

Linking Navy to Nation

Trustees' Annual Report and Consolidated Financial Statements
For the Year Ended 31 March 2024

A Company Limited by Guarantee



Company number: 06699696
Charity Number: 1126283

The National Museum of the Royal Navy

Annual report and accounts 2023-2024

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to **the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2012**

Ordered by the House of Commons to be printed on 21 November 2024



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CORRECTION SLIP

Title: The National Museum of the Royal Navy

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Correction 1:

Page 52, Note 2. Voluntary income (Company and Group) Table entries for 2024: heading for Linked charities

Text currently reads:

Linked charities '000

Text should read:

Linked charities £'000

Correction 2:

Page 58 and page 59, column headings for Teesside Pension Fund

Text currently reads:

Teesside Pension Fund

Text should read:

Teesside Pension Fund

Date of correction: 26 November 2024

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Legal and administrative information

Charity number	1126283
Company registration number	06699696
Registered office	H M Naval Base PP66 Portsmouth Hampshire PO1 3NH
Chief Executive and Accounting Officer	Matthew Sheldon (appointed 1 December 2023)
Director General and Accounting Officer	Professor Dominic Tweddle (resigned 30 November 2023)
Chairman	Admiral Sir Philip Jones GCB ADC DL
Trustee directors	Rear Admiral Mark Anderson CB Ms Katherine Biggs Dr Andrew M Burnett CBE FBA Mr Philip G Dolling Mr Colin M Evans CMG Ms Helen M Jackson Major General Jeffrey S Mason (resigned 26 July 2024) The Hon. Mrs Mary Montagu-Scott DL Rear Admiral Jonathan P Pentreath CB OBE Mr John Michael E Scott Mrs Alison R Start Mrs Sarah Whitcher Mr Gavin Whitter Mr Thomas C K Wright CBE
Auditors	Comptroller and Auditor General National Audit Office 157 - 197 Buckingham Palace Road London SW1W 9SP
Accountants	Compass Accountants Limited Venture House, The Tanneries, East Street Titchfield Hampshire PO14 4AR
Bankers	Lloyds TSB Bank Plc 38 London Road, North End Portsmouth Hampshire PO2 0LR

Performance Report including the Strategic Report

Overview

The National Museum of the Royal Navy (“the National Museum”) was established in 2008 and is the holding company of the National Museum of the Royal Navy Group. The Group’s unique and historically significant Royal Naval collections, ships and aircraft are located and displayed in museums at the National Museum of the Royal Navy in Portsmouth (including HMS Victory, HMS Warrior and HMS M33 and the national collection for the Royal Marines), the Fleet Air Arm Museum in Yeovilton, the Royal Navy Submarine Museum (including HMS Alliance) and Explosion! The Museum of Naval Firepower in Gosport, the National Museum of the Royal Navy Hartlepool (including HMS Trincomalee), and HMS Caroline in Belfast.

Our Charitable Objectives

The charitable objectives of the National Museum of the Royal Navy, as defined within its Articles of Association are:

- The promotion and education and learning of Naval Service and Auxiliaries personnel and other members of the public about the history, deeds and traditions of those services.
- The promotion and enhancement of military efficiency by assisting recruitment and retention and fostering the esprit de corps of the men and women who are serving in the Naval Service and Auxiliaries.
- The commemoration and remembrance of those members of the Naval Service and Auxiliaries who have died while on active service and the encouragement of public recognition of the sacrifice made by such persons.

In order to deliver its objects, the vision of the National Museum of the Royal Navy is to be the world’s most respected naval museum. This will be achieved by:

- Collecting, studying and interpreting objects, images and records which help to document and communicate the continuing story of the Royal Navy and the people serving in it from the earliest times to the present day.
- Offering stimulating and engaging learning opportunities for people of all ages enabling them to explore the rich collections and expertise held by the museum.
- Providing visitors with the opportunity to enjoy a great day out, experiencing and absorbing the ethos and spirit of the Royal Navy.
- Making the museum collections as widely accessible as possible through the development of the displays and special exhibitions as well as developing a world-class virtual presence.

Our Vision

To be the world’s most inspiring Naval Museum, linking Navy to nation.

Our Mission

Inspiring enjoyment and engagement with the story of the Royal Navy and its role in shaping both our nation and the modern world.

Our Strategic Aims

We will deliver the vision and mission through three aims:

Audiences:

- Grow and diversify our global audiences – on site and online.

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- Create innovative and inspirational experiences, services and products.
- Build our brand and reputation as the authority on the Royal Navy story.

Collections:

- Sustain and develop our world-class collections and sites.
- Explore different Royal Navy story perspectives with our diverse communities and collections.
- Extend access to our collections and sites through digital transformation.

Sustainability:

- Grow our income and financial resilience to secure long-term sustainability.
- Reduce our carbon consumption and transform our estate.
- Build partnerships and influence as a national museum.

Our People

We recognise that none of this will be achieved without the skills, dedication and hard work of our people. This requires that we:

Value and empower our people.

- Are outward-facing, inclusive and audience-led.
- Build a culture of innovation and enterprise.
- Be sustainable in all that we do.

Our framework of values supports the culture of the organisation, guiding our everyday actions and being integral to our performance management framework.

How We Work

The National Museum’s day-to-day operation is overseen by the Executive Directors within the context of an overarching strategy framework, and underpinned by a suite of Group policies, procedures and operating models. Operational activity has been consolidated into NMRN Operations, a wholly owned charitable subsidiary of the National Museum, simplifying the governance structure and allowing the benefits of operation of the museums through a single large organisation to be realised, improving visitor experience and collections care and access, and demonstrating greater cohesion in the delivery of the charitable objectives. The National Museum’s heritage collections are retained within independent charitable trusts, with the National Museum of the Royal Navy as the sole corporate trustee and the Warrior Preservation Trust will be seeking to transfer the ship and its heritage assets into a yet to be formed trust in the same model.

The National Museum is one of the few headquartered and located outside London, enabling people to learn, enjoy and engage with the naval story in the regions. The National Museum’s reach is further extended through its network of naval heritage partnerships and cooperations.

The Ministry of Defence (MOD) concluded its Independent Public Body review of the Service Museums (National Museum of the Royal Navy, Royal Air Force Museum and National Army Museum) in September 2023 and concluded that MOD service museums are effective in fulfilling their purpose and should remain as Non-Departmental Public Bodies within the MOD. A total of 21 recommendations were identified, with opportunities to ensure that both the museums and the MOD continue to maintain a strong sponsorship arrangement, refresh governance and strengthen the museums’ resilience in the cultural and heritage sector in terms of financial stability, maintenance and preservation of buildings and assets and rapid digital adoption.



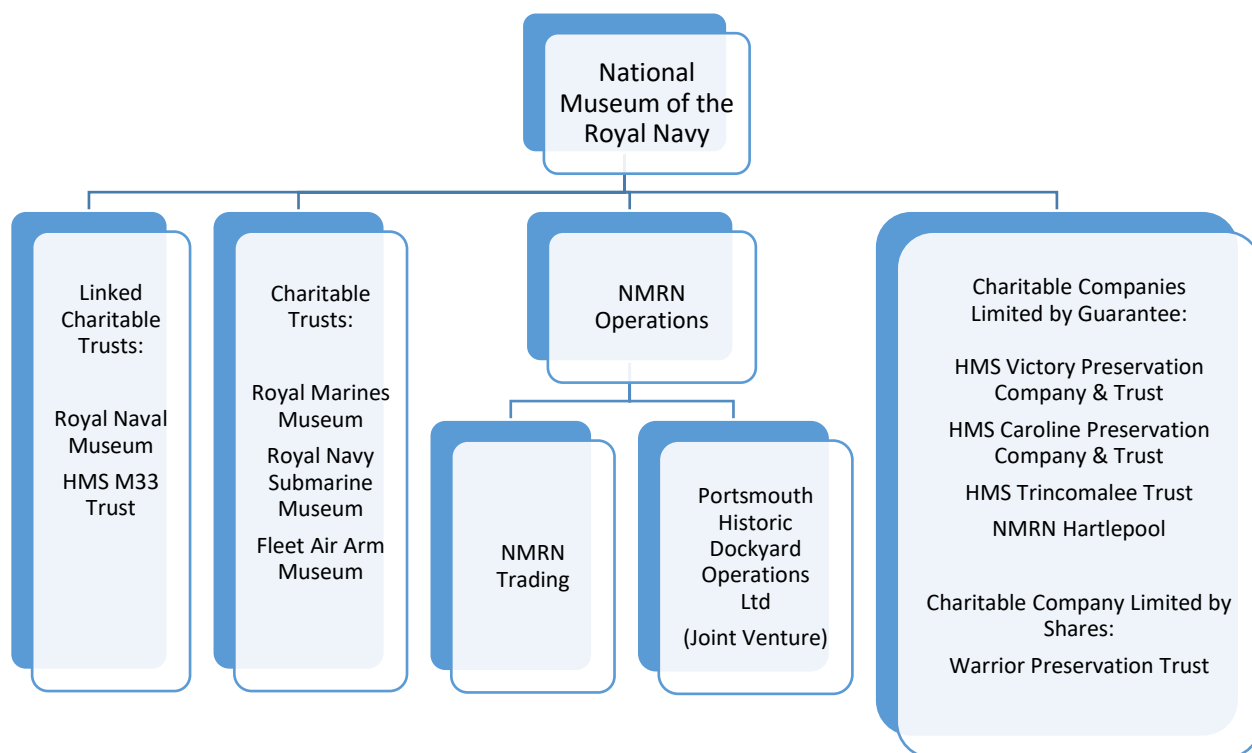
The full summary of the review may be found at <https://www.gov.uk/government/publications/service-museums-public-body-review-summary-2023/combined-service-museums-public-body-review-summary-and-findings-2023#summary-of-the-review-and-its-findings>

Funding Arrangements

The National Museum receives Grant in Aid funding from its sponsor, the Ministry of Defence, and raises other income through grant funding and sponsorship arrangements, legacies, charitable donations and through its commercial activities. Under the terms of its 2019 Financial Framework agreement for the receipt of Grant in Aid, the National Museum is permitted to build and carry forward an unrestricted “free reserve” from those self-generated funds over and above the Grant in Aid provided.

The restricted funds held by the National Museum are held in trust, under various agreements with donors, for specific purposes, to safeguard the future of the historic collections. These funds are used by the National Museum where it is appropriate to do so and in accordance with those trust agreements. The Trustees have reviewed the funds and determined that it would not be appropriate to divert them to support revenue activities, nor would it be legal to do so without the express consent of the Charity Commission.

Our Group Structure



Inactive (dormant) charitable companies awaiting strike off and dissolution:

- Fleet Air Arm Museum CLG Limited
- Foudroyant Trust
- NMRN Services
- Royal Marines Museum
- Royal Navy Submarine Museum

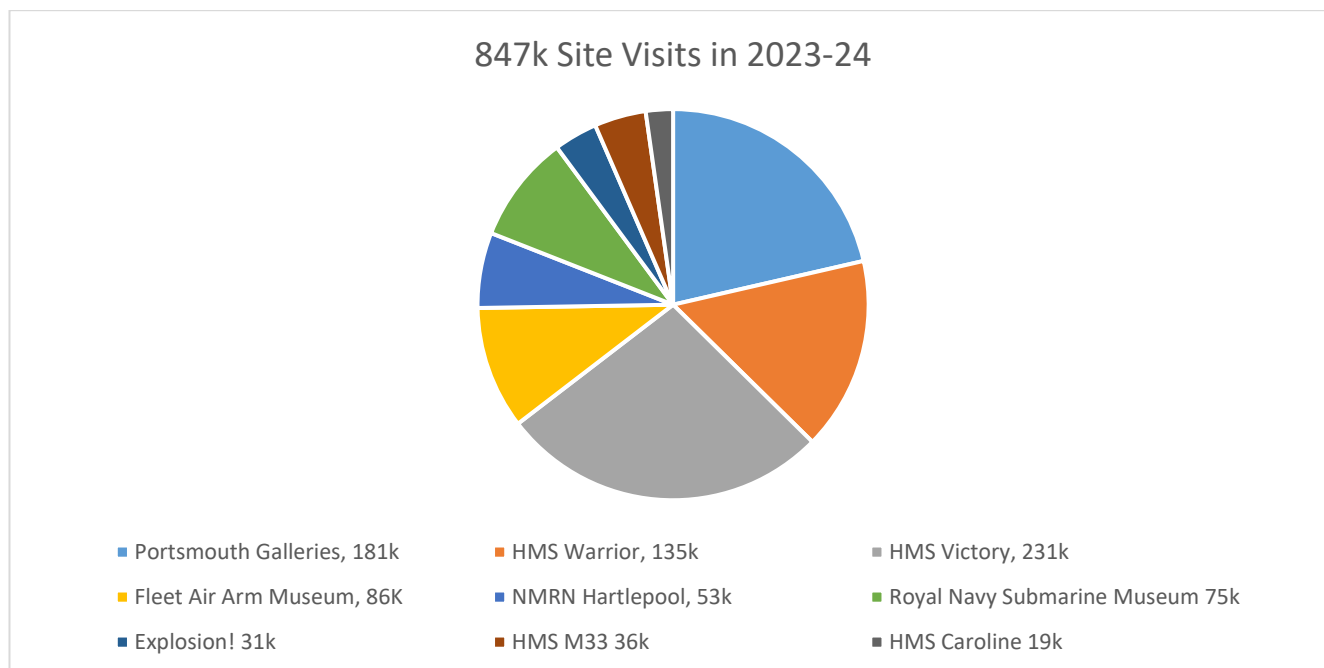
Portsmouth Historic Dockyard Operations Ltd is a joint venture company incorporated on 7 August 2020 and owned equally (50:50) by NMRN Operations and the Mary Rose Trust.

Activities and Achievements

Visitors

We received 847,410 visits across the group (2022-23: 667,253 visits)

During this period, we welcomed 847,410 visits (2022-2023: 667,253) across our National Museum sites, marking a 27% increase on the previous year's performance. This included the first full operational year for HMS Caroline since her closure in 2020, and a complete year of operation of HMS Warrior following its 3-month closure period in 2022-23 for essential maintenance. Performance at Portsmouth, Gosport, Hartlepool and Yeovilton saw revenue levels that were broadly in line with pre-pandemic performance and the group closed out the year 23% ahead of target ticket income.



The Association of Leading Visitor Attractions' 2023 visitor data highlighted a 33% increase in visitors for the Fleet Air Arm Museum (only one other attraction in the region has had higher growth) and a 15% increase for Hartlepool based on pre-COVID admission numbers. The data also recognised Portsmouth Historic Dockyard as the third most visited paid attraction in England outside of London (behind Stonehenge and the Roman Baths).

We operate Portsmouth Historic Dockyard under a joint venture (Portsmouth Historic Dockyard Operations) with the Mary Rose Trust. This partnership agreement was put in place in 2020 to create a ticket product to drive growth in sales, increase revenue and simplify the visitor offer. It provides a cohesive, consistent and excellent customer service experience that tracks across all of our customer touchpoints. Its aim is to support financial sustainability, by maximising on income and exploiting business efficiencies. It also shares knowledge and expertise to explore social impact, community engagement and tourism initiatives in support of the city of Portsmouth, embedding collaborative joint working, resulting in better outcomes and improved processes. This period, the partnership really demonstrated its impact, delivering a 24% increase in its contribution on the previous operating year. This unique operating partnership also saw us recognised as the "2024 Partnership of the Year" at the Museums and Heritage Awards and at the Portsmouth News Excellence Awards as "Visitor Attraction/Event of the Year".

Social Value and Learning

We have supported a number of outreach events, including a Foster Child event in partnership with Portsmouth City Council, creating an activity day in Action Station for children in their care, along with carers and guardians. All

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families were provided lunch and free access to Portsmouth Historic Dockyard, enabling them to access our Royal Navy story.

In Portsmouth Historic Dockyard, for the second year running through our successful joint venture with the Mary Rose Trust, we offered free annual family tickets to local families whose children are in receipt of Pupil Premium Funding. Working with Portsmouth City Council and Gosport Schools, this programme enabled the most disadvantaged young people in the Portsmouth and Gosport area to access our incredible history free of charge. Set against the backdrop of the Cost of Living Crisis and challenging trading environments, this initiative demonstrates both partners' commitment to delivering social impact as well as commercial success. Families have shared what a positive impact this had, and we already anticipate repeating and extending the scheme for 2024-25. A Central South Business Awards 2024, Community Hero nomination was received in recognition of this programme.

At HMS Caroline, we offered free visits to schools in areas of local income deprivation. Community groups were also invited to visit the site, with very positive feedback from the Action Mental Health EVOLVE Group around the inclusivity of the exhibition.

"Active Aviators" is a programming partnership at Fleet Air Arm Museum with Aggie Westons, a registered charity that provides family support to those serving in the Royal Navy, through pastoral work and practical projects. Through this monthly programme, we provided crafts, sing-alongs, toys and games, in a safe and secure environment within close proximity to RNAS Yeovilton.

We have engaged 23,704 pupils and students in formal learning (2022-23: 25,694). Our sites have continued to offer a range of activities for students to engage with our ships and collections, including Discovery Visits, Discover More and Discover Live. Portsmouth Historic Dockyard ran a series of Discover Live sessions in June 2023 to compliment the Armada Maps exhibition. Targeted at KS1-3, these sessions focussed on object handling and archive materials to learn about the maps and the Armada itself.

Fleet Air Arm Museum also hosted our annual training collaboration with Bridgwater College, EDF UK and Magnox, with 23 Maintenance Operations Engineering Technician (MOET) apprentices participating in our projects as part of their course Condition Monitoring Maintenance unit. The sessions, facilitated by our staff and volunteers, challenged the apprentices with scenarios such as a major incident, combat situation, decommissioning and recommissioning, as well as taking an out-of-service aircraft from the museum and uncovering what maintenance was required to put it back into working order. From this work, the apprentices were able to draw parallels between key skills needed in the aviation industry and their own nuclear-specific roles.

At NMRN Hartlepool, we worked with a local Academy to provide supported work placements for students with Special Educational Needs, preparing the young people to transition into the workplace. This will be further developed through a recently awarded grant from the Association of Independent Museums, Connected Communities fund. This work will focus on developing our volunteering programme with SEN audiences, positioning them to influence and engage with our site redevelopment plans at the same time as combating loneliness and isolation.

Over 30,500 people engaged with our public programming activities in Portsmouth and Gosport including gallery interventions, school holiday events, community activities, outreach and regular early years programming. Highlights from the large scale events included Heritage Open Days, the Christmas Ship and Stargazing which brought in new audiences and highlighted the collections in innovative ways.

HMS Caroline was awarded one of the coveted slots from National Historic Ships as 'Static Flagship of the Year 2023' in recognition of our public engagement into 2024 (which marks the centenary of her being berthed in Belfast), the level of social media outputs and learning resources for schools.

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Our STEM offer for informal learners has continued to evolve and grow with both large scale one off events and regular programming designed to explore links with the Royal Navy past and present. Events such as STEM in Action, Creepy Conservation, Worlds Beneath the Waves lectures and Little Engineers have offered a wide range of interactive activities for audiences of all ages. The success of Little Engineers has inspired a vision for a new programme aimed at early years, families and home educators which will be developed in the coming months.

The Community Team have worked closely within the local Asian community to co create the successful Diwali event, bringing different cultures together to celebrate an important date within the Asian calendar. The team also successfully completed 'Addressing Empire' tours for local Universities, Historians those within the political arena and also those leading on childcare courses. These were warmly received to help ensure history is correctly translated and understood.

A regular Naval Tea Club is held at the museum four times a year with a regular group of people. The objective of the group is to improve people's wellbeing and break down isolation. It is planned for these sessions to continue into the new year.

The Community Team worked within the local area for several support services including the following:

- Refit Drug and Alcohol rehab tours of both HMS Victory and HMS Warrior
- Kitbags and Berets Veterans with Dementia tour of HMS Alliance
- City of Sanctuary Refugee visits to HMS Warrior as part of their English lessons
- Tea and Sea sessions and Hear My Story Outreach talks held at Jellicoe RNBT Home to help the residents with their memories and support communication.
- Hampshire Dementia Friends visit to HMS Victory
- Solent Mind art session at the dockyard using our collection as inspiration to help those suffering with mental health.
- Literacy Hub continue to use our learning centre as a base for young people every Monday and Tuesday.

Volunteers

The National Museum has a dedicated and committed volunteer team, which includes lived experience of service in the Royal Navy, the Royal Marines and the other military services. Our volunteers add significant value to our work, with the number of volunteers in the period at just over 300 individuals. Our volunteers were involved in a diverse range of projects and activities. Notably, volunteers were an integral part of the 'National Treasures: Armada Maps' exhibition, helping to bring the maps to life. They worked with our collections to help digitise and conserve them, as well as enhancing the visitor experience on our historic ships, submarines, with our aircraft and in gallery spaces and supporting exhibitions and events.

Supporting our Sponsor – The Royal Navy

The National Museum provides a unique perspective to the heritage, history, culture and traditions of the Royal Navy, and the close relationship between the museum and its sponsor organisation is essential to the effective delivery of the museum's purpose. During 2023-24, we have worked successfully with the Royal Navy to host events, support personnel and help with recruitment. In turn, the Royal Navy has supported us at STEM events, community projects and networking groups. Our work has helped the National Museum establish a very effective Royal Navy networking group, which has supported exhibitions, tours of historic vessels, and events, and has also supported veterans to become part of the National Museum community. Highlights included:

- Working with the Royal Navy Race Diversity Network and the Defence Hindu Network to celebrate Diwali on board HMS Warrior with guests, including defence personnel of all faiths from across all three services, and our community partners including Chat Over Chai, Believe in Me CIC and Cliffdale Primary Academy
- Supporting Britannia Royal Naval College Open Day where we provided Fleet Air Arm related activities

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- Supporting Naval Regional Commander, Wales Western England and the Channel Islands in hosting award winners from the John Thornton Young Achievers Foundation
- Working with the Royal Navy’s LGBTQ+ network in creating a short film, and a space for veteran and LGBTQ+ organisations and allies to meet
- Delivering STEM action days supported by the Royal Navy’s STEM Engagement Team
- Sponsoring partner at the hugely successful Royal Navy First Sea Lord’s Reception on HMS Iron Duke that enabled supportive and constructive conversations in support of the Royal Marine Museum
- Attending HMS Collingwood’s Field Gun Day providing activities for Naval Personnel and their families
- Providing archival material to the Royal Navy Race Diversity Network to support displays to educate on the role of the Women’s Royal Indian Naval Service (WRINS)
- Attending Portsmouth Pride jointly with the RN LGBTQ+ network and our National Museum network
- Participating in the Royal Navy’s Race Alignment Meetings
- Facilitating 19 stakeholder dinners at our venues for First and Second Sea Lords during the period.

Communications

We continued to monitor our digital communications using our ‘meaningful engagement’ model, reflecting not just views of digital content but meaningful interactions with it. Our strong digital presence grew through the period. Our engagement rate (that is the number of people interacting with a social media post against those who saw it) was 5% above industry average of between 1-3%. Due to the internal changes within the platform X, which prioritises paid and subscriber content over organic, we saw an expected dip in engagement, but gained 18 thousand new followers during this year, reaching 21 million people with our content.

In April 2023, we launched our new Portsmouth Historic Dockyard website. This, along with upgrades to the Google Analytics platform, meant that we altered the way in which we report our website statistics, breaking out the National Museum’s website separately to the Portsmouth Historic Dockyard website and our ticketing web store. Across all three platforms we have seen 1.2 million visits, in line with the previous year’s results.



Facebook
 32.7M users
 34M impressions
 615K engagement
 28% engagement rate
 (2022-23: 19M users, 2.6M impressions)



X (Formerly Twitter)
 2.1m Impressions
 72K engagements
 3% engagement rate
 (2022-23: 43K engagements)



Instagram
 1.4M users
 1.5M impressions
 58K engagements
 9% engagement rate
 (2022-23: 3K engagements)



Linked In
 402K impressions
 7% engagement rate
 (2022-23: 3K engagements)



NMRN Website
 303,381 users



PHD Website
 333,255 users



NMRN and PHD Webstores
 289,857 users



Press, PR and Media
 £8.6M AVE
 c40M circulation reach
 (2022-23: £7M AVE, 24M Circulation)

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Media coverage across the National Museum reached an audience in excess of 40 million people, up from 24 million the year before, realising £8.4M in Advertising Value Equivalent (2022-23: £7.0M). Highlights of our press coverage included:

- Coverage of the World Beneath the Waves exhibition in the Guardian newspaper, highlighted the role of the Royal Navy's in innovation oceanography and maritime conservation
- Our use of AI technology in support of the HMS Victory conservation project to analyse data and create accurate 3D modelling featured in a number of publications including the i Newspaper and The Art Newspaper
- Valentine's day coverage on BBC Online highlighted husband and wife Fleet Air Arm Museum volunteers, Jill and Gary Umpleby, and their support of the National Museum
- A triple christening that took place on HMS Caroline, in honour of the ship's former officers and proud grandfathers, John Taylor and Billy McConkey, who revived this age-old naval family maritime tradition with the christenings of their grandchildren onboard the ship featured in a range of articles across media in Northern Ireland and beyond
- The Royal Navy Submarine Museum's X-craft's contribution to early plans for D-Day ahead of the D-Day commemorations was shown on BBC TV South
- Our project to track and manage the Deathwatch Beetle as part of the HMS Victory Conservation Project featured on ITV News



Exhibitions

We have drawn on a mixture of external and intergroup grant funding, partnership support and use of reserves to deliver a special exhibitions programme and improvements to our permanent exhibitions. These have helped us reflect on the link between the Navy and the Nation across the centuries and to improve our representation of the current Royal Navy and its people. Our work to develop our exhibitions has included:

- **The Armada Maps: National Treasures** – running for a period of 45 days in summer 2023, this exhibition allowed visitors a time-limited period to view all ten of the amazing 1588 Armada Maps which were saved for the nation thanks to our major fundraising campaign in 2020. Digital resources were produced as legacy resources at www.armadamaps.nmrn.org.uk
- **Worlds Beneath the Waves** – this current exhibition highlights the work the Royal Navy's involvement in oceanographic research. It features interviews of naval personnel filmed whilst working on HMS Protector in Antarctica and includes historic specimens from the HMS Challenger expedition, borrowed from the Royal Albert Memorial Museum, alongside contemporary equipment like 'Boaty McBoatface' loaned from our exhibition partners at the National Oceanography Centre.
- **Diving Deep: HMS Invincible 1758** – following its successful opening in Portsmouth in October 2020, this interactive exhibition, based on the archaeological excavation of the shipwreck, and funded by the National Heritage Lottery Fund and the Maritime Archaeological Sea Trust, returned to the National Museum to be exhibited in Hartlepool from Easter 2023.

- **Barracuda Live: The Big Rebuild** – this 50-year project stepped into a new phase in 2023, with customers now being able to get up close and personal with the reconstruction of an aircraft of which there is no single complete version.
- **Victory Live: The Big Repair** – our delivery of the conservation project for HMS Victory entered a major phase of work which placed large portion of the ship under a scaffolding canopy to enable the removal of huge sections of hull planking. We started to develop a new and major strand of interpretation that will progress through the project, showcasing the scale and complexity of the conservation task and bringing the unique work of our skilled teams to visitors.
- **Royal Marines Experience at Action Stations** - our interactive and family-focussed Royal Marines Commando attraction at Action Stations continued to be a popular with our visitors and forms the basis of sharing the Commando story until the fully reimaged Royal Marines Museum is delivered. We have significantly progressed our project proposals in this period.
- **National Museum of the Royal Navy Hartlepool Waterfront Regeneration** – we have continued to support the NMRN Hartlepool board in its work with Hartlepool Borough Council to develop a shared vision for the regeneration of the area around the dock basin. A vision document demonstrates the potential cultural and commercial use of the site, the addition of facilities dedicated to the care and conservation of historic ships, skills training workshops, new galleries that support STEM education (science, technology, engineering, arts and mathematics) and the creation of exciting new experiences to complement the activities taking place both on the National Museum site and the wider Waterfront area. In parallel, Hartlepool Borough Council commissioned a separate study for the Museum of Hartlepool and the PS Wingfield Castle, offering the opportunity to ensure a holistic approach to proposing future options for the whole site.
- Investments into our permanent galleries and exhibitions included the X-Craft and Jolly Rogers interventions at the Royal Navy Submarine Museum and to the Victory Gallery in Portsmouth to introduce a rare ship model into the experience.



Collections and Research

This period has seen major advances in collections access, collections information, and the external recognition of the National Museum's standards.

Our Collections Portal www.nmrn.org.uk/collections provides access to a growing database of over 400,000 catalogue records from the National Museum's collection, many with supporting images. The portal is already attracting an average of 2,000 users a month, with multiple searches which help us understand areas of research interest. Investment and development of the National Museum's Digital Asset Management System (DAMS) has also continued and is fundamental to the success of the collections portal, now hosting over 100,000 images.

The National Museum's archive collections and service have received welcome external recognition. The National Archives have awarded Archive Accreditation status, and Arts Council England conferred Museum Accreditation status on NMRN Hartlepool and HMS Caroline in 2023.

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The National Museum has continued to loan our collections extensively, with over 100 loan agreements covering in excess of 900 items. Our ability to accept new material on loan from private donors for exhibition had previously been restricted by commercial insurance costs; however, with the support of the Ministry of Defence and Arts Council England, we were admitted to the Government Indemnity Scheme. The scheme provides indemnity for loaned objects made accessible to the public in temporary exhibitions, on long-term loan or loans for study and research and removes the need for commercial insurance for these objects.

In this period, we considered 580 separate offers to donate material, of which 254 offers were accepted, running to thousands of individual items. So far 102 of these accepted items have been received on site, accessioned and catalogued. At the same time, we have continued to review the Collection to ensure resources are used most efficiently, with the managed disposal of duplicated collections in our library holdings reducing our stock by 4,000 individual volumes. Highlights from all donations, purchases and transfers have included:

- **Items from the wreck of HMS Erebus** – including crockery and glassware from HMS Erebus, the sister ship to HMS Terror captained by Sir John Franklin's and lost during the search for the North West passage.
- **Jigsaw of the Battle of Trafalgar** – a rare George III printed wooden jigsaw, representing 'Admiral Lord Nelson's Victory over the combined fleet off Trafalgar, October 21, 1805', complete with its original wooden box.
- **Miniature Jolly Roger Flag** – from HMS Thorough, 1946, which documents the achievements of the six patrols of the T-class submarine during its campaign in the Indian Ocean, China Sea, Java Sea, and Australia. At the end of the Second World War, while on their return voyage in Malta, arrangements were made with a local convent to have copies of this flag made for the crew members.
- **Royal Navy Recruitment Broadside** – from March 1795 for the parishes of Lewisham and Lee, offering a 20 guineas bounty (more than £2000 today) to new recruits.
- **Archives relating to the Tirpitz** – photo albums and a diary belonging to Lieutenant Commander Geoffrey Dunworth DSC, with a descriptive account of the attack on the German Bismarck-class battleship Tirpitz on 12 November 1944. As Observer on one of the aircraft, Dunworth, an accomplished photographer, captured images and provided a unique record not only of the perilous lives of Fairey Albacore crews, but also one of the most famous battleships in the history of naval warfare.



Highlights of our conference, seminar and research activity have included:

- "Addressing Empire" article for the Museums Journal written following the creation of the Addressing Empire network with Durham Light Infantry Museum and other smaller armed forces museums. Following a successful application from the Museums Association and Esmée Fairbairn Collections Fund, we started a 2-year 'Stories of the Unheard' project in NMRN Hartlepool. This project will engage with HMS Trincomalee's South Asian communities to deliver a new display about the ship. In parallel, we are developing a 5-year strategy for our Addressing Empire work, an interpretation strategy for the ship, and a collecting strategy for Royal Indian Navy and Women's Royal Indian Navy material.
- Article published about HMS Trincomalee's raze marks in the May/June edition of British Archaeology magazine.
- Collaborative working with the University of Southampton's Computer Science Masters programme exploring how Artificial Intelligence could be used to enhance and support our collection information, including help order the preservation archive being generated around HMS Victory's conservation and image recognition of some of our historic photographic collections.

Conservation and Historic Ships

- **HMS Victory** – our efforts in the year concentrated on hull planking removal and reinstatement. A programme of surveys and testing mandated by legislation was completed, alongside the commencement of fungicidal treatment and grained repairs to the Ship’s frame on the Starboard side. Production of replacement futtocks had also started. Work was undertaken under the guidance of structural support specialists, to prevent movement of the Ship in its current structure during this process. Significant achievements were:
 - Materials Trials – testing continued to establish the impact of UV, water permeability and various materials for fastenings on the Ship. This extensive programme of work, undertaken in partnership with Southampton University’s nc² consultancy, is enabling the project to better understand the likely degradation of materials over time, and make informed decisions as to the best choices of fixings, glues, paints and timber to be used on the project, and the levels of maintenance likely to be required going forward. The ship-side mock-up surveys progressed on a monthly basis and the results showed patterns of deterioration. This information, combined with the laboratory results from materials trials was used when selecting the materials for re-planking the ship. The approach to the fungal survey which has been outlined with the University’s microbiology department is due to commence in the summer. The Deathwatch beetle colony that was sent to London Zoo for testing reported positive signs that there is larvae in the Ship’s timber and this will enable further testing and management going forward.
 - Workshop Upgrades – to support the delivery of the 12-year conservation plan, upgrades to the workshops progressed and a new space was designed. The Bay 4 racking construction was completed to support the new space for critical quality control procedures for the production of laminating oak and for the smooth supply chain flow from the timber supplier.
 - Scaffolding Structure - the large scaffold structure continues to be adapted to support the work of the operator’s conservators and shipwrights.
 - Timber Procurement – our timber framework agreement implemented in 2022-23 continues to be used and materials received to date have met the required specification.
 - Digital Content – we have captured 3D digital footage of the project during the year, including drone surveys, modelling and high resolution footage of planks. All of the content was used to publicise across websites, social media and within the Victory Live experience and can be found on www.nmrn.org.uk/news/victory-live-big-repair.
- **HMS Caroline** – we have worked on the removal, repair, manufacture and installation of the spars to address some localised rot causing structural risk. Conservation contractors carried out a deep clean of the visitor route onboard, cleaning historic and interpreted areas of the ship, ensuring it was presentable for public display and access. We completed a scoping of conservation work required and the first stage of contractor led conservation activity will commence in the next period.
- **HMS Trincomalee** – following issues with water ingress onboard, a survey of the ship was carried out. As a result, an external contractor was appointed to remove and replace the ship’s beam. The port brow was removed and a new attachment plate fabricated. The design will prove more secure as the ship moves in the water. To record this work, a photogrammetry survey was conducted by the onsite conservation team and will be used for future monitoring.

- **HMS Warrior** – we have progressed conservation work in addressing defects in the ship’s rigging and hatches identified through the 2017 surveys. The rolling programme of hatch replacement to address rainwater ingress saw the replacement of the gallery skylight and refurbishment of the forward funnel and associated cowl vents. Aloft, maintenance work focussed on the ongoing repair and replacement of the rig, particularly on the fore mast and main mast, following the completion of works to the mizzen mast. The electrical rewire of the ship completed at the end of March 2023 enabled the completion of additional decoration in the galleys. Work included removing the windows to make the space more historically accurate and allowed corrosion treatments and conservation cleaning in this area to commence. Work was completed work on tensioning, fabricating, installing and maintaining the rigging, as well as the painting of new lower and upper topmast deadeyes.
- **Ships’ Figureheads** - a National Lottery Heritage Fund grant for a ships’ figureheads project has enabled active conservation of three of the figureheads in our collection: HMS Queen Charlotte, HMS Seaflower and HMS Martin. Research into the wider collection, especially HMS Madagascar and HMS Asia, has also begun with a view to improving our gallery and digital interpretation in 2024-25.



Commemoration and Remembrance

HMS Victory is a key focus for remembrance of those members of the Royal Navy who have died while on active service. The Victory Gallery marks remembrance activities on the Ship by telling the story of Queen Victoria placing a wreath on the spot where Nelson fell on Trafalgar Day, 21 October. The laying of a wreath to mark Trafalgar Day as an act of remembrance continues to be an exceptionally important day in the National Museum’s calendar.

Charitable Fundraising

The Trustees of the National Museum have overall responsibility and accountability for our fundraising and income generation activities and monitor such activities through its Fundraising Committee.

The National Museum has an in-house Fundraising team that raises funds to support our core work. This team develops relationships with donors, grant makers and corporate partners to fund areas of our work including, acquisitions, conservation, public programming and the delivery of our major capital projects.

Notable long-term supporters include: American Friends of the National Museum of the Royal Navy; Art Fund; Friends of the Royal Navy Submarine Museum; Gosling Foundation; HMS Victory Preservation Endowment Fund; Michael Cobham Foundation; National Heritage Memorial Fund; National Lottery Heritage Fund; Notsew Orms Sands Foundation; Society of the Friends of FAAM; and Society for Nautical Research.

The National is also grateful for funding from: Association of Independent Museums; Museums Association and Esmée Fairbairn Collections Fund; National Archives’ Resilience Grants programme; Pilgrim Trust; The Trinity House Maritime Charity North region; as well as the Burge family for their generous donation in support of the Barracuda DP782 rebuild project and the Arthur Kimberley Viewing Gallery.

Corporate Partners are invaluable to our work, including our growing national STEM programme, and the National Museum would like to place on record the support of: Airbus; Belfast Harbour Commission; Capita; Grand Central Rail; Harland & Wolff; Lockheed Martin; Newton Europe; and Serco.

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The National Museum of the Royal Navy (Charity number: 1126283) is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. We are committed to our Donor Charter, produced to assure donors and potential donors of our accountability and integrity, and an Ethical Fundraising Policy in place.

Whilst the National Museum collects explicit opt-in consent for communications by email, post, phone and text, it chooses to only use email for donation appeals; each email has the option to unsubscribe. Major appeals are raised for significant acquisitions, however, these usually occur no more than once a year, and do not usually include appeals targeted at individuals for the purposes of procuring money or property. The National Museum does not generally conduct proactive solicitation for legacies or gifts in wills but will provide information on request and details on how to create a legacy is available on our website. The exception to this is when the National Museum participates in the UK-wide Free Wills Month; in this instance information about how to leave a legacy may be included in our consent-based e-newsletters.

The National Museum did not use any non-directly employed fundraisers, nor any commercial participators to carry out any fundraising activities during the period. In 2023-24, the National Museum did not receive any complaints about its fundraising activities or practices and no complaints were made to the Fundraising Regulator.

Plans for Future Periods

National Museum of the Royal Navy Strategy: 2022-2027 and beyond

In 2022, the National Museum of the Royal Navy's Trustees took a step back to develop a refreshed approach to lead us into the next 10 years and beyond. This new strategy, containing a long-view vision for the National Museum in 2035, is set out at www.nmrn.org.uk/news/national-museum-royal-navy-strategy-2022-2027-and-beyond. It sets out how we will deliver our vision and mission through three strategic aims, sustainability, audiences, and collections, and recognises that none of this will be achieved without the skills, dedication and hard work of our people. The strategy is underpinned through the annual business planning cycle that sets out the priority and phasing of operational and project delivery for NMRN Operations each year.

Sustainability

Our key focus for the year ahead will be to develop and implement our Sustainability Strategy, to include delivery of environmentally and financially sustainable operations, and reduce our carbon footprint. Our corporate plan will be linked to the United Nations Sustainable Development Goals to highlight why our plans are important and the impact they have on our communities, climate and natural resources. We will continue to build our own financial resilience through cautious cost management, fundraising and regeneration or replacement of the income streams and commercial activities damaged by the continuing fragile UK economy.

The National Museum will continue to engage with Navy Command to ensure its financial framework supports our core operating costs, incurred in delivering activities in the public interest, and an agreed capital strategy which delivers specific, shared outputs and outcomes.

We will continue to build a modest but appropriate free reserve in accordance with our Group Reserves Policy, with the aim of holding the equivalent to 4 months' core operating costs for the Portsmouth Naval Base activities (the greatest potential area of exposure) as free reserves by the end of 2024-25.

Audiences

We will continue to grow and diversify our audiences onsite and online and explore different Royal Navy story perspectives through our diverse communities and the National Museum's collections. We will work closely with the

Royal Navy to support their Global Navy initiative and offer embedded opportunities to promote the modern service and its message through our sites and activities.

We will implement the National museum’s core linked strategies on Interpretation, Research, Audience Development, Digital and Environment/Sustainability to support a shared transformation across our sites and activities, engaging new and diverse local, national and international audiences. We will develop new and improve existing exhibitions, to ensure our sites and stories remain exciting and vibrant to a diverse audience.

Collections

Our commitment to any new capital projects or large acquisitions will be limited to only for those essential to our purpose. We will prioritise the care, conservation and presentation of our existing collections and sites, including consolidation of collections with partners where resources are duplicated. We will take forward plans for the development and delivery of funded projects including the HMS Victory, NMRN Hartlepool, the new Royal Marines Museum, HMS Caroline, NMRN Portsmouth, Figureheads project and Addressing Empire activities ensuring these are financially resilient to secure long-term sustainability and protect our heritage assets. We will continue to progress our work in ensuring our collection is both physically and digitally accessible.

People

We will continue to focus on our people, to ensure that our National Museum is recognised as a great place to work, and delivering on our commitments to equity, diversity and inclusion. We will continue to implement our pay policy to pay a minimum of UK Living Wage to our staff. We will continue to provide our “staff voice” through the excellent work of our ‘Working Together Group’. We will support the development of our teams through our people plans, focusing on health and wellbeing, talent management and workforce planning.

Principal Risks and Uncertainties

The National Museum of the Royal Navy’s approach to risk management is detailed in page 29. The National Museum has operated a robust risk management framework throughout the report period and the trustees formally consider the risks to the delivery of the strategy and corporate plan at each of its meeting. The principal risks and uncertainties are outlined below. These are the most significant risks that may adversely impact our business strategy, financial position or operational performance.

Risk	Consequences	Planned Mitigation
Insufficient funding to deliver the charitable objects	Funding shortfalls impact ability to adequately fund services delivered in the public interest, including the conservation and maintenance of historic ships and the collection	We will seek to mitigate uncertainty of future income streams arising from the residual impact of the economic recession, and a reduction in the Grant In Aid funding that will be available to the National Museum in future years, through development of group strategies to diversify income streams, grow revenue and seek support through fundraising activities. We will develop our 10-year finance strategy to focus on building financial sustainability and flexibility, with a commitment to building the free reserves in accordance with the Trustees’ policy.
Major project delivery failure	Delays, cost overrun, excessive operating costs, fundraising shortfall, impact on cash flow, quality of project	We will continue to develop and embed governance and oversight of key projects through our Programme Board and ensure all major projects follow our standard project management methodology. Improvements will continue to be made to project cashflow forecasting and “in operation” business cases and budgeting for all major projects.

Risk	Consequences	Planned Mitigation
Over complex governance arrangements	Goal incongruence Ineffective or inefficient operation of the National Museum	We will continue to review and consolidate our governance and operating structures to ensure these remain fit for purpose, with sound control of operating costs within a sustainable but flexible staffing model for future years.
Environmental sustainability across the sites	Failure to meet legislative obligations under the Environment Act. Reputational damage and negative impact on ability to attract external funding	We will mitigate this risk through developing our sustainability strategies to support the net zero targets introduced by the Government and to work with partners to reduce its environmental impact across the estate. We will embed sustainability, including environmental objectives and risks into our decision making and project evaluation processes.
Cyber Security attacks	Loss of confidential information Reputational damage	The risk of cyber-attack as witnessed at other organisations has been heightened and plans have been prepared on approaches to be taken to mitigate this, including cost, resources and expert advice.

Post balance sheet events

There are no post balance sheet events.

Financial Review

Statement of Financial Activities for the Year Ended 31 March 2024

Total incoming resources for the National Museum in 2023-24 amounted to £19,187,000 (2022-23: £29,633,000) and relate to Grant in Aid, donations (restricted and unrestricted), admissions and associated income from charitable activities, trading subsidiary income and investments.

The movement in incoming resources on the prior year reflects the reduction in grant funding for correlating project delivery activity, in particular in relation to the long-term HMS Victory Preservation project and the purchase of the Vision Retail Park in Hartlepool, shown as a reduction in Donations and Legacies to £2,483,000 (2022-23: £14,507,000).

Admissions income for the year increased by 27% to £7,055,000 (2022-23: £5,542,000), with Trading subsidiary income showing modest growth of 6% to £2,302,000 (2022-23: £2,169,000).

Revenue Grant in Aid received reduced to £5,631,000 (2022-23: £6,217,000) in recognition of the National Museum's steady recovery of self-generated income following the long-term impact of then pandemic and the ensuing economic recession.

An increase in expenditure to £20,667,000 (2022-23: £19,040,000) reflected the increased operations, trading and fundraising costs flowing from the post-pandemic recovery.

After adjustment for net gains on endowment fund investments totalling £4,360,000, gains on revaluation of fixed assets of £864,000 and recognition of actuarial gains on defined benefit pensions schemes of £81,000, the net movement in funds for the year was an increase of £3,825,000 (2022-23: £12,835,000). The total funds carried forward at 31 March 2024 was £220,886,000 (31 March 2023 restated: £217,061,000).

Balance Sheet

The net assets as at 31 March 2024 amounted to £220,886,000 (2022-23 restated: £217,061,000).

The value of heritage assets (over the capitalisation threshold and accessioned since 1 April 2000) represents 49% of the National Museum's net assets at £107,240,000. Movements in fixed assets are shown in notes 14-15 to the accounts. Fixed assets acquired by either purchase or donation, with a value of £2,500 and over are capitalised in accordance with the accounting policies set out in note 1.8. Heritage assets added to the collection are included in the accounts at acquisition cost or on the basis of internal valuations estimated by the curatorial staff and determined by their experience and judgement as set out in note 1.9.

The National Museum held £12,572,000 cash in bank and in hand at 31 March 2024 (31 March 2023: £21,166,000).

Reserves

The Trustees regularly monitor the levels of the Group's reserves and seek to take correction action as necessary. As at 31 March 2024, the company's unrestricted funds stood at £5,000 (31 March 2023: £5,000).

As at 31 March 2024, the level of the company's free reserves (defined as net current assets attributable to unrestricted reserves excluding designated funds) stood at £4,000 (31 March 2023: £4,000).

Under the Group's governance structure, the company receives no funding other than Grant in Aid from its sponsor, the Royal Navy. This grant is used to defray the company's own expenses before granting the balance onto its operating subsidiary, NMRN Operations, and subsidiary trusts on the basis of need and as such, the Grant in Aid is fully expended. Under the terms of the financial framework (agreed 6 December 2019), the company is only permitted to carry over a maximum 2% of the total Grant in Aid into the next financial year and any carry forward may be taken into account in reducing the following year's Grant in Aid. If not carried forward, the balance of Grant in Aid not spent must be repaid to the MOD. Based on the year's revenue Grant in Aid of £5,631,000 the maximum carry forward is £113,000. Free reserves for the Group are not, therefore, built within the parent company but within the subsidiaries from self-generated income streams. As such, this free reserves balance does not represent a going concern risk to the company.

The Group's free reserves stood at £7,529,000 (31 March 2023 restated: £5,372,000).

As nearly the entire Group's operating costs now flow through NMRN Operations, the Group policy is that sufficient free reserves are accumulated within the charitable subsidiary NMRN Operations to provide four months' operating expenditure for the greatest potential area of exposure (Portsmouth Historic Dockyard, including the Gosport sites) by 31 March 2025, increasing to six months' operating expenditure for the entire National Museum by 31 March 2030 (target £6,950,000). There is no need to accumulate additional free reserves in either the company or the subsidiary trusts and any such reserves held will be appropriately used, as approved by the Board, for the furtherance of the trusts' charitable objects. The free reserves held by NMRN Operations, £4,853,000 (31 March 2023 restated: £3,622,000). The Trustees will continue to seek to improve the free reserves position in NMRN Operations in accordance with the reserves policy through income diversification, consolidation of costs in future periods and the delivery of a budget each year that will deliver a modest surplus.

The company holds a number of restricted funds with a total net current asset value of £1,219,000 (31 March 2023 restated: £1,270,000). These restricted funds primarily relate to major capital projects.

The Group's restricted funds stood at £134,152,000 (31 March 2023 restated: £135,261,000). This includes tangible fixed assets of £125,183,000 and net current assets of £2,909,000. The surplus on restricted funds will reduce in future years with increasing expenditure on the preservation of HMS Victory, HMS Caroline, HMS Warrior, LCT 7074, RML 497, the new Royal Marines Museum and depreciation on capital expenditure.

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The Group holds £57,312,000 (31 March 2023: £54,666,000) as endowment funds within its subsidiaries for HMS Victory, HMS Caroline and HMS Warrior and HMS Trincomalee.

Investment Policy

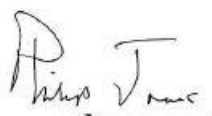
The National Museum's investment policy seeks to produce the best possible financial return within an acceptable level of risk. The majority of the National Museum's investment activity has been undertaken by its subsidiaries the HMS Victory Preservation Company and the HMS Caroline Preservation Company.

HMS Victory Preservation Company aims to generate a total return of CPI plus 4% per annum over the long term. Returns from these funds are required to maintain HMS Victory in perpetuity and it is therefore essential to invest with a long-term perspective. If achieved, the company should be able to maintain the real value of its investment portfolio while funding annual expenditure for maintenance and repair estimated in the region of 3% of capital per annum. The company adopts a total return approach to investment, generating the investment return from income and capital gains and losses. It is expected that if in any one year the total return is insufficient to fund the ongoing expenditure, in the long term the value of the portfolio will still be maintained in accordance with the investment objective stated above. Capital gains may be used to provide cash for the objective provided that the original investment has been preserved.

HMS Caroline Preservation Company aims to generate a total return of CPI plus 3-4% per annum. Returns from these funds are required to support the core costs of delivery of the charitable objectives, with an expectation that the level of financial support will reduce every year as HMS Caroline relaunches and ultimately becomes a self-funding museum. The long-term reserves are to be invested to preserve the long-term real value of the assets, however, the HMS Caroline Preservation Company has full flexibility to spend the capital in the furtherance of its objectives, and the company adopts a total return approach to investment, such that investment returns are to be sought from a combination of capital growth and income but without specific targets for each element. The income generated by the portfolio is to be reinvested. While the capital is available for distribution, the intention is to limit spending from capital by maximizing income from the operation of the ship as a visitor attraction.

The key risk to the long-term achievement of the investment objectives is inflation and the assets are invested accordingly. The Trustees understand that this will mean that investments are likely to be predominantly invested in equities, where dividends can be expected to grow, and that capital value will fluctuate. The assets can be invested widely and are expected to be diversified by asset class, by manager and by security. Asset classes can include cash, bonds, equities, property funds, hedge funds, structured products, private equity, commodities and any other asset class that is deemed suitable for the companies. Each company has an Investment Committee, charged with agreeing a suitable asset allocation framework with its appointed professional fund managers.

For the year ending 31 March 2024, income from investments totalled £1,034,000 with investment management fees of £165,000 and realised and unrealised net gains of £4,360,000.



Admiral Sir Philip Jones
Chair on behalf of the Board of Trustees



Matthew Sheldon
Chief Executive Officer

15th November 2024

Accountability Report including the Directors' Report

Trustees' Report and Governance Statement

This report sets out the arrangements for the governance of the National Museum of the Royal Navy, including the Board and committee structure for the Trustees. The Trustees, under charity law, who are also the Members and Directors of the National Museum of the Royal Navy for the purposes of company law and who served during the year and up to the date of this report are set out on page 2. Overall control of the National Museum is the responsibility of the members who own the company.

The Companies (Miscellaneous Reporting) Regulations 2018 require the National Museum of the Royal Navy to publish a statement explaining how the Directors (Trustees) have given due regard for the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 while performing their duty to promote the success of the company for the benefit of its members as a whole. This accountability report also sets out how the Directors have had regard to the matters set out in section 172(1).

The report demonstrates how the system of governance and internal control is maintained within the National Museum and how the major risks to which the company and group is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. The systems described have been in place for the year under review and up to the date of approval of the annual report and accounts.

The Governance Framework

The National Museum of the Royal Navy is a company limited by guarantee (company number: 06699696) and a charity registered with the Charity Commission (registration number: 1126283). It is governed by its Articles of Association dated September 2018, which incorporate its charitable objects, the powers of the company and provides for the appointment and reappointment of Directors.

The National Museum of the Royal Navy is also a Non-Departmental Public body, sponsored by the Ministry of Defence, and as such is obliged to comply with HM Treasury's financial reporting requirements and guidance on use of public funds, "Managing Public Money". A Financial Framework, agreed in December 2019, defines the arrangements between the National Museum and its sponsor.

The Board of aims to stay abreast of good governance practice and has well-developed plans to ensure compliance with the Charity Governance Code. Work continued to progress the action plan from the 2021 review that compared governance arrangements against the Code. This included the introduction of a Code of Conduct for Trustees and Committee Members, a Trustee Diversity Policy, Trustee Role Profiles and an updated Trustee Recruitment Policy.

The Board completed a review of the group governance structure within the period, with the objective of identifying a simple, clear, directly accountable governance structure that supports board effectiveness, protects the historic assets, removes duplication, is flexible regarding future strategic developments, and maintains and builds stakeholder confidence. The outcome of the review resulted in a phased approach to simplifying the governance structure, delivering clearer lines of accountability and responsibility, which will be delivered over the medium-term.

Each Board of Trustees of the respective subsidiary companies remains responsible for their governance, and delivery of their objectives within the Group policy and strategy framework. The NMRN Operations Board is charged with responsibility for operational delivery of the Corporate Plan Priorities to meet the National Museum's strategic objectives. The Chair of the NMRN Operations Board is invited to attend the main Board of Trustees and to report on progress.

The day-to-day operation of the company and group within the framework is delegated to the Director General and Accounting Officer and to the Executive Directors under a defined scheme of delegation.

The Board's oversight

The Board is responsible for ensuring leadership through effective oversight and review. It shapes the strategic thinking and sets the tone for the National Museum. It has established an organisational structure with clear reporting procedures, lines of responsibility and delegated authority.

The Trustees ensure the distinct legal responsibilities and charitable objectives of the company and Group are fulfilled within an overall policy and strategy framework. The Board is ultimately accountable to the Company's stakeholders for setting the Group's strategy and for overseeing its financial and operational performance in line with the parent company's strategic objectives.

The Board is comprised of a maximum of 16 Trustees, with the Director General (or his representative), the Executive Directors, the Chair of NMRN Operations, and a senior representative of our sponsor from Navy Command, in attendance. A review of the composition of the Board and its committees was completed in 2022, to ensure that the skills mix supported effective decision making. This review also considered the diversity of the Board. As a result of this review, new trustees had been appointed to support the skills balance and to strengthen the Board. The diversity of the Board is being addressed through new initiatives including the development of a Youth Advisory Panel to support the Board and provide guidance from a younger audience. Training has been provided to the Trustees to support their understanding and responsibilities of Equity, Diversity and Inclusion.

The Board of Trustees meet periodically through the year in line with its Articles of Association, to set the long-term strategic objectives of the Group, agree the Corporate Priorities and review performance against:

- Progress towards strategic objectives within the Corporate Plan
- Financial performance
- Operational delivery
- Capital investment
- Risks

Key Decision making of the Board for 2023-24

Key decisions, being those that are material or of strategic importance to the group, are taken in the Board meetings. All key decisions are supported by detailed briefings identifying main issues, their contribution to the group's strategy, recommendations and alternatives considered, and their likely long-term impact on the group in respect of value creation, impact on stakeholders and risk.

The National Museum of the Royal Navy Strategy 2022-2027, published January 2023, reflects on the role we play, not only nationally and internationally in telling the story of the Royal Navy, but at a local and regional level where our museums play a vital role in contributing to the tourism and visitor economies.

The Strategy, underpinned by delivery through a Corporate Plan, has a specific focus on three key areas: Audiences; Collections; and, Sustainability.

The key focus for the Board during 2023-24 was to



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ensure funding was available to deliver the strategic aims as outlined within the Corporate Plan. The Board also supported the delivery of the following:

- Progression of the Royal Marines Museum development - one of the largest projects to be delivered by the National Museum. Relationships with the Royal Marines family continue to be developed and funding bids and fundraising activity was a key focus for the year.
- Progression of the NMRN Hartlepool site development - including a review of the development proposals and the commercial opportunities available to support operational sustainability.
- Group governance to ensure objectives, policies and procedures across the National Museum were aligned, and implementation of the recommendations arising from the Governance Review ensure the group structure is appropriate to delivery of the Board's strategy.
- Development of the National Museum's branding and understanding of our audiences to support strategy delivery.

Key decisions may have passed through the relevant subsidiary boards or committees as appropriate, and that in turn have the specific membership and skill sets to enable scrutiny and challenge before reaching the Board. The flow of information, its quality and accuracy and the process of review is considered sufficient for the Board to ensure that it fulfils its responsibilities effectively.

Committee	Responsibilities
<i>Audit and Governance</i>	Oversight of all auditing, risk management and governance aspects of the Group, reporting back to the Board when necessary.
<i>Collections, Research, Learning and Access</i>	Articulation of the Acquisitions, Disposals and Loans Policy for the National Museum, the Collections Strategy and all Collections Management, Conservation, Access and Research policies and priorities.
<i>Digital</i>	Review and development of the digital vision and infrastructure for the National Museum.
<i>Fundraising</i>	Leading on all aspects of fundraising for the National Museum. Constructing a strategy that coordinates the approach to the private, public and corporate sectors. Meeting The Fundraising Regulator requirements on annual reporting of operation of the fundraising function, especially in relation to complaints.
<i>Nomination and Remuneration</i>	Leading the process for Board and Committee appointments and nominating candidates for Board approval. Making recommendations to the Board on performance and remuneration of the National Museum's Director General and Executive Directors, including the award of performance related bonuses.

Membership of key meetings	Board of Trustees	Committees				
		Audit and Governance	Collections Research Learning, Access	Digital	Fundraising	Nomination and Remuneration
Total number of meetings in the period:	4	4	3	4	4	2
	Number of key meetings attended / number of meetings eligible to attend					
<i>Chairman:</i>						
Admiral Sir Philip Jones GCB	4/4					
<i>Trustees:</i>						
Rear Admiral Mark Anderson	4/4	1/1				
Ms Katherine Biggs	2/2		2/2	2/2		
Dr Andrew Burnett	3/4	4/4	2/3			
Mr Philip Dolling	4/4		1/1	4/4	4/4	
Mr Colin Evans	3/4	4/4				
Ms Helen Jackson	4/4		1/1		3/3	2/2
Major General Jeffrey Mason	2/4					
Mrs Mary Montagu-Scott	4/4				3/4	
Rear Admiral Jon Pentreath	3/4					2/2
Mr Mike Scott	4/4					2/2
Mrs Alison Start	4/4	2/4			2/4	
Mrs Sarah Whitcher	4/4					1/1
Mr Gavin Whitter	4/4	4/4				
Mr Tom Wright	4/4			4/4		1/1
<i>Non-Trustees:</i>						
Mr Stephen Bradley					2/4	
Ms Louisa Burden			2/3			
Mrs Sarah Dhanjal			1/3			
Captain Catherine Jordan					3/4	
Professor Andrew Lambert			2/3			
Ms Tiva Montalbano			3/3			
Mr Alex Patterson			2/3			
Mr Peter Pantlin					3/4	

Maintaining a reputation for high standards of business conduct

The Trustees ensure that our framework of ‘MARITIME’ values (page 4), which are reflective of our desire to maintain a reputation for high standards of business conduct, supports the culture of the organisation, guiding our everyday actions and being integral to our performance management framework.

Trustees are recruited and appointed in accordance with the Charity Commission’s guidance “Finding new trustees” (CC30), the principles of the relevant sections of the Governance Code for Public Appointments and the National Museum’s Trustee Recruitment Policy. A formal induction process is in place for new Trustees and committee members, which combines all the necessary background reading material, including items such as: the Articles of Association; committees’ terms of reference; minutes of recent meetings; the Charity Commission publication “The Essential Trustee: what you need to know”; the National Museum’s strategy and corporate plan; and the Museum Association publication “Code of Ethics for Trustees” (CC3). New Trustees and committee members are encouraged to visit the National Museum’s sites to meet key members of staff, see the collection and to discuss current issues, projects and risks. Tailored training may also be arranged. Recent appointees continue to confirm their satisfaction with this process.

A register of interests (available on request from governance@nmrn.org.uk), is maintained for Trustees, Committee Members and the Executive, requiring declaration of any interest, pecuniary or otherwise, in any matter being considered by the Board, subsidiary board or the committees. Declarations of interest are also included as a standing item at the beginning of every agenda as an opportunity for new conflicts of interests to be declared and for existing conflicts of interest to be dealt with.

There were no company directorships or other significant interests held by Board members which may conflict with their responsibilities as trustees. A number of trustees of the National Museum are also trustees of the subsidiary charities and this is disclosed in note 29 Related Party Transactions.

Having regard to the interests of our employees

The group engages with employees through a number of channels, including the Working together Group, team briefings and weekly updates through the intranet. The NMRN Operations Board, as the main employer within the group, receives regular reports on our employment matters and monitors the results and actions arising from regular staff surveys, to enable the group to have regard to the interests of our people when making decisions. The Remuneration and Staff report (pages 31 – 37) provides further detail on how we engage with our employees to create an inclusive culture and positive working environment.

Fostering business relationships with customers and suppliers

Our visitors are central to everything we do. The NMRN Operations Board receives regular updates on our performance so that the quality of the visitor experience provided can be monitored. Visitor feedback, both positive and negative, is essential for development of our visitor offer, and helps us to better understand their needs and requirements. Our teams use their significant experience in providing high quality visitor engagement to constantly refine what we do to provide continuous improvement in our offering. Further information of how we have delivered our visitor offer in the period is provided in the Activities and Achievements section of the report (pages 6 - 8).

The group has good relationships with its key suppliers and often works in partnership with them to deliver innovative solutions to better benefit our stakeholders.

The impact of our operations on the community and the environment

The Trustees have had due regard to the guidance issued by the Charity Commission on public benefit. Our strategic aim to grow and diversify our global audiences considers how we may reduce identified barriers to access and engagement at every opportunity. Our 'Social Value and Learning' achievements, summarised from page 7, set out the impact of our public benefit delivery under three key strands: improving health and well-being; strengthening relationships and building diverse communities; and, developing skills and encouraging learning and participation.



The group recognises the serious threat posed by climate change and the urgent need for meaningful action. The National Museum is committed to operating sustainably, fostering environmental stewardship, social equity and cultural preservation. We have established a Sustainability Working Group, engaged in developing an ambitious sustainability strategy, aligned with the United Nations Sustainable Development Goals, to promote a more sustainable future, which applies across our operational activities and ongoing and new projects.

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We recognise that significant changes to our working environment, premises and collections are required, including but not limited to energy use, transport, building infrastructures, and collections management, requiring significant capital investment, and will work to ensure sustainability is an integral part of our project development.

To deliver environmental sustainability, we will conserve energy, water and consumables as far as possible, particularly if they are non-recyclable. We will seek to recycle to reduce wastage, prevent and avoid excessive pollution from our operations and projects, and ensure we dispose of any hazardous materials in the appropriate manner. We will include environmental sustainability in our procurement activities, looking to our contractors, our landlords and other key stakeholders to uphold the same environmental principles as ourselves.

We will develop our social sustainability through our community engagement and educational programmes, working to ensure our museums and collections are widely accessible, both physically and digitally. We will provide fair pay, benefits, and working conditions for our employees and volunteers, supporting economic growth and decent work.

We commit to the preservation and protection of cultural heritage by responsibly managing our collections, ensuring that they are accessible for future generations.

The National Museum is continuing to develop its systems to establish, maintain and monitor data and comprehensive records on our sustainability, including calculation of our carbon footprint and greenhouse gas emissions. We are continuing to collect and improve data to calculate the best estimate of carbon emissions from our activities to a target base and data-led reduction in emissions.

The following measures and metrics have so far been established to allow the National Museum to report on performance, with 2022-23 being the baseline year to measure performance against in future years:

Waste Management		2022-23 baseline	2023-24
Non-Financial indicators (Kgs)	General Waste (tonne)	383	339
	Recycled (tonne)	100	100
	Total Waste (tonne)	483	439
	% recycled	21%	23%
<p>Alongside regular collections of general waste and recycling, the National Museum is dedicated to recycling metal, wood, paper, food waste, hazardous waste and redundant computer equipment and will work towards establishing a zero to landfill policy. General waste is sent to energy recover and mixed recycling is collected at all sites. All hazardous waste is safely removed and disposed of by licensed and experienced contractors. The National Museum works with its contractors to ensure they comply with its waste expectations.</p> <p>Wastage from the onsite cafes will be identified and reported on in future reports. Not all sites have their own catering facilities, and third party caterers are responsible for collecting their waste data and reporting accordingly.</p> <p>The National Museum has introduced recycling points in their staff rooms and key locations, and this will improve the efficiency of its recycling programme.</p>			
Paper		2022-23 baseline	2023-24
Non-Financial indicators	Sheets used	167,623	176,766
	Trees consumed % of a tree	22.18	21.09
	CO2 Produced (kg)	2,348	2,232
	Equivalent Bulb (hours)	147,021	139,763
Financial indicators (£) (including lease)	Total cost (£)	21,645	17,125

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<p>Since reopening post COVID-19, digital working initiatives have been introduced including hybrid working and paper usage has reduced significantly on previous years, although the number of sheets used has marginally increased in this period.</p> <p>The National Museum has also introduced online cloud software to share data and continues to review its practices to reduce the need to print. The introduction of the Board governance software, DecisionTime, has resulted in the reduction of printing hard copy meeting packs as trustees and other attendees can access all information online.</p>			
Travel		2022-23 baseline	2023-24
Non-Financial indicators (miles)	Distance by train	Baselined in 2023-24	12,012
	Distance by plane (miles)	Baselined in 2023-24	26,097
	Distance by car (miles)	30,554	100,630
	Total distance travelled (miles)	30,554	138,739
	Fuel consumed by company vehicles (litres)	1,328	1,578
Financial indicators (£)	Total cost (£)	15,559	45,283
<p>The National Museum is committed to reducing the number of car miles travelled and promotes rail travel where possible. The museum continues to encourage hybrid meetings to reduce the level of travel required.</p> <p>As part of its efforts to calculate its carbon emissions, the museum will monitor the level of business travel. The museum recognises that emissions from travel are a large contributor to climate change and air pollution. Therefore, the museum will consider the use of electric vehicles when the company vehicles are due for renewal and the installation of electric vehicle charging points at its sites where possible.</p> <p>2023-24 is the first year of recording mileage travel through all sources of transportation and is therefore higher than the previous year. The museum will work with staff and trustees to establish if all travel is essential and how this may be reduced.</p>			
Energy Consumption		2022-23 baseline	2023-24
Energy Consumption (thousand kWh)	Gas	555,947	636,109
	Electricity	1,748,429	1,873,150
Financial indicators (£)	Total Energy Cost	721,721	900,057
	Water (m3)	6,091	6,073
<p>2023-24 was the first year of full opening across all sites post-COVID19 and the energy consumption reflects this. The National Museum continues to make changes across its sites to reduce energy consumption and examples include:</p> <ul style="list-style-type: none"> • Reduction in the number of off peak opening days • Adjustment to museum opening routines • Investment in internal spaces and closing areas that are not used • Installation of energy efficient lighting <p>LED lights have been installed where possible within the National Museum Estate, including its hire spaces. Further capital projects are under consideration at our sites for 2024-25 and will be reported on in future reports.</p> <p>The Head Office is on a naval base, and the National Museum works with the Royal Navy to manage its heating system. During May – September 2023, the Royal Navy replaced the Head</p>			

<p>Office heating system to a sustainable electricity-powered system and consumption will be recorded in future reports.</p> <p>At Fleet Air Arm Museum, a project is being delivered to install solar panels and a water collection system at Cobham Hall to reduce its energy consumption. The new systems will go live in 2024-25.</p>	
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System of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the National Museum’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The review of the effectiveness of the system of internal controls is exercised through the Audit and Governance Committee. This Committee is chaired by a Trustee of the Board and draws expertise from other Trustees and committee members, with the Director General and the Executive Director of Resources in attendance, and other members of the executive attending as required. The Committee also has access to the independent accountants, internal and external auditors engaged for all companies within the Group, providing review and oversight of the financial control systems and the creation of the companies’ and trusts’ consolidated group accounts. The Committee reports directly to the Board of Trustees.

The Audit and Governance Committee used the National Audit Office’s ‘Audit and Risk Assurance Committee Effectiveness Tool’ to assess its effectiveness against good practice (August 2022). Action has been taken to address the identified areas for improvement.

Internal Audit

The National Museum has an independent internal audit function, provided through RSM Risk Assurance Services LLP (from November 2019 to March 2024), which undertakes a rolling programme of risk-based audit activity across the Group, agreed at the start of each financial year with the Accounting Officer and the Audit and Governance Committee. Internal audit provides assurance to management and the Audit and Governance Committee on the adequacy of internal control arrangements, including risk management and governance. The internal audit conforms to the Government Functional Standard GovS009 Internal Audit, the International Standards for the Professional Practice of Internal Auditing, the wider International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA.

RSM Risk Assurance Services LLP was appointed as internal auditor following a joint tender exercise with our sister Service Museums, the National Army Museum and the Royal Air Force Museum, to support the sharing of best practice and economies of scale, including an agreed annual thematic review across each of the museums. The following internal audits were completed during the year:

Internal Audit review	Assurance Opinion Provided
Project and Programme Management	Advisory – no opinion given
Debtors and Creditors	Reasonable Assurance
Trading Company: Stock Control	Reasonable Assurance
Ship Maintenance	Reasonable Assurance
Strategic Planning	Reasonable Assurance
Visitor Experience: Thematic Review	Reasonable Assurance
Maintenance Planned and Reactive	Partial Assurance

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The outcomes of these reviews are used to inform an annual opinion on the governance, risk management and control framework, and on the mitigating controls over the risk to the delivery of objectives. The Head of Internal Audit concluded that moderate assurance could be provided and that some improvements were required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Work is underway to address all audit findings and to mitigate the risks identified, with progress on actions tracked by the Audit and Governance Committee to their satisfactory conclusion.

The contract term with RSM Risk Assurance Services LLP came to an end in March 2024. A new joint tender exercise was conducted with our sister Service Museums, and Azets was appointed as internal auditor on a three-year contract period (plus two-year extension subject to satisfactory performance) from April 2024.

External Audit

The external auditor for the National Museum of the Royal Navy is the National Audit Office, on behalf of the Comptroller and Auditor General. Price Bailey LLP has been appointed as the external auditor for the subsidiary companies and trusts from January 2024 on a four-year contract period (with a two-year extension subject to satisfactory performance). The Audit and Governance Committee receives and reviews all external auditor reports.

Whistleblowing

The National Museum has a whistleblowing policy and procedures in place, set in accordance with the relevant legislation and good practice, and that complies with the EU Whistleblower Protection Directive introduced in April 2019. The policy is made available of the staff intranet. An advisory review of the policy was undertaken by the internal auditor in October 2022 and concluded that the National Museum has a legally compliant policy and process with governance and effective staff communication in place. Findings and subsequent actions from the report, including amendments to the policy, improved governance and document control, the requirement for additional training in investigation skills for managers and feedback from staff on the effectiveness of the policy communications, are being implemented.

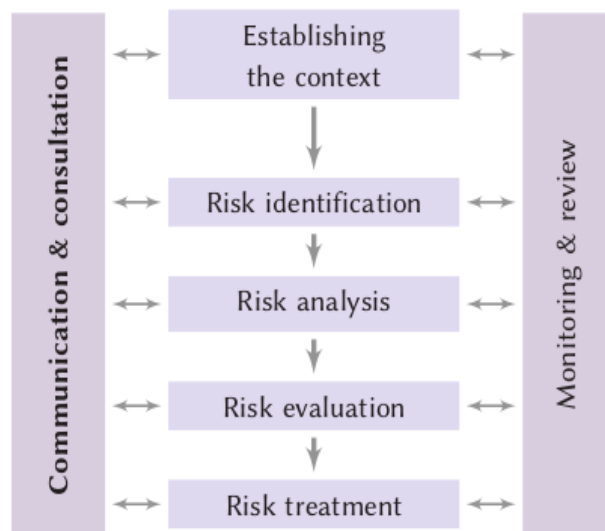
No new concerns were raised under the whistleblowing policy in this reporting period. Three concerns, that had been raised under the whistleblowing policy in the previous reporting period, were concluded in 2023-24. The whistleblowers received feedback on the conclusion of the investigations and the outcomes, including the actions taken and details of any organisational learnings arising. The outcomes were also reported to the relevant Executive Director(s), the Director General, the Audit and Governance Committee and the Board.

Personal data breaches

The National Museum Group identified no personal data breaches that required reporting to the Information Commissioner's Office during 2023-24. A personal data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. It also means that a breach is more than just about losing personal data. A personal data breach can be broadly defined as a security incident that has affected the confidentiality, integrity or availability of personal data.

Risk Management

Our Risk Management Strategy and Policy provides a framework and process that enable the organisation to manage uncertainty in a systematic, consistent and efficient way. It supports informed decision making thereby enabling opportunities to be exploited, or action to be taken to mitigate or manage risk to an acceptable level. Effective management of risk is essential in supporting the National Museum’s culture of innovation and autonomy and in establishing a “risk aware” approach. Risk management is integral to the National Museum’s corporate planning. We have identified the strategic, operational and project risks to our charitable objects and strategic objectives.



The Audit and Governance Committee oversees the development and implementation of the National Museum’s risk management strategy and framework and provides assurance to the Board on its effectiveness. The day-to-day management of risk is exercised through the National Museum's Executive Board, which regularly reviews the National Museum's principal activities and events, with associated risks. The Audit and Governance Committee, subsidiary boards and the Board of Trustees receive reports to each meeting on the principal risks and the steps being taken to manage them effectively, including risks relating to new project proposals. Appropriate mitigating actions are identified to address the inherent risks and to enhance the control environment. All risk registers are accessible in real time by Trustees and the executive. The Trustees are satisfied that the risk management system has operated effectively throughout the reporting period.

Assurance Statement by the Audit and Governance Committee

The Audit and Governance Committee is reasonably confident that:

Based on the above, the Board and Accounting Officer of the National Museum of the Royal Navy believe that the organisation complies with the Corporate Governance in Central Government: Code of Good Practice 2017, to the extent that it is relevant to the company and as far as the Charities Act 2011 and Companies Act 2006 permit.

In our view, the information received was sufficient to enable us to review and confirm the effectiveness of the National Museum of the Royal Navy's system of internal control in accordance with Treasury guidance and recommendations. The system of internal control has been in place in the National Museum of the Royal Navy for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Gavin Whitter
Chair of the Audit and Governance Committee
on behalf of the Board of Trustees

Matthew Sheldon
Chief Executive Officer and Accounting Officer

15th November 2024

Statement of Board of Trustees' and Accounting Officer's responsibilities

The Board of Trustees of the National Museum of the Royal Navy is required to prepare financial statements for each financial year in accordance with the Companies Act 2006 and Charities Act 2011, which give a true and fair view of the statement of affairs of the parent and the group and of the net expenditure of the group for that year.

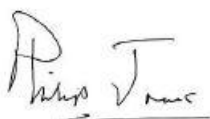
The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the National Museum of the Royal Navy and of its income and expenditure, Balance Sheet and cash flows for the financial year.

In preparing the accounts, the Trustees and Accounting Officer are required to comply with the requirements of FRS 102 and the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) and in particular to:

- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
- select suitable accounting policies and apply them consistently;
- prepare the financial statements on a going concern basis;
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable; and
- have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the National Museum of the Royal Navy's auditors are aware of that information. So far as they are aware, there is no relevant audit information of which the auditors are unaware.

The Principal Accounting Officer has appointed the Director General as Accounting Officer of the National Museum of the Royal Navy. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the National Museum of the Royal Navy's assets, are set out in Managing Public Money published by the HM Treasury.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent and group and enable them to ensure that the financial statements comply with applicable law and the provision of the National Museum of the Royal Navy's constitution. They are also responsible for safeguarding the assets of the parent and group and hence for taking reasonable steps for the prevention and detection of fraud and other non-compliance with laws and regulations. The Trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the National Museum of the Royal Navy's website.



Admiral Sir Philip Jones
Chair on behalf of the Board of Trustees



Matthew Sheldon
Chief Executive Officer and Accounting Officer

15th November 2024

Remuneration and Staff Report

This report has been prepared in accordance with the Government Financial Reporting Manual, which requires the disclosure of certain information about directors' remuneration, where "directors" is interpreted to mean those persons in senior positions having authority or responsibility for directing or controlling the major activities of the National Museum of the Royal Navy.

Remuneration Policy

The Nomination and Remuneration Committee meets annually to consider the pay award for the Director General (Chief Executive Officer) and the two Executive Directors, as set out under the Executive Remuneration policy (approved March 2022). The Director General and the Executive Directors are also entitled to an annual non-consolidated performance related bonus payment, based on the previous year's financial performance and non-financial performance objectives set against the Objectives and Key Priorities in the Corporate Plan and personal contribution towards the achievement of key areas of work. When reviewing Executive remuneration, the Committee is aware of the proposals for remuneration of the wider workforce. The Committee receives regular updates on salary increases and pay progression made to employees across the National Museum. These matters are considered when conducting the annual review of Executive remuneration and awarding bonuses.

Staff salaries, including salaries for Directors and Deputy Executive Directors (Associate Executive Directors), are set within the "Salary Grading Structure and Pay Progression Scheme" that was introduced from 1 April 2019 and reviewed annually. The Structure provides a single pay scale consisting of 49 pay points across 10 pay grades. An annual "cost of living" review is undertaken in November each year, with any recommendations arising from the review subject to Board and Ministerial approval before implementation. From 1 November 2022, the National Museum adopted the UK Living Wage as its minimum pay point. A Pay Progression Scheme enables staff to move up through the pay points within their pay grade as they demonstrate that they meet agreed performance criteria and contribute to the National Museum's performance. Any pay progression awards are effective from 1 November each year.

Jobs are matched, under the National Museum's job grading scheme, to a pay grade according to a range of factors, including: professional knowledge and experience; management of resources (finance, people, physical assets); responsibility for information systems; problem solving and decision making; planning and organising; policy and service development; freedom to act; communication and influence; and, teamwork.

Pension benefits are provided through a defined contribution group pension scheme at the rate of 10% or 6% of salary (see note 1.17) and employees may elect to increase contributions through a salary sacrifice arrangement. The following statements present remuneration before any salary sacrifice is made. None of the directors is a member of the Principal Civil Service Pensions Scheme (PCSPS) and the National Museum did not fund any Civil Service pension contributions for them in 2023-24.

The Director General and the Executive Directors have permanent contracts of employment with 6 months' notice. The Deputy Executive Directors and Directors have permanent contracts of employment with 3 months' notice.

Directors' remuneration

The salary and pension entitlements set out below include gross salary, performance-related bonuses in respect of performance in the previous financial year (if applicable), benefits in kind and any other allowances to the extent that they are subject to UK taxation. During the year, the Director General indicated his intention to stand down and an appropriate termination package was subsequently agreed with the Secretary of State. The emoluments were as follows:

Directors' remuneration table (subject to audit):

Director	¹ 2023-24 all figures £k				¹ 2022-23 all figures £k			
	Salary	² Bonus payments	³ Pension benefits	TOTAL	Salary	² Bonus payments	³ Pension benefits	TOTAL
D Tweddle, Director General	⁴ 190-195	10-15	-	205-210	125-130	10-15	-	140-145
M Sheldon, Executive Director of Museum Operations/ Interim Director General	⁵ 95-100	5-10	-	105-110	80-85	5-10	-	90-95
S Dennis, Executive Director of Resources	95-100	5-10	-	105-110	90-95	5-10	-	100-105
Andrew Baines, Deputy Executive Director of Museum Operations	70-75	n/a	-	70-75	65-70	n/a	-	65-70
B Hubbard, Director of Marketing	60-65	n/a	-	60-65	60-65	n/a	-	60-65
H McKenna-Aspell, Director of Fundraising	75-80	n/a	-	75-80	75-80	n/a	-	75-80
V Turner, Deputy Executive Director of Resources	⁶ 90-95	n/a	-	90-95	65-70	n/a	-	65-70

¹There were no benefits in kind.

²Bonus payments relate to performance in 2021-22 and 2022-23 which were approved in April 2023.

³The only pension benefits are in relation to defined contribution schemes and are solely disclosable in the pensions benefits table. Employer contributions in 2023-24 are presented in the pensions benefits table below.

⁴D Tweddle was in office until 30 November 2023. His salary on an annualised basis at that time of resignation was in the banding £130k-£135k. The amount included in the table above includes a payment in lieu of notice and a severance payment (see Exit Packages).

⁵M Sheldon held the office of Executive Director of Museum Operations until 30 November 2023. His salary on an annualised basis until that time was in the banding £85k-£90k. On 1 December 2023 he was appointed Interim Director General. His salary, in this role, on an annualised basis at 31 March 2024 was in the banding £120k-£125k.

⁶This amount includes a payment in lieu of notice and a redundancy payment (see Exit Packages).

Pension benefits table (subject to audit):

Director	Real increase in pension and lump sum at pension age	Accrued pension at pension age at 31 March 2023 and related lump sum	¹ CETV at 31 March 2024	¹ CETV at 31 March 2023	Real increase in ² CETV	Employer contribution to Defined Contribution Group Pension Scheme
£'000						
D Tweddle, Director General	-	-	-	-	-	16
M Sheldon, Executive Director of Museum Operations/Interim Director General	-	-	-	-	-	10
S Dennis, Executive Director of Resources	-	-	-	-	-	10

Director	Real increase in pension and lump sum at pension age	Accrued pension at pension age at 31 March 2023 and related lump sum	¹ CETV at 31 March 2024	¹ CETV at 31 March 2023	Real increase in ² CETV	Employer contribution to Defined Contribution Group Pension Scheme
Andrew Baines, Deputy Executive Director of Museum Operations	-	-	-	-	-	4
B Hubbard, Director of Marketing	-	-	-	-	-	4
H McKenna-Aspell, Director of Fundraising	-	-	-	-	-	5
V Turner, Deputy Executive Director of Resources	-	-	-	-	-	4

¹CETV (a Cash Equivalent Transfer Value) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member of a final salary scheme, required where a pension member wishes to switch to a defined contribution scheme, and is therefore not applicable to the National Museum directors.

Fair Pay Disclosures (subject to audit)

The National Museum is required to disclose the relationship between the remuneration of its highest-paid executive director and the lower quartile, median and upper quartile remuneration of the workforce, as shown below.

Fair pay bandings and ratios table:

	2023-24	2022-23
	£000	
Highest paid executive salary plus bonuses	¹ 145-150	140-145
Lowest paid staff member remuneration	20-25	15-20
£		
Lower quartile salary	£23,400	£18,900
Lower quartile total remuneration	£23,400	£18,900
Median quartile salary	£24,863	£19,500
Median quartile total remuneration	£24,863	£19,500
Upper quartile salary	£30,504	£25,300
Upper quartile total remuneration	£30,504	£25,300
² Ratio		
Lower quartile	5.45	7.54
Median quartile	5.13	7.31
Upper quartile	4.18	5.63

¹This information is in relation to D Twedde who was the highest paid executive director at any point during the year and represents his salary plus bonus on an annualised basis had he been in office at 31 March 2024.

²Ratio between the highest-paid executive director's banded mid-point remuneration and the lower quartile, median and upper quartile of the workforce. The highest paid executive director for this purpose is the highest paid executive director in office at 31 March 2024, which is M Sheldon.

Pay awards made in 2023-24 resulted in a higher percentage increase to the lower quartiles pay ranges than other quartiles. This has also caused the ratios to the mid-band of the highest paid executive director’s remuneration to fall.

Percentage change in the total salary and bonuses of the highest-paid director and the workforce average:

	Highest-paid director	Workforce average	Highest-paid director	Workforce average
	2023-24		2022-23	
	% change		% change	
Salary and allowances	24%	28%	0%	4%
Bonuses	0%	¹ N/A	100%	¹ N/A

¹Non-consolidated performance-related bonus payments are only payable to the Director General and the Executive Directors. Consolidated performance-related pay progression is payable to the rest of the workforce.

²The information used to calculate this ratio is in relation to D Tweddle who was the highest paid executive director at any point during the year and represents his salary plus bonus on an annualised basis had he been in office at 31 March 2024.

Two cost of living pay awards were made in 2023-24. Under our Remuneration policy, a pay award is considered by the trustees in the Autumn with any approved award being effective from the 1 November. This policy enables us to ensure that we continue to consider our pay rates against the Museums Association Salary Research and Recommendations and the UK Living Wage. The November 2022 award was delayed until July 2023 owing to the Pay remit approval process that the National Museum is obliged to follow as a Non-Departmental Public Body. The percentage change in workforce average salary and allowances has increased reflecting the changes in UK Living Wage published in 2022 and 2023 and the follow-on effect through our pay scale. Under both awards, our lowest pay points representing 66% of our workforce received the highest % pay awards resulting in a higher median remuneration for the workforce.

In 2023-24 and 2022-23, no employees received remuneration in excess of the highest paid executive director.

Total Staff costs for the National Museum Group totalled £8,733,000 (2022-23: £7,543,000). Further details on employee costs can be found in note 10 to the financial statements.

Equity, Diversity and Inclusion

The National Museum is committed to improving equity, diversity and inclusion (EDI) across the organisation to become an inclusive museum and workplace for our visitors, trustees, workforce, volunteers and wider delivery partners.

The National Museum is a committed member of Inclusive Employers and made a pledge under the Armed Forces Covenant, holding the silver award.



The National Museum does not tolerate any form of discrimination and believes that everyone has the right to live without fear or prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion and belief. Practising equality of opportunities can sometimes mean treating people differently in order to treat them fairly, for example, by being flexible to meet the needs of working parents and carers, or making reasonable adjustments for individuals with disabilities at various stages of the selection process. We provide interview questions in advance to support neurodiversity and our careers page includes accessible tools such as being able to change the colour contrast and the option for audio descriptions.

We support people who acquire a disability during the course of employment through making reasonable adjustments, that may include adjustments to job roles, workloads, workplace, etc., or that may include additional training and support, as guided by Occupational Health. We also work with the Access to Work Scheme to implement additional training or equipment required to support people with disabilities. We have enhanced our occupational sick pay so that we can offer financial support in these circumstances. We have also increased the number of Mental Health First Aiders available to provide support.

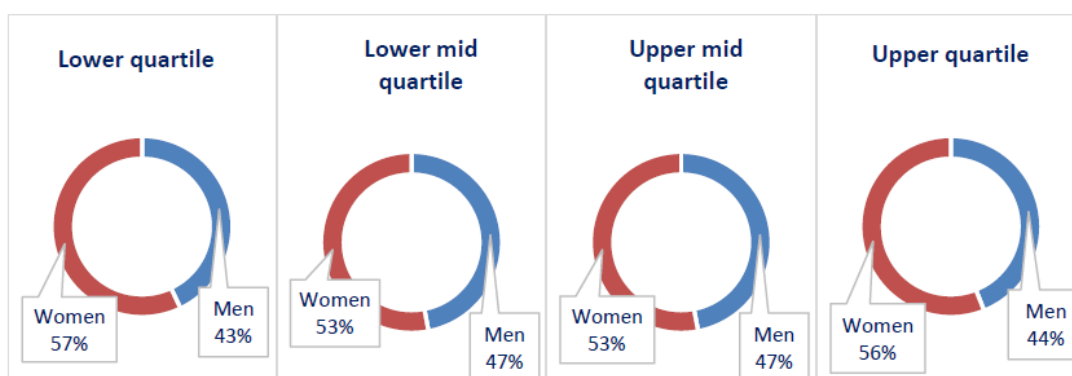
We are accelerating our commitment to inclusion and diversity in our Museum, improving this in the way that we work, the collections we share and the stories we tell by:

- Developing an EDI approach, embedded within our Strategy and Corporate Plan, that is enquiring and open minded, setting the scene and context for our stakeholders, outlining clear key performance indicators (KPIs) and further developing our EDI action plan.
- Embedding this work through our EDI action group and LGBTQ+ network, developing our practices, identifying improvements in how we can deliver our work and support.
- Seeking to diversify our boards, committees, workforce and volunteers, enabling them to become more effective by reflecting different perspectives, experiences and skills.
- Engaging diverse voices to provide broader perspectives on the stories of the Royal Navy.
- Reducing obstacles to participation, access and engagement, through designing our work to be open to everyone, challenging inequality and achieving improved equality outcomes.
- Committing to move forward, to act collectively and individually to effect change and to be held accountable for delivering change.
- Developing and growing staff and volunteer networks to give a voice to diversity within the organisation.
- Creating a strong sense of togetherness, where although people may not share life experiences, they are always respectful of the journeys of others.
- Understanding there is much to do; creating an inclusive organisation is a long term and ongoing commitment so that everyone feels like they belong.

Gender Pay Gap Reporting

Our data is collected on the snapshot date of 5 April 2024, when our workforce consisted of 201 (55%) women and 162 (45%) men.

Gender pay gap reporting requires us to divide our workforce into four equal parts (quartiles) by hourly rate and show the percentage of men and women within each of the quartiles.



The mean gender pay gap is the difference in average hourly rates of pay that men and women receive. This provides an overall indication of the gender pay gap by taking all hourly rates of pay and dividing by the total number of men and women in scope. The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates

of pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle values.

The mean (average) hourly rate paid to men in our workforce was -2.5% lower than the mean (average) hourly rate paid to women in April 2024. The difference in hourly rates of pay, as a median average, was the same for men and women. This represents a decrease in our mean gender pay gap of 1.9% and a 5.1% decrease as a median average based on our gender pay gap in 2023. It should be noted that on the snapshot date the Executive had reduced from two men and one woman to one man and one woman which had a favourable impact on the mean gender pay gap. It is also important to note the April 2021 and 2020 calculations were lower than they would have ordinarily been due to staff being on furlough (reduced pay) and therefore being excluded from the calculation.

There continued to be a higher percentage of women in the upper pay quartile (56%), although this is a 2% reduction from the last reporting period (2023:58%). There was, however, a 4% increase of women in the upper-mid quartile (53%) from the last reporting period (49%). There was an increase in the percentage of women in the lower pay quartile (57%) from the last reporting period (2023:48%) and a reduction in the percentage of women in the lower mid-quartile (53%) from the last reporting period (2023:63%).

Our mean gender pay gap continues to be more favourable to women and for the first time we have no median gender pay gap, with median gender pay the same for both women and men. We accommodate flexible and hybrid working arrangements wherever possible, supporting staff if they need to care for others or for those who are returning to work after having a child or those who benefit from more flexible working patterns. Work continues to be undertaken to support career progression and development. We are committed to offering these opportunities to all staff, regardless of gender.

Sickness absence

Periods of sickness absence are recorded in full days. The average number of sick days per employee (excluding long term sickness absences) was 2.2 days (2022-23: 3.9 per employee), this is a 1.7 day decrease per employee due to a reduction in COVID-19 related absences. This paragraph is not subject to audit.

Exit packages table - reporting civil service and other compensation schemes (subject to audit)

<i>Exit package cost band</i>	<i>Number of compulsory redundancies</i>	<i>Number of other departures agreed</i>	<i>Total number of exit packages by cost band</i>
<£10,000	7 (Nil)	Nil (2)	7 (2)
£10,000 - £25,000	4 (Nil)	Nil (Nil)	4 (Nil)
£25,000 - £50,000	Nil (Nil)	Nil (Nil)	Nil (Nil)
£50,000 - £100,000	Nil (Nil)	Nil (Nil)	Nil (Nil)
£100,000 - £150,000	Nil (Nil)	1 (Nil)	1 (Nil)
Total number of exit packages	11 (Nil)	1 (2)	12 (2)
Total resource cost/ £	99,909 (Nil)	100,401 (5,547)	200,310 (5,547)

NB Comparative data for prior year is shown in brackets

The exit package cost within the £100,000 - £150,000 band includes a single ex-gratia special severance payment of £33,467. There were 11 compulsory redundancies made in 2023-24 (Nil: 2022-23).

Other staff costs

Further details relating to the National Museum's other staff costs can be found in note 10 to the financial statements.

Employee Consultation and Involvement

The National Museum actively consults with its staff through the Working Together (Staff Voices) Group, established in February 2021 to improve two-way communication, involving and engaging employees through participation and collaboration, enabling them to contribute to the success of the Museum. The group, representing staff from across the National Museum, also offers senior management the opportunity to consult over business related issues and gain commitment to change. The Working Together Group acts as a communication platform for all staff, enabling them to voice their ideas as well as identifying areas for improvement or development.

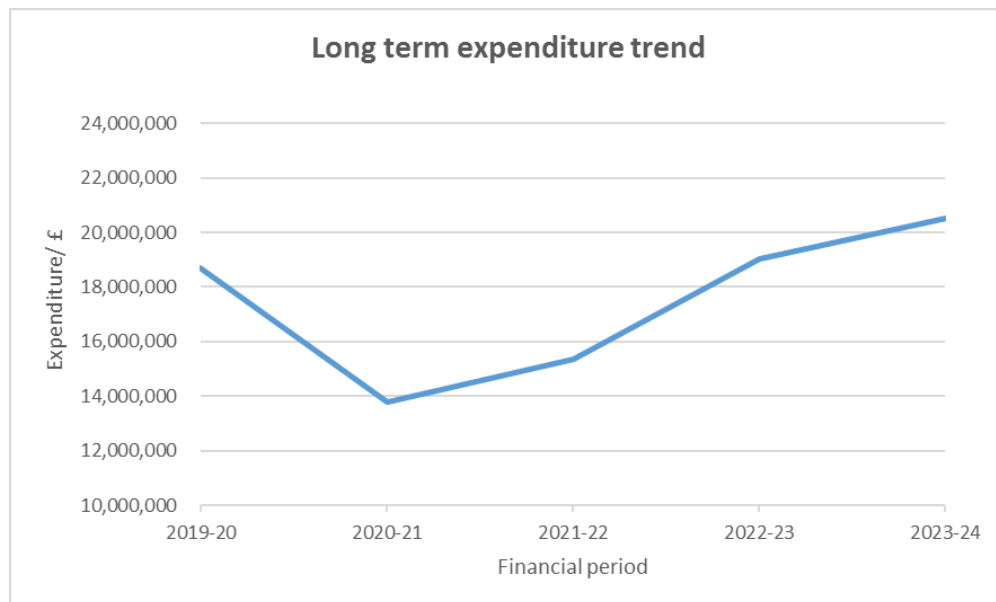
Other forums for staff consultation and involvement include: project-specific consultation and working groups that provide a delivery-focused culture of working and change management; the Tactical Action Group, providing an essential link between the working groups charged with delivering key objectives within the Corporate Plan; the Health and Safety Management Group; regular directorate and team meetings; the National Museum's Workplace intranet which includes weekly updates from the Executive on organisational performance and celebrates the successes of teams and individual; and the performance appraisal and "check in" system.

<i>Trade Union facility time report</i>	2023-24	2022-23
Relevant union officials	Nil	Nil
Percentage of time spent on facility time	Nil	Nil
Percentage of pay bill spent on facility time	0%	0%
Paid trade union activities	Nil	Nil

Parliamentary accountability and audit report

All expenditure is regular and has been applied as intended by donors and the National Museum’s sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments which require disclosure in this report. This paragraph is subject to audit.

Expenditure trends over the past five years are shown below.



The National Museum’s expenditure was reduced significantly in 2020-21 in response to the COVID-19 pandemic on its visitor numbers, which dropped to just 100 thousand visits, and the consequent impact on self-generated charitable and commercial income. The cost base was rigorously managed through cessation of non-contractual spend, suspension or reduction of contractual services, renegotiation of rents and service charges, the furlough of up to 89% of employees, and the freezing of the majority of capital projects. Expenditure has increased as the National Museum has reopened its sites, with 2023-24 seeing the first full year of normal operational activity, receiving 847 thousand visits.

Grant in Aid received from the sponsor body had remained broadly static in cash terms up to 2019-20 at £3,501,000 and the National Museum’s growth had been funded through self-generated income, grants and donations. An uplift in revenue Grant in Aid was awarded from 2020-21 up to 2023-24 (and ceasing at 31 March 2024) to support recovery from the long-term financial impact of the pandemic. A strong recovery in performance means the National Museum has been able to build free reserves from its self-generated income, to ensure future financial sustainability and its ability to continue to operate as a going concern. Revenue Grant in Aid for 2023-24 was £5,631,000 (2022-23: £6,217,000), with Capital Grant in Aid of £135,000 (2022-23: £133,000) for the purchase of exhibits, and a further £565,000 (2022-23: £800,000) grant received from the sponsor to support capital projects.

Admiral Sir Philip Jones
Chair on behalf of the Board of Trustees

Matthew Sheldon
Chief Executive Officer and Accounting Officer

15th November 2024

The Certificate and Report of the Comptroller and Auditor General to the Members of the National Museum of the Royal Navy and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the National Museum of the Royal Navy and its group for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the National Museum of the Royal Navy and its group's:

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

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the National Museum of the Royal Navy and its group's affairs as at 31 March 2023 and its net income and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities Act 2011.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the National Museum of the Royal Navy and its group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report including the Strategic Report or the Accountability Report including the Directors' Report.

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

- adequate accounting records have not been kept 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 and Staff Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the Trustees and Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to pensions within the National Museum of the Royal Navy and its group from whom the auditor determines it necessary to obtain audit evidence;
- preparing Group financial statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- ensuring such internal controls are in place as Trustees and the Accounting Officer determine are necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing the Annual Report in accordance with the Companies Act 2006 and Charities Act 2011; and
- assessing the National Museum of the Royal Navy and its group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and the Government Resources and Accounts Act 2000.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the National Museum of the Royal Navy and its group's accounting policies.
- inquired of management, the National Museum of the Royal Navy and its group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Museum of the Royal Navy and its group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Museum of the Royal Navy and its group's controls relating to its compliance with the National Heritage Act 1983, the Companies Act 2006, the Charities Act 2011 and Managing Public Money.
- inquired of management, the National Museum of the Royal Navy and its group's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement team including significant component audit teams regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I also obtained an understanding of the National Museum of the Royal Navy and its group's framework of authority as well as other legal and regulatory frameworks in which the National Museum of the Royal Navy and its group operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Museum of the Royal Navy and its group. The key laws and regulations I considered in this context included the National Heritage Act 1983, the Companies Act 2006, the Charities Act 2011, Managing Public Money, employment law, pensions legislation and tax legislation.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

19 November 2024

The National Museum of the Royal Navy
(A company limited by guarantee)
Company number: 06699696

Consolidated Statement of financial activities (incorporating the income and expenditure account)
for the year ended 31 March 2024

		Unrestricted	Restricted	Linked	Endowment	2024	Unrestricted	Restricted	Linked	Endowment	<i>Restated*</i>
	Notes	funds	funds	Charities	funds	Total	funds	funds	Charities	funds	2023
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:											
Donations and legacies											
Grant in Aid (revenue)		5,631	-	-	-	5,631	6,217	-	-	-	6,217
Grant in Aid (capital)		-	135	-	-	135	-	133	-	-	133
Donations and legacies	2	347	2,102	34	-	2,483	359	14,043	105	-	14,507
Admissions and charges for services	3	7,055	-	-	-	7,055	5,542	-	-	-	5,542
Trading subsidiary	4	2,302	-	-	-	2,302	2,169	-	-	-	2,169
Investments	5	142	-	-	892	1,034	450	-	-	235	685
Other		547	-	-	-	547	380	-	-	-	380
Total income		16,024	2,237	34	892	19,187	15,117	14,176	105	235	29,633
Expenditure on:											
Raising funds											
Fundraising and publicity	6	1,357	-	-	165	1,522	1,319	-	-	194	1,513
Trading subsidiary	4	1,899	-	-	-	1,899	1,776	-	-	-	1,776
Charitable activities	7/8	13,497	3,749	-	-	17,246	11,657	4,094	-	-	15,751
Total expenditure		16,753	3,749	-	165	20,667	14,752	4,094	-	194	19,040
Net gains/(losses) on investments	16	-	-	-	4,360	4,360	(60)	-	-	(1,690)	(1,750)
Tax payable		-	-	-	-	-	-	-	-	-	-
Net income/(expenditure)		(729)	(1,512)	34	5,087	2,880	305	10,082	105	(1,649)	8,843
Transfer between funds		2,630	(194)	5	(2,441)	-	4,681	(6,122)	1,128	313	-
Other recognised gains/(losses):											
(Losses)/gains on revaluations of fixed assets	14	306	558	-	-	864	1,349	2,158	-	-	3,507
Actuarial (losses)/gains on defined benefit pension	12	81	-	-	-	81	485	-	-	-	485
Net movement in funds		2,288	(1,148)	39	2,646	3,825	6,820	6,118	1,233	(1,336)	12,835
Reconciliation of funds:											
Total funds brought forward	23	27,134	128,674	6,587	54,666	217,061	20,314	122,556	5,354	56,002	204,226
Total funds carried forward		29,422	127,526	6,626	57,312	220,886	27,134	128,674	6,587	54,666	217,061

* Details of the restatement are disclosed in Note 31

The notes on pages 47 to 72 form an integral part of these financial statements.

The National Museum of the Royal Navy
(A company limited by guarantee)
Company number: 06699696

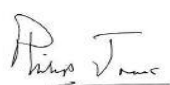
Consolidated and Company Balance Sheets as at 31 March 2024

		Group	Restated*	Company	Restated*
		2024	Group	2024	Company
	Notes	£'000	2023	£'000	2023
			£'000	£'000	£'000
Fixed assets					
Tangible assets	14	45,358	45,710	-	-
Heritage assets	15	107,240	107,201	6,602	6,563
Investments	16	56,439	41,805	-	-
		<u>209,037</u>	<u>194,716</u>	<u>6,602</u>	<u>6,563</u>
Current assets					
Stocks	17	708	663	-	-
Debtors	18	2,313	2,934	277	421
Cash at bank and in hand		12,572	21,166	1,755	3,520
		<u>15,593</u>	<u>24,763</u>	<u>2,032</u>	<u>3,941</u>
Current liabilities					
Creditors falling due within one year	20	(3,762)	(2,784)	(808)	(2,666)
Net current assets		<u>11,831</u>	<u>21,979</u>	<u>1,224</u>	<u>1,275</u>
Debtors falling due after one year	19	450	950	-	-
Total assets less current liabilities		<u>221,318</u>	<u>217,645</u>	<u>7,826</u>	<u>7,838</u>
Creditors falling due after more than one year	21	(664)	(741)	(566)	(643)
Net assets excluding pension asset/(liability)		<u>220,654</u>	<u>216,904</u>	<u>7,260</u>	<u>7,195</u>
Defined benefit pension scheme asset/(liability)	12	232	157	-	-
Net assets including pension fund asset/(liability)		<u>220,886</u>	<u>217,061</u>	<u>7,260</u>	<u>7,195</u>
Funds					
Unrestricted funds		26,455	24,499	4	4
Designated funds		545	518	1	1
Revaluation reserve		2,422	2,117	-	-
Total unrestricted funds	23	<u>29,422</u>	<u>27,134</u>	<u>5</u>	<u>5</u>
Restricted funds		77,692	79,396	629	603
Revaluation reserve		49,834	49,278	-	-
Linked charities	24	6,626	6,587	6,626	6,587
Total restricted funds	23	<u>134,152</u>	<u>135,261</u>	<u>7,255</u>	<u>7,190</u>
Total endowment funds	23	<u>57,312</u>	<u>54,666</u>	<u>-</u>	<u>-</u>
Total funds	23	<u>220,886</u>	<u>217,061</u>	<u>7,260</u>	<u>7,195</u>

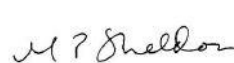
* Details of the restatement are disclosed in Note 31

The National Museum of the Royal Navy is exempt from an audit under Part 16 of the Companies Act 2006 under section 482 (non-profit-making companies subject to public sector audit) of the Companies Act 2006, but subject to audit under the Government Resources and Accounts Act 2000.

The financial statements were approved and authorised for issue by the board and signed on its behalf by



Admiral Sir Philip Jones
Chair of the Board of Trustees



Matthew Sheldon
Chief Executive Officer and Accounting Officer

Date: 15th November 2024

The notes on pages 47 to 72 form an integral part of these financial statements.

Consolidated and Company Cash flow statement
for the year ended 31 March 2024

		<i>Restated*</i>		<i>Restated*</i>	
	Group	Group	Company	Company	
	2024	2023	2024	2023	
Notes	£'000	£'000	£'000	£'000	£'000
Cash flows from operating activities:					
Net cash provided by operating activities	1,854	14,558	(1,680)	2,615	
Cash flows from investing activities:					
Dividends and interest from investments	5	1,034	685	-	-
Purchase of tangible fixed assets	14	(948)	(8,749)	-	-
Purchase of heritage assets	15	(5)	(1,128)	(5)	(1,128)
Purchase of investments	16	(12,809)	(1,102)	-	-
Sale of investments	16	2,360	-	-	-
Net cash used in investing activities		<u>(10,368)</u>	<u>(10,294)</u>	<u>(5)</u>	<u>(1,128)</u>
Cash flows from financing activities:					
Repayment of borrowing	21/34	(80)	(80)	(80)	(80)
Net cash provided by (used in) financing activities		<u>(80)</u>	<u>(80)</u>	<u>(80)</u>	<u>(80)</u>
Change in cash and cash equivalents in the reporting period	33	(8,594)	4,184	(1,765)	1,407
Cash and cash equivalents at 1 April 2023		<u>21,166</u>	<u>16,982</u>	<u>3,520</u>	<u>2,113</u>
Total cash and cash equivalents at 31 March 2024	33	<u>12,572</u>	<u>21,166</u>	<u>1,755</u>	<u>3,520</u>
Reconciliation of net income to net cash flow from operating activities:					
Net income for the year		2,880	8,843	55	1,344
Depreciation	14	2,366	2,152	-	-
Loss on disposal of fixed assets	14	-	115	-	-
(Gain)/Loss on investments	16	(4,360)	1,750	-	-
Adjustment for non-cash fees from gains/losses	16	175	194	-	-
Dividends and interest from investments	5	(1,034)	(685)	-	-
Donated fixed assets	15	(34)	(105)	(34)	(105)
(Increase)/Decrease in stocks	17	(45)	(124)	-	-
Decrease/(Increase) in debtors	18/19	1,121	2,791	154	(385)
Increase/(Decrease) in creditors	20	776	(432)	(1,858)	1,757
Increase/(Decrease) in long term liabilities	21	3	4	3	4
Increase/(Decrease) in provisions for defined benefit pension scheme	12	6	55	-	-
Net cash provided by operating activities		<u>1,854</u>	<u>14,558</u>	<u>(1,680)</u>	<u>2,615</u>

* Details of the restatement are disclosed in Note 31

Notes to the financial statements
for the year ended 31 March 2024

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Charity information

The National Museum of the Royal Navy (“the National Museum”) is a private company limited by guarantee and incorporated in England and Wales. The registered office is the National Museum of the Royal Navy, HM Naval Base PP66, Portsmouth, Hampshire, PO1 3NH. The members of the company are the Trustees named on page 2. Every member of the company undertakes to contribute such an amount as may be required not exceeding £1 to the assets of the company in the event of its being wound up while they are a member, or within one year after they cease to be a member.

The National Museum meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees report.

1.2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006.

The National Museum has made an accounting policy decision to apply the requirements of HM Treasury’s Financial Reporting Manual (FRM) only so far as they relate to the following specific disclosures within the Annual Report: Governance statement; Remuneration and Staff report; and Parliamentary accountability and audit report.

The results of the company include the results of the two linked charities of the National Museum: Royal Naval Museum and HMS M33 Trust.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

Consolidated financial statements have been prepared in respect of the charitable company, and its wholly owned subsidiaries: NMRN Operations; Royal Navy Submarine Museum; Royal Marines Museum; Fleet Air Arm Museum; NMRN Hartlepool; HMS Trincomalee Trust; Warrior Preservation Trust; HMS Victory Preservation Company; and HMS Caroline Preservation Company. The Consolidated Statement of Financial Activities and the Consolidated Balance Sheet include the results and assets of each charity on a line by line basis. The individual results of the company can be found in the detailed statement of financial activities (Note 35).

The results of Portsmouth Historic Dockyard Operations Ltd, a joint venture company owned equally by NMRN Operations and the Mary Rose Trust, are included in these group accounts by virtue of the line-by-line consolidation of the NMRN Operations group. Individual disclosures on the performance of the joint venture are not made on the grounds that the income, expenditure, and net assets of Portsmouth Historic Dockyard Operations Ltd are not material to the group.

The registered office of all subsidiaries and the joint venture company is that of the National Museum (see note 1.1).

1.3. Going concern

In addition to the revenue it generates, the company receives Grant in Aid funding from the Ministry of Defence under a Financial Framework Agreement in respect of its operation of the Group’s museums. Additional Grant in Aid funding was awarded to the National Museum by the Royal Navy to support its continuing recovery from the impact of the Covid-19 pandemic. This additional funding has supported the National Museums cashflows until 31 March 2024. A strong recovery in performance through 2023-24 means the National Museum has been able to build free reserves from its self-generated income, to ensure future financial sustainability and its ability to continue to operate as a going concern.

Based on the assurances provided to the National Museum by its sponsor, the Royal Navy, that Grant in Aid funding will continue to be made available, and the work of the Executive on 2025-26 budgets, the Trustees and Directors are content that the going concern basis continues to apply. As such, the financial statements have been prepared on a going concern basis.

1.4. Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for general purposes.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Endowment funds are funds which the donor has stated are to be held as capital and expendable over the long term. It is the intention that the capital value of the donation will be maintained in real terms. However, if it becomes necessary, no more than 5% of the capital will be spent at any one time.

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for the year ended 31 March 2024

1.5. Incoming resources

All incoming resources are included in the statement of financial activities when the company is legally entitled to the income, any performance conditions attached to the items of income have been met, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the company, are recognised when the company becomes unconditionally entitled to the grant. Gifts in kind are included in the accounts at their current market value where this is readily identifiable. Where current market value is unavailable then gifts in kind are included in the accounts on the basis of internal valuations estimated by relevant staff and determined by their experience and judgement, unless this is not possible without incurring a cost disproportionate to the benefit of the information reported to the readers of the accounts. Where gifts in kind are services, these are measured at the price that would ordinarily be paid for that service, which is not always equivalent to market value.

Grant in Aid funding is received from the Ministry of Defence (MoD) as a contribution towards the operating costs of the National Museum Group. The majority of the Grant in Aid is received by the National Museum and then distributed to NMRN Operations and other charitable subsidiaries on the basis of need, with the remainder, which is specifically a contribution towards wage costs, paid direct to staff by the Defence Business Services (DBS) on behalf of the National Museum.

Income from investments is included in the year in which it is receivable.

Legacies are included when the company is advised by the personal representative of an estate that payment will be made, or property transferred, and the amount involved can be quantified.

Deferred income primarily relates to income received in advance for future events.

1.6. Grants receivable

Revenue grants are credited to incoming resources on the earlier of the date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of restricted fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

1.7. Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise costs incurred in encouraging people and organisations to contribute financially to the work of the National Museum and to promote each of the individual museums as a heritage and visitor attraction.

Charitable expenditure includes expenditure associated with Operations, Collections & Research, and Learning and includes costs directly attributable to each activity. Costs not directly attributable to one activity, including the proportion of support costs relating to charitable expenditure, have been allocated on a reasonable basis of resources used.

Governance and support costs include those costs incurred in the governance of the company and its assets, and central functions, and have been allocated to cost categories on a basis consistent with the use of resources.

1.8. Tangible fixed assets

Timber

In March 2012, along with the gift of HMS Victory, the HMS Victory Preservation Trust received approximately 527m³ of teak, plus some smaller quantities of iroko and Brazilian mahogany, that had originally been procured by MoD for use in the conservation and maintenance of the Ship and that had been valued by Timbmet.

In 2016, 93 tonnes (~13m³) of unseasoned oak and elm were donated by four Scottish Estates for potential use towards the conservation of the Ship. The logs were surveyed over winter 2016-17 and sawn into rough-hewn planks. The timber is being stored and has been seasoned by a timber specialist (W L West) with the seasoning period completing in July 2021. The timber now needs to be converted into boards appropriate for use on the Ship. The conversion process will result in wastage and the final quantity of boards will be significantly less than the unseasoned donation.

In 2022, 370 hoppus feet (~13m³) of unseasoned oak was donated by Portsmouth Water. This is presently at W L West's yard awaiting conversion and seasoning. It is anticipated that the seasoning will take 4-5 years to complete (not before 2026). Also in 2022, 3000 hoppus feet (~108m³) of unseasoned oak was donated by HS2. This timber is being stored at a yard in the Midlands awaiting conversion and seasoning. Again, it is anticipated that the seasoning will take 4-5 years to complete (not before 2026).

The seasoned timber, that may be held as logs, bulks, knees or boards, and that will probably be used in the conservation of this Ship is capitalised at the deemed cost provided at the time the asset was received. The useful economic life of the timber is considered to be >100 years and accordingly no depreciation will be recognised. An annual review for impairment is carried out in

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for the year ended 31 March 2024

accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

The unseasoned or green timber held and that requires further processing (logging, rough sawing and seasoning) before its suitability for use in the conservation project may be approved, is considered to have a modest market value, and the costs of obtaining a reliable valuation would not be commensurate with its value or with the benefit obtained by including the additional value on the balance sheet.

Other Tangible fixed assets

Tangible fixed assets with a cost or value greater than £2,500 and a useful life exceeding one year are capitalised at historic cost and revalued annually using Ministry of Defence Modified Historic Cost Accounting (MHCA) indices.

Land and buildings held by the Fleet Air Arm Museum and NMRN Operations are stated at a valuation of depreciated replacement cost and depreciated over the lease term. These charities obtain a professional valuation at least every five years and indices are used to reflect the change in value in the intervening years.

Depreciation has been provided at rates calculated to spread the cost of each asset over its expected useful life as follows:

Improvements to property	over the lease term
Short leasehold property	over the lease term
Exhibitions	2 - 10 years
Fixtures and fittings	3 - 25 years
Computer and office equipment	3 - 10 years
Plant and machinery	3 - 50 years

1.9. Heritage assets held by the group

The heritage assets are held in trusts and have been included in the consolidated financial statements as set out below.

Background

Each trust holds artefacts comprising its collection. The main and reserve collections (other than assets acquired since 1 April 2000 - see below) have not been included in the financial statements due to their historic and inalienable nature and, due to the specific and individual nature of the artefacts held, it is not believed to be possible to obtain a reliable value of the collection without incurring a cost disproportionate to the benefit of the information reported to the readers of the accounts.

Assets acquired prior to 1 April 2000 have not been capitalised and included in the accounts but with effect from 1 April 2000, additions to the collection with a cost in excess of £2,500, have been capitalised. These assets are carried at cost, or deemed cost, and not depreciated due to infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities. The exception to this is the Fleet Air Arm Museum where aircraft acquired prior to 1 April 2000 have also been capitalised. Note that this treatment is inconsistent with the accounts of the Fleet Air Arm Museum where the assets acquired prior to 1 April 2000 are excluded from the balance sheet.

Heritage assets donated to the trusts with a value in excess of £2,500 are included in the accounts on the basis of internal valuations estimated by the relevant curatorial staff and determined by their experience and judgement. Where this information is not available and cannot be obtained at a cost commensurate with the benefits to users of the financial statements, the assets will not be recognised in the Balance Sheet and the disclosure required by the Charities SORP will be made.

Heritage assets: policies for maintenance, management, acquisition and disposal

In October 2015, a single set of Collections Management policies was created for the NMRN Group. This was updated and approved by the Board in January 2023. These policies set out a common approach for the maintenance and management of collections at different museum sites and will be subject to regular review as directed by the Collections, Research, Learning and Access Committee (CRLA).

Acquisitions to the museums are now guided by a single Collections Development Policy (December 2022) that sets out how the accessioned collection can be developed and expanded and the principles for rationalisation and disposal. There are two principal methods of acquisition:

- Acquisition by donation, bequest or transfer
- Acquisition by purchase through private sale or public auction

The Collections and Research Department has delegated authority from the Board to assess, approve or decline new acquisitions; however, there may be instances where the CRLA Committee may be included in the decision making in relation to a 'major' acquisition such as:

- in the case of a high-value (over £120,000) item, or
- where acquisition may make a material impact on revenue budgets, or
- where there may be controversy in the acquisition of an item.

Subject to the approval of the Trustees, the Museum may dispose of items from the collection, undertaken in accordance with rationalisation and disposal procedures, although this will only happen in exceptional circumstances, for example:

- When items fall outside the Museum's Collecting Policy or Charitable Objectives
- When an item contains a serious hazard which cannot be remediated

Notes to the financial statements
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- When an item is one of a significant number of duplicates
- When an item is in exceptionally poor condition which cannot be reversed and it cannot be repurposed to alternate use.

Significant Historic Ships

Accounting policy for initial recognition of the Heritage Asset

The methodology of valuation of significant historic ships by the National Museum group is total rebuild basis, discounted for the ship's current state of repair.

The values are calculated by the staff of the National Museum. Where the current build cost or market value of a similar ship is known and can be relied upon, this is used as the basis for establishing the value of the ship. Where this information is unavailable, the original build cost of each ship is grossed up to a modern-day value using a provider of historic economic data. This value is then discounted to take account of the ship's current state of repair, using the estimated costs to bring the ship to the final condition (being in most cases something close to 'as new'). For ships which are gifted to the National Museum, the discounted value becomes the 'deemed cost' of the ship.

Accounting policy for recognition of subsequent expenditure on significant ships

The National Museum's operating company, NMRN Operations, is responsible for the restoration, preservation, and maintenance of the ship under the terms of the operator agreement. Expenditure incurred by the operating company is recognised in that entity on an accruals basis as a liability is incurred. Capital expenditure on plant and machinery not integral to the fabric of the ship is capitalised on the balance sheet of the operating company.

1.10. Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities.

1.11. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

Attitude to Risk

The Company relies on the investment return to fund its objective. The key risk to the long-term achievement of its objective is inflation, and the assets are invested accordingly. The Trustees understand that this will mean that investments are likely to be predominantly invested in equities, where dividends can be expected to grow, and that capital value will fluctuate. The Company's attitude to risk is therefore described as progressive.

1.12. Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against incoming resources on a straight line basis over the life of the lease.

1.13. Taxation

The activities of the company fall within the exemptions afforded by the provisions of the Corporation Tax Act 2010. Accordingly, there is no tax charge in these accounts.

All taxable activities fall within the operating subsidiary, NMRN Operations and its trading subsidiary, National Museum of the Royal Navy Trading, which are VAT registered. The activities of NMRN Operations also fall within the exemptions afforded by the provisions of the Corporation Tax Act 2010. The company's trading subsidiary is subject to corporation tax.

The tax expense represents the current tax expense. Current tax is charged or credited to the SOFA and is based on taxable profits for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods.

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and current tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

1.14. Stock

Stocks are usually stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolescence and slow moving items.

1.15. Financial Instruments

The company's financial assets and liabilities consist of cash and cash equivalents, trade & other debtors, trade & other creditors, accrued expenses and loans. The fair value of the items due within one year approximates their carrying value due to their short term value. Items due after one year are recorded at their carrying values which are deemed to be fair value. Unless otherwise noted, the company is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

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1.16. Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Trustees are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following judgements (apart from those involving estimates) have been made that have had the most significant effect on amounts recognised in the financial statements:

The useful lives of tangible fixed assets

When a depreciable asset is purchased the Museum makes an assessment of the estimated useful life of that asset, based on experience and other assets already owned by the Museum.

The valuation of donated tangible fixed assets and heritage assets

When an asset is donated to the Group Trustees make an overall assessment of whether a value can be attributed to that item. Such a valuation will then be subject to the judgement of the curatorial staff based on their experience and any recent commercial sales.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Valuation of Historic Ships

The valuations of historic ships held by the group have been based on an estimate of the original build cost, uplifted to the current value at the time of donation or acquisition, and discounted for elements of the original build that have not been replaced and to reflect the current state of repair (Note 15). This assumes that the same materials and methods of construction would be utilised with the same cost profile as the original, and, on the same basis, adjusted proportionately for those parts of the vessel that would not be replaced (for example, guns and engines).

Valuation of Heritage Assets (not Historic Ships)

The valuations of heritage assets donated to the group after 1 April 2000 with a value in excess of £2,500 are based on internal estimates of market value by the relevant curatorial staff and determined by their experience and judgement. Where this information is not available and cannot be obtained at a cost commensurate with the benefits to users of the financial statements, the assets will not be recognised in the Balance Sheet.

Valuation of Land and Buildings

The valuations of land and buildings are based on professional market valuations at least every five years and indices are used to reflect the change in value in the intervening years.

Valuation of HMS Victory Preservation Company timber

The valuation of the seasoned timber received in 2012 has been carried out by a professional valuer based on the assumption that the open market value could be achieved in the event of a sale. The valuation of the seasoned timber received in 2016 has been carried out by a professional valuer and uses the estimated replacement cost as the deemed cost based on their estimation of the useable quantities and grades of the seasoned timber.

1.17. Pensions

The majority of staff of the National Museum and NMRN Operations are covered by the provisions of a defined contributions group pension plan, the assets of which are held in an independently administered fund and which provides benefits based on the value of the fund. A small number of staff, who have transferred into the National Museum under the Transfer of Undertakings (Protection of Employment) Regulations, have retained membership of their former employers' pensions schemes which provide benefits based on final pensionable pay, and include the Principal Civil Service Pension Scheme and the Local Government Pension Scheme.

Group Pension Plan

The National Museum operates a Group Pension Plan with employer's contributions being payable at either 6% or 10%. Under this plan a "salary exchange" scheme exists whereby employees may elect to give up the right to receive part of their salary remuneration in return for an additional employer's contribution into the Group Pension Plan of the same amount. The pension cost charged to the Statement of Financial Activities represents the contributions paid.

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme but the National Museum of the Royal Navy is unable to identify its share of the underlying assets and liabilities. This scheme has therefore been accounted for as if it were a defined contribution scheme in accordance with Charity SORP (FRS102).

Notes to the financial statements
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Local Government Pension Scheme (LGPS)

The LGPS is a multi-employer defined benefit scheme. The National Museum of the Royal Navy is an admitted member of the Hampshire Pension Fund and the Teesside Pension Fund and is able to identify its share of the underlying assets and liabilities. The schemes have therefore been accounted for as defined benefit schemes in accordance with Charity SORP (FRS102).

1.18. Termination benefits

The group recognises a liability for termination benefits at the point where the group is committed to making the payments in return for employee redundancy.

1.19. Restatement of comparative information

Comparative information for 2023 has been restated. This is detailed in note 31 to the accounts.

1.20. Change in presentation

The format of the Statement of Financial Activities, Cash flow statements and notes 2 - 12 have been simplified to show separately only those items which are material to the financial statements. Where this has led to lines being amended the comparatives have been noted as restated.

2. Voluntary income (Company and Group)

	Unrestricted funds	Restricted funds	Linked charities	2024 Total	Unrestricted funds	Restricted funds	Linked charities	Restated 2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and grants								
Ministry of Defence	-	565	-	565	-	800	-	800
Miscellaneous donations	9	7	34	50	4	1,073	105	1,182
Received by company	<u>9</u>	<u>572</u>	<u>34</u>	<u>615</u>	<u>4</u>	<u>1,873</u>	<u>105</u>	<u>1,982</u>
Received by:								
NMRN Operations	330	1,255	-	1,585	338	12,398	-	12,736
Other subsidiaries	8	275	-	283	17	-	-	17
Consolidation adjustments (1)	-	-	-	-	-	(228)	-	(228)
	<u>338</u>	<u>1,530</u>	<u>-</u>	<u>1,868</u>	<u>355</u>	<u>12,170</u>	<u>-</u>	<u>12,525</u>
Received by group	<u>347</u>	<u>2,102</u>	<u>34</u>	<u>2,483</u>	<u>359</u>	<u>14,043</u>	<u>105</u>	<u>14,507</u>

1) Grants for purchase of exhibits, and Heritage assets transferred to the Royal Naval Museum from NMRN Operations, eliminated on consolidation

3. Admissions (Group)

	Unrestricted funds	2024 Total	Unrestricted funds	2023 Total
	£'000	£'000	£'000	£'000
Museum admissions				
Portsmouth Historic Dockyard	5,561	5,561	4,394	4,394
Fleet Air Arm Museum	1,004	1,004	809	809
Hartlepool	288	288	280	280
HMS Caroline	153	153	6	6
Other site income	<u>49</u>	<u>49</u>	<u>53</u>	<u>53</u>
	<u>7,055</u>	<u>7,055</u>	<u>5,542</u>	<u>5,542</u>

There are no equivalent balances for the company. Admissions income includes amounts reclaimed from HM Revenue and Customs under the Gift Aid Scheme.

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for the year ended 31 March 2024

4. Income and expenses from trading activities of subsidiaries

The National Museum has control of NMRN Operations (NMRNO), NMRN Hartlepool (NMRNH), the HMS Victory Preservation Company (HMSVPC), the HMS Caroline Preservation Company (HMSPCC), the HMS Trincomalee Trust (HMSTT), the Warrior Preservation Trust (WPT), the Royal Navy Submarine Museum Trust (RNSM), the Royal Marines Museum Trust (RMM), and the Fleet Air Arm Museum Trust (FAAM). NMRN Operations also has a non-charitable trading subsidiary. Dormant subsidiaries awaiting strike off are not included below (these have £Nil balances).

Note: the results for FAAM Trust and WPT include consolidation adjustments in respect of differences in the accounting policies of the individual entities and the NMRN group for assets acquired before 1 April 2000. The adjustments of £2,242,000 and £250,000 respectively, increase the consolidated balances of heritage assets and reserve balances.

	NMRNO	NMRNH	HMSVPC	HMSPCC	HMSTT	WPT	RMM	RNSM	FAAM	2024	Restated 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statement of financial activities											
Income from:											
Donations and legacies	8,552	10	-	1	77	1	6	-	275	8,922	20,431
Admissions	7,055	-	-	-	-	-	-	-	-	7,055	5,542
Trading subsidiary	2,302	-	-	-	-	-	-	-	-	2,302	2,169
Investments	-	-	733	301	-	-	-	-	-	1,034	685
Other	517	-	-	-	-	-	-	-	30	547	380
Total income	18,426	10	733	302	77	1	6	-	305	19,860	29,207
Expenditure on:											
Raising funds	1,357	-	130	35	-	-	-	-	-	1,522	1,513
Trading subsidiary	1,899	-	-	-	-	-	-	-	-	1,899	1,776
Charitable activities	15,874	10	695	902	77	86	14	7	320	17,985	16,667
Total expenditure	19,130	10	825	937	77	86	14	7	320	21,406	19,956
Net gain/(loss) on investments	-	-	3,591	770	-	-	-	-	-	4,361	(1,750)
Net income/(expenditure)	(704)	-	3,499	135	-	(85)	(8)	(7)	(15)	2,815	7,501
Revaluation of fixed assets	871	-	7	-	-	-	-	-	(14)	864	3,507
Actuarial gains/(losses)	81	-	-	-	-	-	-	-	-	81	485
Net movement in funds	248	-	3,506	135	-	(85)	(8)	(7)	(29)	3,760	11,493
Reconciliation of funds											
Total funds brought forward	39,159	-	67,497	24,507	21,394	26,343	2,610	18,925	9,431	209,866	198,373
Total funds carried forward	39,407	-	71,003	24,642	21,394	26,258	2,602	18,918	9,402	213,626	209,866
Balance Sheet											
Fixed assets											
Tangible fixed assets	32,907	-	6,828	-	-	-	-	-	5,623	45,358	45,710
Heritage assets	-	-	19,375	12,560	21,008	25,290	709	18,651	3,045	100,638	100,638
Investments	-	-	44,348	12,091	-	-	-	-	-	56,439	41,805
	32,907	-	70,551	24,651	21,008	25,290	709	18,651	8,668	202,435	188,153
Current assets	9,583	8	493	889	71	1,007	1,900	274	763	14,988	24,632
Current liabilities	(3,315)	(8)	(41)	(898)	(37)	(39)	(7)	(7)	(29)	(4,381)	(3,928)
Net current assets	6,268	-	452	(9)	34	968	1,893	267	734	10,607	20,704
Debtors > one year	-	-	-	-	450	-	-	-	-	450	950
Long term liabilities	-	-	-	-	(98)	-	-	-	-	(98)	(98)
Net assets excl pension asset	39,175	-	71,003	24,642	21,394	26,258	2,602	18,918	9,402	213,394	209,709
Defined benefit pension asset	232	-	-	-	-	-	-	-	-	232	157
Total funds	39,407	-	71,003	24,642	21,394	26,258	2,602	18,918	9,402	213,626	209,866

Notes to the financial statements
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4.1. National Museum of the Royal Navy Trading

National Museum of the Royal Navy Trading (NMRNT) is a company limited by guarantee, incorporated in England & Wales. NMRNT operates a number of retail outlets and cafes within the Museums and the corporate events. At the discretion of its directors, the company distributes its net profit to NMRN Operations (the parent). A summary of the company's trading results is shown below:

	2024	<i>Restated</i>
	£'000	2023
		£'000
Turnover	2,259	2,131
Cost of sales	(811)	(745)
Gross Profit	<u>1,448</u>	<u>1,386</u>
Administration expenses	(1,089)	(1,048)
Other income	43	38
Net profit / (loss)	<u>402</u>	<u>376</u>
Tax on ordinary activities	1	17
Profit / (loss) for the financial year	<u>403</u>	<u>393</u>
Amount gifted to NMRN Operations	(460)	(444)
	<u>(57)</u>	<u>(51)</u>
Retained profit brought forward	<u>293</u>	<u>344</u>
Retained profit carried forward	<u><u>236</u></u>	<u><u>293</u></u>

5. Investment income (Group)

	Unrestricted	Endowment	2024	Unrestricted	Endowment	2023
	funds	funds	Total	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest income	-	43	43	1	26	27
Dividend income	142	849	991	449	209	658
	<u>142</u>	<u>892</u>	<u>1,034</u>	<u>450</u>	<u>235</u>	<u>685</u>
	<u><u>142</u></u>	<u><u>892</u></u>	<u><u>1,034</u></u>	<u><u>450</u></u>	<u><u>235</u></u>	<u><u>685</u></u>

There are no equivalent balances for the company.

6. Fundraising costs (Group)

	Unrestricted	Endowment	2024	Unrestricted	Endowment	<i>Restated</i>
	funds	funds	Total	funds	funds	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	904	-	904	890	-	890
Fundraising and publicity	453	-	453	429	-	429
Investment management costs	-	165	165	-	194	194
	<u>1,357</u>	<u>165</u>	<u>1,522</u>	<u>1,319</u>	<u>194</u>	<u>1,513</u>
	<u><u>1,357</u></u>	<u><u>165</u></u>	<u><u>1,522</u></u>	<u><u>1,319</u></u>	<u><u>194</u></u>	<u><u>1,513</u></u>

There are no equivalent balances for the company, with all fundraising activities undertaken elsewhere within the Group.

7. Costs of charitable activities - by fund type (Company)

	Unrestricted	Restricted	2024	Unrestricted	Restricted	<i>Restated</i>
	funds	funds	Total	funds	funds	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Operations	687	7	694	415	7	422
Collections & research	126	20	146	82	16	98
Learning	80	1	81	55	1	56
Grant funding	4,747	648	5,395	5,612	800	6,412
	<u>5,640</u>	<u>676</u>	<u>6,316</u>	<u>6,164</u>	<u>824</u>	<u>6,988</u>
	<u><u>5,640</u></u>	<u><u>676</u></u>	<u><u>6,316</u></u>	<u><u>6,164</u></u>	<u><u>824</u></u>	<u><u>6,988</u></u>

Notes to the financial statements
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Costs of charitable activities - by fund type (Group)

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	Restated 2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operations	10,377	3,335	13,712	8,637	3,687	12,324
Collections & research	2,071	310	2,381	2,024	299	2,323
Learning	1,049	104	1,153	978	108	1,086
Grant funding	-	-	-	18	-	18
	<u>13,497</u>	<u>3,749</u>	<u>17,246</u>	<u>11,657</u>	<u>4,094</u>	<u>15,751</u>

8. Costs of activities in furtherance of the objects of the charity (Company)

	Operations	Collections & research	Learning	Grant funding	2024 Total	Restated 2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	376	68	45	-	489	396
Curatorial	-	20	-	-	20	14
Governance and support costs	317	58	37	-	412	166
	<u>693</u>	<u>146</u>	<u>82</u>	<u>-</u>	<u>921</u>	<u>576</u>
Grant funding:						
NMRN Operations	-	-	-	5,308	5,308	6,347
Other grant funding	-	-	-	87	87	65
	<u>693</u>	<u>146</u>	<u>82</u>	<u>5,395</u>	<u>6,316</u>	<u>6,988</u>

Costs of activities in furtherance of the objects of the charity (Group)

	Operations	Collections & research	Learning	Grant funding	2024 Total	Restated 2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	4,678	820	594	-	6,092	5,310
Operating costs	919	-	-	-	919	705
Marketing	736	-	-	-	736	673
Curatorial and exhibition	-	418	-	-	418	506
Depreciation and loss on disposal of fixed assets	1,555	541	182	-	2,278	2,090
Governance and support costs	3,327	602	377	-	4,306	3,498
	<u>11,215</u>	<u>2,381</u>	<u>1,153</u>	<u>-</u>	<u>14,749</u>	<u>12,782</u>
Grant funding:						
Pride of Bristol Trust (charity 1041341)	-	-	-	-	-	15
Royal Marines Historical Society (charity 274285)	-	-	-	-	-	3
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>
Project costs:						
HMS Victory	1,955	-	-	-	1,955	2,389
NMRN Hartlepool	227	-	-	-	227	250
Other project costs	315	-	-	-	315	312
	<u>2,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,497</u>	<u>2,951</u>
	<u>13,712</u>	<u>2,381</u>	<u>1,153</u>	<u>-</u>	<u>17,246</u>	<u>15,751</u>

Notes to the financial statements
for the year ended 31 March 2024

9. Analysis of governance and support costs (Company)

	Operations	Collections & research	Learning	2024 Total	Restated 2023 Total
	£'000	£'000	£'000	£'000	£'000
Governance costs					
Accountancy & payroll	12	2	1	15	15
Auditor remuneration - NAO	55	10	6	71	64
Legal and professional	200	36	24	260	39
Support costs					
Sundry expenses	50	10	6	66	48
	<u>317</u>	<u>58</u>	<u>37</u>	<u>412</u>	<u>166</u>

Analysis of governance and support costs (Group)

	Operations	Collections & research	Learning	2024 Total	Restated 2023 Total
	£'000	£'000	£'000	£'000	£'000
Governance costs					
Accountancy & payroll	60	12	6	78	70
Auditor remuneration	92	32	6	130	91
Auditor remuneration - NAO	55	10	6	71	64
Legal and professional	347	48	31	426	236
Support costs					
Repairs and maintenance	396	72	46	514	636
Insurance	426	77	50	553	460
Premises expenses	1,550	282	188	2,020	1,469
Travelling expenses	136	24	15	175	170
Bank charges & interest	93	17	11	121	96
Depreciation	10	-	-	10	10
Sundry expenses	162	28	18	208	196
	<u>3,327</u>	<u>602</u>	<u>377</u>	<u>4,306</u>	<u>3,498</u>

10. Employees

	Group 2024	Group 2023	Company 2024	Company 2023
	£'000	£'000	£'000	£'000
Employment costs				
Wages and salaries	7,533	6,433	339	270
Social security costs	620	543	43	36
Defined contribution pension costs	549	495	88	88
Defined benefit pension costs	15	62	-	-
Employee benefits	16	10	-	-
	<u>8,733</u>	<u>7,543</u>	<u>470</u>	<u>394</u>

Higher paid employees

The number of employees who earned more than £60,000 during the year was as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
£60,001 to £70,000	5	3	-	-
£70,001 to £80,000	2	1	-	-
£80,001 to £90,000	-	1	-	1
£90,001 to £100,000	1	1	1	1
£100,001 to £110,000	1	-	1	-
£120,001 to £130,000	-	1	-	1
£190,001 to £200,000	1	-	1	-

Notes to the financial statements
for the year ended 31 March 2024

Number of employees

The average monthly numbers of employees during the year, was as follows:

	Group	Group	Company	Company
	2024	2023	2024	2023
Charitable expenditure	342	353	-	-
Cost of generating funds	3	4	-	-
Governance costs	7	6	3	3
	<u>352</u>	<u>363</u>	<u>3</u>	<u>3</u>

The above includes workers engaged under Casual Worker Agreements. The average full-time equivalent number of staff for the year was 219 (2023: 199).

Staff costs for the charity for the year include an accrual of £4,000 (2023: £4,000), and for the group include £54,000 (2023: £75,000), for short-term compensated absences arising from employee entitlement to annual leave.

During the financial year 12 departures under redundancy or exit agreements (2023: 2) were identified within the group and contractual/redundancy costs of £100,000 and other exit costs of £100,000 were paid (2023: £6,000). No further amounts were accrued at 31 March 2024 (2023: £Nil).

Key management personnel

Employee benefits received by key management personnel total £388,000 for the year to 31 March 2024 (31 March 2023: £308,000).

11. Trustees' emoluments

No trustees received remuneration during the year (2023: Nil). Nine trustees from the National Museum of the Royal Navy were reimbursed for travel expenses totalling £3,000 (2023: Five trustees - £3,000).

12. Pensions

The National Museum contributes to a Group Pension Plan. It is also a participating employer in the multi-employer plans: the Principal Civil Service Pension Scheme and the Local Government Pension Scheme (including Hampshire Pension Fund and Teesside Pension Fund). The National Museum cannot be held liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plans.

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme but the National Museum is unable to identify its share of the underlying assets and liabilities. A full actuarial quadrennial valuation was carried out at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation: (www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/)

For 2023-24, employer contributions were payable to the PCSPS by NMRN Operations at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The scheme actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Local Government Pension Scheme (LGPS)

The LGPS is a multi-employer defined benefit scheme. The funded nature of the LGPS requires the National Museum and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Hampshire Pension Fund

The National Museum is an admitted member of the Hampshire Pension Fund. This fund has over 191,000 members. The actuaries of the fund are AON Hewitt. In the year ended 31 March 2024, two staff of NMRN Operations participated in the scheme. The disclosures below relate to the funded liabilities within the Hampshire Pension Fund (the 'Fund') which is part of the LGPS.

Teesside Pension Fund

The National Museum is an admitted member of the Teesside Pension Fund. This fund has over 71,500 members. The actuaries of the fund are AON Hewitt. In the year ended 31 March 2024, six staff participated in the scheme. The disclosures below relate to the funded liabilities within the Teesside Pension Fund (the 'Fund') which is part of the LGPS.

Assumptions

The latest actuarial valuations were carried out at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the roll-forward approach. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes are shown below.

Notes to the financial statements
for the year ended 31 March 2024

	Hampshire Pension Fund		Teesside Pension Fund	
	<i>Restated</i>			
	2024	2023	2024	2023
	% p.a.	% p.a.	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.75%	2.60%	2.80%	3.00%
Salary Increase Rate	3.75%	3.60%	3.80%	4.00%
Discount Rate	4.85%	4.50%	4.80%	4.75%
Asset allocation				
Equities	55%	76%	71%	70%
Bonds	37%	16%	0%	0%
Property	7%	7%	25%	23%
Cash	1%	1%	4%	7%
	2024	2023	2024	2023
	£(000)	£(000)	£(000)	£(000)
Reconciliation of funded status to the Balance Sheet				
Fair value of assets	468	423	650	618
Present value of funded liabilities	372	350	514	534
Pension asset recognised on the balance sheet	96	73	136	84
Amounts recognised in the Statement of Financial Activities				
Operating cost:				
Current service cost	15	33	7	23
Financing cost:				
Interest on net defined benefit liability	(3)	2	(4)	5
Pension expense recognised in the Statement of Financial Activities	12	35	3	28
Asset gains/(losses) arising during the period	20	(38)	34	(169)
Liability gains/(losses) arising during the period	13	222	14	470
Gains/(losses) recognised in the Statement of Financial Activities	33	184	48	301
Changes made to the present value of the defined benefit obligation during the accounting period				
Opening defined benefit obligation	350	520	534	956
Current service cost	15	33	7	23
Interest expense on defined benefit obligation	16	14	25	26
Contributions by participants	5	5	2	3
Actuarial (gains)/losses on liabilities	(13)	(222)	(14)	(470)
Net benefits paid out	(1)	-	(40)	(4)
Closing defined benefit obligation	372	350	514	534
Changes to the fair value of assets during the accounting period				
Opening fair value of assets	423	444	618	759
Interest income on assets	19	12	29	21
Remeasurement gains/(losses) on assets	20	(38)	34	(169)
Contributions by the employer	2	-	7	8
Contributions by participants	5	5	2	3
Net benefits paid out	(1)	-	(40)	(4)
Closing fair value of assets	468	423	650	618
Actual return on assets				
Interest income of assets	19	12	29	21
Gain/(loss) on assets	20	(38)	34	(169)
Total amount recognised in the Statement of Financial Activities	39	(26)	63	(148)

Notes to the financial statements
for the year ended 31 March 2024

Group Pension Plan

The National Museum operates a Group Pension Plan with employer's contributions being payable at 6% or 10%. Under this plan, a "salary exchange" scheme exists whereby employees may elect to give up the right to receive part of their salary remuneration in return for an additional employer's contribution into the Group Pension Plan of the same amount.

The cost relating to each scheme is set out below. At the balance sheet date £62,000 contributions were outstanding (2023: £6,000 *restated*).

Pension Schemes (Company)

	2024	2023
	£'000	£'000
Defined contribution schemes		
Group scheme	88	88
	<u>88</u>	<u>88</u>

Pension Schemes (Group)

	2024	2023
	£'000	£'000
Defined contribution schemes		
Group scheme	532	478
PCSPS	17	17
Defined benefit schemes		
LGPS - Hampshire Pension Fund	12	35
LGPS - Teesside Pension Fund	3	27
	<u>564</u>	<u>557</u>

All pension costs relate to unrestricted funds.

13. Net outgoing resources for the year

	2024	<i>Restated</i>
	£'000	2023
		£'000
Group net outgoing resources is stated after charging:		
Operating lease payments	685	548
Depreciation and other amounts written off tangible fixed assets	2,366	2,267
Auditors' remuneration - National Audit Office	71	64
Auditors' remuneration - Subsidiary Auditors	130	91
	<u>3,252</u>	<u>3,030</u>

The National Audit Office fee for the year ended 31 March 2024 is £71,400 (2023: £65,600). 2023 includes an adjustment of £2,000 relating to 2021-22. There is no remuneration for non-audit work.

Notes to the financial statements
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14. Tangible fixed assets (Group)

	Assets under construction	Investment property	Freehold property	Short leasehold property	Office equipment	Plant & machinery	Fixtures & fittings	Exhibitions	Timber	Restated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation										
At 1 April 2023	-	590	15,620	9,930	3,001	13,499	8,927	3,748	6,692	62,007
Additions	565	-	-	-	33	38	354	160	-	1,150
Revaluation	-	-	(41)	(13)	18	226	730	198	-	1,118
At 31 March 2024	565	590	15,579	9,917	3,052	13,763	10,011	4,106	6,692	64,275
Depreciation										
At 1 April 2023	-	-	2,032	1,895	2,826	2,264	6,160	1,120	-	16,297
Charge for the year	-	-	433	234	117	266	853	463	-	2,366
On revaluation	-	-	-	-	13	87	106	48	-	254
At 31 March 2024	-	-	2,465	2,129	2,956	2,617	7,119	1,631	-	18,917
Net book values										
At 31 March 2024	565	590	13,114	7,788	96	11,146	2,892	2,475	6,692	45,358
At 31 March 2023	-	590	13,588	8,035	175	11,235	2,767	2,628	6,692	45,710

Land and buildings at the Fleet Air Arm Museum and the Royal Navy Submarine Museum, owned by the Fleet Air Arm Museum and NMRN Operations, were revalued at 6 May 2022 by Avison Young, in accordance with the stated policy. The revaluations were conducted by qualified surveyors on a depreciated replacement cost basis and in accordance with the RICS Valuation Professional Standards. The carrying value of the property if recognised under the historical cost model cannot be easily identified.

15. Heritage assets (Company)

	Heritage assets	Total
	£'000	£'000
Cost or valuation		
At 1 April 2023	6,563	6,563
Additions	39	39
At 31 March 2024	6,602	6,602
Depreciation		
At 1 April 2023 and 31 March 2024	-	-
Net book values		
At 31 March 2024	6,602	6,602
At 31 March 2023	6,563	6,563
Heritage assets (Group)		
	Heritage assets	Restated Total
	£'000	£'000
Cost or valuation		
At 1 April 2023	107,201	107,201
Additions	39	39
At 31 March 2024	107,240	107,240
Depreciation		
At 1 April 2023 and 31 March 2024	-	-
Net book values		
At 31 March 2024	107,240	107,240
At 31 March 2023	107,201	107,201

Notes to the financial statements
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The Collections

The collections are held by each trust individually and consist of artefacts - physical, written and oral - reflecting the history of the Royal Navy and its people throughout the area of its worldwide operations. In addition to covering the Royal Navy as a whole, the particular branches of the service (Surface Fleet, Submarines, Royal Marines and Fleet Air Arm) are also well represented.

Royal Naval Museum

In 2011-12 the title to, and beneficial ownership of, the collection relating to HMS *Caroline* passed to the Royal Naval Museum. This collection consists of around 400 items including pictures, photographs, flags and other items. Information regarding cost or value of this collection is not readily available and the charity considers that the cost of obtaining such valuation for the collection of assets held is significant and is not commensurate with the benefit obtained by including the additional capitalised value in the financial statements.

On 28 March 2013 the title to, and beneficial ownership of, the collection belonging to the Explosion! Museum, Gosport, passed to the Royal Naval Museum. This extensive collection includes small arms, cannon and guns, shells and munitions, mines, torpedoes, modern missiles, and an atom bomb. The Trustees consider that the cost of obtaining a valuation for these collection assets is significant and is not commensurate with the benefit obtained by including the additional capitalised value in the financial statements. The collection has therefore been included within heritage asset additions at the purchase price of £145,000.

On 7 November 2014, Landing Craft (Tank) Mk III, LCT 7074 was gifted to the National Museum by the Mersey Docks and Harbour Company Limited. Information regarding the cost or value of the conservation required to bring the ship to an 'as new' condition was not readily available, therefore no value was applied to the gift at this stage. This significant Second World War item was accessioned to the collection of the Royal Naval Museum.

On 31 March 2017, a gift for charitable purposes was made to the Royal Naval Museum of 777 items from the Ministry of Defence Art Collection, including paintings, objects d'art, ship figureheads, engravings and furniture. Given the diverse nature of the collection and the uniqueness of some items, comparables are not readily available to the National Museum for valuation purposes. The collection is dispersed across Ministry of Defence buildings throughout the United Kingdom and abroad and will remain in situ for the foreseeable future. As such, there are considerable practical difficulties associated with accessing such a large volume of items to determine their quality, authenticity, condition and value. The supporting information made available to the National Museum by the Ministry of Defence is limited in terms of making a realistic valuation and would take significant work to generate e.g. condition reports, imagery, etc. The Trustees consider that the costs of obtaining a reliable valuation for this collection would be significant and is not commensurate with the benefit obtained by including the additional capitalised value in the accounts. Additionally, given the circumstances described, any attempt to value the collection would be considerably arbitrary, to the extent that such a valuation would be potentially misleading to a user of the financial statements.

On 13 March 2020, the National Museum received a gift of 12 figureheads from the Ministry of Defence. This was the first tranche of a gift for charitable purposes of The Devonport Collection. The charity considers that the cost of obtaining a valuation for this gift is significant, as such items rarely come on the market, and is not commensurate with the benefit obtained by including the capitalised value in the financial statements.

Five-year summary of heritage asset transactions

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Additions					
Purchases					
Royal Naval Museum	5	1,128	1,312	648	83
Donations					
Royal Naval Museum	34	105	5	-	-
Total additions	<u>39</u>	<u>1,233</u>	<u>1,317</u>	<u>648</u>	<u>83</u>

Significant historic ships

Ship	Donor	Date of gift	Original build cost uplifted for value on completion £'000	Estimated repair cost at time of gifting £'000	Value of gift £'000	Value at 1 April 2023 £'000	Increase in year £'000	Value at 31 March 2024 £'000
HMS <i>Alliance</i>	Ministry of Defence	1979	£18,480	N/A	N/A	£18,480	-	£18,480
HMS <i>Caroline</i>	Ministry of Defence	2013	£12,560	£5,004	£7,556	£12,560	-	£12,560
HMS <i>M33</i>	Hampshire County Council	2014	£1,775	£683	£1,092	£1,775	-	£1,775
HMS <i>Trincomalee</i>	Purchased for £1	N/A	£21,000	N/A	N/A	£21,000	-	£21,000
HMS <i>Victory</i>	Ministry of Defence	2012	£50,000	£30,625	£19,375	£19,375	-	£19,375
HMS <i>Warrior 1860</i>	Purchased for £1	N/A	£25,040	N/A	N/A	£25,040	-	£25,040

Notes to the financial statements
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The Royal Navy Submarine Museum Trust – HMS Alliance

The submarine, HMS Alliance, was constructed in Barrow-in-Furness in 1947. She is a Royal Navy A Class submarine and is the only surviving example of the class. The ship was transferred to the Royal Navy Submarine Museum in 1979 where she has been on display since the transfer. HMS Alliance is valued at £18,480,000 to reflect its estimated rebuild cost. The valuation was carried out in 2015. The original build cost of the submarine is estimated to be £304,495 based on the cost of a similar T Class submarine - HMS Triumph - built in 1936. Uplifted for current value (2015), this cost was equivalent to £18,480,000. HMS Alliance was completely refurbished and reopened to the public in April 2014. The renovation work carried out was an extensive project costing around £7,000,000 to complete, and included repairing damage to the hull, in addition to completely restoring the interior of the submarine. As a result of these works it was not felt that any deductions to the original cost for disrepair was necessary.

HMS Caroline Preservation Trust – HMS Caroline

The ship, HMS Caroline, was constructed at the Cammell Laird shipyard in Birkenhead in 1914. She was one of eight C-Class light cruisers and is the last remaining British WW1 light cruiser still afloat and the sole survivor of the Battle of Jutland. The ship was gifted to the Trust on 18 November 2013 by the Ministry of Defence. HMS Caroline was initially recognised in the accounts at a value of £7,556,000, calculated on a total build basis discounted to take account of the ship's state of repair at the time of gifting. In 1914, the original build cost of HMS Caroline was £300,000. Uplifted for current value (2013), this cost was the equivalent of £25,120,000. The ship would be brought to sound and original condition, as far as possible, in the course of the refurbishment programme. However substantial elements of the original ship including the boilers, and armaments, would not be replaced. It was therefore the view of the project management team that 50% of the original value was a reasonable measure of the heritage asset value of the ship on completion of these works, the discounted value being £12,560,000. Based on the above, the ship was initially recognised in the accounts at a value of £7,556,000, reflecting the value on completion of £12,560,000, discounted back for the expenditure anticipated to be required to achieve that outcome. The value was then increased in the year to 31 March 2016 by £1,079,000, and in the year to 31 March 2017 by £3,925,000, to the final valuation of £12,560,000 on completion of the scheduled programme of works.

HMS M33 Trust – HMS M33

Monitor HMS M33 was built by Harland and Wolff, Belfast, in 1915. She is one of only three surviving Royal Navy warships of the First World War and the only surviving ship from the Gallipoli Campaign. The ship was gifted to the Trust on 19 May 2014 by Hampshire County Council. HMS M33 was initially recognised in the accounts at a value of £1,092,000, calculated on a total build basis discounted to take account of the ship's current state of repair. In 1915, the original build cost of HMS M33 was £40,000. Uplifted for current value (2014), this cost was the equivalent of £2,863,000. The ship has been brought to sound and original condition, as far as possible, in the course of the conservation programme. However substantial elements of the original ship, notably the boilers and engines, were removed in the past and will not be replaced. It is therefore the view of the project management team that 62% of the original value is a reasonable measure of the heritage asset value of the ship on completion of these works, the discounted value being £1,775,000.

HMS Trincomalee Trust – HMS Trincomalee

The ship, HMS Trincomalee, is the oldest surviving Royal Navy Frigate and the oldest warship still afloat in the UK. She was acquired by the Trust for a nominal £1. HMS Trincomalee has been included at a valuation designed to reflect the estimated rebuild costs of the ship. The value of HMS Trincomalee, on the basis of a full renewal cost of rebuild, discounted to take account of the ship's current state of repair, has been calculated at £21,000,000. The calculation is based on the comparable cost of the Frigate Hermione project, completed in 2012. This cost was pro-rated for the relative displacement tonnages. L'Hermione's displacement tonnage was 1,166 tonnes and the rebuild cost was £16,700,000 in 2012. HMS Trincomalee's displacement tonnage is 1,447 tonnes (per 'Great Sailing Ships of the World' by Otmar Schaffelen) therefore the rebuild cost is approximately £21,000,000.

HMS Victory Preservation Trust – HMS Victory

The ship, HMS Victory, was floated out of the Old Single Dock in Chatham's Royal Dockyard in 1765. In 1805 she achieved lasting fame as the flagship of Vice-Admiral Nelson in Britain's greatest naval victory, the defeat of the French and Spanish at the Battle of Trafalgar. She is the oldest commissioned warship in the world and remains a commissioned warship of the Royal Navy and the Flag Ship of the First Sea Lord. The ship was gifted to the Trust on 29 March 2012 by the Ministry of Defence. HMS Victory has been included in the accounts at a value of £19,375,000 calculated on a total rebuild basis discounted to take account of the ship's current state of repair. This value was calculated by staff of the National Museum by reference to the costs incurred by the Association Hermione-La Fayette in their construction of the replica frigate, Hermione, on a pro-rata basis on respective tonnage displacement of the two ships.

The value of HMS Victory, on the basis of full renewal cost of rebuild, has been calculated as £50,000,000. The calculation is based on the comparable cost of the frigate 'Hermione' project, completed in 2012. This cost was pro-rated for the relative displacement tonnages. L'Hermione's displacement tonnage was 1,166 tonnes and the rebuild cost was £16,700,000 in 2012. HMS Victory's displacement tonnage is 3,500 tonnes therefore the rebuild cost is approximately £50,000,000. HMS Victory today is far from 'new build' condition and during the next 10-20 years, it is projected that a sum in the region of £30,625,000 (at current costs) will be expended in bringing the Ship to (something close to) new condition. Whilst HMS Victory will not then be literally 'as good as new', any lower value would be offset by it being, at least in perception, the original ship. Based on the above, the ship has been recognised in the accounts at a valuation of £19,375,000 reflecting an 'as new' value, discounted back for the expenditure anticipated to be required to achieve that outcome. Once the restoration project is complete a revaluation of the ship will be undertaken.

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Warrior Preservation Trust – HMS Warrior 1860

The original hull of the ship, HMS Warrior, was laid down at the Thames Iron Works and Shipbuilding Company based at Blackwall, London. Completed in 1861, she was the world's first ocean-going, iron-hulled, armoured warship. The original hull of HMS Warrior was acquired by the Maritime Trust from the Ministry of Defence for £1 in August 1979, and transferred to the Warrior Preservation Trust in 1983. HMS Warrior 1860 has been included at a valuation designed to reflect the estimated rebuild costs of the hull. In 1861, the original cost of the hull was £282,284. Uplifted for current value (2017) this cost was the equivalent of £25,040,000. The ship was brought to sound and original condition, as far as possible, during the restoration between 1979 and 1987 therefore it was not felt that any deductions to the original cost for disrepair was necessary.

16. Investment assets

	Group	
	Listed 2024 £'000	Unlisted 2024 £'000
Valuation		
At 1 April 2023	41,805	-
Additions	12,809	-
Disposals	(2,360)	-
Gains and losses before management fees	4,360	
Less management fees deducted	(175)	
Realised and unrealised gains and losses	4,185	-
At 31 March 2024	56,439	-
Investments By fund:		
Endowment funds	56,439	-
	2024	2023
	£'000	£'000
UK		
UK government and fixed interest securities	3,146	798
UK bonds	1,446	1,189
UK equities	6,096	3,314
Portfolio funds	1,278	-
Others	5,124	5,370
Capital account	349	952
	17,439	11,623
Overseas		
Fixed interest	2,498	1,791
International bonds	1,824	1,390
International equities	31,666	23,267
Others	3,012	3,734
	39,000	30,182
	56,439	41,805

17. Stocks

	Group	Group	Company	Company
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Held by:				
NMRN Operations	278	233	-	-
Trading subsidiaries	430	430	-	-
	708	663	-	-

Notes to the financial statements
for the year ended 31 March 2024

18. Debtors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade debtors	198	473	-	247
Amounts owed by group undertakings	-	-	24	24
Other debtors	994	1,470	234	2
Prepayments & accrued income	985	767	19	148
VAT	136	224	-	-
	<u>2,313</u>	<u>2,934</u>	<u>277</u>	<u>421</u>

19. Debtors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Other debtors	450	450	-	-
Accrued income	-	500	-	-
	<u>450</u>	<u>950</u>	<u>-</u>	<u>-</u>

The accrued income relates to the sale of the Royal Marines Museum.

20. Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	<i>Restated</i> Company 2023 £'000
Other loans	86	86	86	86
Trade creditors	882	690	28	58
Amounts owed to group undertakings	-	-	473	2,388
Other creditors	148	255	62	6
Other taxes and social security	307	134	16	10
Accruals and deferred income	2,339	1,619	143	118
	<u>3,762</u>	<u>2,784</u>	<u>808</u>	<u>2,666</u>

Deferred income

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Balance at 1 April 2023	143	167	-	-
Amounts released to incoming resources	(130)	(130)	-	-
Amounts deferred in year	153	106	-	-
Balance as at 31 March 2024	<u>166</u>	<u>143</u>	<u>-</u>	<u>-</u>

21. Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Other loans	566	643	566	643
Other long term liabilities	98	98	-	-
	<u>664</u>	<u>741</u>	<u>566</u>	<u>643</u>

Notes to the financial statements
for the year ended 31 March 2024

22. Analysis of net assets between funds

	Tangible Fixed Assets £'000	Heritage Assets £'000	Investments £'000	Net current assets £'000	Long term assets & liabilities £'000	Pension assets & liabilities £'000	Total 2024 £'000
Restricted funds:							
Restricted funds	-	-	-	1,195	(566)	-	629
Royal Naval Museum	-	4,827	-	24	-	-	4,851
HMS M33 Trust	-	1,775	-	-	-	-	1,775
	<u>-</u>	<u>6,602</u>	<u>-</u>	<u>1,219</u>	<u>(566)</u>	<u>-</u>	<u>7,255</u>
Unrestricted funds	-	-	-	5	-	-	5
Total Company funds at 31 March 2024	-	6,602	-	1,224	(566)	-	7,260
Funds held by:							
NMRN Operations	32,907	-	-	6,268	-	232	39,407
HMS Victory Preservation Company	6,828	19,375	44,348	452	-	-	71,003
HMS Caroline Preservation Company	-	12,560	12,091	(9)	-	-	24,642
HMS Trincomalee Trust	-	21,008	-	34	352	-	21,394
Warrior Preservation Trust Limited	-	25,290	-	968	-	-	26,258
Royal Marines Museum Charitable Trust	-	709	-	1,893	-	-	2,602
Royal Navy Submarine Museum Trust	-	18,651	-	267	-	-	18,918
Fleet Air Arm Museum	5,623	3,045	-	734	-	-	9,402
Total Group funds at 31 March 2024	<u>45,358</u>	<u>107,240</u>	<u>56,439</u>	<u>11,831</u>	<u>(214)</u>	<u>232</u>	<u>220,886</u>
	Tangible Fixed Assets £'000	Heritage Assets £'000	Investments £'000	Net current assets £'000	Long term assets & liabilities £'000	Pension assets & liabilities £'000	Restated Total 2023 £'000
Restricted funds:							
Restricted funds	-	-	-	1,246	(643)	-	603
Royal Naval Museum	-	4,788	-	24	-	-	4,812
HMS M33 Trust	-	1,775	-	-	-	-	1,775
	<u>-</u>	<u>6,563</u>	<u>-</u>	<u>1,270</u>	<u>(643)</u>	<u>-</u>	<u>7,190</u>
Unrestricted funds	-	-	-	5	-	-	5
Total Company funds at 31 March 2023	-	6,563	-	1,275	(643)	-	7,195
Funds held by:							
NMRN Operations	32,983	-	-	6,019	-	157	39,159
HMS Victory Preservation Company	6,831	19,375	41,805	(514)	-	-	67,497
HMS Caroline Preservation Company	-	12,560	-	11,947	-	-	24,507
HMS Trincomalee Trust	-	21,008	-	34	352	-	21,394
Warrior Preservation Trust Limited	-	25,290	-	1,053	-	-	26,343
Royal Marines Museum Charitable Trust	-	709	-	1,401	500	-	2,610
Royal Navy Submarine Museum Trust	-	18,651	-	274	-	-	18,925
Fleet Air Arm Museum	5,896	3,045	-	490	-	-	9,431
Total Group funds at 31 March 2023	<u>45,710</u>	<u>107,201</u>	<u>41,805</u>	<u>21,979</u>	<u>209</u>	<u>157</u>	<u>217,061</u>

Notes to the financial statements
for the year ended 31 March 2024

23. Funds

Unrestricted funds:	At 1 April	Income	Expenditure	Gains and losses	Transfers	At 31 March
	2023					2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	4	5,639	(5,639)	-	-	4
Designated funds	1	1	(1)	-	-	1
Total company unrestricted funds	5	5,640	(5,640)	-	-	5
NMRN Operations	17,888	15,741	(15,551)	394	923	19,395
NMRN Hartlepool	-	10	(10)	-	-	-
HMS Victory Preservation Company	(419)	142	(684)	-	1,485	524
HMS Caroline Preservation Company	-	1	(901)	-	895	(5)
HMS Trincomalee Trust	360	77	(77)	-	-	360
Warrior Preservation Trust Limited	323	1	(85)	-	61	300
Royal Marines Museum	2,467	6	(8)	-	-	2,465
Royal Navy Submarine Museum	335	-	(6)	-	-	329
Fleet Air Arm Museum	6,175	30	(149)	(7)	-	6,049
Consolidation adjustments	-	(5,624)	6,358	-	(734)	-
Total group unrestricted funds	27,134	16,024	(16,753)	387	2,630	29,422
	<i>Restated</i>					<i>Restated</i>
	At 1 April					At 31 March
	2022					2023
	£'000					£'000
Unrestricted funds	4	6,221	(6,164)	-	(57)	4
Designated funds	1	-	-	-	-	1
Total company unrestricted funds	5	6,221	(6,164)	-	(57)	5
NMRN Operations	10,480	14,493	(13,961)	1,553	5,323	17,888
NMRN Hartlepool	-	6	(6)	-	-	-
HMS Victory Preservation Company	113	450	(114)	-	(868)	(419)
HMS Caroline Preservation Company	-	-	(555)	-	555	-
HMS Trincomalee Trust	351	44	(35)	-	-	360
Warrior Preservation Trust Limited	342	2	(21)	-	-	323
Royal Marines Museum	2,641	1	(175)	-	-	2,467
Royal Navy Submarine Museum	339	1	(5)	-	-	335
Fleet Air Arm Museum	6,043	40	(129)	221	-	6,175
Consolidation adjustments	-	(6,141)	6,413	-	(272)	-
Total group unrestricted funds	20,314	15,117	(14,752)	1,774	4,681	27,134

Consolidation adjustments reflect funds received by, and paid to, other group entities by the National Museum.

Notes to the financial statements
for the year ended 31 March 2024

Restricted funds:	At 1 April				Gains and	At 31 March	
	2023	Income	Expenditure	losses	Transfers	2024	
	£'000	£'000	£'000	£'000	£'000	£'000	
HMS Caroline fund	245	-	-	-	-	245	
Royal Marines Museum relocation fund	1,054	-	(81)	-	-	973	
Purchase of exhibits fund	(749)	135	(28)	-	(8)	(650)	
Kellett Sledge Flag fund	53	7	(2)	-	3	61	
FAAM CDEL fund	-	565	(565)	-	-	-	
Linked charities:							
Royal Naval Museum	4,812	34	-	-	5	4,851	
HMS M33 Trust	1,775	-	-	-	-	1,775	
Total company restricted funds	7,190	741	(676)	-	-	7,255	
NMRN Operations	21,271	2,685	(3,581)	558	(923)	20,010	
HMS Victory Preservation Company	26,162	-	(10)	7	-	26,159	
HMS Caroline Preservation Company	12,560	-	-	-	-	12,560	
HMS Trincomalee Trust Limited	21,029	-	-	-	-	21,029	
Warrior Preservation Trust	25,060	-	-	-	-	25,060	
Royal Marines Museum	143	-	(6)	-	-	137	
Royal Navy Submarine Museum	18,590	-	-	-	-	18,590	
Fleet Air Arm Museum	3,256	274	(171)	(7)	-	3,352	
Consolidation adjustments	-	(1,429)	695	-	734	-	
Total group restricted funds	135,261	2,271	(3,749)	558	(189)	134,152	
	<i>Restated</i>					<i>Restated</i>	
	At 1 April			Gains and		At 31 March	
	2022	Income	Expenditure	losses	Transfers	2023	
	£'000	£'000	£'000	£'000	£'000	£'000	
HMS Caroline fund	245	-	-	-	-	245	
Royal Marines Museum relocation fund	1,054	-	-	-	-	1,054	
Purchase of exhibits fund	(807)	133	(24)	-	(51)	(749)	
Kellett Sledge Flag fund	-	153	-	-	(100)	53	
Kochan Collection fund	-	234	-	-	(234)	-	
HMS Victory Model fund	-	686	-	-	(686)	-	
Ministry of Defence Project fund	-	800	(800)	-	-	-	
Linked charities:							
Royal Naval Museum	3,579	105	-	-	1,128	4,812	
HMS M33 Trust	1,775	-	-	-	-	1,775	
Total company restricted funds	5,846	2,111	(824)	-	57	7,190	
NMRN Operations	14,731	13,933	(3,990)	1,920	(5,323)	21,271	
HMS Victory Preservation Company	26,156	-	(10)	16	-	26,162	
HMS Caroline Preservation Company	12,560	-	-	-	-	12,560	
HMS Trincomalee Trust Limited	21,029	-	-	-	-	21,029	
Warrior Preservation Trust	25,060	-	-	-	-	25,060	
Royal Marines Museum	144	-	(1)	-	-	143	
Royal Navy Submarine Museum	18,590	-	-	-	-	18,590	
Fleet Air Arm Museum	3,794	-	(760)	222	-	3,256	
Consolidation adjustments	-	(1,763)	1,491	-	272	-	
Total group restricted funds	127,910	14,281	(4,094)	2,158	(4,994)	135,261	

The restricted and endowment funds of the individual museums are detailed in the accounts of the respective organisations.

The HMS Caroline fund is for the conservation of the ship and its development as a visitor attraction. This work has been fully funded by HLF and the Northern Ireland Tourist Board to the National Museum.

Notes to the financial statements
for the year ended 31 March 2024

The Royal Marines Museum relocation fund represents funding received for the Royal Marines Museum project which will include the relocation of a new Royal Marines Museum at Portsmouth Historic Dockyard.

Other restricted funds represent funds received towards the purchase of exhibits.

Consolidation adjustments reflect funds received by, and paid to, other group entities.

Endowment funds:	At 1 April			Gains and	At 31 March	
	2023	Income	Expenditure	losses	Transfers	2024
	£'000	£'000	£'000	£'000	£'000	£'000
HMS Victory Preservation Company	41,754	592	(130)	3,590	(1,485)	44,321
HMS Caroline Preservation Company	11,947	300	(35)	770	(895)	12,087
HMS Trincomalee Trust	5	-	-	-	-	5
Warrior Preservation Trust Limited	960	-	-	-	(61)	899
Total group endowment funds	54,666	892	(165)	4,360	(2,441)	57,312

Endowment funds:	At 1 April			Gains and	At 31 March	
	2022	Income	Expenditure	losses	Transfers	2023
	£'000	£'000	£'000	£'000	£'000	£'000
HMS Victory Preservation Company	42,537	233	(194)	(1,690)	868	41,754
HMS Caroline Preservation Company	12,500	2	-	-	(555)	11,947
HMS Trincomalee Trust	5	-	-	-	-	5
Warrior Preservation Trust Limited	960	-	-	-	-	960
Total group endowment funds	56,002	235	(194)	(1,690)	313	54,666

Endowment funds include funds donated by the Gosling Foundation for the maintenance and upkeep of HMS Victory, and funds donated by the Department for the Economy of Northern Ireland and the National Heritage Memorial Fund for the conservation, repair, protection and interpretation of HMS Caroline in Belfast. Transfers to unrestricted funds reflect amounts disinvested to facilitate the grant to NMRN Operations.

24. Linked charities of the National Museum

SORP FRS 102 requires the activities of linked charities to be shown separately within these accounts in a manner similar to the presentation of restricted funds. The Royal Naval Museum and HMS M33 Trust are made up of the following:

<u>Royal Naval Museum</u>	At 1 April	Incoming	Outgoing	At 31 March	
	2023	resources	resources	Transfers	2024
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	4,705	39	-	-	4,744
Restricted funds - RML 497 Fairmile (the ship)	83	-	-	-	83
Endowment funds - Johnstone Library fund	24	-	-	-	24
Total funds of the Royal Naval Museum	4,812	39	-	-	4,851

<u>Royal Naval Museum</u>	At 1 April	Incoming	Outgoing	At 31 March	
	2022	resources	resources	Transfers	2023
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	3,472	1,233	-	-	4,705
Restricted funds - RML 497 Fairmile (the ship)	83	-	-	-	83
Endowment funds - Johnstone Library fund	24	-	-	-	24
Total funds of the Royal Naval Museum	3,579	1,233	-	-	4,812

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for the year ended 31 March 2024

Royal Naval Museum Balance Sheet summary	2024 £'000	2023 £'000
Heritage assets	4,827	4,788
Current assets	24	24
Net assets	<u>4,851</u>	<u>4,812</u>
Funds		
Unrestricted funds	4,744	4,705
Restricted funds	83	83
Endowment funds	24	24
Total funds of the Royal Naval Museum	<u>4,851</u>	<u>4,812</u>
 <u>HMS M33 Trust</u>		
HMS M33 Trust Balance Sheet summary	2024 £'000	2023 £'000
Heritage assets	1,775	1,775
Funds		
Unrestricted reserves	1,092	1,092
Revaluation reserve	683	683
Total funds of the HMS M33 Trust	<u>1,775</u>	<u>1,775</u>

25. Transfers between funds

NMRN

A total of £Nil (2023: £57,000) and £5,000 (2023: £1,071,000) was transferred from unrestricted funds and restricted funds respectively to reflect the value of heritage assets transferred to the Royal Naval Museum collection.

NMRN Operations

A total of £923,000 (2023: £5,323,000) was transferred to unrestricted funds from restricted funds to compensate for project funds initially funded by unrestricted funds and to reflect the value of tangible fixed assets which were purchased using restricted funds, but are held for general purpose, in accordance with SORP FRS 102 section 2.26.

Consolidation adjustments

The consolidation adjustments eliminate grants made between group entities.

26. Financial commitments

At 31 March 2024 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £'000	Group 2023 £'000
Within one year	422	422
Between one and five years	1,687	1,687
In over five years	22,142	22,594
	<u>24,251</u>	<u>24,703</u>

27. Capital commitments and contingent liabilities

The group had capital commitments contracted but not provided for in the financial statements amounting to £797,000 (2023: £900,000 *Restated*). There were no contingent liabilities at 31 March 2024 (2023: £Nil).

Notes to the financial statements
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28. Losses and special payments

Losses statement

The total cases of losses occurring during the financial year was significantly less than £300,000 (2023: No cases).

Special payments

There were no cases of special payments during the year (2023: No cases).

29. Related party transactions

The National Museum is a Non Departmental Public Body, sponsored by the Ministry of Defence (MoD). The MoD is regarded as a related party. Grant in Aid Funding from the MoD is disclosed in the Statement of Financial Activities.

Subsidiary companies and charities

Company name	Company number	Charity number	% share holding	Description
NMRN Operations	09988314	1169061	N/A	Operating company for the National Museum Group
NMRN Trading	01261270	-	N/A	Souvenir shops & corporate events
PHD Operations Limited	12799836	-	50%	Ticketing company for Portsmouth Historic Dockyard
NMRN Hartlepool	09997836	1165917	N/A	Holds the NMRN Hartlepool lease
HMS Victory Preservation Company	07935358	1146376	N/A	Holds the ship, HMS Victory
HMS Victory Preservation Trust				
HMS Caroline Preservation Company	08303946	1149930	N/A	Holds the ship, HMS Caroline
HMS Caroline Preservation Trust				
HMS Trincomalee Trust:	02678419	1007784	N/A	Holds the ship, HMS Trincomalee
The Foudroyant Trust	00628111	0306082	N/A	Dormant Charity
Warrior Preservation Trust	00936870	0256756	100%	Holds the ship, HMS Warrior
Royal Marines Museum	-	0259422	N/A	Holds the Royal Marines Museum collection
Royal Marines Museum	07635447	1142186	N/A	Dormant Charity
Royal Navy Submarine Museum	-	1169371	N/A	Holds the Royal Navy Submarine Museum collection
Royal Navy Submarine Museum	07637385	1142123	N/A	Dormant Charity
Fleet Air Arm Museum	-	0250079	N/A	Holds the Fleet Air Arm Museum collection
Fleet Air Arm Museum	07570620	1143023	N/A	Dormant Charity

Mr Mark Anderson	NMRN Hartlepool, HMS Trincomalee Trust, The Foudroyant Trust (appointed 3 July 2023)
Mr Andrew Burnett	Warrior Preservation Trust (appointed 8 August 2023), The Foudroyant Trust (appointed 3 July 2023)
Mr Philip Dolling	NMRN Hartlepool
Ms Helen Jackson	HMS Victory Preservation Company
Mrs Mary-Montagu-Scott	HMS Victory Preservation Company
Rear Admiral Jonathan Pentreath	NMRN Operations
Mr John Michael E Scott	HMS Caroline Preservation Company
Mrs Alison Start	Warrior Preservation Trust (appointed 16 May 2024)
Mr Tom Wright	Warrior Preservation Trust (appointed 16 May 2024)

The following employees of the National Museum are also trustees and/or directors of the following companies and charities:

Professor Dominic Tweddle	NMRN Operations, Royal Marines Museum, Royal Navy Submarine Museum, NMRN Trading, NMRN Services (resigned as trustee and/or director from all companies and charities 30 November 2023). Mercantile Memorial Trust
Mr Matthew Sheldon	NMRN Operations (appointed 1 December 2023), PHD Operations Ltd, NMRN Trading
Mrs Sarah Dennis	NMRN Operations, NMRN Trading, NMRN Services, PHD Operations Ltd
Captain John Rees	NMRN Services (resigned 31 March 2024)

The related parties of the individual museums are disclosed in the accounts of those organisations.

During the year, no trustees, key managers or other related parties have undertaken any material transactions with the National Museum.

30. Third party funds

The National Museum holds funds on Trust on behalf of the Mercantile Marine Memorial Trust totalling £487,000 (2023: £544,000). Expenditure during the year was £57,000 (2023: £6,000).

Notes to the financial statements
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31. Prior year adjustments

Comparative information for 2023 has been restated to reflect the following:

Identified following internal reviews:

- a) A reduction to NMRN Trading income and an increase to NMRN Operations income of £82,000 to reflect the legal ownership, and right to such income, belongs to NMRN Operations. The net impact of this adjustment on the group retained earnings is £Nil.
- b) Amended treatment of a loan and loan repayments as restricted funds in the National Museum (2023 £816,000, 2022 £806,000), together with an additional grant being due to NMRN Operations from the National Museum (2023 £86,000, 2022 £87,000). The impact of this adjustment on the National Museum's retained earnings is a decrease of £173,000, and on group retained earnings is £Nil.
- c) The presentation of the cash flow statement has been amended to separately disclose the purchase of heritage assets (£1,128,000) which was previously disclosed collectively with tangible fixed assets.

Identified during annual audit:

- d) Removal of heritage assets of the Fleet Air Arm Museum that were not transferred from the predecessor charity totalling £44,000
- e) Removal of heritage assets of the Royal Marines Museum recorded in duplicate totalling £26,000
- The net impact of both of these adjustments on the group retained earnings is a reduction of £70,000 at 1 April 2022.
- f) Within the Group cash flow statement the Purchase of tangible fixed assets has increased by £50,000 and Increase/(decrease) in creditors reduced by £50,000 to reflect cash amounts not paid but held in creditors at 31 March 2023. There is no change to the value of Cash and cash equivalents as at 1 April 2023.

	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	Endow funds £'000	Total £'000
Total funds brought forward as previously stated at 1 April 2022	19,578	123,362	5,354	56,002	204,296
Prior period adjustment	736	(806)	-	-	(70)
Total funds brought forward as restated at 1 April 2022	<u>20,314</u>	<u>122,556</u>	<u>5,354</u>	<u>56,002</u>	<u>204,226</u>
Net movement in funds as previously stated 2022-23	6,810	6,128	1,233	(1,336)	12,835
Prior period adjustment	10	(10)	-	-	-
Total funds carried forward as restated at 31 March 2023	<u><u>27,134</u></u>	<u><u>128,674</u></u>	<u><u>6,587</u></u>	<u><u>54,666</u></u>	<u><u>217,061</u></u>

32. Events after the Balance Sheet date

These accounts have been authorised for issue by the Accounting Officer on the same date as the Comptroller and Auditor General's audit certificate.

33. Analysis of cash and cash equivalents

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Cash at bank and in hand	12,572	21,166	1,755	3,520
	<u><u>12,572</u></u>	<u><u>21,166</u></u>	<u><u>1,755</u></u>	<u><u>3,520</u></u>

34. Analysis of changes in net debt

Company	<i>Restated</i> At 1 April 2023 £'000	Cash flows £'000	At 31 March 2024 £'000
Long-term borrowings	(643)	77	(566)
Short-term borrowings	(86)	-	(86)
Total liabilities	<u>(729)</u>	<u>77</u>	<u>(652)</u>
Cash and cash equivalents	<u>3,520</u>	<u>(1,765)</u>	<u>1,755</u>
Total net debt	<u><u>2,791</u></u>	<u><u>(1,688)</u></u>	<u><u>1,103</u></u>

Notes to the financial statements
for the year ended 31 March 2024

Group	At 1 April 2023 £'000	Cash flows £'000	At 31 March 2024 £'000
Long-term borrowings	(643)	77	(566)
Short-term borrowings	(86)	-	(86)
Total liabilities	<u>(729)</u>	<u>77</u>	<u>(652)</u>
Cash and cash equivalents	<u>21,166</u>	<u>(8,594)</u>	<u>12,572</u>
Total net debt	<u><u>20,437</u></u>	<u><u>(8,517)</u></u>	<u><u>11,920</u></u>

35. Statement of financial activities (Company only, including the Royal Naval Museum and HMS M33 Trust as linked charities) for the year ended 31 March 2024

		Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2024 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	Restated 2023 Total £'000
	Note								
Income from:									
Donations and legacies									
Grant in Aid (revenue)		5,631	-	-	5,631	6,217	-	-	6,217
Grant in Aid (capital)		-	135	-	135	-	133	-	133
Donations	2	9	572	34	615	4	1,873	105	1,982
Total income		<u>5,640</u>	<u>707</u>	<u>34</u>	<u>6,381</u>	<u>6,221</u>	<u>2,006</u>	<u>105</u>	<u>8,332</u>
Expenditure on:									
Charitable activities	7/8	893	28	-	921	552	24	-	576
Grant funding	7/8	4,747	648	-	5,395	5,612	800	-	6,412
Total expenditure		<u>5,640</u>	<u>676</u>	<u>-</u>	<u>6,316</u>	<u>6,164</u>	<u>824</u>	<u>-</u>	<u>6,988</u>
Net income/(expenditure)		<u>-</u>	<u>31</u>	<u>34</u>	<u>65</u>	<u>57</u>	<u>1,182</u>	<u>105</u>	<u>1,344</u>
Transfer between funds		-	(5)	5	-	(57)	(1,071)	1,128	-
Net movement in funds		<u>-</u>	<u>26</u>	<u>39</u>	<u>65</u>	<u>-</u>	<u>111</u>	<u>1,233</u>	<u>1,344</u>
Reconciliation of funds:									
Total funds brought forward		5	603	6,587	7,195	5	492	5,354	5,851
Total funds carried forward		<u><u>5</u></u>	<u><u>629</u></u>	<u><u>6,626</u></u>	<u><u>7,260</u></u>	<u><u>5</u></u>	<u><u>603</u></u>	<u><u>6,587</u></u>	<u><u>7,195</u></u>

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