee attendance

The Board of Trustees' record of attendance is considered to be important and 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 64 per cent. Trustee attendance is covered within their performance assessment, when cases for re-appointment are put to Ministers.

Individual attendances are recorded as follows:

Trustee	Attendance
Desmond Bowen	100%
HE The Hon George Brandis (or representative)	100%
Hugh Bullock	100%
HE Janice Charette (or representative)	50%
Elizabeth Cleaver	75%
Lt General Andrew Figgures	75%
HE Syed Ibne Abbas (or representative)	0%
Rear Admiral Amjad Hussain	100%
Tim Marlow	75%
HE Lt General the Rt Hon Sir Jerry Mateparae	100%
HE Obed Mlaba (or representative)	0%
Suzanne Nicholas	100%
Air Chief Marshal Sir Stuart Peach	100%
HE Y K Sinha (or representative)	50%
Tamsin Todd	100%
Mark Urban	50%
Peter Watkins	50%
Matthew Westerman	100%
HE Amari Wijewardene (or representative)	25%
Margaret MacMillan	100% (1/1)
Lord Ashcroft	0% (0/1)

The Audit Committee meets four times a year and attendance is reported to the Board at each meeting and via the annual report, and in accordance with HM Treasury guidelines for best practice. Attendance over the past year has been 94 per cent.

Committee Member	Attendance
Matthew Westerman (Chair)	100%
Lt General Andrew Figgures	100% (3/3)

Rear Admiral Amjad Hussain	100%
Lynn Krige (co-opted)	50% (1/2)

The Art Commissions Committee has not met this year:

Over the past year, there has been no departure from the Corporate Governance Code¹⁴.

11.4 Internal accountability mechanisms

11.4.1 Executive managers

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

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

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

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

11.4.2 Board of Trustees

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

11.5 Risk management

IWM's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. It can only provide reasonable and not absolute assurance of effectiveness therefore. Risk management overall is viewed as a dynamic

¹⁴ IWM's Corporate Governance Code brings together the powers and responsibilities recorded in legislation and regulations laid down by Parliament, HM Treasury (HMT), the Department for Digital Culture, Media and Sport and the Charity Commissioners, together with current applicable elements of recommended good practice from HMT's Corporate Governance Code..

process which actively seeks to incorporate good practice. It is responsive and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities. Our highest priority risk areas have been grouped into 11 strategic risks; management of which is tracked in IWM's strategic risk register. Our strategic risk register and the 11 risks that we monitor and control are currently under review to ensure that we are capturing and effectively describing the threats and unique risks to IWM (risks that are unique, even within the sector, include operational and safety risks associated with flying and air show operations at IWM Duxford and the sensitive nature of our subject matter and the collections and stories that we hold).

In managing risk we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. Our approach to risk management and the process for implementation are outlined in IWM's Risk Management Strategy, updated in April 2017.

As a Non Departmental Public Body (NDPB) IWM has a low risk appetite in relation to compliance, regulation and to our 11 strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks, such as adopting a medium risk appetite for programming and content. ELT determine whether our overall risk profile is commensurate with our risk appetite and report it for approval to the Audit Committee annually.

In 2019–20 our Executive Leadership Team and Audit Committee are reviewing and refreshing IWM's strategic risk register. This process will identify the key threats and challenges to IWM and inform the number and nature of the strategic risks that we monitor and manage going forward.

11.5.1 Risk profile

At each meeting, IWM's Audit Committee assess an updated version of the strategic risk register, which includes a full evaluation of the management of IWM's 11 strategic risks, identification of new risks and direction of travel once controls have been put in place.

A summary of our response to emerging risks over the past year and status of our current risk profile can be found below. It only provides an overview of key areas of operational risk, instances where our residual risk rating has changed in response to emerging threats, or where the controls have brought risk exposure back to tolerable levels.

- The risk rating relating to financial resources has remained Amber to reflect that every action has been taken to protect IWM's operation and strategic development from external financial pressures, with appropriate levels of contingency in place as a buffer against economic uncertainties. At the same time the rating reflects that this risk is a significant challenge to us, owing to a difficult funding environment, the prospect of further reductions in government funding and greater reliance on self-generated income. Rising inflation and potential changes to consumer habits could exert pressure on our income generating activities, as does limitations of our systems to fully support our commercial ambition and development or expansion of product.

The implementation of our Digital Transformation Strategy will improve this going forward.

- The Board of Trustees consider the threat of cyber-crime and a breach in IT security to be a serious matter, and as such, it is one of IWM's 11 strategic risks. An Amber rating reflects that while solid procedures, policies and security measures are in place to protect our IT network from a cyber-attack and IWM have Cyber Essentials Security Accreditation, we need to keep ahead of emerging threats which continue to evolve as cyber-attacks become ever more sophisticated. We are making progress in meeting PCI compliance as well as the government's Cyber Security Plus Standard and other regulatory security measures.
- Estate management is a key strategic area. A residual Amber rating for 'inefficient and outmoded infrastructure' reflects the overall challenge of maintaining our estate and infrastructure development. Major projects in train, such as masterplanning will mitigate this risk in the long-term, while implementation of our new five-year Estates Strategy will significantly increase the understanding of and effective and efficient use of our estate.
- This risk that IWM's major projects are delayed was introduced in March 2018 to cover Transforming IWM London Phase 2, IWM Duxford masterplan (including Hotel development) and the new staff office accommodation project (Park Side at All Saints, London). At that time an Amber rating reflected pressures on the Transforming IWM London fundraising campaign to meet the targets in place to support key procurement stages. In January 2019 the rating increased to Red due to cost and programme pressures as a result of delays to planning consent for Park Side. We are working to meet planning conditions and keep costs controlled, while fundraising targets for TIWML2 have been met.
- Our Health and Safety assurance (the risk of serious harm to people) has improved due to the launch of our new Health and Safety management system in December 2018 and enhanced and consistent incident logging and reporting across IWM. The residual risk rating also reflects the roll-out of a new Safeguarding Policy this past year. These developments have resolved exposure to risk and reduced the rating from Amber to Green.
- The risk around breach of laws, regulations, standards and security improved as a result of IWM meeting General Data Protection Regulation (GDPR) compliance and the introduction of our compliance and communications tool NETconsent (which presents key policies, guidance and information to staff). In March 2019 it reverted back to an Amber rating due to the potential impact that a no-deal Brexit could have on accessing our data stored in the EU and to reflect that we are investing in both expertise and infrastructure development that will make our organisation PCI compliant.

Our strategic risk register and the direction of travel are monitored at regular intervals by SMT, ELT and our Audit Committee to ensure that emerging threats and opportunities are identified and monitored, that actions are being carried out and that the identified controls are effective. A review of IWM's risk register and how we frame our top strategic threats and risk headings is currently underway.

11.5.2 Managing Information Security Risk, Cybersecurity and Data Protection

All staff handling IWM information or using our information systems are responsible for ensuring that they comply with IWM's Information Security Policy and procedures which were among the first to be re-published to staff following the introduction of NETconsent.

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 in context of the roll out of GDPR in 2018 and is based on a template recommended by the Information Commissioner. A new Data Protection Policy was signed off by Trustees and this, together with revised procedures and guidelines were published to all staff in May 2018. IWM's preparedness for GDPR and the new legislation were reviewed by internal audit with a very positive outcome in September 2018. The policy will be re-presented to staff on an annual basis through the compliance tool NETconsent.

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

IWM was awarded Cyber Essentials Accreditation in January 2018 and this was renewed in the current year. A maturity review was carried out by consultants NCC who reported to the Audit Committee in June 2018. Their findings were that overall maturity score for IWM was below the average for an organisation of similar size. A road map and action plan was agreed to address areas of concern to bring the score to the average expected within three years and to achieve some quick wins. Additional funding was allocated to the IT budget in 2017–18 in order to facilitate an IT team restructure and to ensure that the necessary skills, equipment and resource were available to implement the action plan. An interim report from NCC in April 2019 reported improved maturity scores and good progress against three key areas which had been highlighted for focus in the initial report. The departmental restructure is well under way and a cyber security training programme has been rolled out for all staff.

11.5.3 Response to challenges

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

We are operating in an uncertain economic climate. While we have taken every measure to ensure that IWM remains financially resilient in the future, the prospect of potential funding reductions in the next Comprehensive Spending Review and any pressure on consumer spending are significant risks. Greater contingency has been set aside over our five-year Corporate Plan to safeguard us against financial pressures. The delivery of an Income Generation Strategy will ensure that we embrace all opportunities for

commercial growth. Reducing fixed costs is also an integral risk mitigation.

A terrorist incident on British soil could adversely impact audience behaviour; in particular visits from abroad or domestic families market. There is a little we can do to eradicate this risk completely. Increased vigilance at our branches and contingency planning through solid emergency and business recovery procedures and training are in place to mitigate this risk. Our planning is agile enough to mitigate the threat to audience levels, informed by our Audience Development Strategy, which identifies audiences more resilient to public security threats.

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

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

11.6 Whistle blowing policy

IWM is committed to the highest possible standards of openness, probity and accountability in the delivery of our services. Our whistleblowing policy is in accordance with The Public Interest Disclosure Act 1998, which reflects article 10 of the European Convention of Human Rights in providing the right to freedom of expression. Our staff have a right and duty to raise concerns about malpractice, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. IWM's whistle blowing policy encourages staff with serious concerns, to come forward and voice those concerns, while procedures are in place to enable them to do so. It has been reviewed and updated during 2019 and made available to all staff via our Policy Management system.

11.7 Internal Audit assessment

At the start of the financial year IWM's Audit Committee approved the 2018–19 internal audit plan. Internal Auditors, Mazars, has carried out audits of the following;

- customer and visitor service standards
- financial planning, forecasting, monitoring, budget setting and control
- commercial income from media sales
- contract management
- collections management
- General Data Protection Regulation post-implementation readiness
- cash handling and anti-fraud
- IT cyber security
- PCI compliance

Interim reports and an annual report on progress against the internal audit plan for 2018–19 were issued over the course of the year. The reports include the Internal Auditors independent opinion of whether there is an adequate level of assurance presented by the controls in place within the relevant business area audited. Recommendations for improvement are agreed with ELT and management, who work to an agreed timetable wherein they are actioned. Progress on implementing audit recommendations is monitored by ELT and the Audit Committee.

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

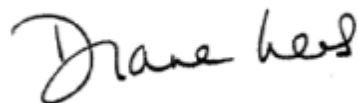
11.8 Assurance Statement by the Audit Committee

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



Air Chief Marshal Sir Stuart Peach GBE KCB
ADC DL
Chairman of the Trustees

Date 5 July 2019



Diane Lees CBE FMA FRSA
Director-General and Accounting
Officer

Date 5 July 2019

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 for the year ended 31 March 2019 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated and Charity Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the groups and of Imperial War Museum's affairs as at 31 March 2019 and of its net income for the year then ended; and
- the financial statements have been properly prepared in accordance with 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Imperial War Museum and the group in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Museum and group's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Board of Trustees and Accounting Officer

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

Auditor's responsibilities for the audit of the financial statements

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Imperial War Museum's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

which govern them.

Other Information

The Trustees and the Director-General are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with Secretary of State¹⁵ directions made under the Museum and Galleries Act 1992;
- in the light of the knowledge and understanding of the group and the Imperial War Museum and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report which I provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 12 July 2019

Comptroller and Auditor General

National Audit Office

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

IMPERIAL WAR MUSEUM ACCOUNT 2018-19

Consolidated Statement of Financial Activities for the year ended 31 March 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Income and endowments from:							
<i>Donations and legacies</i>							
Grant-in-Aid	2a	17,586	8,153	25,739	17,586	7,911	25,497
External funds	2b	1,162	13,669	14,831	948	3,022	3,970
Lottery funding		-	2,321	2,321	-	2,534	2,534
Donated objects and services		-	85	85	-	93	93
		18,748	24,228	42,976	18,534	13,560	32,094
<i>Other trading activities</i>							
Income from commercial activities	13	10,737	-	10,737	9,782	-	9,782
Fees		2,860	220	3,080	1,854	-	1,854
Royalties	13	341	-	341	460	-	460
Disposals of assets		2	-	2	20	-	20
		13,940	220	14,160	12,116	-	12,116
<i>Investments</i>	3	40	1	41	14	2	16
<i>Charitable activities</i>							
Admissions		12,040	-	12,040	10,855	-	10,855
Total income and endowments		44,768	24,449	69,217	41,519	13,562	55,081
Expenditure on:							
<i>Raising funds</i>							
Fundraising and publicity		2,733	1,305	4,038	2,618	750	3,368
Commercial costs	13	7,559	28	7,587	6,735	-	6,735
		10,292	1,333	11,625	9,353	750	10,103
<i>Charitable activities</i>							
Education, exhibitions and visitor services		17,187	7,607	24,794	16,746	4,119	20,865
Building care and preservation		11,041	4,785	15,826	9,320	4,948	14,268
Collections management and conservation		7,830	368	8,198	8,075	383	8,458
Grants	14	-	5,567	5,567	-	5,830	5,830
Purchases for the collection		28	-	28	42	-	42
		36,086	18,327	54,413	34,183	15,280	49,463
Total expenditure	5	46,378	19,660	66,038	43,536	16,030	59,566
Net income/(expenditure)	4	(1,610)	4,789	3,179	(2,017)	(2,468)	(4,485)
Transfers between funds		720	(720)	-	213	(213)	-
Other recognised gains							
Gains on revaluation of fixed assets		4,164	5,582	9,746	971	4,101	5,072
Net movement in funds		3,274	9,651	12,925	(833)	1,420	587
Reconciliation of funds:							
Total fund balances brought forward at 1 April 2018		39,741	209,168	248,909	40,574	207,748	248,322
Total fund balances carried forward at 31 March 2019	18	43,015	218,819	261,834	39,741	209,168	248,909

All income and expenditure is due to continuing activities.

The notes on pages 80 to 97 form part of these accounts

IMPERIAL WAR MUSEUM ACCOUNT 2018-19

Museum Statement of Financial Activities for the year ended 31 March 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Income and endowments from:							
<i>Donations and legacies</i>							
Grant-in-Aid	2a	17,586	8,153	25,739	17,586	7,911	25,497
External funds		6,087	13,857	19,944	5,169	4,187	9,356
Lottery funding		-	2,321	2,321	-	2,533	2,533
Donated objects and services		-	88	88	-	95	95
		<u>23,673</u>	<u>24,419</u>	<u>48,092</u>	<u>22,755</u>	<u>14,726</u>	<u>37,481</u>
<i>Other trading activities</i>							
Fees		1,810	220	2,030	1,717	-	1,717
Disposals of assets		2	-	2	20	-	20
		<u>1,812</u>	<u>220</u>	<u>2,032</u>	<u>1,737</u>	<u>-</u>	<u>1,737</u>
<i>Investments</i>	3	29	1	30	11	2	13
<i>Charitable activities</i>							
Admissions		12,040	-	12,040	10,855	-	10,855
Total income and endowments		<u>37,554</u>	<u>24,640</u>	<u>62,194</u>	<u>35,358</u>	<u>14,728</u>	<u>50,086</u>
Expenditure on:							
<i>Raising funds</i>							
Fundraising and publicity		2,736	1,306	4,042	2,620	750	3,370
Commercial costs		5	-	5	6	-	6
		<u>2,741</u>	<u>1,306</u>	<u>4,047</u>	<u>2,626</u>	<u>750</u>	<u>3,376</u>
<i>Charitable activities</i>							
Education, exhibitions and visitor services		16,315	7,455	23,770	15,945	4,152	20,097
Building care and preservation		11,041	4,914	15,955	9,320	4,948	14,268
Collections management and conservation		7,830	368	8,198	8,076	382	8,458
Grants		1,200	5,817	7,017	1,000	7,330	8,330
Purchases for the collection		28	-	28	42	-	42
		<u>36,414</u>	<u>18,554</u>	<u>54,968</u>	<u>34,383</u>	<u>16,812</u>	<u>51,195</u>
Total expenditure		<u>39,155</u>	<u>19,860</u>	<u>59,015</u>	<u>37,009</u>	<u>17,562</u>	<u>54,571</u>
Net income/(expenditure)		(1,601)	4,780	3,179	(1,651)	(2,834)	(4,485)
Transfers between funds		584	(584)	-	82	(82)	-
Other recognised gains							
Gains on revaluation of fixed assets		4,164	5,582	9,746	971	4,101	5,072
Net movement in funds		<u>3,147</u>	<u>9,778</u>	<u>12,925</u>	<u>(598)</u>	<u>1,185</u>	<u>587</u>
Reconciliation of funds:							
Total fund balances brought forward at 1 April 2018		40,314	208,585	248,899	40,912	207,400	248,312
Total fund balances carried forward at 31 March 2019		<u>43,461</u>	<u>218,363</u>	<u>261,824</u>	<u>40,314</u>	<u>208,585</u>	<u>248,899</u>

All income and expenditure is due to continuing activities.

The notes on pages 80 to 97 form part of these accounts

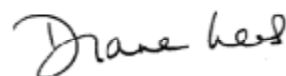
IMPERIAL WAR MUSEUM ACCOUNT 2018-19

Consolidated and IWM Balance Sheets as at 31 March 2019

	Notes	Consolidated		IWM	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed assets					
Intangible assets	7a	1,038	1,020	1,038	1,020
Tangible assets	7b	240,335	232,122	240,335	232,122
Heritage assets	8	6,840	6,424	6,840	6,424
Investments	13	-	-	600	600
		<u>248,213</u>	<u>239,566</u>	<u>248,813</u>	<u>240,166</u>
Current assets					
Stock	9	388	379	-	-
Debtors	10	10,869	7,796	10,793	7,281
Cash at bank and in hand	11	14,363	14,206	12,788	13,697
		<u>25,620</u>	<u>22,381</u>	<u>23,581</u>	<u>20,978</u>
Current liabilities					
Creditors: amounts falling due within one year	12a	(6,576)	(6,143)	(5,147)	(5,350)
Short-term Loan	12e	-	(1,416)	-	(1,416)
		<u>(6,576)</u>	<u>(7,559)</u>	<u>(5,147)</u>	<u>(6,766)</u>
Net current assets		19,044	14,822	18,434	14,212
Total assets less current liabilities		267,257	254,388	267,247	254,378
Creditors: amounts falling due after more than one year	12b	(5,198)	(5,479)	(5,198)	(5,479)
Provisions for liabilities and charges	12f	(225)	-	(225)	-
		<u>(5,423)</u>	<u>(5,479)</u>	<u>(5,423)</u>	<u>(5,479)</u>
Net assets		261,834	248,909	261,824	248,899
Represented by:					
Restricted funds					
Restricted funds	18	145,444	138,961	144,988	138,378
Restricted funds buildings revaluation		73,375	70,207	73,375	70,207
		<u>218,819</u>	<u>209,168</u>	<u>218,363</u>	<u>208,585</u>
Unrestricted funds:					
Designated funds	18	23,637	21,975	23,671	22,008
Designated funds buildings revaluation		20,326	16,384	20,326	16,384
		<u>43,963</u>	<u>38,359</u>	<u>43,997</u>	<u>38,392</u>
General funds	18	4,072	6,168	4,484	6,708
Finance Lease Reserve		(5,020)	(4,786)	(5,020)	(4,786)
		<u>(948)</u>	<u>1,382</u>	<u>(536)</u>	<u>1,922</u>
Total funds		261,834	248,909	261,824	248,899



Air Chief Marshal Sir Stuart Peach GBE KCB ADC DL
Chairman of the Trustees



Diane Lees CBE FMA FRSA
Director-General and Accounting Officer

Date 5 July 2019

The notes on pages 80 to 97 form part of these accounts

IMPERIAL WAR MUSEUM ACCOUNT 2018-19

Consolidated statement of cash flows for the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	20a	9,765	5,484
Cash flows from investing activities:			
Interest received	3	41	16
Purchase of fixed assets		(7,690)	(5,474)
Net cash (used in) investing activities		(7,649)	(5,458)
Cash flows from financing activities:			
Interest element of Loan payments		-	(12)
Interest element of finance lease rental payments		(312)	(325)
Repayment of Capital element of finance lease rental		(231)	(176)
Cash (outflows)/inflows from long term Loans		(1,416)	(1,416)
Net cash provided by financing activities		(1,959)	(1,929)
Change in cash and cash equivalents in the reporting period			
	20b	157	(1,903)
Cash and cash equivalents at the beginning of the reporting period	20c	14,206	16,109
Cash and cash equivalents at the end of the reporting period	11	14,363	14,206

The notes on pages 80 to 97 form part of these accounts

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

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

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

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

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

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

(b) Funds

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

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

(c) Income and endowments

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

The following accounting policies are applied to Income:

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

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

External funds

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

National Lottery income

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

Donated objects and services

Items and services of a value above £10,000, given to IWM free of charge are recognised as incoming resources at their estimated market value when receivable. If the items are not capitalised they are expensed.

Investment Income

Investment income is recognised on a receivable basis.

Incoming resources from charitable activities

Admissions are recognised on a receivable basis.

(d) Expenditure***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.

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.

(e) Heritage assets

Purchased heritage assets

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

Donated heritage assets

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

Depreciation and revaluation of heritage assets

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

Heritage assets not on the balance sheet

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

(f) Intangible fixed assets

The intangible fixed asset shown on the balance sheet represents IWM's investment in a Customer Relationship Management System (CRM) with an estimated life of 4 years. Amortisation is charged yearly on a straight-line basis.

(g) Tangible fixed assets

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

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

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

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

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

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 when there is an indication of impairment of the asset, either in the market value, physical damage or if the asset has become obsolete.

(h) Stocks

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

(i) Leases

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

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

(j) 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.

(k) 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 gift aid agreement all taxable profits from IWM Trading Company Limited are paid to IWM. A summary of the income and expenditure account is provided in note 13.

(l) Foreign currencies

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

(m) 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.

(n) Financial instruments

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

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

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

(o) 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.

(p) 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 2018-19.

2a Grant in Aid

£25,739K of Grant-in-Aid (from the Department for Digital, Culture, Media and Sport) has been received during the year (2017-18 £25,497K). This represents 39% of the annual expenditure in running the organisation. The balance of funding needs, including most capital improvements, is delivered from resources that are self-generated. £2,156K of the Grant-in-Aid was restricted for refurbishment and renewals of buildings, plant and equipment and the digitisation programme, £3,850K for 14-18 NOW (the Cultural Programme for the Centenary of the First World War), £2,000K to support learning activities and their development, £42k for the War Memorials Archive, £105k for Partnership First World War Digital legacy.

2b Donations and legacies	2019	2018
	£'000	£'000
Grants and donations	14,748	3,630
Sponsorship	62	340
Legacies	21	-
	14,831	3,970

The total of £14,831K is split between the IWM (£14,708K) and the Imperial War Museum Trading Company (£123K).

3 Investment income	2019	2018
	£'000	£'000
Interest receivable	41	16
	41	16

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

The interest is split between the IWM (£30K) and the Imperial War Museum Trading Company (£11K).

4 Net income/(expenditure)	2019	2018
	£'000	£'000
Net income/ (expenditure) of £3,179K, (2017-18 £(4,485)K) before transfers, are stated after charging:		
Auditors remuneration		
National Audit Office - IWM consolidated accounts	41	40
Kingston Smith LLP - Imperial War Museum Trading Company	14	13
Kingston Smith LLP - additional fee for prior year	1	-
Other Services - Kingston Smith LLP, Preparation of Corporation Tax Return and attending Audit committee meetings in relation to Imperial War Museum Trading Company	5	4
Hire purchase on equipment	72	69
Operating leases - equipment	101	101
Operating leases - Land and buildings	321	258
Interest payable on finance lease	312	325
Depreciation and amortisation of owned assets	7,705	7,496
Depreciation of assets held under finance leases	234	183
Decrease in Provision for bad debts	(6)	3

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

5 Total expenditure	Staff costs	Other costs	Depreciation, amortisation & Impairment	2019 Total	2018 Total
	£'000	£'000	£'000	£'000	£'000
Raising Funds					
Fundraising and publicity	1,482	2,494	62	4,038	3,368
Commercial costs	3,454	4,128	5	7,587	6,735
	<u>4,936</u>	<u>6,622</u>	<u>67</u>	<u>11,625</u>	<u>10,103</u>
Charitable activities					
Education, exhibitions and visitor services	8,764	14,475	1,555	24,794	20,865
Building care & preservation	466	9,386	5,974	15,826	14,268
Collections management and conservation	5,999	1,856	343	8,198	8,458
Other grants	-	5,567	-	5,567	5,830
Purchases for the collection	-	28	-	28	42
	<u>15,229</u>	<u>31,312</u>	<u>7,872</u>	<u>54,413</u>	<u>49,463</u>
<i>Total resources expended</i>	<u>20,165</u>	<u>37,934</u>	<u>7,939</u>	<u>66,038</u>	<u>59,566</u>

Resources expended are shown after eliminations on consolidation of transactions between IWM and the Imperial War Museum Trading Company of £8,361K (2017-18 £8,479K).

5a Division of direct and indirect expenditure	Direct costs	Allocated support costs	2019 Total	2018 Total
	£'000	£'000	£'000	£'000
Raising funds				
Fundraising and publicity	3,497	541	4,038	3,368
Commercial costs	7,587	-	7,587	6,735
	<u>11,084</u>	<u>541</u>	<u>11,625</u>	<u>10,103</u>
Charitable activities				
Education, exhibitions and visitor services	16,059	8,735	24,794	20,865
Building care and preservation	15,348	478	15,826	14,268
Collections management and conservation	5,598	2,600	8,198	8,458
Other grants (Note 14)	5,567	-	5,567	5,830
Purchases for the collection	28	-	28	42
	<u>42,600</u>	<u>11,813</u>	<u>54,413</u>	<u>49,463</u>
<i>Total resources expended</i>	<u>53,684</u>	<u>12,354</u>	<u>66,038</u>	<u>59,566</u>

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

5b Allocation of support	Directorate & office services £'000	Human resources £'000	Finance and planning £'000	IT and commun- ication £'000	Subtotal 2019 £'000
Raising funds					
Fundraising and publicity	1	27	44	103	175
	1	27	44	103	175
Charitable activities					
Education, exhibitions and visitor services	8	179	537	955	1,679
Building care and preservation	-	7	12	29	48
Collections management and conservation	6	129	219	505	859
	14	315	768	1,489	2,586
	15	342	812	1,592	2,761

Allocation of support	Facilities management £'000	Depreciation & amortisation £'000	Support salary costs £'000	Allocated Support costs Total 2019 £'000
Raising funds				
Fundraising and publicity	-	62	304	541
	-	62	304	541
Charitable activities				
Education, exhibitions and visitor services	4,769	321	1,966	8,735
Building care and preservation	322	23	85	478
Collections management and conservation	-	309	1,432	2,600
	5,091	653	3,483	11,813
	5,091	715	3,787	12,354

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

6 Staff costs	2019 £'000	2018 £'000
Salaries and wages	14,894	14,234
Temporary / agency staff	321	257
National Insurance	1,479	1,404
Superannuation	2,943	2,881
Early retirement and early exit costs	241	651
Provision for early exit	225	-
Apprenticeship Levy	62	59
	20,165	19,486

In addition £609K (including £82K for Superannuation) of staff costs relating to staff working exclusively on capital projects was capitalised in 2018-19 (2017-18 £574K).

Pensions

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

For 2018-19, employers' contributions of £2,871K were payable to the PCSPS (2017-18 £2,839K) at one of four rates in the range 20% to 24.5% 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 2018-19 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 **£135K** were paid to one or more of a panel of appointed stakeholder pension providers. Employer contributions are age-related and range from 8% and 14.75%. Employers also match employee contributions up to 3% of pensionable pay. In addition employer contributions of 0.5% of pensionable salary were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were **£10K**. 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 **£18k** were paid in 2018-19. Contributions due to Aviva at the balance sheet were **£5k**.

6 Staff costs (continued)

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants, and the majority of those already in service, joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60, and one providing benefits on a whole career basis (**nuvos**), with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were in 10 years of their normal pension age on 1 April 2012, remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years 5 months from their normal pension age on 1 April 2012 will switch to **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** will have their PCSPS benefits "banked", with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a "money purchase" stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 4.6% to 8.05% of pensionable earnings for **classic**, **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits in respect of service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

Number of employees

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

	2019	2018
	No	No
£60,001 - £70,000	3	4
£70,001 - £80,000	4	3
£80,001 - £90,000	1	2
£90,001 - £100,000	-	2
£100,001 - £110,000	3	1
£110,001 - £120,000	2	2
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,000 - £170,000	-	-
£170,001 - £180,000	1	1

The number of staff paid above £60K (2017-18, nil) to whom retirement benefits are accruing under defined contribution schemes is nil and under defined benefit schemes is 14 (2017-18,15).

Please see the Remuneration report on page 53 of the Annual Report for more details of senior staff costs.

Total remuneration of Managerial staff was £2,005K (2017-18, £1,929K).

The number of employees (this is the full time equivalent), analysed by function was:

				2019	2018
	Permanent staff	Temporary Staff	Managerial staff	Total No of staff	Total No of staff
Education, exhibitions and visitor services	187	5	8	200	192
Building care & preservation	8	-	-	8	8
Collections management and conservation	139	2	3	144	152
Trading / Commercial	86	2	1	89	86
Fundraising and publicity	24	-	5	29	29
	444	9	17	470	467

In addition to the above, there was the Full Time Equivalent of 11 members of staff directly employed to work on capital projects and their costs have been capitalised.

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

6 Staff costs (continued)
Trustees

The Chairman and Board of Trustees received no remuneration for their services during 2018-19. Travel, subsistence and entertainment expenses paid to two Trustees amounted to £507 (2017-18 £418 paid to three Trustees).

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

Ex-gratia payments

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

7a Consolidated intangible fixed assets	Assets under development £'000	Customer Relationship Management System £'000	Total £'000
Cost at 1 April 2018	1,020	-	1,020
Additions	-	364	364
Transfers between categories	(1,020)	1,020	-
Value at 31 March 2019	-	1,384	1,384
Amortisation at 1 April 2018	-	-	-
Provided in year	-	346	346
Amortisation at 31 March 2019	-	346	346
Net book value at 31 March 2019	-	1,038	1,038
Net book value at 1 April 2018	1,020	-	1,020

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

7b Consolidated tangible fixed assets	Land freehold and leasehold £'000	Structure £'000	Plant and machinery £'000	Fit-out £'000	Assets under construction £'000
Cost/valuation at 1 April 2018	31,150	121,427	42,913	18,333	6,484
Additions	-	3,092	144	481	3,024
Transfers between categories	-	839	128	227	(1,194)
Transfer to current	-	-	-	-	(877)
Revaluation	2,572	2,393	2,552	(285)	-
Disposals	-	-	-	-	-
Value at 31 March 2019	33,722	127,751	45,737	18,756	7,437
Depreciation at 1 April 2018	-	-	-	-	-
Provided in year	-	2,312	2,203	1,199	-
Depreciation due to revaluation	-	(1,056)	(723)	(511)	-
Disposals	-	-	-	-	-
Depreciation at 31 March 2019	-	1,256	1,480	688	-
Net book value at 31 March 2019	33,722	126,495	44,257	18,068	7,437
Net book value at 1 April 2018	31,150	121,427	42,913	18,333	6,484

Consolidated tangible fixed assets (continued)	Exhibitions £'000	Equipment £'000	Assets held under finance lease £'000	Total £'000
Cost/valuation at 1 April 2018	32,136	6,566	5,191	264,200
Additions	6	309	-	7,056
Transfers between categories	-	-	-	-
Transfer to current	-	-	-	(877)
Revaluation	-	-	239	7,471
Disposals	(1,275)	(444)	-	(1,719)
Value at 31 March 2019	30,867	6,431	5,430	276,131
Depreciation at 1 April 2018	24,886	5,744	1,448	32,078
Provided in year	1,148	497	234	7,593
Depreciation due to revaluation	-	-	15	(2,275)
Disposals	(1,158)	(442)	-	(1,600)
Depreciation at 31 March 2019	24,876	5,799	1,697	35,796
Net book value at 31 March 2019	5,991	632	3,733	240,335
Net book value at 1 April 2018	7,250	822	3,743	232,122

7b Consolidated tangible fixed assets (continued)

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

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

All sites not revalued by Gerald Eve on 31 March 2019 show revaluation by price indices. Land, structure and fit-out have been revalued using the U0004802 - Build Cost indexation adjusted by the location factor. Plant and Machinery have been revalued using the Office of National Statistics - JV45 2562000000 Machining Services

All tangible fixed assets are used for charitable activities.

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

Property	Title	Net book value	Net book value	Basis of valuation
		at 31 March 2019 £'000	at 1 April 2018 £'000	
IWM London, Lambeth Road, London SE1 including Gate Lodge, Lambeth Road, London SE1	Long leasehold Freehold	86,660	85,998	Depreciated replacement cost Depreciated replacement cost
All Saints Annexe, Austral Street, London SE11	Freehold	4,145	4,158	Existing use
Duxford Airfield, Cambridgeshire	Freehold	91,665	82,970	Depreciated replacement cost
Ickleton Film Store, Cambridgeshire	Long Leasehold	4,967	4,855	Depreciated replacement cost
IWM North, Manchester	Long Leasehold	29,954	30,824	Depreciated replacement cost
HMS Belfast, London SE1	Long Leasehold	2,735	2,599	Existing use
Churchill War Museum, London SW1	Long Leasehold	6,151	6,165	Depreciated replacement cost

8a Heritage assets	Acquisition at historic costs £'000	Donated assets at valuation £'000	Total £'000
Cost/valuation at 1 April 2018	4,501	1,923	6,424
Additions	331	85	416
Value at 31 March 2019	4,832	2,008	6,840

IWM acquires donated objects by gift, bequest and from the translation of long term loans for the collections into permanent acquisitions. Objects wholly or partially donated to the IWM in 2018-19 were valued at £85k comprising assets and equipment capitalised in the IWM's Balance Sheet (2017-18 £93K). Values were assessed by relevant experts and other information, including valuations for tax purposes.

No capitalised collection objects were disposed of during the year.

8b Five year financial summary of heritage asset transactions

	2018-19 £'000	2017-18 £'000	2016-17 £'000	2015-16 £'000	2014-15 £'000
Additions	£'000	£'000	£'000	£'000	£'000
Purchases	331	29	4	1,213	88
Donations	85	93	414	262	502
Total additions	416	122	418	1,475	590

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

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

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

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

Collection description	Total size
Artworks: IWM holds a large and world-class collection of modern British art. The core is paintings, prints and drawings commissioned or purchased during the First and Second World Wars, added to by the acquisition of both historical and contemporary works of art. The collection includes digital and mixed media artworks, sculptures, cartoons and camouflage designs and almost 20,000 international posters.	93,938 items
Documents: IWM is among the world's leading repositories for the private papers of those involved in warfare since 1914. We hold an extensive series of foreign records from Germany, Japan and Italy during the Second World War which were deposited at IWM as captured enemy documents under the Public Records Act 1958.	26,716 collections
Sound Recordings: Our archive of sound recordings includes interviews, speeches, and sound effects totalling many thousands of hours, and is one of the largest of its kind in the world.	34,529 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 a wide range of associated material. 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.	149,771 items
Film: IWM is believed to be the longest established national film archive, and now holds in excess of 23,000 hours of cine film, video tape and digital footage. IWM is the official repository for relevant film under the terms of the Public Records Act 1958.	175,855 film elements
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.	18,485 collections
Library: The heritage assets include maps, proclamations and rare books.	105,042 items
Library: The reference collection includes at least 150,000 books as well as significant reference collections of printed ephemera, pamphlets and periodicals.	241,869 items

Changes to the figures since last year due to acquisition and disposal:

Category	17-18 figures	18-19 figures	Change	Reason for Change
Artworks	93,806 items	93,938	132	c.55 new items for the collection; and creation of more granular records for better access.
Documents	26,305 collections	26,716	+411	Acquiring new items for the collections
Sound Recordings	34,389 items	34,529	+140	Acquiring new items for the collections
Film	178,959 items	175,855	-3,104	Disposal of duplicate elements
Objects	148,923 items	149,771	+848	c. 150 new items for the collection; and creation of more granular records for better access
Photographs	18,207 collections	18,485	+278	Acquiring new items for the collections
Library: Heritage Assets	108,808 items	105,042	+234	Acquiring new items for the collections
Library: reference collections	225,547 items	241,869	+16,322	Due to creating more granular records for the collection, mostly for periodical issues, to enable better access. Additions to the collections are limited.

8d Collections Development Policy

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 delivers its mission through the acquisition and interpretation of, and delivering public access to, our diverse holdings; art, material culture and artefacts, archives of documents, film, photographs and sound records, and a library with reference materials and publications.

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

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

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

8d 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 a specimen or object, will be the responsibility of the IWM Board of Trustees acting on the advice of the Collections Development Committee and not of any archivist, collections manager, curator, or librarian acting alone.

8e Collections management policies and procedures

IWM delivers its mission through the acquiring, interpreting, and delivering public access to, our diverse holdings of art, material culture and artefacts, archives of documents, film, photographs, sound recordings, and a library with reference materials and 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 policy, procedure, strategy and its implementation through training (ensuring competency in staff that undertake collection management tasks) and monitoring (ensuring that competency in all staff is maintained), of all museum staff and collection users.

Documentation

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)*. IWM maintains and develops a centralised and accessible collections management system to support information retrieval. A digital Asset Management Systems (DAMS) is employed to consolidate and manage IWM's digital assets within centralised digital storage. The DAMS is integrated with the collection management system, ensuring a consolidated and accessible collection information resource.

The infrastructure supporting digital collection records and digital collections is maintained by IWM's IT department. All digital data is replicated to a back up server on a daily basis. In order to safeguard IWM's digital collection information, the collections management system is backed up every two hours.

All policies and procedures relating to the management of collections information are fully compliant with the *Spectrum* standard for Collections Management and have been comprehensively reviewed and revised in 2015; these are currently being reviewed and will be replaced in 2019.

Access

IWM is committed to the provision of access to physical collections and collections information to all potential users, and to balancing sustainable collection care with collection access and use.

Collection care

Collections care priorities are determined through a risk management approach and in accordance with corporate priorities: balancing programmes for long-term care (as determined by collection surveys and risk analysis) with collection access and use (through exhibitions and loan programs and the overall public offer). IWM's approach to the management of its heritage assets is determined by its experienced and professional staff, guided by legislation, best practice and international conventions.

Legislation

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

8e Collections management policies and procedures (continued)International conventions

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

National standards and guidelines

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

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

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

8f Obstacles to a meaningful valuation of the Collection

In 2011 IWM calculated the cost of valuing the collections in their entirety, using an item-level, research-based approach to determine current market values, at well over £5 million (equivalent to 247 person years at 2011 costs). It has therefore determined that fully accurate values cannot be obtained for a reasonable cost. Even a partial valuation project would be large in scope, ambitious in targets and costly in resource. For various reasons the provision of internal valuations is neither a simple nor cost-effective solution.

Expertise	IWM employs specialist curators, archivists and librarians but they are neither professionally trained nor widely experienced in providing valuations. Expertise is not available equally for all elements of the collections; significant collections do not have specialist curators.
Logistics	The collections are displayed and stored across IWM's five branches, loan venues and external storage locations, adding travel time to valuations.
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 trends around anniversaries, such that all First World War items (a significant subset of IWM's holdings) will appear at inflated prices in the years of the centenary. We see similar patterns around items relating to anniversaries of significant events and individuals.
Ownership	Parts of the film, photograph and documents collections are deposited under the Public Records Act and therefore not 'owned' by IWM. The practicalities of valuing this material would need to be established.
Digital	The collections include a growing proportion of digital material (primarily film and photographs). The extent to which these would be classed as heritage assets, given the definition's inclusion of the term 'tangible', must be determined.

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

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

9 Stock

Stock consists of retail goods and IWM Publications

	Group 2019 £'000	Restated Group 2018 £'000	IWM 2019 £'000	Restated IWM 2018 £'000
10a Debtors				
Amounts falling due within one year				
Trade debtors	733	952	179	170
Other debtors	458	76	458	76
Amount owed by Imperial War Museum Trading Company Ltd	-	-	131	162
VAT debtor	535	427	951	775
Prepayments	413	604	396	366
Accrued Income	5,184	3,484	5,127	3,468
Provision for bad debts	(6)	(12)	(1)	(1)
Total debtors falling due within one year	<u>7,317</u>	<u>5,531</u>	<u>7,241</u>	<u>5,016</u>
Amounts falling due after more than one year				
Accrued Income	3,552	2,265	3,552	2,265
Total Debtors	<u>10,869</u>	<u>7,796</u>	<u>10,793</u>	<u>7,281</u>

Group - Accrued Income includes £3.5M from the Pears Foundation; £2M from the Bamford Charitable Foundation for Transforming IWM London

The 2018 figures have been restated to show prepayments and accrued income separately.

	Group 2019 £'000	Group 2018 £'000	IWM 2019 £'000	IWM 2018 £'000
10b Intra-Government debtor balances				
Balances with other central government bodies	1,604	1,791	2,397	2,115
Balances with bodies external to government	9,265	6,005	8,396	5,166
Total debtors	<u>10,869</u>	<u>7,796</u>	<u>10,793</u>	<u>7,281</u>

11 Cash at bank and in hand

	2019 Total £'000	2018 Total £'000
Imperial War Museum	12,788	13,697
Imperial War Museum Trading Company Limited	1,575	509
	<u>14,363</u>	<u>14,206</u>

	Group 2019 £'000	Restated Group 2018 £'000	IWM 2019 £'000	Restated IWM 2018 £'000
12a Creditors				
Amounts falling due within one year				
Trade creditors	1,556	1,048	1,504	994
Other creditors	772	750	772	750
Obligations under finance lease	246	231	246	231
Accruals	2,540	3,382	2,380	3,197
Deferred income	1,462	732	245	178
Total creditors falling due within one year	<u>6,576</u>	<u>6,143</u>	<u>5,147</u>	<u>5,350</u>
12b Amounts falling due after more than one year				
Obligations under finance lease	4,520	4,766	4,520	4,766
Deferred income	678	713	678	713
Total creditors falling due after more than one year	<u>5,198</u>	<u>5,479</u>	<u>5,198</u>	<u>5,479</u>
Total creditors	<u>11,774</u>	<u>11,622</u>	<u>10,345</u>	<u>10,829</u>

Included in deferred income is £678K 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.

The 2018 figures have been restated to show accruals and deferred income separately.

12c Intra-Government creditor balances	Group 2019 Total £'000	Group 2018 Total £'000	IWM 2019 Total £'000	IWM 2018 Total £'000
Balances with other central government bodies	307	685	677	685
Balances with bodies external to government	11,467	10,937	9,668	10,144
Total creditors	11,774	11,622	10,345	10,829

12d Obligations under finance leases

At 31 March 2019 IWM had commitments under finance leases as set out below:

	2019 Exhibitions £'000	2019 Total £'000	2018 Total £'000
Finance lease obligations: payments due			
Within one year	246	246	231
in the second to fifth year	1,204	1,204	1,086
in more than five years	3,316	3,316	3,680
	<u>4,766</u>	<u>4,766</u>	<u>4,997</u>

12e Loans	Group 2019 £'000	Group 2018 £'000	IWM 2019 £'000	IWM 2018 £'000
Amounts falling due within one year				
Short term loan	-	1,416	-	1,416
Amounts falling due after more than one year				
Long term loan	-	-	-	-
	<u>-</u>	<u>1,416</u>	<u>-</u>	<u>1,416</u>

The Museum received two loans from Department for Digital, Culture, Media and Sport £2,000K in July 2014 and £500K in April 2015 for the IWM London Regeneration project and £1,750K in April 2015 for the Change Programme. The loan agreement shows repayments being made in three equal instalments from April 2016 to April 2018. Interest was charged at a rate of 1.3% and 0.68%

12f Provisions for liabilities and charges	Balance as at 1 April 2018 £'000	Additions in year £'000	Provision reversed £'000	Balance as at 31 March 2019 £'000
Early exit scheme	-	225		225
Amounts falling due within one year				225
Amounts falling due after more than one year				-
Total provisions				<u>225.00</u>

Under the rules of the Principal Civil Service Pension Scheme the early retirement of staff is permitted with the agreement of the IWM. IWM bears the costs of retirement benefits for the period from the member of staff's retirement up to their normal retirement age under the schemes rules. The total pension liability up to the normal retirement age of each member of staff affected is charged to the statement of financial activities and recognised as a provision in the year in which the employee ceases employment. The provision is released each year to fund the pension paid until the date at which the employee would normally have retired.

The provision represents the Early exit scheme obligation that existed at 31 March 2019.

13(a) IWM Trading Company Limited

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

	2019 £'000	2018 £'000
Profit and loss account		
Turnover	14,051	12,104
Cost of goods sold	(8,741)	(7,726)
Gross profit	5,310	4,378
Other operating income	1,323	1,367
	6,633	5,745
Administrative expenses	(1,658)	(1,496)
Operating profit	4,975	4,249
Interest receivable	11	3
Profit	4,986	4,252
Amount paid to IWM under gift-aid	(4,986)	(4,252)
Profit on ordinary activities after gift-aid	-	-

Reconciliation of results of the trading company to the Consolidated Statement of Financial Activities

Turnover	14,051	12,104
Intercompany transactions	(131)	(98)
Included in trading income per SOFA	10,737	9,782
Included in fees income per SOFA	2,842	1,764
Included in royalties per SOFA	341	460
External funds	1,323	1,367
Intercompany transactions	(1,200)	(1,000)
Included in external funds per SOFA	123	367
Cost of goods sold	8,741	7,726
Intercompany transactions	(125)	(63)
Included in commercial costs (£7,582K) and education (£1,034K) per SOFA	8,616	7,663
Indirect costs	1,658	1,496
Intercompany transactions	(1,658)	(1,496)
	-	-
Interest receivable	11	3
Included in investment income per SOFA	11	3

	2019 £'000	2018 £'000
Balance sheet		
Current assets	2,586	1,912
Current liabilities	(1,977)	(1,303)
Net assets	609	609
Called up share capital	600	600
Profit and loss account	9	9
Capital and reserves	609	609

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

The future plans of the Company forecast longer term growth.

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

13(b) IWM Film Production Company Limited

The IWM Film Production Company has been dormant during 2018-19 and 2017-18.

14 Other grants

14 -18 NOW WW1 Centenary Art Commissions, is an independent programme hosted within Imperial War Museums and receives public funding from the National Lottery and Arts Council England, during the year 14 -18 NOW paid out co-commission grants of £5,567K. (2017-18 £5,830K)

15 Capital commitments

At the balance sheet date, the IWM had outstanding capital commitments, authorised by the Board of Trustees but not yet contracted of £21,445K, (2017-18 £7,093K) and outstanding capital commitments contracted but not provided of £7,161K, (2017-18 £1,125K).

16a Commitments under operating leases

At 31 March 2019 IWM had annual commitments under non cancellable operating leases as set out below:

	2019 Land and other buildings £'000	2018 Land and other buildings £'000	2019 Equipment £'000	2018 Equipment £'000
Operating leases which expire:				
Within one year	288	258	99	94
In the second to fifth years inclusive	761	631	236	232
Over five years	1,285	1,269	-	-
	<u>2,334</u>	<u>2,158</u>	<u>335</u>	<u>326</u>

16b Commitments under hire agreements

At 31 March 2019 IWM had annual commitments under non cancellable hire agreements as set out below:

	2019 Equipment £'000	2018 Equipment £'000
Hire agreements which expire:		
Within one year	69	63
In the second to fifth years inclusive	81	104
Over five years	-	-
	<u>150</u>	<u>167</u>

17 Contingent liabilities

There are no contingent liabilities

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Revaluations/ capital restructure £'000	Transfers £'000	At 31 March 2019 £'000
18 Consolidated statement of funds						
Unrestricted funds						
<i>Designated funds:</i>						
Buildings, collections, equipment and exhibitions	21,975	3,305	(1,232)	-	(411)	23,637
Buildings revaluations	16,384	-	(222)	4,164	-	20,326
Total designated funds	<u>38,359</u>	<u>3,305</u>	<u>(1,454)</u>	<u>4,164</u>	<u>(411)</u>	<u>43,963</u>
General funds	6,159	41,463	(44,690)	-	1,131	4,063
Finance Lease Reserve	(4,786)	-	(234)	-	-	(5,020)
IWM Trading Company reserve	9	-	-	-	-	9
	<u>1,382</u>	<u>41,463</u>	<u>(44,924)</u>	<u>-</u>	<u>1,131</u>	<u>(948)</u>
Total unrestricted funds	<u>39,741</u>	<u>44,768</u>	<u>(46,378)</u>	<u>4,164</u>	<u>720</u>	<u>43,015</u>
Restricted funds						
Buildings, collections, donated objects equipment and exhibitions	127,257	14,195	(3,836)	-	(10,474)	127,142
Buildings revaluations	70,207	-	(2,414)	5,582	-	73,375
Tied funds	11,704	10,254	(13,410)	-	9,754	18,302
Total restricted funds	<u>209,168</u>	<u>24,449</u>	<u>(19,660)</u>	<u>5,582</u>	<u>(720)</u>	<u>218,819</u>
Total funds	<u>248,909</u>	<u>69,217</u>	<u>(66,038)</u>	<u>9,746</u>	<u>-</u>	<u>261,834</u>

The tied funds (£18,302K) comprise funds donated for the application to specific projects. These include Transforming IWM London (£14,063K); 14-18 NOW (£906K); the AirSpace at IWM Duxford (£241K); the VCGC Gallery at IWM London (£145K) and the Holocaust exhibition at IWM London (£221K).

Funds of £137K have been transferred from restricted funds to unrestricted funds to cover eliminations on consolidation of transactions.

Funds of £411K have been transferred from unrestricted buildings, collections, donated objects equipment and exhibitions to general funds to cover movement of previous capital costs to current.

Funds of £117K have been transferred from tied funds to buildings, collections, donated objects equipment and exhibitions for capital projects.

Funds of £10,474K have been transferred from restricted buildings, collections, donated objects equipment and exhibitions, £10,008K to tied funds to cover future Transforming IWM London costs and £466k to unrestricted funds to cover movement of previous capital costs to current.

18 Consolidated statement of funds (continued)

The unrestricted buildings, collections, equipment and exhibitions funds of £23,637K, the buildings revaluation of £20,326K, the restricted buildings, collections, donated objects, equipment and exhibitions funds of £127,142K, the buildings revaluation of £73,375K, together represent the net book value of the intangible fixed assets, tangible fixed assets and heritage assets less the assets held under finance leases £244,480K.

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

Building revaluations increased/(decreased) IWM London by £2,814K; IWM North by £(267)K; IWM Duxford by £6,363K; All Saints by £88K; HMS Belfast by £86K; Ickleton by £295K; Churchill War Museum by £143K and the finance lease by £224K.

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
19 Analysis of group net assets between funds			
Fund balances at 31 March 2019 are represented by:			
Tangible fixed assets	47,696	200,517	248,213
Net current assets	(161)	18,980	18,819
Long-term creditors	(4,520)	(678)	(5,198)
Total net assets	43,015	218,819	261,834
20 Cash flow information			
(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities		2019	2018
		£'000	£'000
Net income/(expenditure) for the reporting period(as per the statement of financial activities)		3,179	(4,485)
Investment Income		(41)	(16)
Interest element of finance lease rental payments		312	325
Interest element of Loan payments		-	12
Loss on disposal of tangible fixed assets		119	164
Reclassification from capital costs to revenue costs		877	-
Depreciation and impairment charge for the year		7,939	7,413
(Increase) in stocks		(9)	184
(Increase)/decrease in debtors		(3,073)	1,242
Increase in creditors		462	645
Net cash provided by operating activities		9,765	5,484
(b) Analysis of cash flows			
Increase/(decrease) in cash in the year		157	(1,903)
Cash flow arising from decrease in finance lease		231	176
Movement in net debt in the year		388	(1,727)
Net funds at 1 April		9,209	10,936
Net funds at 31 March		9,597	9,209
(c) Changes in net debt/funds	1 April	Cash flow	31 March
	2018		2019
	£'000	£'000	£'000
Cash at bank and in hand	14,206	157	14,363
Finance lease	(4,997)	231	(4,766)
Net funds	9,209	388	9,597

21 The role of financial instruments

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

The following disclosures relate to the whole group.

Credit, liquidity or market Risk

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

IWM is exposed to credit risk of £733K of trade debtors - however this risk is not considered significant as major customers are familiar to IWM. Bad and doubtful debts are provided for on an individual basis.

IWM has sufficient unrestricted funds to cover its current liabilities.

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

21 The role of financial instruments (continued)
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 2019		
Sterling	14,350	13
	<u>14,350</u>	<u>13</u>
As 31 March 2018		
Sterling	14,182	24
	<u>14,182</u>	<u>24</u>

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

Foreign currency risk

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

22 Related Party Transactions

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

	Amount Purchased £'000	Amount Sold £'000	Donations / Grants Received £'000	Donations / Grants Given £'000	Year End Balance £'000
American Air Museum in Britain (AAMiB)	-	-	-	210	157
The Friends of the Imperial War Museum (FIWM)	-	-	-	20	-
IWM Foundation	-	12	-	-	3
IWM Development Trust	2	-	-	-	-
National Lottery Heritage Fund (formerly HLF)	-	-	2,321	-	10
Commonwealth War Graves Commission	-	1	-	-	-
Gerald Eve LLP	5	-	-	-	5
Artichoke	80	-	-	-	-
Sadler's Wells	2	-	-	-	-
Bletchley Park Trust	1	-	-	-	-
British Library	1	-	-	-	-
National Maritime Museum	16	-	-	-	-
National Portrait Gallery	1	-	-	-	-
Science Museum	7	3	-	-	-
Tate	-	1	-	-	-
Victoria & Albert Museum	1	-	-	-	-
BBC	-	72	-	75	21
Historic England	6	-	135	-	60
British Film Institute	134	4	-	-	1
Arts Council of England	-	-	517	-	118
Arts Council of England (Exchequer)	-	-	48	-	-
National Heritage Memorial Fund	-	-	113	-	-

The nature of these related parties is as follows:

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

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

A total of £2,000 was received from the IWM Trust in 2018-19 in service charges as per the operating agreement

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

22 Related Party Transactions (continued)

Funding of £20,700 was received from the DCMS funded National Heritage Lottery Fund (formally known as Heritage Lottery Fund), to fund the Lives of the Second World War project. £2,300,000 contributed towards the 14-18 NOW project .

IWM Trustees HE Janice Charette; HE The Rt Hon Sir Jerry Mateparae are Commissioners for Commonwealth War Graves Commission. £579 was received as fees for image sales

IWM Trustee Hugh Bullock, Chairman of Gerald Eve LLP. £5,143 was paid relating to year end valuation of IWM sites for 2018-19

IWM Trustee Tim Marlow, Trustee of Artichoke. £80,000 paid by 14-18 NOW for Processions Project

IWM Trustee Tim Marlow, Trustee of Sadler's Wells Trust. £2,072 paid by 14-18 NOW for catering at a Patron's Night

£76.12 was received from Bletchley Park Trust for film/images sold. Jon Card, Company Secretary of IWM Trading Co is a Trustee of Bletchley Park Trust

Lord Ashcroft, former IWM Trustee and a Director and Chairman of the IWM Trading Company Limited, is an investment partner in a joint venture with International Entertainment Consulting Pty Ltd ("IEC") and Nine Entertainment Co Holdings Limited to arrange an international touring exhibition programme for the benefit of IWM.

£480 was received from Dods Group plc for a tour of IWM Duxford for a Chinese delegation. Diane Lees, Director General is a NED of Dods Group

£394 was received from the Royal Academy of Arts for fees. Sian Westerman, wife of Trustee Matthew Westerman is a Trustee of the Royal

Rental costs of £15,898 were incurred with the DCMS funded National Maritime Museum

Payments totalling £600 were made to the National Portrait Gallery for image licensing fees.

A NMDC membership contribution payment of £7,369 was made to the DCMS funded Science Museum Group. Payment of £210 was made to SMG for materials relating to exhibitions. Payment of £2,594 was received relating to image sales and licensing.

Payment of £645 was received from DCMS funded Tate for object loans and licensing

Payments totalling £661.25 were made to the Victoria & Albert Museum for the loan of items for Lest We Forget Exhibition.

Payment totalling £134,136 were made to the DCMS funded British Film Institute for the transport and storage of cellulose nitrate films. £3,634 was received for images sales and licensing. A balance of £1,423 is due from the BFI

£72,151 fees were paid by BBC to IWM for the use of IWM film and licensing agreements, during 2018-19. £75,000 was given to the BBC as a grant from 14-18 NOW to produce the Proms. Tanya Hudson, wife of IWM Trustee Tim Marlow, is an Executive Producer at the BBC.

£135,000 was received from the DCMS funded Historic England. This grant is a contribution to costs relating to the exhibition *Destruction of Cultural Property* a further £60,000 is due in 2019-20. £5,619 was paid to Historic England for advisory services relating to the new Duxford paper storage facility. A balance of £467 is due to IWM for services

Payments totalling £716 were paid to the British Library digitisation and book mounting fees. £169 was paid to IWM for reimbursement of IROC hosting fees.

£533,381 was received from the Arts Council of England, a DCMS funded organisation. A balance of £118,381 is due over the next two financial years.

£48,400 was received from the Arts Council of England Exchequer Fund, a DCMS funded organisation.

£112,500 was received from the DCMS funded National Heritage Memorial Fund. This was grant was a contribution to cover a portion of the cost of the acquisition of a painting by John Lavery.

23 Losses, special payments and gifts.

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

24 Post balance sheet events

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