

The National Museum of the Royal Navy

Annual Report and Accounts 2024-25

For the period 1 April 2024 to 31 March 2025

A Company Limited by Guarantee



“Linking Navy to Nation”

Company number: 06699696
Charity Number: 1126283

HC1463



The National Museum of the Royal Navy

Annual report and accounts 2024-2025

For the period 1 April 2024 to 31 March 2025

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 17 November 2025



© The National Museum of the Royal Navy copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at governance@nmrn.org.uk

ISBN 978-1-5286-5911-6

E03406483 11/25

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Annual report and accounts 2024-2025

Contents

Legal and administrative information2

Performance Report including the Strategic Report.....3

Accountability Report including the Directors’ Report.....19

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 Parliament38

Consolidated Statement of financial activities (incorporating the income and expenditure account)43

Consolidated and Company Balance Sheets as at 31 March 202544

Consolidated and Company Cash flow statement45

Notes to the financial statements46

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
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 Ms Helen M Jackson Major General Jeffrey S Mason (resigned 25 July 2024) The Hon. Mrs Mary Montagu-Scott DL Rear Admiral Jonathan P Pentreath CB OBE Mr John Michael E Scott Mr Ged Salzano (appointed 21 August 2024) Mrs Alison R Start Mrs Sarah Whitcher Mr Gavin Whitter (resigned 7 January 2025) 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.

The National Museum of the Royal Navy will deliver its charitable objectives 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
- 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 “MARITIME” 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 of the Royal Navy is one of the few national museums headquartered and located outside London, enabling people to learn, enjoy and engage with the naval story in the regions. Its 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 its independent charitable trusts, with the National Museum of the Royal Navy as the sole corporate trustee; the Warrior Preservation Trust and HMS Trincomalee Trust will be seeking to transfer their ships and heritage assets into trust in the same model.

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. The report made a number of recommendations around maintenance of a strong sponsorship arrangement, governance and 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. Action continues to respond to the recommendations within the policies and procedures followed by the National Museum.

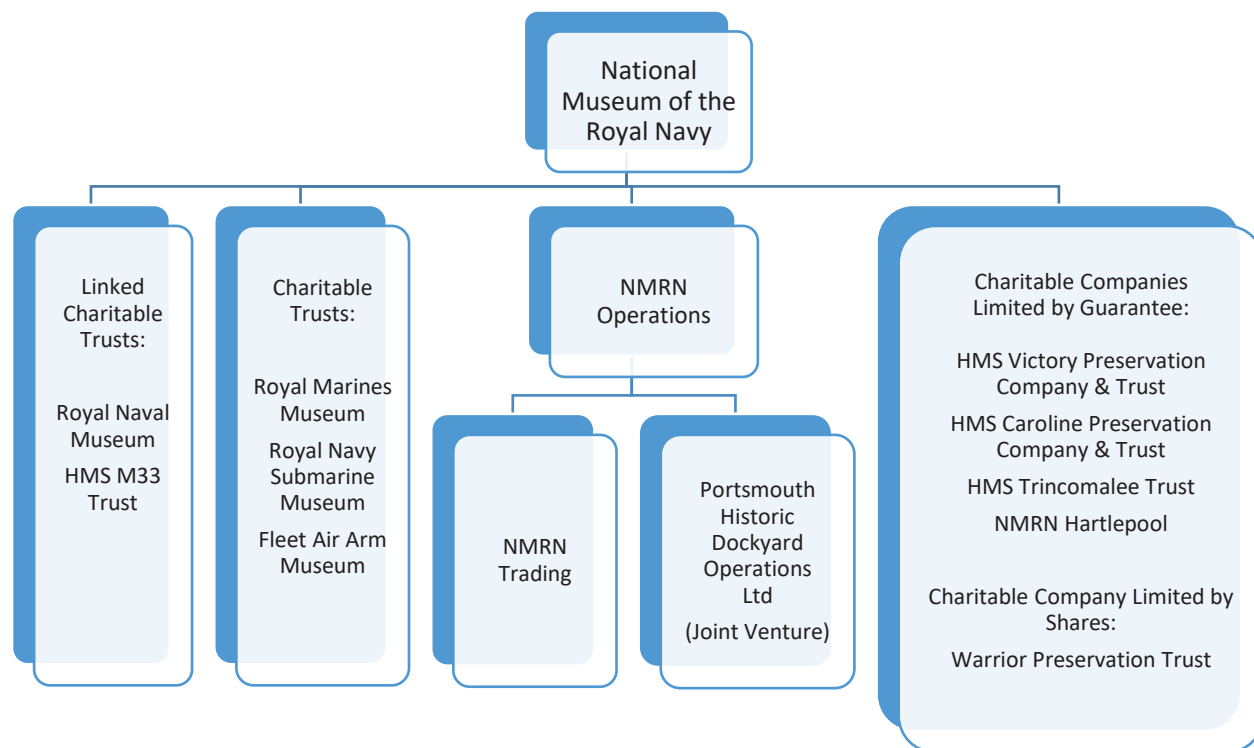
Funding Arrangements

The National Museum receives Grant in Aid funding from its sponsor, the MOD, 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 ships and 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.

Cyber-attack

On 9 December 2024, the National Museum's IT network was subject to a significant ransomware cyber-attack. All appropriate internal procedures were immediately followed upon detection in accordance with the Data Protection Policy and all relevant authorities and regulatory bodies were notified, including the Police, Charity Commission, Information Commissioner's Office, National Cyber Security Centre, Auditors, Insurers and our sponsor department, the Royal Navy.

There was no evidence of any personal data loss, however, the incident caused severe operational disruption upon initial identification. With support from the National Museum's IT support service providers, services were prioritised for reinstatement and a recovery plan was implemented to minimise continuing disruption to the business. Some of the National Museum's data remains encrypted and cannot be restored.

Since the incident, the National Museum has taken further steps to strengthen cyber resilience, including the implementation of enhanced security measures, updated staff training, and the introduction of new systems and processes designed to prevent and mitigate the impact of any future attacks. The Trustees continue to treat cyber security as a high priority and regularly reviews the charity's preparedness and response capabilities.

Impact Summary Across the National Museum:

- Disruption to operations, including loss of IT services, ticketing, and data storage
- Data inaccessibility affecting heritage and business records
- Financial cost of recovery and infrastructure rebuild
- Reputational risk and staff well-being

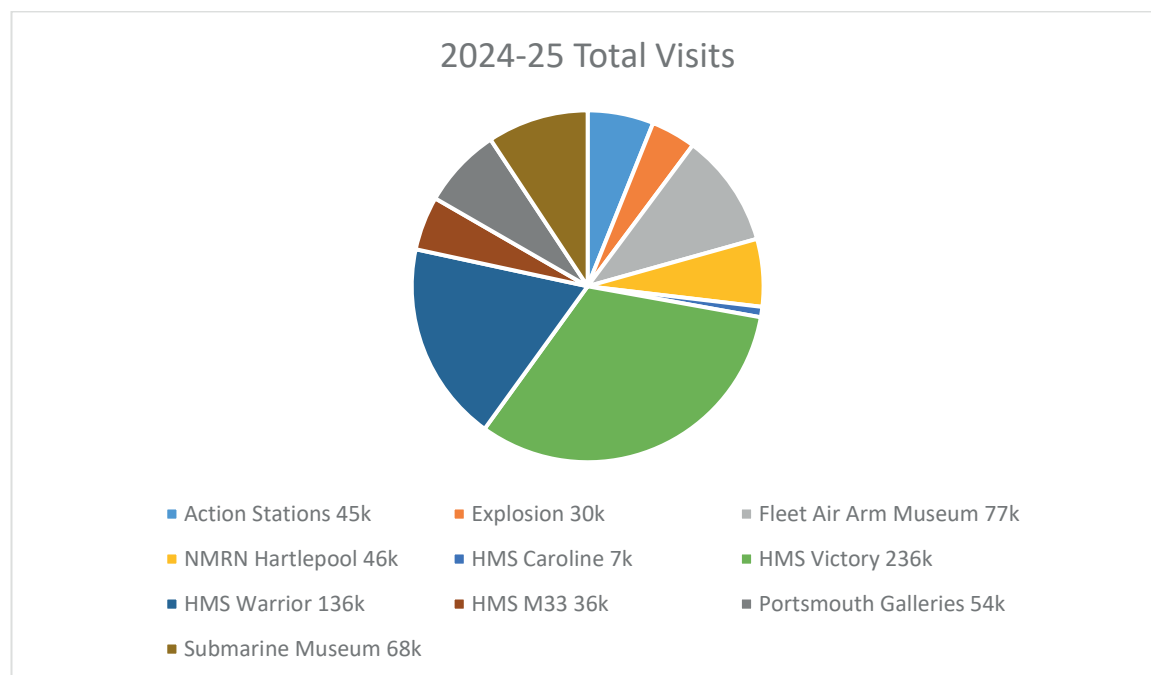
The incident highlighted the urgent need for ongoing investment in cyber security. A proactive review was already underway before the attack, with further improvements now being accelerated as a priority. The implementation of the new IT infrastructure will support the National Museums application for Cyber Essentials accreditation.

The new IT infrastructure will also review opportunities to improve the effective use of systems. With improved security measures introduced and further staff training, this will reduce the risk and impact of a further attack.

Activities

Visitors

During this period, we welcomed circa 735,841 visits (2023-2024: 847,410) across our National Museum sites, marking a 15% decrease on the previous year's performance. This figure is, however, an estimate due to the cyber-attack in December 2024 impacting the reliability of data from December – March. This is disappointing performance compared to previous years in our post-pandemic recovery and is considered to be reflective of trends seen in the tourism day visit volumes (source: Visit Britain GB Tourist Annual Report 2024) attributable to cost of living pressures, domestic sentiment, increased overseas trips and 2024 being the 4th warmest year on record.



We are working hard to rebuild our visits and believe that a number of tactical interventions around our ticketing model and marketing activity in 2025-26, and the impact of the new Royal Marines Experience due to open Summer 2026, will mitigate this in future periods.

Social Value and Learning

We welcomed over 36,000 pupils and 30,000 international students to our sites, an increase of 52% on the previous year. Our public programming activities included gallery interventions, school holiday events, community activities, outreach and regular early years programming. Large scale events included Heritage Open Days, Christmas activities and Stargazing which brought in new audiences across our sites and highlighted the collections in innovative ways.

Our school holiday programmes, supported by corporate partners such as Serco, Trinity House, Fujitsu, Raytheon, BAE, Belfast Harbour, Harland and Wolff, Thales, BMT and Stannah, and from the Royal Navy STEM teams, included hands-on, creative and fun STEM activities, with topics such as chemistry of explosions, waves, rockets, sound, submarines, engineering, explorers, space, fungus and our own deathwatch beetles!

Our 'Navy Threads' gallery at the Portsmouth Historic Dockyard saw our visitors create graffiti art to display alongside the Terry Higgins Memorial Trust quilt, in recognition of the 20th anniversary of lifting the ban on LGBTQ+ serving personnel.

HMS Caroline participated in the NI Science Festival's Education Programme with the NI Royal Naval Reserves 100th Anniversary celebrations, and the Belfast Shadow Dock event.

In Portsmouth Historic Dockyard, for the third year working through our successful joint venture with the Mary Rose Trust, we offered free annual family tickets to 2,066 local families whose children are in receipt of Pupil Premium Funding, generating 14,692 free visits. In supporting accessibility to the Fleet Air Arm Museum site, the team worked with First Bus service to introduce a trial bus route to transport our visitors, offering affordable and sustainable travel to and from key areas of the local community.

Our "Active Aviators" collaborative program between the Fleet Air Arm Museum and Aggie Westons, a registered charity that offers family support to Royal Navy personnel, has provided pastoral care and practical initiatives for families from RNAS Yeovilton and further afield. Aggies helped us engage over 700 visitors at a Community Fun Day of STEM activities, where we were joined by Royal Navy Family and People Support and also the RNAS Yeovilton Fire Station crew.

We grew our annual collaboration with Bridgwater College and EDF UK, with a much larger student pool of some 50 Maintenance Operations Engineering Technician (MOET) apprentices participating in this year's training projects at Fleet Air Arm Museum as part of their course's Condition Monitoring Maintenance unit. The students engaged in 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 needed to put it back in working order. From this, the apprentices were able to draw parallels between key skills needed in the aviation industry and their own nuclear-specific roles.

The celebration of HMS Caroline's 110th birthday and 100 years in Belfast was a high-profile events, to which the trustees welcomed the Deputy First Minister of Northern Ireland, the NI Minister of Communities and the NI Minister of Education.

Volunteers

The National Museum has a dedicated and committed volunteer team, which includes lived experience of serving 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 260 individuals, contributing over 16,000 volunteer hours. Our volunteers are involved in a diverse range of projects and activities including working behind the scenes with our collections and conservation teams, restoring the Barracuda aircraft, undertaking research, and supporting our facilities teams. In public facing roles, our volunteers engage with our visitors through talks, tours, demonstrations, events, and workshops.



In June 2024, the National Museum introduced a Volunteers Award recognition scheme to coincide with National Volunteers Week, celebrating and recognising the valuable contribution our volunteers make. The scheme showcases the knowledge, skills and experience of our volunteers and the impact they make to our wider colleagues, our visitors and our museums. We are lucky to have such a breadth of volunteers who provide outstanding interactions with our visitors and offer bespoke insights, sometimes based on lived experiences, into the world of the Royal Navy, including special talks and tours, some of which is in costume, bringing the Royal Navy's stories to life.

We continue to develop partnerships with our local community groups to provide volunteering opportunities to support people to gain work experience. The National Museum also welcomes Corporate Volunteering, providing businesses the opportunity to support team building and employee satisfaction, whilst demonstrating social value and enabling employees to learn about our unique stories, collections and conservation activities. We recognise the value such activities bring and so have introduced our own Employer Supported Volunteering leave, to provide our employees the opportunity to undertake volunteering activities with other charities and community groups.

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 2024-25, 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 with our Royal Navy network has supported exhibitions, remembrance, tours of our historic vessels, events, and has also supported veterans to become part of our National Museum community.

We have hosted regular visits from the Royal Navy Recruit and Attract team to Fleet Air Arm Museum, to engage with potential recruits and promote the opportunities within the Royal Navy. These visits provide an interactive and informative experience, allowing individuals to learn about the Royal Navy's history, its missions, and the various career paths available. The team uses the National Museum's exhibits and resources to inspire and inform visitors, fostering a deeper connection to the Royal Navy and encouraging those interested in joining to explore their options.

Our short film 'Uncharted Waters', created in partnership with the Royal Navy's LGBTQ+ network, showcased how the first-hand experiences of LGBTQ+ Sailors and Officers have differed before and after the lifting of the ban on homosexuality in the armed forces in 2000, and was nominated for an Iris Prize LGBTQ+ Film Festival Community Award.



Our spectacular two-night fundraising event, to raise funds for our new Royal Marines Experience, was supported by fantastic performances from the Royal Marines Band, the Royal Marines Commando Display Team and the Portsmouth Military Wives Choir. A huge success, generating much needed funding for the project.

The National Museum and its collection featured in a range of commemorative events marking the 80th anniversary of D-Day. A poignant service was held on the Flight Deck at Fleet Air Arm Museum, in collaboration with RNAS Yeovilton and the Fleet Air Arm Memorial Church, St Bartholomew's. Portsmouth Historic Dockyard hosted an event for the

lighting of one of the D-Day 80 beacons, featuring the Royal Marines Band and attended by a range of Royal Navy and local stakeholders against the backdrop of HMS M33 and the Royal Navy's HMS Prince of Wales. While on Southsea Common, the national focus of the commemorations, reflecting on the service and sacrifice of the Allied

Forces, gave veterans, media and visitors the chance to explore LCT 7074, our landing craft tank which is on permanent display outside the D-Day Story.

HMS Caroline supported the NI Royal Naval Reserves 100th Anniversary celebrations in Belfast.

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 both the Royal Navy's and the National Museum's calendar.

The ANZAC Day remembrance service continues to be held on board HMS M33, "The Lucky Ship" famous for emerging unscathed from the Gallipoli Campaign in 1915, with representatives from the Royal Navy.

The new Royal Marine Experience will also hold a commemoration space for those who would like to give thanks and pay their respects to both serving and past personnel.

Communications

We continue to grow our international digital audiences across our two websites: our corporate website which reflects the full activities of the National Museum and the ships, collections and activities in our portfolio; and our destination brand website for visitors wishing to visit our biggest collection of ships and attractions at Portsmouth Historic Dockyard. In 2024-25, users to our main website [Discover the Royal Navy like never before | National Museum of the Royal Navy](#) grew by 104%, whilst our [Portsmouth Historic Dockyard](#) website had a marginal 1% drop.

Our digital impact focussed on Facebook, Instagram and LinkedIn as we moved away from X (formally Twitter). Although our Facebook reach and impressions reduced, engagements and engagement rate rose significantly, suggesting more relevant or targeted content. For Instagram, we witnessed a significant increase in profile reach, while post-level reach dipped slightly. Steady engagement implies a strong audience base. It should be noted that Meta has changed reporting against users and as such we now report Page Reach.



Facebook
Page reach 32m (35m)
43.7m impressions
(44.6m)
1.5m (1.6m)
engagement
81% (28%)
engagement rate



Instagram
Page Reach 1.8m
(1.1m)
2.8m (1m)
impressions
56K (61K)
engagements
8% (8%) engagement
rate



Linked In
359K (402K)
impressions
7% (7%) engagement
rate



NMRN Website
615,254 (303,381)
users



PHD Website
320,572(333,255)
users



Press, PR and Media
£4.9m AVE
c32m circulation
reach

Figures provide current year reach with previous year in brackets.

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

Media coverage across the National Museum reached an audience in excess of 32 million people, realising £4.9M in Advertising Value Equivalent (2023-24: £8.4M). Whilst this figure is thought to be down due to less PR activity, a refined approach to reporting this year made it difficult to measure like for like.

Highlights of our press coverage included:

- Coverage of our ANZAC Day service onboard HMS M33 was featured in The Independent, The Standard, ITV and the Mail Online.
- Our patron, HRH Princess Anne's visit to HMS Victory was covered widely in the press, with pictures of her in a branded hard hat featured in HELLO! Magazine.
- The announcement of successfully securing a National Lottery Heritage Fund development grant for our new project to reimagine Boathouse 6 and develop a new Royal Marines Experience received great online coverage from Yahoo and MSN, syndicated across the world.
- After a potentially negative story regarding the use of French oak on our HMS Victory conservation work, we issued a statement which led to positive coverage across a wide range of outlets, including the BBC, The Guardian, Daily Mail and The Express.
- Our Royal Navy Submarine Museum and Explosion sites featured heavily in the TV documentary series 'Warship: Life in the Royal Navy'.

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 improve and develop 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 collections and exhibitions included:

- **National Museum of the Royal Navy Hartlepool Waterfront Regeneration** - proposed plans for development opportunities at the site continued to be reviewed, to establish the income generating opportunities of the site and its commercial activities, to ensure the operating model delivers a sustainable return on investment. The development funding received from Hartlepool Borough Council formed an integral part of the project review and ongoing continued support was received from the council during the year.
- **Royal Marines Experience** - the project to develop and deliver the new experience in Boathouse 6, Portsmouth Historic Dockyard, progressed during the year. A multi-disciplinary team, including exhibition designers, architects and project managers, was procured to support the project to RIBA stage 3. Considerable support in funding the project was also realised. Key stakeholders involved in supporting the project included a Royal Marines Project Advisory Group made up of National Museum trustees and Royal Marine representatives.
- **Diving Deep: HMS Invincible 1758** - continued to be exhibited in Hartlepool, exploring archaeology of shipwrecks and facilitating community engagement around HMS Trincomalee's Indian heritage, supported by the Esmée Fairbairn Collections Fund.
- **Barracuda Live: The Big Rebuild** - entered its second year, expanding with new staff, discoveries, and a key archive from the Fairey Aviation Company to support the aircraft's reconstruction.

Collections and Research

The cyber-attack had major implications for the National Museums' collections management, development and access. Before the attack, the Collections Portal provided public access to our database of over 400,000 catalogue records, many with supporting images. We had also made significant adaptations to our collections infrastructure to allow researchers access to 3D models for the first time.

The National Museum's digital asset management system ("the DAMS"), fundamental to the success of the Collections Portal, hosted well over 100,000 images. Overnight, this level of access to the collection was halted, with

the DAMS corrupted and only the data remaining. Staff access was recovered in June 2025, with the full asset database due to be recovered by August 2025, and the Collections Portal interface following later in the year.

Initially believed to be irrecoverable, the main collections database was thankfully discovered to be intact, but without the main staff access interface. No cataloguing or data improvements could take place while the interface was rebuilt, and with reliance on paper records, the collections team's ability to support business and external requests for access and enquiries was paused. The system was recovered in February 2025.

A significant body of data and born-digital material is, however, unlikely to ever be recovered. This includes oral histories, digital object history files, research on our ships and other assets and historic exhibitions materials. One of the key workstreams prior to the cyber-attack had been the retrospective movement of historic digital assets into the DAMS. This was measured at approximately 1 million assets in 2022 and only a few thousand had made it into the system. This is a huge loss, both intellectually and also in terms of the investment made over decades.

It is important to reflect on the positives in any challenging situation. We now have the opportunity to think more strategically about our collections digitisation programme, which has financial and sustainability benefits; we can rebuild our DAMS more efficiently, streamline the connection with the main collections database, and share our learning with the sector. We are already looking at opportunities to do this over the course of 2025-2026.

We have continued to facilitate the loan of the National Museum's collections, with 103 loan agreements covering 922 items. 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. Highlights from all donations and purchases include:

- **Spanish cutlass captured by Lord Anson from the Manila Galleon 'Nuestra Señora de Covadonga'** – captured 20 June 1743, this sword relates to what is possibly the most famous single 'prize' ever taken by the Royal Navy, a galleon carrying over 33 tonnes of silver. It tells the story of a journey around the world, a squadron being decimated by scurvy, the mutiny on the Wager, and finally the capture of this Manilla Galleon, which propelled Anson to fame, fortune and high rank. Anson would go on to prove to be an incredibly important figure as First Lord of the Admiralty.
- **The 'Mad Major' Medal Set** - 'Mad Major' Christopher Draper was a First World War Royal Navy pilot and 'air ace'. As well as defending London from zeppelin attacks, he flew combat missions on the Western Front and was awarded both the Distinguished Service Cross and the Croix de Guerre. During the interwar period, he continued to fly in civil aviation, became a star of stage and screen, and spent a few years as a double agent feeding the Germans false intelligence. Returning to service in the Second World War, he became the only Officer to command Naval Air Squadrons in both World Wars. In 1931 and again in 1953, Draper flew under the bridges on the Thames in protest at the Government treatment of service veterans. Although the first time there was no charge, the second time he was charged with low-flying in a built-up area and fined 10 guineas. He was 61 at the time.
- **General Signal Book, 1917** – this extremely rare lead-lined naval signal book from the First World War was miraculously found in an Oxfam online bookshop in May 2024. The book, which is filled with confidential signal codes for the Home Fleet, was spotted by one of the shop's volunteers, a retired marine engineer. The National Museum was alerted and rescued it for the nation.
- **German Sextant from the SS Gedania, c1941** - on 4 June 1941, HMS Marsdale sighted and attempted to stop the SS Gedania. The Gedania refused - its crew set scuttling charges and abandoned ship. A boarding party from the Marsdale, led by Lieutenant McGuinness, found the crew and managed to plug a hole below the waterline, but due to fears of further scuttling charges they took any documents around such as codebooks and this sextant and returned to the Marsdale. The codebooks were sent to Bletchley Park and assisted with the breaking of the Enigma codes. The crew of the Gedania spent the rest of the war as Prisoners of War.

We have sought to share our collections and expertise with sector colleagues and peers; highlights of our conference, seminar and research activity have included:

- A paper at the UK Maritime Heritage Forum on the conservation and reinterpretation of our figureheads.
- Various talks at conferences and webinars on the use of AI and ongoing 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.
- Presentation to the Institute of Conservation conference on workforce development, vocational qualifications and the value apprenticeships can bring to the sector.
- A collaborative interest group with the University of Portsmouth, the Mary Rose Trust, Historic England, and English Heritage to pool resources and skills to boost the application of heritage science to cultural heritage preservation, with a focus on Portsmouth.
- Presentation to the Society for Nautical Research winter lecture on the documentation of HMS Victory's repairs using state of the art archaeological 3D and 4D technologies.
- Presentation to the International Congress of Maritime Museums on exploring HMS Trincomalee's connections to diverse communities.

Conservation and Historic Ships

- **Victory Live: The Big Repair** - our conservation project and structural work, supported by grant funding from the HMS Victory Preservation Endowment Fund, continued to stabilise and support the ship's hull. This involved the removal of decayed timber, focused on the upper and middle decks and internal structures, employing historically accurate materials and techniques. New interpretive elements were developed alongside conservation activities to enrich the visitor experience and included visual and digital tools, allowing audiences to engage with the work and appreciate the ship's historical significance. Notably, 3D imaging has played a key role in visualising and communicating the conservation process.
- **HMS Caroline** - the conservation team completed a significant painting project on the ship, from the top of the mast down to the boot topping. This marked the first full repaint since the ship's restoration in 2016 and coincided with its 110th birthday. The response to the freshly repainted ship was overwhelmingly positive, enhancing both its presentation and its role in public interpretation.
- **HMS Warrior** - modelling of the ship's mooring system began during the year, identifying necessary work for the next 5–10 years. Survey data was collected to better understand environmental conditions at the berth, leading to the installation of a temporary monitoring system to track weather, wave activity, mooring loads, and nearby ship movements.

Charitable Fundraising

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

The National Museum has an in-house fundraising team, that 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: Friends of the Royal Navy Submarine Museum; Society of the Friends of FAAM; The Gosling Foundation; HMS Victory Preservation Endowment Fund; Michael Cobham Foundation; National

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

Heritage Memorial Fund; National Lottery Heritage Fund; the Art Fund; Society for Nautical Research and The Princess Anne's Charities Trust.

The National Museum is also grateful for funding from: the Esmée Fairbairn Collections Fund; National Archives' Resilience Grants programme; Pilgrim Trust; Trinity House Maritime Charity North and Belfast Harbour Commission.

Corporate Partners are invaluable to our work, particularly in enabling us to grow our national STEM programme, and the National Museum would like to place on record the support of: ADS, Blok 'N' Mesh, BMT, BAE Systems - US Programme F35, Civica, DXC, Fujitsu, Harland & Wolff, Indra, Lockheed Martin, Netpark, Orangebox Training Solutions, Raytheon, Rolls Royce, Stannah, Thales and Walton's Business Advisors.

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 capital and revenue projects; however, these usually occur no more than once a year, and do not include appeals targeted at individuals for the purposes of procuring 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 2024-25, the National Museum did not receive any complaints about its fundraising activities or practices, and no complaints were made to the Fundraising Regulator.

Plan for future periods

National Museum of the Royal Navy Strategy

In 2024-25, we started to look at refreshing our strategy for the next 10 years, creating a new vision, values and narrative that would set a clear direction for transformative change and strategic priorities as we look ahead to celebrating our 20th birthday in 2029. A 10-year financial plan will underpin this strategy, stressing the importance of continuing to grow the 75% of our annual revenue that is generated through admissions, commercial activities, grants and fundraising to ensure our future financial sustainability. This new strategy will be launched in autumn 2025.

Sustainability

The development of the environmental and social elements of our sustainability agenda were temporarily paused whilst we completed our strategy work and dealt with the impact of the cyber-attack. Sustainability will be one of our new strategic foundations and this work will pick up pace in 2025-26 as we look at the actions and investments needed to deliver environmentally and financially sustainable operations, and better understand and reduce our carbon footprint.

We will continue to build our own financial resilience through cautious cost management, fundraising and regeneration of our income streams and commercial activities. We will continue to engage with Navy Command to seek to ensure that a new financial framework agreement 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 2025-26.

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 collections. Such work will be guided from the audience development project completed in 2024-25. 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 continue to implement our core linked strategies on Interpretation, Research, Audience Development, Digital and 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 and that will support our future sustainability. We will prioritise the care, conservation and presentation of our existing collections and sites, including consolidation of collections 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, and HMS Caroline, ensuring these are financially resilient to secure long-term sustainability and to protect our heritage assets. We will rebuild our digital access channels, 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 volunteer, and deliver on our commitments to equity, diversity and inclusion. 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.

Resilience

Following the cyber-attack, an IT Security Infrastructure project plan has been initiated to strengthen cyber resilience and security measures. New systems and processes, designed to prevent and mitigate the impact of any future attacks, are being introduced, support by staff training. We will continue to treat cyber security and the resilience of our IT systems and service as a high priority.

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 at each of its meetings. 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	<p>We will seek to mitigate uncertainty and increasing fluctuation of our income streams arising from global uncertainty and its impact on the economy. Somewhat uniquely placed as a national museum, in that we are not funded to enable free admission, we are dependent on our revenue generated from admissions and commercial activities to deliver our charitable and social purposes.</p> <p>Whilst we benefit from the resolute support of our sponsor, the Royal Navy, our Grant In Aid funding lags against the real inflationary pressures we face, creating even greater demand on our self-generated income streams. We will continue to seek to mitigate this risk by continuing to develop strategies to diversify income streams, grow revenue and seek support through fundraising activities.</p> <p>We will develop our 10-year finance strategy and plan to focus on building financial sustainability and flexibility, with a commitment to building the free reserves in accordance with our stated policy. The consolidation of investments will also be considered to obtain a higher return.</p>
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.
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 our environmental impact across the estate. We will embed sustainability, including environmental objectives and risks into our decision making and project evaluation processes.
Cyber Security	Loss of confidential information Breach of Data Protection Reputational damage	<p>This became a reality for the National Museum in December 2024.</p> <p>There continues to be a risk of a further cyber-attack until the conclusion of the IT Security Infrastructure project and the IT Team continue to monitor this risk through the new systems, checks and controls introduced to mitigate this risk.</p>

Post balance sheet events

There are no post balance sheet events.

Financial Review

Statement of Financial Activities for the Year Ended 31 March 2025

Total incoming resources for the National Museum in 2024-25 amounted to £19,733,000 (2023-24: £19,187,000) and relate to Grant in Aid, donations and other grants (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 in aid funding, and movement in grant funding for correlating project delivery activity, in particular in relation to the long-term HMS Victory Preservation project.

Admissions income and charges for services for the year decreased by 7% to £6,543,000 (2023-24: £7,055,000), with Trading subsidiary income showing a reduction of 5% to £2,188,000 (2023-24: £2,302,000).

Revenue Grant in Aid received reduced to £3,995,000 (2023-24: £5,631,000) as the sponsor ceased the additional funding that had been put in place to support the long-term impact on the National Museum of the pandemic and the ensuing economic recession.

An increase in expenditure to £21,680,000 (2023-24: £20,667,000) reflected the increased operating, trading and fundraising costs arising from inflationary pressures.

After adjustment for net gains on endowment fund investments totalling £385,000, gains on revaluation of fixed assets of £716,000 and recognition of actuarial losses on defined benefit pensions schemes of £133,000, the net movement in funds for the year was a decrease of £979,000 (2023-24 increase of: £3,825,000). The total funds carried forward at 31 March 2025 was £219,907,000 (31 March 2024: £220,886,000).

Balance Sheet

The net assets as at 31 March 2025 amounted to £219,907,000 (2023-24: £220,886,000).

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 £107,036,000. 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 £11,793,000 cash in bank and in hand at 31 March 2025 (31 March 2024: £12,572,000).

Reserves

The Trustees regularly monitor the levels of the Group's reserves and seek to take correction action as necessary.

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 on to 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 £3,995,000 the maximum carry forward is £80,000. Free reserves for the Group are not, therefore, built within the parent company but within the subsidiaries from charitable and 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 £6,013,000 (31 March 2024: £7,529,000). The decrease reflects the grant of unrestricted funds from the Royal Marines Museum Trust to NMRN Operations, where it is restricted for the purposes of developing the new Royal Marines Museum.

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 (defined as net current assets attributable to unrestricted reserves excluding designated funds) stood at £4,851,000 (31 March 2024: £4,793,000). 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 Group's restricted funds stood at £135,242,000 (31 March 2024: £134,152,000). This includes tangible fixed and heritage assets of £130,573,000 and net current assets of £5,157,000. 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.

The Group holds £57,438,000 (31 March 2024: £57,312,000) as endowment funds within its subsidiaries for HMS Victory, HMS Caroline and HMS Warrior and HMS Trincomalee.

As at 31 March 2025, the company's unrestricted funds stood at £5,000 (31 March 2024: £5,000). As at 31 March 2025, 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 2024: £4,000).

The company (including its linked charities) holds a number of restricted funds with a total net current asset value of £251,000 (31 March 2024: £1,219,000). These restricted funds primarily relate to major capital projects.

Investment Policy

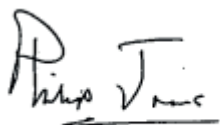
The National Museum's investment policy seeks to produce the best possible financial return within an acceptable level of risk. The majority of the National Museum's investment activity has been undertaken by its subsidiaries the HMS Victory Preservation Company and the HMS Caroline Preservation Company. The two charitable companies each have an Investment Committee, charged with agreeing a suitable asset allocation framework with its appointed professional fund managers. 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.

HMS Victory Preservation Company aims to generate a return of inflation plus 4% per annum over the long-term. Returns from the investment funds are required to ensure the operation, maintenance and preservation of HMS Victory for future generations and it is therefore essential to invest with a long-term perspective. The charitable company's approach is to seek to ensure that investment returns are sought from a combination of capital growth and income, but without specific targets for each element. Both investment income and capital gains may be expended within set parameters.

HMS Caroline Preservation Company aims to preserve the long-term real value of the assets and to generate a return of CPI plus 3-4% per annum over the long-term. Returns from the investment funds are required to grant fund the operator and it is therefore essential to invest with a long-term perspective. The charitable company has full flexibility to spend the capital as long it is in the furtherance of its objectives. Investment returns are sought from a combination of capital growth and income, but without specific targets for each element. The income

generated by the portfolio may be reinvested, and both investment income and capital gains may be expended within set parameters.

The key risk to the long-term achievement of the investment objectives is inflation and market fluctuations 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. Whilst the income from the investments tracked ahead of inflation for the period, capital value was negatively impacted by market uncertainty in the last quarter, resulting in the long-term goals not being met in the short-term horizon. For the year ending 31 March 2025, income from investments totalled £1,652,000 with investment management fees of £179,000 and realised and unrealised net gains of £385,000.



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



Matthew Sheldon
Chief Executive Officer

11 November 2025

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 incorporates 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 Financial Framework is under review for 2025.

The Board aims to stay abreast of good governance practice and has well-developed plans to ensure compliance with the principles and recommended practice set out in the [Charity Governance Code](#). Work continued to progress the action plans from the Independent Public Body Review of Service Museums 2023 and also the external Bayes Centre of Charity Excellence Board Effectiveness Review 2023. The Board's objective is of identifying and implementing a simple, clear, directly accountable governance structure that supports board effectiveness, protects the historic assets, optimises use of resources, is flexible regarding future strategic developments, and maintains and builds stakeholder confidence. It is simplifying the governance structure through a phased approach that will be delivered over the medium-term, delivering clearer lines of accountability and responsibility, and reducing meetings frequency and volume.

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 Chief Executive Officer 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 Chief Executive Officer (or their representative), the Executive Directors, the Chair of NMRN Operations, and a senior representative of our sponsor from Navy Command, in attendance by invitation. A trustees' skills audit was undertaken in early 2024 to ensure that the skills mix and diversity on the Board supported effective decision making. As a result of this review, a new trustee 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 introduction of a Youth Advisory Group who held their first meeting on 13 September 2024 and subsequently attended the October 2024 Board meeting. Their purpose is 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 and also Charity law.

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 Decisions

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. Key decisions in the reporting period included the following:

- **Response to the Cyber Attack** - the December 2024 cyber-attack expedited the need to invest significantly into the IT infrastructure. The Board considered the risks, approach and options available to the National Museum to safeguard its IT infrastructure and invest in additional cyber security. The Board approved an interim solution and a longer-term major infrastructure investment project that will continue into 2025-2026.
- **Strategy Development** - the current National Museum of the Royal Navy Strategy 2022-2027, published January 2023, set out an ambitious programme of recovery and business development in an uncertain post-pandemic environment. It reflected 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 key focus for the Board during 2024-2025 was to ensure the strategy remained fit for purposes in its alignment with the speed and extent of financial recovery and that its ambition aligned with a realistic outlook on the financial position. This work has been supported by the development of a 10-year financial strategy and plan, and a refreshed vision, brand and values. A refocused 5-year strategy proposal for 2025-2030 continues to be developed, and is due to be published in the Autumn 2025.
- **The new Royal Marines Experience** – as one of the largest projects ever to be delivered by the National Museum, key decisions on vision, project delivery and funding were taken during the year to ensure the progress of the project and to continue to support relationships with the Royal Marines family. Fundraising for this important

project to the National Museum's audiences and future sustainability continues into 2025-2026.

Key decisions may have passed through the relevant subsidiary boards or committees, that in turn have the specific membership and skills 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.
<i>Collections, Research, Learning and Access</i>	Articulation of the Acquisitions, Disposals and Loans Policies, the Collections Strategy and all Collections Management, Conservation, Access and Research policies and priorities.
<i>Brand and Digital</i>	Review and development of the brand and digital customer engagement.
<i>Fundraising</i>	Leading on all aspects of fundraising. Constructing a strategy that coordinates the approach to the private, public and corporate sectors. Assurance on 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 Chief Executive Officer and Executive Directors.

Membership of key meetings	Board of Trustees	Committees				
		Audit and Governance	Collections Research Learning, Access	Brand and Digital	Fundraising	Nomination and Remuneration
Total number of meetings in the period:	4	3	3	2	2	1
	Number of key meetings attended / number of meetings eligible to attend					
<i>Chairman:</i>						
Admiral Sir Phillip Jones GCB	4/4					
<i>Trustees:</i>						
Rear Admiral Mark Anderson	4/4					
Ms Katherine Biggs	2/2		2/2			
Dr Andrew Burnett	4/4	3/3	3/3			
Mr Phillip Doling	4/4		3/3	2/2	2/2	
Mr Colin Evans	3/4	3/3				
Ms Helen Jackson	3/4		3/3			1/1
Major General Jeffrey Mason	2/2					
Mrs Mary Montagu-Scott	4/4				2/2	
Rear Admiral Jon Pentreath	3/4					0/1
Mr Mike Scott	3/4					0/1
Mrs Alison Start	4/4	2/3			1/2	
Mrs Sarah Whitcher	4/4					1/1
Mr Gavin Whitter	3/3	2/2				
Mr Tom Wright	4/4			2/2		1/1
Mr Ged Salzano	2/2					
<i>Non-Trustees:</i>						
Mr Stephen Bradley					2/2	
Ms Louisa Burden			2/3			
Mrs Sarah Dhanjal			0/1			
Captain Catherine Jordan					0/2	
Professor Andrew Lambert			2/3			
Ms Tiva Montalbano			3/3			
Mr Alex Patterson			1/3			
Mr Peter Pantlin					0/2	

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. The values were reviewed, with support from our employee Working Together Group, during 2024-25 and will be rolled out with the new strategy.

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.

The recently introduced staff survey and eNPS scores have provided a useful insight into what is working well and where there are challenges. Such surveys will continue into 2025-26 and the Executive and NMRN Operations Board will monitor and support opportunities for positive change.

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 team uses 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. The working group activity was reduced during the year as a result of the unavoidable change of focus arising from the cyber-attack.

We are engaged in developing and embedding an ambitious sustainability commitment, aligned with the United

Nations Sustainable Development Goals, into our new strategy, to promote a more sustainable future, which applies across our operational activities and ongoing and new projects. We are engaging with the Carbon Literacy® Project to raise awareness of the carbon costs and impacts and motivation to reduce emissions across our business.

We have embedded a sustainability narrative into our financial and procurement strategy which is already delivering impact. In this period, we have procured a green energy provider for much of our supply, installed a solar array at Cobham Hall, appointed a new photocopier supplier and cleaning contract who demonstrated their contribution to our sustainability agenda.

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 continue to 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. As we have been able to collect more accurate usage data from our key suppliers, we have reestablished our baseline data for 2023-24, to measure performance against in future years:

Waste Management		2023-24 baseline	2024-25
Non-Financial indicators	Non-recycled waste (tonnes)	85	72
	Recycled general waste (tonnes)	5	6
	Recycled timber (tonnes)	103	32
	Total waste (tonnes)	193	110
	% recycled	56%	35%
Financial indicators	Total cost (£)	61,412	45,960
<p>Alongside regular collections of general waste and recycling, the National Museum is dedicated to recycling metal, timber, 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 recovery and mixed recycling is collected at all sites. Timber from the HMS Victory project makes up the bulk of recycled waste and the volume of waste will vary according to project activity. All hazardous waste is safely removed and disposed of by licensed contractors. The National Museum works with its contractors to ensure they comply with its waste expectations.</p> <p>The National Museum has introduced recycling points in staff rooms and other key locations for 2025-26, and is preparing for the recently introduced waste 'Simpler Recycling Scheme' regulation that came into effect March 2025. This will improve the efficiency of the recycling programme.</p>			

Paper		2023-24 baseline	2024-25
Non-Financial indicators	Sheets used	176,766	125,605
	Trees consumed % of a tree	21.09	15.07
	CO2 produced (kg)	2,232	1,595
	Equivalent bulb hours	139,763	99,877
Financial indicators	Total cost including lease (£)	17,125	12,879
<p>Digital working initiatives continue to significantly reduce paper usage on previous years.</p> <p>The December 2024 Cyber-attack impacted our printer servers and the printers were out of use for a period of 4 months. The printers have been replaced under a new contract for 2025-26 which promises to deliver energy-efficient and sustainable printing.</p>			
Travel		2023-24 baseline	2024-25
Non-Financial indicators	Distance by train (miles)	12,012	17,952
	Distance by plane (miles)	26,097	18,266
	Distance by car (miles)	100,630	110,762
	Total distance travelled (miles)	138,739	147,754
	Fuel consumed by company vehicles (litres)	1,578	844
Financial indicators	Total cost (£)	45,283	67,928
<p>The National Museum is committed to reducing the number of car miles travelled and promotes rail travel and car sharing where possible. The museum continues to encourage hybrid meetings to reduce the level of travel required.</p> <p>As part of its efforts to reduce carbon emissions, the museum will manage the level of business travel. The museum recognises that emissions from travel are a large contributor to climate change and air pollution and will continue to promote more sustainable travel options.</p>			
Energy Consumption		2023-24 baseline	2024-25
Energy Consumption	Gas (kWh)	1,728,680	1,795,912
	Electricity (kWh)	2,556,682	2,492,315
	Total energy consumption (kWh)	4,285,362	4,288,227
Financial indicators	Total Energy Cost (£)	966,558	987,873
<p>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>The Fleet Air Arm Museum project to install solar panels and a water collection system at Cobham Hall to reduce its energy consumption was completed during the year. The final installation checks were undertaken at the end of 2024-25 and the energy produced will be reported on in future annual reports.</p> <p>The increase in gas usage between the reporting periods arose from the temporary replacement of the broken boiler at Hartlepool with an electric powered system for much of the winter 2023-24. Electricity usage has consequently reduced for this site in 2024-25. The total energy consumption in kWh has shown negligible variance between the two periods.</p> <p>High energy prices continue to have a significant impact on the costs associated with running our museums. The National Museum obtains more than 40% of its energy from the Ministry of Defence and is working to obtain more robust data in</p>			

terms of its usage. Where the museum sources its own energy supplies, it is seeking to switch to green energy as contracts come up for renewal and this will be reported on for 2025-26.

Water Consumption		2023-24 baseline	2024-25
Non-Financial indicator	Water (m3)	6,251	6,463
Financial indicators	Total Water Cost (£)	19,670	24,736
The increase in water consumption and costs arises from new service charges from the Ministry of Defence in respect of the Royal Navy Submarines Museum wastewater that has previously been provided free of charge.			

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 Azets (from April 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.

Azets UK 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
Business Continuity Planning and Disaster Recovery	Reasonable Assurance
Commercial Activities	Reasonable Assurance
Collection Security	Reasonable Assurance
Key Financial Controls	Reasonable Assurance
Cyber Security (completed prior to the attack)	Limited Assurance
Third Part Suppliers	Substantial Assurance

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 Internal Auditor concluded that in their opinion, the National Museum has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives, with the exception of cyber security where they made a number of high risk recommendations. They noted within their report that the National Museum had already identified the need for investment in security improvements and that a number of actions were already underway at the time of their review, and as a result of the cyber incident in December 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 were 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 on 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.

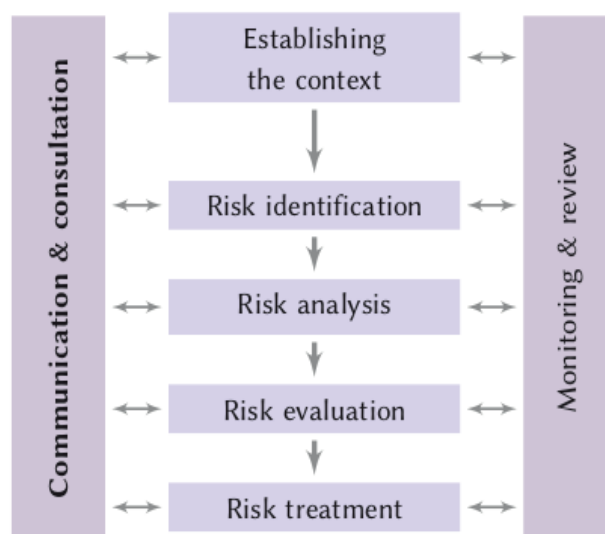
Personal data breaches

The National Museum Group identified no personal data breaches that required reporting to the Information Commissioner's Office (ICO) during 2024-25. 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. The cyber-attack was immediately reported to the Information Commissioner's Office and there continues to be no evidence that any personal data was compromised.

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 2025 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Colin Evans, CMG
Chair of the Audit and Governance Committee
on behalf of the Board of Trustees

Matthew Sheldon
Chief Executive Officer and Accounting Officer

11 November 2025

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.

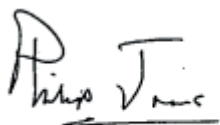
The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the National Museum of the Royal Navy and of its income and expenditure, Balance Sheet and cash flows for the financial year.

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 Chief Executive Officer 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

11 November 2025

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 Chief Executive Officer and the two Executive Directors, as set out under the Executive Remuneration policy (approved March 2022). The Chief Executive Officer 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, 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 a Civil Service Pensions scheme and the National Museum did not fund any civil service pension contributions for them in 2024-25.

The Chief Executive Officer and the Executive Directors have permanent contracts of employment with 6 months' notice. The Associate Executive Directors are employed through the subsidiary company NMRN Operations and 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. The emoluments were as follows:

Directors' remuneration table (subject to audit):

Director	¹ 2024-25 all figures £k				¹ 2023-24 all figures £k			
	Salary	² Bonus payments	⁴ Pension benefits	TOTAL	Salary	³ Bonus payments	⁴ Pension benefits	TOTAL
M Sheldon, Chief Executive Officer/ Interim Director General	⁵ 135-140	0-5	-	140-145	⁵ 95-100	5-10	-	105-110
S Dennis, Executive Director of Finance and Resources	⁶ 115-120	10-15	-	125-130	95-100	5-10	-	95-110
A Baines, Executive Director of Museum Operations/Associate Executive Director: Heritage and Strategic Programmes	⁷ 85-90	-	-	85-90	⁷ 70-75	n/a	-	70-75
B Hubbard, Associate Executive Director: Marketing	70-75	n/a	-	70-75	60-65	n/a	-	60-65
H McKenna-Aspell, Associate Executive Director: Funding and Partnerships	80-85	n/a	-	80-85	75-80	n/a	-	75-80
L Andrews, Associate Executive Director: People	60-65	n/a	-	60-65	-	-	-	-
E Allen, Associate Executive Director: Commercial Operations	60-65	n/a	-	60-65	-	-	-	-
D Tweddle, Director General	n/a	n/a	n/a	n/a	⁸ 190-195	10-15	-	205-210
V Turner, Deputy Executive Director of Resources	n/a	n/a	n/a	n/a	⁹ 90-95	n/a	-	90-95

¹There were no benefits in kind.

²Bonus payments that relate to performance in 2023-24 which were approved in April 2024.

³Bonus payments relate to performance in 2021-22 and 2022-23 which were approved in April 2023.

⁴The only pension benefits are in relation to defined contribution schemes and are solely disclosable in the pensions benefits table. Employer contributions in 2024-25 are presented in the pensions benefits table below.

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. On 1 July 2024, he was appointed Chief Executive Officer. His salary in this role on an annualised basis at 31 March 2025 was in the banding £140k-£145k.

⁶S Dennis salary and bonus payments were subject to a backdated review in October 2024. Her salary in this role on an annualised basis at 31 March 2025 was in the banding £115k-£120k.

⁷A Baines held the office of Deputy Executive Director of Museum Operations until 14 April 2024. His salary in this role on an annualised basis at 31 March 2024 was in the banding £70k-£75k. On 15 April 2024, he was appointed Associate Executive Director: Heritage and Strategic Programmes. His salary in this role on an annualised basis was in the banding £80k-£85k. On 1 October 2024, he was appointed Executive Director of Museum Operations. His salary in this role on an annualised basis at 31 March 2025 was in the banding £90k-£95k.

⁸D Tweddle was in office until 30 November 2023 and an appropriate termination package was subsequently agreed with the Secretary of State. 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).

⁹This 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 2025 and related lump sum	¹ CETV at 31 March 2025	¹ CETV at 31 March 2024	Real increase in ² CETV	Employer contribution to Defined Contribution Group Pension Scheme
£'000						
M Sheldon, Chief Executive Officer/Interim Director General	-	-	-	-	-	14
S Dennis, Executive Director of Finance and Resources	-	-	-	-	-	12
A Baines, Executive Director of Museum Operations/Associate Executive Director: Heritage and Strategic Programmes	-	-	-	-	-	7
B Hubbard, Associate Executive Director: Marketing	-	-	-	-	-	4
H McKenna-Aspell, Associate Executive Director: Funding and Partnerships	-	-	-	-	-	5
L Andrews, Associate Executive Director: People	-	-	-	-	-	4
E Allen, Associate Executive Director: Commercial Operations	-	-	-	-	-	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:

	2024-25	2023-24
	£000	
Highest paid executive salary plus bonuses	¹ 145-150	² 145-150
Lowest paid staff member remuneration	20-25	20-25
	£	
Lower quartile salary	£24,570	£23,400
Lower quartile total remuneration	£24,570	£23,400
Median quartile salary	£26,072	£24,863
Median quartile total remuneration	£26,072	£24,863
Upper quartile salary	£31,883	£30,504
Upper quartile total remuneration	£31,883	£30,504
	³ Ratio	
Lower quartile	6.00	5.45
Median quartile	5.66	5.13
Upper quartile	4.63	4.18

¹This information is in relation to M Sheldon who was the highest paid executive director at any point during the year and represents his salary plus bonus on an annualised basis at 31 March 2025.

²This information is in relation to D Tweddle who was the highest paid executive director at any point during 2023-24 and represents his salary plus bonus on an annualised basis had he been in office at 31 March 2024.

³Ratio 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 2025 (and at 31 March 2024), which is M Sheldon.

Pay awards made in 2024-25 resulted in a higher percentage increase to the lower quartiles pay ranges than other quartiles.

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
	2024-25		2023-24	
	% change		% change	
Salary and allowances	¹ 0%	5%	¹ 4%	28%
Bonuses	-67%	² N/A	0%	² N/A

¹The information used to calculate this ratio is in relation to M Sheldon who was the highest paid executive director at any point during the year and represents his salary plus bonus on an annualised basis in office at 31 March 2025 (2023-24: at 31 March 2024).

²Non-consolidated performance-related bonus payments are only payable to the Chief Executive Officer/Director General and the Executive Directors. Consolidated performance-related pay progression is payable to the rest of the workforce.

A cost of living pay award was made in February 2024. 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 2024 award was delayed until February 2025 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 2023 and 2024 and the follow-on effect through our pay scale. Under the award, our lowest to

mid pay points, representing 74% of our workforce received the highest % pay awards in the workforce. The ratios have increased due to the appointment of a permanent Chief Executive Officer in 2024-25.

In 2024-25, no employees received remuneration in excess of the highest paid Executive Director.

Total Staff costs for the National Museum Group totalled £8,862,000 (2024-25: £8,733,000). Further details on all staff 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. Work will be undertaken to progress this to the gold award in the coming period.

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.

A Menopause policy was introduced on World Menopause Day (18 October) following work undertaken by our Menopause café, to provide additional support for staff.

In October 2024, following the work of our LGBTQ+ staff network, the National Museum became a 'Pride in Veterans Standard Organisation', demonstrating our commitment to providing inclusive and welcoming support to LGBTQ+ Veterans, serving personnel and their families.

We are committed to inclusion and diversity in our museum, improving this in the way we work, the collections we share and the stories we tell by:

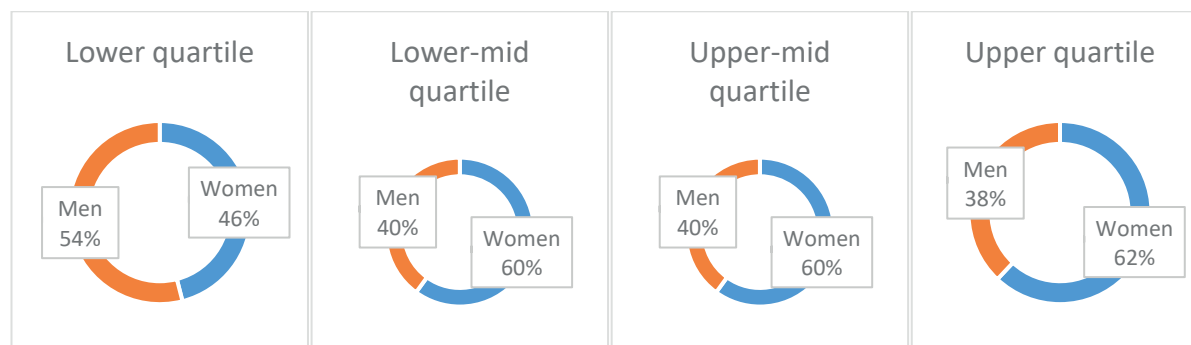
- Continuing to embed an EDI approach through our Strategy and Corporate Plan.
- Developing our practices, and identifying improvements in how we can deliver our work and support, through our EDI action group and LGBTQ+ staff network.
- Seeking to diversify our boards, committees, workforce and volunteers, 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.
- 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 still 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 2025, when our workforce consisted of 188 (57%) women and 143 (43%) 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 women in our workforce was 3.9% higher than the mean (average) hourly rate paid to men in April 2025. The difference in hourly rates of pay, as a median average, was 4.1% lower for men compared to women in April 2025. This represents a decrease in our mean gender pay gap of 1.4% and a 4.1% decrease as a median average based on our gender pay gap in 2024.

There was an overall increase in the percentage of women in the upper-mid to upper quartiles compared to the last reporting period, with a higher percentage of women in the upper pay quartile (62%), representing a 6% increase from the last reporting period (2024: 56%). There was also a 7% increase of women in the upper-mid pay quartile (60%) from the last reporting period (2024: 53%). There was an 11% reduction in the percentage of women in the lower pay quartile (46%) from the last reporting period (2024: 57%). This is the lowest percentage of women in the lower quartile since reporting commenced in 2017 (except for the Covid reporting years 2020-2021). There was a 7% increase in the percentage of women in the lower mid-quartile (60%) from the last reporting period (2024: 53%).

The National Museum introduced a salary sacrifice scheme in 2024-25, enabling employees to voluntarily opt to reduce the gross pay or bonus payment due under their contract of employment in return for a range of non-cash benefits (e.g. childcare vouchers, additional annual leave, increased employer pension contributions). The value of salary sacrifice is excluded from gender pay gap calculations, meaning that the employee's gross pay after any reduction for salary sacrifice is used. 109 people have elected to participate in one or more schemes; 66% of people in the scheme are women and 34% are men. The National Museum is aware that salary sacrifice arrangements can influence the reported figures used in gender pay gap calculations and therefore considers this when analysing its gender pay gap data.

Our mean gender pay gap continues to be more favourable to women and for the first time our median gender pay gap is also more favourable for women (excluding 2020 Covid calculations).

We accommodate flexible and hybrid working arrangements wherever possible, supporting staff if they need to care for others or those who are returning to work after having a child or those who benefit from more flexible patterns of working. 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 2.4 days (2023-24: 2.2 days per employee), a 0.2 day increase per employee. 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>	
	<i>2024-25</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2023-24</i>
<£10,000	4	7	4	Nil	8	7
£10,000 - £25,000	1	4	Nil	Nil	1	4
£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	Nil	1	Nil	1
Total number of exit packages	5	11	4	1	9	12
Total resource cost/ £	18,849	99,909	7,257	100,401	26,136	200,310

For 2024-25, the 'other departures agreed' includes a single settlement agreement payment of £4,000 (2023-24: £33,467). There were 5 compulsory redundancies made in 2024-25 (11: 2023-24).

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 National 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.

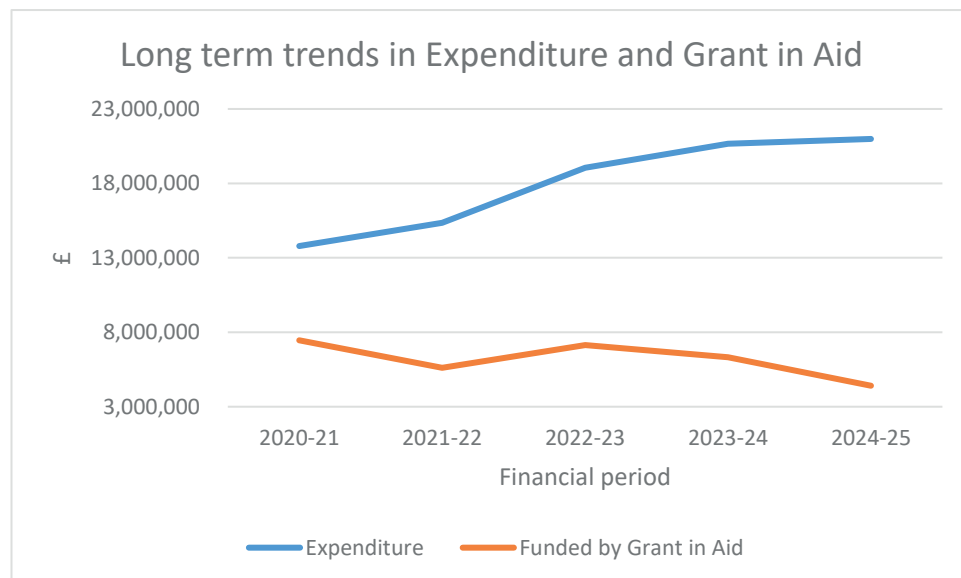
Other forums for staff consultation and involvement included: project-specific consultation and working groups that provide a delivery-focused culture of working and change management; the Health and Safety Management Group; team meetings; the National Museum's Workplace intranet which includes weekly updates from the Executive on organisational performance and celebrates the successes of teams and individuals; and the performance appraisal and "check in" system.

<i>Trade Union facility time report</i>	<i>2024-25</i>	<i>2023-24</i>
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 (subject to audit)

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.

Trends in expenditure and Grant in Aid received over the past five years are shown below:



The National Museum's expenditure was reduced significantly in 2020-21 in response to the impact of 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 increased as the National Museum reopened its sites, with 2023-24 seeing the first full year of normal operational activity. Expenditure in 2024-25 was broadly in line with that seen in the previous financial period.

Revenue 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 was funded through self-generated income, grants and donations. An uplift in revenue Grant in Aid was awarded from 2020-21 up to 2023-24 to support recovery from the long-term financial impact of the pandemic. In 2024-25, all additional support ceased with revenue Grant in Aid reverting to pre-pandemic levels at £3,995,000 (2023-24: £5,631,000) accounting for 21% of total income. Capital Grant in Aid of £149,000 (2023-24: £135,000) for the purchase of exhibits, and a further £265,000 (2023-24: £565,000) grant received from the sponsor to support capital projects was also received. Use of the National Museum's free reserves, built from its charitable income, ensures future financial sustainability and its ability to continue to operate as a going concern.

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

Matthew Sheldon
Chief Executive Officer and Accounting Officer

11 November 2025

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 2025 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 2025;
- 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 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 2025 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 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 (2024)*. 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 2024/2019*. 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 directors with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Trustees' Annual Report but does not include the financial statements and my auditor's certificate and report thereafter. 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 and report, I do not express any form of assurance conclusion thereon.

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report 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 and 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 persons 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 statement to be free from material misstatement, whether due to fraud or error;
- preparing the Group financial Statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- preparing the Annual Report, which includes the Directors' Remuneration Report, in accordance with the Companies Act 2006 and the Charities Act 2011 and
- assessing the National Museum of the Royal 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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and 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 and report 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 and the relevant internal specialists, including taxation, pensions and property valuation 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.

I obtained an understanding of the National Museum of the Royal Navy and its group's framework of authority and other legal and regulatory frameworks in which the National Museum of the Royal Navy and its groups 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, 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, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation or irregularity as appropriate

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and relevant 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 expenditure and income 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.

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

12 November 2025

Consolidated Statement of financial activities (incorporating the income and expenditure account)
for the year ended 31 March 2025

Income from:												
Donations and legacies												
		3,995	-	-	-	3,995	5,631	-	-	-	-	5,631
	Grant in Aid (revenue)	-	149	-	-	149	-	135	-	-	-	135
2	Grant in Aid (capital)	421	4,240	3	-	4,664	347	2,102	34	-	-	2,483
3	Donations and legacies	6,543	-	-	-	6,543	7,055	-	-	-	-	7,055
4	Admissions and charges for services	2,188	-	-	-	2,188	2,302	-	-	-	-	2,302
5	Trading subsidiary	457	-	-	1,195	1,652	142	-	-	-	892	1,034
	Investments	542	-	-	-	542	547	-	-	-	-	547
	Other											
		14,146	4,389	3	1,195	19,733	16,024	2,237	34	892		19,187
	Total income											
Expenditure on:												
Raising funds												
6	Fundraising and publicity	1,203	-	-	179	1,382	1,357	-	-	165		1,522
4	Trading subsidiary	1,657	-	-	-	1,657	1,899	-	-	-		1,899
7/8	Charitable activities	13,076	5,562	3	-	18,641	13,497	3,749	-	-		17,246
		15,936	5,562	3	179	21,680	16,753	3,749	-	165		20,667
	Total expenditure											
16	Net gains/(losses) on investments	-	-	-	385	385	-	-	-	4,360		4,360
	Tax payable	-	-	-	-	-	-	-	-	-		-
	Net income/(expenditure)	(1,790)	(1,173)	-	1,401	(1,562)	(729)	(1,512)	34	5,087		2,880
	Transfer between funds	(558)	1,786	47	(1,275)	-	2,630	(194)	5	(2,441)		-
Other recognised gains/(losses):												
14	Gains/(losses) on revaluations of fixed assets	286	430	-	-	716	306	558	-	-		864
12	Actuarial (losses)/gains on defined benefit pension	(133)	-	-	-	(133)	81	-	-	-		81
		(2,195)	1,043	47	126	(979)	2,288	(1,148)	39	2,646		3,825
	Net movement in funds											
Reconciliation of funds:												
23	Total funds brought forward	29,422	127,526	6,626	57,312	220,886	27,134	128,674	6,587	54,666		217,061
	Total funds carried forward	27,227	128,569	6,673	57,438	219,907	29,422	127,526	6,626	57,312		220,886

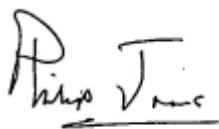
The notes on pages 46 to 71 form an integral part of these financial statements.

Consolidated and Company Balance Sheets as at 31 March 2025

		Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
	Notes				
Fixed assets					
Tangible assets	14	43,515	45,358	-	-
Heritage assets	15	107,036	107,240	6,649	6,602
Investments	16	56,678	56,439	-	-
		<u>207,229</u>	<u>209,037</u>	<u>6,649</u>	<u>6,602</u>
Current assets					
Stocks	17	867	708	-	-
Debtors	18	2,614	2,313	61	277
Cash at bank and in hand		11,793	12,572	1,658	1,755
		<u>15,274</u>	<u>15,593</u>	<u>1,719</u>	<u>2,032</u>
Current liabilities					
Creditors falling due within one year	20	(2,555)	(3,762)	(1,463)	(808)
Net current assets		<u>12,719</u>	<u>11,831</u>	<u>256</u>	<u>1,224</u>
Debtors falling due after one year	19	450	450	-	-
Total assets less current liabilities		<u>220,398</u>	<u>221,318</u>	<u>6,905</u>	<u>7,826</u>
Creditors falling due after more than one year	21	(586)	(664)	(488)	(566)
Net assets excluding pension asset/(liability)		<u>219,812</u>	<u>220,654</u>	<u>6,417</u>	<u>7,260</u>
Defined benefit pension scheme asset/(liability)	12	95	232	-	-
Net assets including pension fund asset/(liability)		<u>219,907</u>	<u>220,886</u>	<u>6,417</u>	<u>7,260</u>
Funds					
Unrestricted funds		23,730	26,455	4	4
Designated funds		789	545	1	1
Revaluation reserve		2,708	2,422	-	-
Total unrestricted funds	23	<u>27,227</u>	<u>29,422</u>	<u>5</u>	<u>5</u>
Restricted funds		78,305	77,692	(261)	629
Revaluation reserve		50,264	49,834	-	-
Linked charities	24	6,673	6,626	6,673	6,626
Total restricted funds	23	<u>135,242</u>	<u>134,152</u>	<u>6,412</u>	<u>7,255</u>
Total endowment funds	23	<u>57,438</u>	<u>57,312</u>	<u>-</u>	<u>-</u>
Total funds	23	<u>219,907</u>	<u>220,886</u>	<u>6,417</u>	<u>7,260</u>

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

11 November 2025

The National Museum of the Royal Navy

(A company limited by guarantee)

Company number: 06699696

**Consolidated and Company Cash flow statement
for the year ended 31 March 2025**

	Notes	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities		(1,375)	1,854	22	(1,680)
Cash flows from investing activities:					
Dividends and interest from investments	5	1,652	1,034	8	-
Purchase of tangible fixed assets	14	(900)	(948)	-	-
Purchase of heritage assets	15	(47)	(5)	(47)	(5)
Purchase of investments	16	(1,200)	(12,809)	-	-
Sale of investments	16	1,171	2,360	-	-
Net cash provided by/(used in) investing activities		676	(10,368)	(39)	(5)
Cash flows from financing activities:					
Repayment of borrowing	21	(80)	(80)	(80)	(80)
Net cash used in financing activities		(80)	(80)	(80)	(80)
Change in cash and cash equivalents in the reporting period	33	(779)	(8,594)	(97)	(1,765)
Cash and cash equivalents at 1 April 2024		12,572	21,166	1,755	3,520
Total cash and cash equivalents at 31 March 2025	33	11,793	12,572	1,658	1,755
Reconciliation of net income to net cash flow from operating activities:					
Net income for the year		(1,562)	2,880	(843)	55
Depreciation	14	2,371	2,366	-	-
Loss on disposal of fixed assets	14/15	1,092	-	3	-
(Gain)/Loss on investments	16	(385)	(4,360)	-	-
Adjustment for non-cash fees from gains/losses	16	175	175	-	-
Dividends and interest from investments	5	(1,652)	(1,034)	(8)	-
Donated fixed assets	14/15	(3)	(34)	(3)	(34)
(Increase)/Decrease in stocks	17	(159)	(45)	-	-
(Increase)/Decrease in debtors	18/19	(301)	1,121	216	154
(Decrease)/Increase in creditors	20	(957)	776	655	(1,858)
Increase/(Decrease) in long term liabilities	21	2	3	2	3
Increase/(Decrease) in provisions for defined benefit pension scheme	12	4	6	-	-
Net cash (used in)/provided by operating activities		(1,375)	1,854	22	(1,680)

Notes to the financial statements
for the year ended 31 March 2025

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 (FReM) 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 34).

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. Action has been taken by the Executive to develop a 10-year financial strategy and plan to forecast and manage the impacts of its economic challenges, to ensure the National Museum is financially sustainable into 2025-26 and beyond. The National Museum will continue to engage with Navy Command to ensure its financial framework supports core operating costs, incurred in delivering activities in the public interest, and an agreed capital strategy which delivers specific, shared, sustainable outputs and outcomes.

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 and the 10-year financial strategy and plan, 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 expendable endowment funds which the donor has stated are to be held as capital and are expendable over the long term.

Notes to the financial statements
for the year ended 31 March 2025

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 (~39m³) 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).

Notes to the financial statements
for the year ended 31 March 2025

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 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 either market value or 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

A single set of Collections Management policies for the National Museum group (updated and approved by the Board in January 2023) 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 guided by a single Collections Development Policy 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.

Notes to the financial statements
for the year ended 31 March 2025

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
- 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.

The trustees have reviewed the valuation of the investment property and are satisfied that the current carrying value is appropriate. Accordingly, they have determined that a formal professional valuation is not required at this time.

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.

Notes to the financial statements
for the year ended 31 March 2025

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.

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, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The nature of estimation means that 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.

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 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).

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.

Notes to the financial statements
for the year ended 31 March 2025

2. Voluntary income (Company and Group)

	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2025 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2024 Total £'000
Donations and grants								
Ministry of Defence	-	265	-	265	-	565	-	565
Miscellaneous donations	4	-	3	7	9	7	34	50
Received by company	<u>4</u>	<u>265</u>	<u>3</u>	<u>272</u>	<u>9</u>	<u>572</u>	<u>34</u>	<u>615</u>
Received by:								
NMRN Operations	293	3,975	-	4,268	330	1,255	-	1,585
Other subsidiaries	124	-	-	124	8	275	-	283
	<u>417</u>	<u>3,975</u>	<u>-</u>	<u>4,392</u>	<u>338</u>	<u>1,530</u>	<u>-</u>	<u>1,868</u>
Received by group	<u>421</u>	<u>4,240</u>	<u>3</u>	<u>4,664</u>	<u>347</u>	<u>2,102</u>	<u>34</u>	<u>2,483</u>

3. Admissions (Group)

	Unrestricted funds £'000	2025 Total £'000	Unrestricted funds £'000	2024 Total £'000
Museum admissions				
Portsmouth Historic Dockyard	5,112	5,112	5,561	5,561
Fleet Air Arm Museum	1,026	1,026	1,004	1,004
Hartlepool	292	292	288	288
HMS Caroline	64	64	153	153
Other site income	<u>49</u>	<u>49</u>	<u>49</u>	<u>49</u>
	<u>6,543</u>	<u>6,543</u>	<u>7,055</u>	<u>7,055</u>

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

Notes to the financial statements
for the year ended 31 March 2025

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 include consolidation adjustments in respect of differences in the accounting policies of the individual entity and the NMRN group for assets acquired before 1 April 2000. The adjustment of £2,242,000 increases the heritage assets and reserve balances.

	NMRNO	NMRNH	HMSVPC	HMSPCC	HMSTT	WPT	RMM	RNSM	FAAM	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statement of financial activities											
Income from:											
Donations and legacies	12,256	10	-	-	185	1	-	1	121	12,574	8,922
Admissions	6,543	-	-	-	-	-	-	-	-	6,543	7,055
Trading subsidiary	2,188	-	-	-	-	-	-	-	-	2,188	2,302
Investments	34	-	1,255	323	-	12	16	-	4	1,644	1,034
Other	504	-	-	-	-	-	-	-	30	534	547
Total income	21,525	10	1,255	323	185	13	16	1	155	23,483	19,860
Expenditure on:											
Raising funds	1,204	-	126	52	-	-	-	-	-	1,382	1,522
Trading subsidiary	1,657	-	-	-	-	-	-	-	-	1,657	1,899
Charitable activities	16,464	9	1,511	844	185	379	1,854	9	293	21,548	17,985
Total expenditure	19,325	9	1,637	896	185	379	1,854	9	293	24,587	21,406
Net gain/(loss) on investments	-	-	429	(44)	-	-	-	-	-	385	4,361
Net income/(expenditure)	2,200	1	47	(617)	-	(366)	(1,838)	(8)	(138)	(719)	2,815
Revaluation of fixed assets	594	-	2	-	-	-	-	-	120	716	864
Actuarial gains/(losses)	(133)	-	-	-	-	-	-	-	-	(133)	81
Net movement in funds	2,661	1	49	(617)	-	(366)	(1,838)	(8)	(18)	(136)	3,760
Reconciliation of funds											
Total funds brought forward	39,407	-	71,003	24,642	21,394	26,258	2,602	18,918	9,402	213,626	209,866
Total funds carried forward	42,068	1	71,052	24,025	21,394	25,892	764	18,910	9,384	213,490	213,626
Balance Sheet											
Fixed assets											
Tangible fixed assets	31,970	-	6,079	-	-	-	-	-	5,466	43,515	45,358
Heritage assets	-	-	19,375	12,560	21,008	25,040	709	18,651	3,044	100,387	100,638
Investments	-	-	45,332	11,346	-	-	-	-	-	56,678	56,439
	31,970	-	70,786	23,906	21,008	25,040	709	18,651	8,510	200,580	202,435
Current assets	12,232	10	311	146	51	966	1,905	269	889	16,779	14,988
Current liabilities	(2,229)	(9)	(45)	(27)	(17)	(114)	(1,850)	(10)	(15)	(4,316)	(4,381)
Net current assets	10,003	1	266	119	34	852	55	259	874	12,463	10,607
Debtors > one year	-	-	-	-	450	-	-	-	-	450	450
Long term liabilities	-	-	-	-	(98)	-	-	-	-	(98)	(98)
Net assets excl pension asset	41,973	1	71,052	24,025	21,394	25,892	764	18,910	9,384	213,395	213,394
Defined benefit pension asset	95	-	-	-	-	-	-	-	-	95	232
Total funds	42,068	1	71,052	24,025	21,394	25,892	764	18,910	9,384	213,490	213,626

Notes to the financial statements
for the year ended 31 March 2025

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:

	2025	2024
	£'000	£'000
Turnover	2,162	2,259
Cost of sales	(627)	(811)
Gross Profit	1,535	1,448
Administration expenses	(1,048)	(1,089)
Other income	26	43
Net profit / (loss)	513	402
Tax on ordinary activities	18	1
Profit / (loss) for the financial year	531	403
Amount gifted to NMRN Operations	(508)	(460)
	23	(57)
Retained profit brought forward	236	293
Retained profit carried forward	259	236

5. Investment income (Group)

	Unrestricted funds	Endowment funds	2025 Total	Unrestricted funds	Endowment funds	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest income	74	-	74	-	43	43
Dividend income	383	1,195	1,578	142	849	991
	457	1,195	1,652	142	892	1,034

There are no equivalent balances for the company.

6. Fundraising costs (Group)

	Unrestricted funds	Endowment funds	2025 Total	Unrestricted funds	Endowment funds	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	836	-	836	904	-	904
Fundraising and publicity	367	-	367	453	-	453
Investment management costs	-	179	179	-	165	165
	1,203	179	1,382	1,357	165	1,522

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 funds	Restricted funds	Linked charities	2025 Total	Unrestricted funds	Restricted funds	Linked charities	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Operations	455	6	3	464	687	7	-	694
Collections & research	121	13	-	134	126	20	-	146
Learning	-	-	-	-	80	1	-	81
Grant funding	3,439	1,238	-	4,677	4,747	648	-	5,395
	4,015	1,257	3	5,275	5,640	676	-	6,316

Notes to the financial statements
for the year ended 31 March 2025

Costs of charitable activities - by fund type (Group)

	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2025 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2024 Total £'000
Operations	9,447	5,164	3	14,614	10,377	3,335	-	13,712
Collections & research	3,609	398	-	4,007	2,071	310	-	2,381
Learning	20	-	-	20	1,049	104	-	1,153
	<u>13,076</u>	<u>5,562</u>	<u>3</u>	<u>18,641</u>	<u>13,497</u>	<u>3,749</u>	<u>-</u>	<u>17,246</u>

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

	Operations £'000	Collections & research £'000	Learning £'000	Grant funding £'000	2025 Total £'000	2024 Total £'000
Staff costs	273	106	-	-	379	489
Curatorial	-	11	-	-	11	20
Depreciation and loss on disposal of fixed assets	3	-	-	-	3	-
Governance and support costs	148	57	-	-	205	412
	<u>424</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>598</u>	<u>921</u>
Grant funding:						
NMRN Operations	-	-	-	4,482	4,482	5,308
Other grant funding	-	-	-	195	195	87
	<u>424</u>	<u>174</u>	<u>-</u>	<u>4,677</u>	<u>5,275</u>	<u>6,316</u>

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

	Operations £'000	Collections & research £'000	Learning £'000	Grant funding £'000	2025 Total £'000	2024 Total £'000
Staff costs	4,223	1,654	20	-	5,897	6,092
Operating costs	720	-	-	-	720	919
Marketing	694	-	-	-	694	736
Curatorial and exhibition	-	456	-	-	456	418
Depreciation and loss on disposal of fixed assets	2,510	867	-	-	3,377	2,278
Governance and support costs	2,778	1,030	-	-	3,808	4,306
	<u>10,925</u>	<u>4,007</u>	<u>20</u>	<u>-</u>	<u>14,952</u>	<u>14,749</u>
Project costs:						
HMS Victory	2,293	-	-	-	2,293	1,955
NMRN Hartlepool	94	-	-	-	94	227
Other project costs	1,302	-	-	-	1,302	315
	<u>3,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,689</u>	<u>2,497</u>
	<u>14,614</u>	<u>4,007</u>	<u>20</u>	<u>-</u>	<u>18,641</u>	<u>17,246</u>

Notes to the financial statements
for the year ended 31 March 2025

9. Analysis of governance and support costs (Company)

	Operations £'000	Collections & research £'000	Learning £'000	2025 Total £'000	2024 Total £'000
Governance costs					
Accountancy & payroll	11	4	-	15	15
Auditor remuneration - NAO	66	25	-	91	71
Legal and professional	17	7	-	24	260
Support costs					
Sundry expenses	54	21	-	75	66
	<u>148</u>	<u>57</u>	<u>-</u>	<u>205</u>	<u>412</u>

Analysis of governance and support costs (Group)

	Operations £'000	Collections & research £'000	Learning £'000	2025 Total £'000	2024 Total £'000
Governance costs					
Accountancy & payroll	49	18	-	67	78
Auditor remuneration	99	47	-	146	130
Auditor remuneration - NAO	66	25	-	91	71
Legal and professional	245	28	-	273	426
Support costs					
Repairs and maintenance	212	83	-	295	514
Insurance	411	160	-	571	553
Premises expenses	1,325	534	-	1,859	2,020
Travelling expenses	100	35	-	135	175
Bank charges & interest	89	35	-	124	121
Depreciation	11	-	-	11	10
Sundry expenses	171	65	-	236	208
	<u>2,778</u>	<u>1,030</u>	<u>-</u>	<u>3,808</u>	<u>4,306</u>

10. Employees

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Employment costs				
Wages and salaries	7,612	7,533	256	339
Social security costs	633	620	32	43
Defined contribution pension costs	580	549	84	88
Defined benefit pension costs	19	15	-	-
Employee benefits	18	16	-	-
	<u>8,862</u>	<u>8,733</u>	<u>372</u>	<u>470</u>

Higher paid employees

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

	Group 2025	Group 2024	Company 2025	Company 2024
£60,001 to £70,000	2	5	-	-
£70,001 to £80,000	1	2	-	-
£80,001 to £90,000	1	-	-	-
£90,001 to £100,000	-	1	-	1
£100,001 to £110,000	-	1	-	1
£120,001 to £130,000	1	-	1	-
£130,001 to £140,000	1	-	1	-
£190,001 to £200,000	-	1	-	1

Notes to the financial statements
for the year ended 31 March 2025

Number of employees

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

	Group 2025	Group 2024	Company 2025	Company 2024
Charitable expenditure	340	342	-	-
Cost of generating funds	3	3	-	-
Governance costs	6	7	2	3
	<u>349</u>	<u>352</u>	<u>2</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 215 (2024: 219).

Staff costs for the charity for the year include an accrual of £2,000 (2024: £4,000), and for the group include £39,000 (2024: £54,000), for short-term compensated absences arising from employee entitlement to annual leave.

During the financial year 8 departures under redundancy or exit agreements (2024: 12) were identified within the group and contractual/redundancy costs of £22,000 and other exit costs of £4,000 were paid (2024: £200,000). No further amounts were accrued at 31 March 2025 (2024: £Nil).

Key management personnel employed by the charity

Employee benefits received by key management personnel total £290,000 for the year to 31 March 2025 (31 March 2024: £388,00).

11. Trustees' emoluments

No trustees received remuneration during the year (2024: Nil). Eight trustees from the National Museum of the Royal Navy were reimbursed for travel expenses totalling £5,000 (2024: Nine 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 2024-25, 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 2024-25 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 Hymans Robertson LLP. In the year ended 31 March 2025, 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 Hymans Robertson LLP. In the year ended 31 March 2025, five 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 2025

	Hampshire Pension Fund		Teesside Pension Fund	
	2025	2024	2025	2024
	% p.a.	% p.a.	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.70%	2.75%	2.80%	2.80%
Salary Increase Rate	3.70%	3.75%	3.80%	3.80%
Discount Rate	5.85%	4.85%	5.80%	4.80%
Asset allocation				
Equities	52%	55%	65%	71%
Bonds	36%	37%	0%	0%
Property	10%	7%	27%	25%
Cash	2%	1%	8%	4%
	2025	2024	2025	2024
	£(000)	£(000)	£(000)	£(000)
Reconciliation of funded status to the Balance Sheet				
Fair value of assets	491	468	656	650
Present value of funded liabilities	(309)	(372)	(455)	(514)
Asset ceiling adjustment	(87)	-	(201)	-
Pension asset recognised on the balance sheet	95	96	-	136
Amounts recognised in the Statement of Financial Activities				
Operating cost:				
Current service cost	17	15	5	7
Financing cost:				
Interest on net defined benefit liability	(4)	(3)	(6)	(4)
Pension expense recognised in the Statement of Financial Activities	13	12	(1)	3
Asset gains/(losses) arising during the period	(9)	20	(20)	34
Liability gains/(losses) arising during the period	105	13	79	14
Asset ceiling adjustment	(87)	-	(201)	-
Gains/(losses) recognised in the Statement of Financial Activities	9	33	(142)	48
Changes made to the present value of the defined benefit obligation during the accounting period				
Opening defined benefit obligation	372	350	514	534
Current service cost	17	15	5	7
Interest expense on defined benefit obligation	19	16	25	25
Contributions by participants	6	5	1	2
Actuarial (gains)/losses on liabilities	(105)	(13)	(79)	(14)
Asset ceiling adjustment	87	-	201	-
Net benefits paid out	-	(1)	(11)	(40)
Closing defined benefit obligation	396	372	656	514
Changes to the fair value of assets during the accounting period				
Opening fair value of assets	468	423	650	618
Interest income on assets	23	19	31	29
Remeasurement gains/(losses) on assets	(9)	20	(20)	34
Contributions by the employer	3	2	5	7
Contributions by participants	6	5	1	2
Net benefits paid out	-	(1)	(11)	(40)
Closing fair value of assets	491	468	656	650
Actual return on assets				
Interest income of assets	23	19	31	29
Gain/(loss) on assets	(9)	20	(20)	34
Total amount recognised in the Statement of Financial Activities	14	39	11	63

Notes to the financial statements
for the year ended 31 March 2025

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 the contributions outstanding for the company were £7,000 (2024: £62,000), and for the group were £59,491 (2024: £64,382).

Pension Schemes (Company)

	2025	2024
	£'000	£'000
Defined contribution schemes		
Group scheme	84	88
	<u>84</u>	<u>88</u>

Pension Schemes (Group)

	2025	2024
	£'000	£'000
Defined contribution schemes		
Group scheme	561	532
PCSPS	19	17
Defined benefit schemes		
LGPS - Hampshire Pension Fund	18	12
LGPS - Teesside Pension Fund	1	3
	<u>599</u>	<u>564</u>

All pension costs relate to unrestricted funds.

13. Net outgoing resources for the year

	2025	2024
	£'000	£'000
Group net outgoing resources is stated after charging:		
Operating lease payments	658	685
Depreciation and other amounts written off tangible fixed assets	3,463	2,366
Auditors' remuneration - National Audit Office	91	71
Auditors' remuneration - Subsidiary Auditors	146	130
	<u>4,358</u>	<u>3,252</u>

The National Audit Office fee for the year ended 31 March 2025 is £85,000 (2024: £71,400). 2025 includes an adjustment for extra audit fees of £6,000 relating to the 2023-24 audit. There is no remuneration for non-audit work.

Notes to the financial statements
for the year ended 31 March 2025

14. Tangible fixed assets (Group)

	Assets under construction £'000	Investment property £'000	Freehold property £'000	Short leasehold property £'000	Office equipment £'000	Plant & machinery £'000	Fixtures & fittings £'000	Exhibitions £'000	Timber £'000	Total £'000
Cost or valuation										
At 1 April 2024	565	590	15,579	9,917	3,052	13,763	10,011	4,106	6,692	64,275
Additions	-	-	-	-	15	627	5	3	-	650
Transfers	(565)	-	-	-	-	1,372	(807)	-	-	-
Disposals	-	-	-	-	-	(147)	(26)	(140)	(741)	(1,054)
Revaluation	-	-	294	215	20	227	70	56	-	882
At 31 March 2025	-	590	15,873	10,132	3,087	15,842	9,253	4,025	5,951	64,753
Depreciation										
At 1 April 2024	-	-	2,465	2,129	2,956	2,617	7,119	1,631	-	18,917
Charge for the year	-	-	456	240	57	919	278	421	-	2,371
Transfers	-	-	-	-	-	590	(590)	-	-	-
On disposals	-	-	-	-	-	(141)	(20)	(55)	-	(216)
On revaluation	-	-	20	43	13	39	32	19	-	166
At 31 March 2025	-	-	2,941	2,412	3,026	4,024	6,819	2,016	-	21,238
Net book values										
At 31 March 2025	-	590	12,932	7,720	61	11,818	2,434	2,009	5,951	43,515
At 31 March 2024	565	590	13,114	7,788	96	11,146	2,892	2,475	6,692	45,358

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

The total book value of Heritage Assets contains a historic valuation of a materially significant part of the collection, based on a mixture of cost (for purchased exhibits) and valuation at the point of donation (for donated exhibits). Records of the basis of these historic valuations are not consistently available across the group and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts. As such, the value relating to assets valued at cost or at valuation at the point of donation cannot be differentiated in the brought forward balance.

	Group		Company	
	Heritage assets £'000	Total £'000	Heritage assets £'000	Total £'000
Cost or valuation				
At 1 April 2024	107,240	107,240	6,602	6,602
Additions	50	50	50	50
Disposals	(254)	(254)	(3)	(3)
At 31 March 2025	107,036	107,036	6,649	6,649
Depreciation				
At 1 April 2024 and 31 March 2025	-	-	-	-
Net book values				
At 31 March 2025	107,036	107,036	6,649	6,649
At 31 March 2024	107,240	107,240	6,602	6,602

The Collections

The collections are held by each trust individually and consist of artefacts (physical, written and oral) reflecting the story of the

Notes to the financial statements
for the year ended 31 March 2025

Royal Navy and its people throughout its worldwide operations. The collections cover the Royal Navy as a whole, and its particular branches (Surface Fleet, Submarines, Royal Marines and Fleet Air Arm) are also well represented. As the work of digitising the collection progresses, more data is gathered and refined on the volumes of assets held within some collection categories, e.g. the number of documents in a paper archive, or the number of photographs within an album or photographic collection. The volume of assets accessioned by the National Museum group (including items under and over the capitalisation threshold) is summarised as follows:

Categories	Description	Number
Aircraft	Airframes, engines and parts	1,500
Art	Decorative silver, paintings, drawings, miniatures, watercolours, embroidery, silk pictures	10,000
Boats and Ships	Submarines, large landing craft, small craft, boats, canoes, dinghies and ships fabric	350
Books	Rare books. This does not include publicly accessible published documents held in library collection	70,000
Commemorative items	War trophies, memorabilia, mementoes, etc. NB this category is being gradually redistributed as 'commemorative' is no longer reflective of the items contained within	2,500
Documents	Paper archives including posters, manuscripts, printed documents, maps, charts, record books, diaries, log-books, BRs, training manuals, internally published and unpublished works NB items are now being catalogued and processed into individual records (i.e. each document within an archive) as they are digitised so this number will increase year on year	85,000
Emblems and flags	Badges, figureheads, name boards, honours boards, ensigns and colours, and stern carvings from ships, air stations, shore establishments or barracks	4,000
Medals	Campaign medals, honours and foreign awards	12,000
Models	Ship models and dioramas	2,500
Photographic collections, film and sound	Collections of negatives, positives, born digital, prints, slides, transparencies, albums, oral histories, music recordings. NB items are now being catalogued and processed into individual records (i.e. each photograph within an album/ collection) as they are digitised so this number will increase year on year	27,500
Uniforms and clothing	All issued or purchased standard uniform or clothing	18,000
Vehicles	Motorbikes and vehicle parts	40
Weapons	Bladed weapons, projectile weapons, ordnance and ammunition	6,500
Other	Including communication equipment, specialist apparatus and equipment, furniture, victualling, fittings, musical instruments, navigational instruments, personal and recreational effects, tools	12,655
Total		252,545

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 the Second World War Landing Craft (Tank) Mk III, LCT 7074, was gifted to the National Museum of the Royal Navy (NMRN) from the Mersey Docks and Harbour Company Limited. The ship was subsequently accessioned to the collection of the Royal Naval Museum. The methodology of valuation of significant ships should be consistent across the NMRN, using the total rebuild basis discounted for the ship's current state of repair. It has not been possible to establish the original cost of building the ship therefore no value has been attributed to this gift.

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

Notes to the financial statements
for the year ended 31 March 2025

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

The value of accessioned heritage assets added and disposed by the National Museum group (including only those items over the capitalisation threshold) is summarised in the table below. No value for off balance sheet transactions is included as obtaining a valuation is not commensurate with the benefit of the user of the accounts.

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Additions					
Purchases					
Royal Naval Museum	47	5	1,128	1,312	648
Donations					
Royal Naval Museum	3	34	105	5	-
Total additions	<u>50</u>	<u>39</u>	<u>1,233</u>	<u>1,317</u>	<u>648</u>
Disposals					
Royal Naval Museum	3	-	-	-	-
Warrior Preservation Trust	251	-	-	-	-
Total disposals	<u>254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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 2024 £'000	Increase in year £'000	Value at 31 March 2025 £'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

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

Notes to the financial statements
for the year ended 31 March 2025

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 Schauffelen) 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.

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.

Notes to the financial statements
for the year ended 31 March 2025

16. Investment assets

	Group Listed £'000	
Valuation		
At 1 April 2024		56,439
Additions		1,200
Disposals		(1,171)
Gains and losses before management fees	385	
Less management fees deducted	(175)	
Realised and unrealised gains and losses		210
At 31 March 2025		56,678
Investments By fund:		
Endowment funds		56,678
	2025 £'000	2024 £'000
UK		
UK government and fixed interest securities	4,021	3,146
UK bonds	1,649	1,446
UK equities	5,293	6,096
Portfolio funds	887	1,278
Others	5,951	5,124
Capital account	355	349
	18,156	17,439
Overseas		
Fixed interest	-	2,498
International bonds	1,125	1,824
International equities	34,123	31,666
Others	3,274	3,012
	38,522	39,000
	56,678	56,439

17. Stocks

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Held by:				
NMRN Operations	478	278	-	-
Trading subsidiaries	389	430	-	-
	867	708	-	-

Notes to the financial statements
for the year ended 31 March 2025

18. Debtors: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Trade debtors	270	198	8	-
Amounts owed by group undertakings	-	-	24	24
Other debtors	1,774	994	3	234
Prepayments & accrued income	470	985	26	19
VAT	100	136	-	-
	<u>2,614</u>	<u>2,313</u>	<u>61</u>	<u>277</u>

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

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Other debtors	450	450	-	-
	<u>450</u>	<u>450</u>	<u>-</u>	<u>-</u>

20. Creditors: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Other loans	86	86	86	86
Trade creditors	775	882	2	28
Amounts owed to group undertakings	-	-	1,245	473
Other creditors	145	148	8	62
Other taxes and social security	233	307	11	16
Accruals and deferred income	1,316	2,339	111	143
	<u>2,555</u>	<u>3,762</u>	<u>1,463</u>	<u>808</u>

Deferred income

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Balance at 1 April 2024	166	143	-	-
Amounts released to incoming resources	(181)	(130)	-	-
Amounts deferred in year	159	153	-	-
Balance as at 31 March 2025	<u>144</u>	<u>166</u>	<u>-</u>	<u>-</u>

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

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Other loans	488	566	488	566
Other long term liabilities	98	98	-	-
	<u>586</u>	<u>664</u>	<u>488</u>	<u>566</u>

Notes to the financial statements
for the year ended 31 March 2025

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 2025 £'000
Restricted funds:							
Restricted funds	-	-	-	227	(488)	-	(261)
Royal Naval Museum	-	4,874	-	24	-	-	4,898
HMS M33 Trust	-	1,775	-	-	-	-	1,775
	-	6,649	-	251	(488)	-	6,412
Unrestricted funds	-	-	-	5	-	-	5
Total Company funds at 31 March 2025	-	6,649	-	256	(488)	-	6,417
Funds held by:							
NMRN Operations	31,970	-	-	10,003	-	95	42,068
NMRN Hartlepool	-	-	-	1	-	-	1
HMS Victory Preservation Company	6,079	19,375	45,332	266	-	-	71,052
HMS Caroline Preservation Company	-	12,560	11,346	119	-	-	24,025
HMS Trincomalee Trust	-	21,008	-	34	352	-	21,394
Warrior Preservation Trust Limited	-	25,040	-	852	-	-	25,892
Royal Marines Museum Charitable Trust	-	709	-	55	-	-	764
Royal Navy Submarine Museum Trust	-	18,651	-	259	-	-	18,910
Fleet Air Arm Museum	5,466	3,044	-	874	-	-	9,384
Total Group funds at 31 March 2025	43,515	107,036	56,678	12,719	(136)	95	219,907

	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
	-	6,602	-	1,219	(566)	-	7,255
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	45,358	107,240	56,439	11,831	(214)	232	220,886

Notes to the financial statements
for the year ended 31 March 2025

23. Funds

Unrestricted funds:	At 1 April 2024 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2025 £'000
Unrestricted funds	4	4,015	(4,015)	-	-	4
Designated funds	1	-	-	-	-	1
Total company unrestricted funds	5	4,015	(4,015)	-	-	5
NMRN Operations	19,395	13,631	(16,141)	93	2,221	19,199
NMRN Hartlepool	-	10	(9)	-	-	1
HMS Victory Preservation Company	524	267	(761)	-	311	341
HMS Caroline Preservation Company	(5)	116	(843)	-	860	128
HMS Trincomalee Trust	360	185	(184)	-	-	361
Warrior Preservation Trust Limited	300	13	(378)	-	104	39
Royal Marines Museum	2,465	16	(1,758)	-	-	723
Royal Navy Submarine Museum	329	1	(10)	-	-	320
Fleet Air Arm Museum	6,049	155	(154)	60	-	6,110
Consolidation adjustments	-	(4,263)	6,847	-	(2,584)	-
Total group unrestricted funds	29,422	14,146	(17,406)	153	912	27,227

	At 1 April 2023 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2024 £'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

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 2025

Restricted funds:	At 1 April 2024 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2025 £'000
HMS Caroline fund	245	-	-	-	-	245
Royal Marines Museum relocation fund	973	-	(973)	-	-	-
Purchase of exhibits fund	(650)	149	(14)	-	(47)	(562)
Kellett Sledge Flag fund	61	-	(5)	-	-	56
FAAM CDEL fund	-	265	(265)	-	-	-
Linked charities:						
Royal Naval Museum	4,851	3	(3)	-	47	4,898
HMS M33 Trust	1,775	-	-	-	-	1,775
Total company restricted funds	7,255	417	(1,260)	-	-	6,412
NMRN Operations	20,010	7,892	(4,652)	368	(751)	22,867
HMS Victory Preservation Company	26,159	-	(752)	2	-	25,409
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	137	-	(96)	-	-	41
Royal Navy Submarine Museum	18,590	-	-	-	-	18,590
Fleet Air Arm Museum	3,352	-	(138)	60	-	3,274
Consolidation adjustments	-	(3,917)	1,333	-	2,584	-
Total group restricted funds	134,152	4,392	(5,565)	430	1,833	135,242

	At 1 April 2023 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2024 £'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

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.

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.

Notes to the financial statements
for the year ended 31 March 2025

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
	2024	Income	Expenditure	losses	Transfers	2025
	£'000	£'000	£'000	£'000	£'000	£'000
HMS Victory Preservation Company	44,321	988	(127)	429	(310)	45,301
HMS Caroline Preservation Company	12,087	207	(52)	(44)	(861)	11,337
HMS Trincomalee Trust	5	-	-	-	-	5
Warrior Preservation Trust Limited	899	-	-	-	(104)	795
Total group endowment funds	57,312	1,195	(179)	385	(1,275)	57,438

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 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
	2024	resources	resources	Transfers	2025
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	4,744	50	(3)	-	4,791
Restricted funds - RML 497 Fairmile (the ship)	83	-	-	-	83
Endowment funds - Johnstone Library fund	24	-	-	-	24
Total funds of the Royal Naval Museum	4,851	50	(3)	-	4,898

<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

Notes to the financial statements
for the year ended 31 March 2025

Royal Naval Museum Balance Sheet summary	2025 £'000	2024 £'000
Heritage assets	4,874	4,827
Current assets	24	24
Net assets	4,898	4,851
Funds		
Unrestricted funds	4,791	4,744
Restricted funds	83	83
Endowment funds	24	24
Total funds of the Royal Naval Museum	4,898	4,851

HMS M33 Trust

HMS M33 Trust Balance Sheet summary	2025 £'000	2024 £'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	1,775	1,775

25. Transfers between funds

NMRN

A total of £47,000 (2024: £5,000) was transferred from restricted funds to reflect the value of heritage assets transferred to the Royal Naval Museum collection.

NMRN Operations

A total of £751,000 (2024: £923,000) 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 2025 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2025 £'000	Group 2024 £'000
Within one year	651	422
Between one and five years	2,603	1,687
In over five years	30,091	22,142
	33,345	24,251

27. Capital commitments and contingent liabilities

The group had capital commitments contracted but not provided for in the financial statements amounting to £819,000 (2024: £797,000). There were no contingent liabilities at 31 March 2025 (2024: £Nil).

Notes to the financial statements
for the year ended 31 March 2025

28. Losses and special payments

Losses statement

The total value of the cases of losses occurring during the financial year was significantly less than £300,000 (2024: Significantly less than £300,000).

Special payments

There were no cases of special payments during the year (2024: 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

Each subsidiary is controlled by NMRN as the company either has the right to exercise dominant influence over each corporate subsidiary by virtue of provisions contained in the company's articles, or, in the cases of the unincorporated trusts, as the sole corporate trustee.

A number of trustees of the National Museum are also trustees of the following charities:

Mr Mark Anderson	NMRN Hartlepool, HMS Trincomalee Trust, The Foudroyant Trust
Mr Andrew Burnett	Warrior Preservation Trust, The Foudroyant Trust
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
Mr Tom Wright	Warrior Preservation Trust

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

Mr Matthew Sheldon	NMRN Operations, NMRN Trading , PHD Operations Ltd
Mrs Sarah Dennis	NMRN Operations, NMRN Trading, NMRN Services, PHD Operations Ltd

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 £356,000 (2024: £487,000). Expenditure during the year was £131,000 (2024: £57,000).

Notes to the financial statements
for the year ended 31 March 2025

31. 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.

32. Analysis of cash and cash equivalents

	Group	Group	Company	Company
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	11,793	12,572	1,658	1,755

33. Analysis of changes in net debt

Company	At 1 April	Cash	At 31 March
	2024	flows	2025
	£'000	£'000	£'000
Long-term borrowings	(566)	78	(488)
Short-term borrowings	(86)	-	(86)
Total liabilities	(652)	78	(574)
Cash and cash equivalents	1,755	(97)	1,658
Total net debt	1,103	(19)	1,084

Group	At 1 April	Cash	At 31 March
	2024	flows	2025
	£'000	£'000	£'000
Long-term borrowings	(566)	78	(488)
Short-term borrowings	(86)	-	(86)
Total liabilities	(652)	78	(574)
Cash and cash equivalents	12,572	(779)	11,793
Total net debt	11,920	(701)	11,219

Notes to the financial statements
for the year ended 31 March 2025

34. Statement of financial activities (Company only, including the Royal Naval Museum and HMS M33 Trust as linked charities) for the year ended 31 March 2025

		Unrestricted funds	Restricted funds	Linked charities	2025 Total	Unrestricted funds	Restricted funds	Linked charities	2024 Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:									
Donations and legacies									
Grant in Aid (revenue)		3,995	-	-	3,995	5,631	-	-	5,631
Grant in Aid (capital)		-	149	-	149	-	135	-	135
Donations	2	4	265	3	272	9	572	34	615
Investments		8	-	-	8	-	-	-	-
Other		8	-	-	8	-	-	-	-
Total income		4,015	414	3	4,432	5,640	707	34	6,381
Expenditure on:									
Charitable activities	7/8	576	19	3	598	893	28	-	921
Grant funding	7/8	3,439	1,238	-	4,677	4,747	648	-	5,395
Total expenditure		4,015	1,257	3	5,275	5,640	676	-	6,316
Net income/(expenditure)		-	(843)	-	(843)	-	31	34	65
Transfer between funds		-	(47)	47	-	-	(5)	5	-
Net movement in funds		-	(890)	47	(843)	-	26	39	65
Reconciliation of funds:									
Total funds brought forward		5	629	6,626	7,260	5	603	6,587	7,195
Total funds carried forward		5	(261)	6,673	6,417	5	629	6,626	7,260

E03406483

978-1-5286-5911-6