

Charity number: 1169061
Company number: 09988314

NMRN Operations
(A company limited by guarantee)

Trustees' report and Consolidated financial statements

for the year ended 31 March 2025

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(A company limited by guarantee)
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Legal and administrative information

Charity number	1169061
Company registration number	09988314
Registered office	HM Naval Base PP66 Portsmouth Hampshire PO1 3NH
Business address	HM Naval Base PP66 Portsmouth Hampshire PO1 3NH
Chief Executive and Accounting Officer	Matthew Sheldon
Trustees	Mr Richard Hatfield Mrs Kathleen Barnes Mr Michael Bedingfield Mrs Jane Dean Mr Mark Pemberton Rear Admiral Jonathan P Pentreath CB OBE Mr Matthew Sheldon
Accountants	Compass Accountants Limited Venture House, The Tanneries, East Street, Titchfield, Hampshire PO14 4AR
Auditors	Price Bailey Group Limited 3 rd Floor 24 Old Bond Street London W1S 4AP
Bankers	NatWest Bank Plc 130 Commercial Road, Portsmouth, Hampshire PO1 1ES

Trustees' annual report (incorporating the directors' report) and Strategic report

Foreword

The Trustees present the annual report and the audited financial statements of NMRN Operations ("the charitable company") for the year ended 31 March 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

The charitable objectives, as defined in the Articles of Association (as amended by Special Resolution 9 August 2016), are:

The promotion of the efficiency and effectiveness of charities for the benefit of the public, in particular by supporting and assisting the charitable work of the National Museum of the Royal Navy.

Performance Report

Overview

The charitable company was formed as the operating company for the National Museum of the Royal Navy Group and operates the Fleet Air Arm Museum, the Royal Marines Museum, Explosion! Museum of Naval Firepower, NMRN Portsmouth (the Royal Naval Museum), HMS Caroline, NMRN Hartlepool, the Royal Navy Submarine Museum, HMS Victory, HMS M33, HMS Warrior, Portsmouth Historic Dockyard and Action Stations.

The National Museum of the Royal Navy ("the National Museum") is the sole corporate member of the charitable company.

The formation of NMRN Operations enabled the National Museum to simplify the governance structure and consolidate all operations and project delivery for the National Museum Group. The charitable company is the main employer for the National Museum. This structure realises the benefits of operation of the museums through a large organisation, improving visitor experience, enhancing access to the collections and providing greater cohesion and efficiency in the delivery of the charitable objectives.

The National Museum is one of the few national museums headquartered outside London, acquiring key sites also outside the capital, enabling people to learn, enjoy and engage with the story of the Royal Navy, and its impact in shaping the modern world. Its vision is to be the world's most inspiring Naval Museum, and its mission is inspiring enjoyment and engagement with the story of the Royal Navy and its role in shaping both our nation and the modern world. The National Museum's "Strategy 2022-2027: Linking Navy to nation" sets out its strategic aims in three areas, which NMRN Operations delivers through the execution of its annual corporate plan:

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.

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, 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.

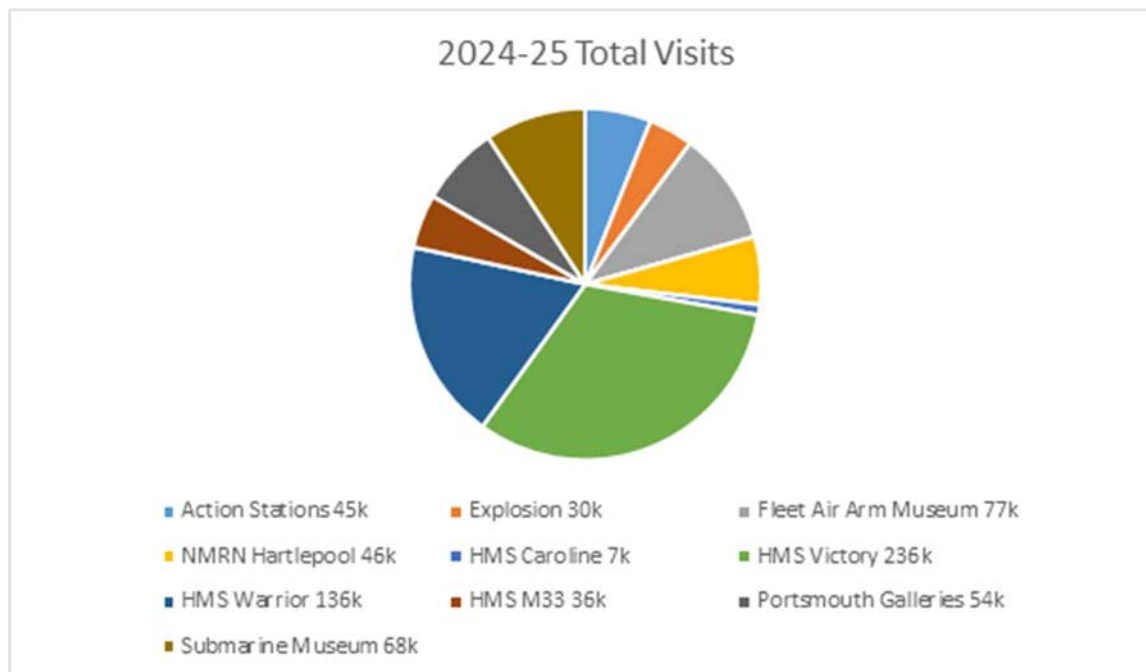
The new IT infrastructure will also review opportunities to improve the effective use of systems. With improved security measures introduced and further staff training, this will reduce the risk and impact of a further attack.

Activities and Achievements

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 (2023-24: 23,700) 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 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 the National Museum's 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. Highlights have included:

- 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 nomination for an Iris Prize LGBTQ+ Film Festival Community Award for our film 'Uncharted Waters', created in partnership with the Royal Navy's LGBTQ+ network. This short film 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.
- 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.
- 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 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.

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.

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.

Figures provide current year reach with previous year in brackets:



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

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.

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 parent company has overall responsibility and accountability for our charitable fundraising activities and monitors 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.

Our in-house fundraising team develops relationships with donors, grant makers and corporate partners to fund areas of our work including, acquisitions, conservation, public programming and the delivery of our major capital projects.

Notable long-term supporters include: 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 Heritage Memorial Fund; National Lottery Heritage Fund; the Art Fund; Society for Nautical Research and The Princess Anne's Charities Trust. We are 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 we 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.

We 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.

National Museum of the Royal Navy Trading

Our subsidiary company, the National Museum of the Royal Navy Trading, operates across all of the National Museum's sites, delivering non-primary purpose commercial activities such as retail, catering, publishing guidebooks, venue hire, commercial immersive experiences and brand licensing. We understand that a great shop and fantastic café are essential to a visit, and a private event in one of our unique venues creates long-lasting memories. The contribution generated from these activities is an essential income stream to support our wider purposes. The Trading Company delivered income of £2,189,000 (2023-24: £2,302,000) generating a gift aided contribution to the charitable company of £508,000 (2023-24: £460,000).

Joint Venture with the Mary Rose Trust

Our joint venture vehicle, Portsmouth Historic Dockyard Operations Ltd (company number: 127998360), has continued to act as agent for the sale of tickets for NMRN Operations and the Mary Rose Trust, with the distribution of sales revenue and share of costs on an agreed split. The rolling 3-year agreement has gone from strength to strength, providing stability and a shared stake in improvement and development of the business.

Plans for Future Periods

National Museum of the Royal Navy Strategy

In 2024-25, the National Museum of the Royal Navy's Trustees started to look at refreshing its 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. It will be underpinned through the annual business planning cycle that sets out the priority and phasing of operational and project delivery for NMRN Operations for the year.

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

We will continue to build a modest but appropriate free reserve in accordance with our Group Reserves Policy, with the aim of holding the equivalent to 4 months' core operating costs for the Portsmouth Naval Base activities (the greatest potential area of exposure) as free reserves by the end of 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 the National Museum's 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 the National museum's core linked strategies on Interpretation, Research, Audience Development, Digital and Environment/Sustainability to support a shared transformation across our sites and activities, engaging new and diverse local, national and international audiences. We will develop new and improve existing exhibitions, to ensure our sites and stories remain exciting and vibrant to a diverse audience.

Collections

The National Museum's commitment to any new capital projects or large acquisitions will be limited to only for those essential to its purpose and that will support its future sustainability. We will support the National Museum by prioritising 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. The Trustees will continue to treat cyber security and the resilience of our IT systems and service as a high priority.

Principal Risks and Uncertainty

A principal risk faced by the charitable company centres around the increasing fluctuation and unpredictability of income streams arising from global uncertainty and its impact on the economy. We are somewhat uniquely placed in that as a national museum we are not funded to enable free admission and we are dependent on our revenue generated from admissions and commercial activities to deliver our charitable and social purposes. 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 support the National Museum in development of group strategies to diversify income streams, grow revenue and seek support through fundraising activities.

The risk of major project delivery failure, through delays, cost overrun, excessive operating costs, fundraising shortfall, impact on cash flow, and quality of project, will be mitigated as we 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.

The risk of failure to meet our legislative obligations under the Environment Act will be mitigated through supporting the National Museum in developing its sustainability strategies to support the net zero targets introduced by the Government and to work with its partners to reduce environmental impact across its whole estate. We will embed sustainability, including environmental objectives and risks into our decision making and project evaluation processes.

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.

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 NMRN Operations for the year amounted to £21,525,000 (2023-24: £18,426,000). This included operating grants and project grants, admissions income (including gift aid), voluntary donations, investments and trading activity through the subsidiary National Museum of the Royal Navy Trading.

Admissions income for the year decreased by 7% to £6,494,000. The movement in incoming resources on the prior year reflects the increase in grant funding for correlating project delivery activity, in particular in relation to the new Royal Marines Museum and the long-term HMS Victory Preservation projects.

Total resources expended for 2024-25 amounted to £19,324,000 (2023-24: £19,131,000), representing operating and project costs, trading, publicity and fundraising activity. The movement in resources expended reflects increased site, premises and staff costs as a result of inflationary pressures and cost of living pay awards offset by a reduction in trading company expenditure.

After gains of £594,000 on the revaluation of fixed assets and actuarial losses of £133,000 on defined benefit pension schemes, the net movement in funds for the year was an increase of £2,662,000 (2023-24: £247,000).

Balance sheet

The net group assets, including pension fund asset, as at 31 March 2025 amounted to £42,068,000 (2024: £39,406,000). Of this total, £22,869,000 related to restricted funds, £18,940,000 was unrestricted and designated funds. A further £259,000 related to non-charitable trading funds.

Reserves

The Trustees regularly monitor the levels of reserves and seek to take correction action as necessary. As at 31 March 2025, the level of the charitable company's free reserves (defined as net current assets attributable to unrestricted reserves excluding designated funds) stood at £4,851,000 (31 March 2024: £4,793,000).

Under the Group's governance structure, as nearly the entire Group's operating costs now flow through NMRN Operations, the policy is that sufficient free reserves are accumulated within 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 National Museum or the subsidiary trusts and any such reserves held will be appropriately used, as approved by the Board, for the furtherance of charitable objects. 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.

Auditors

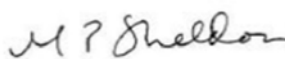
The accounts have been audited by Price Bailey LLP. A resolution to reappoint the auditor will be put to the members at the Annual General Meeting.

So far as the Trustees and Accounting Officer are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by the Board and signed on its behalf by



Mr Richard Hatfield
Chairman on Behalf of the Board of Trustees
Date: 05 November 2025



Matthew Sheldon
Chief Executive and Accounting Officer
Date: 05 November 2025

Accountability Report

Trustees Report and Governance Statement

This report sets out the arrangements for the governance of the NMRN Operations, including the Board structure for Trustees. The Trustees, who are also the directors of NMRN Operations (“the charitable company”) 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 3.

The Trustees have due regard to guidance issued by the Charity Commission on public benefit and in its charitable objects, the charity seeks to promote the efficiency and effectiveness of other charities for the public benefit. The charitable company operates fee paying attractions and endeavours to ensure that ticket prices are set at an accessible level, which includes the availability of several types of concessions. The charitable company offers workshops to schoolchildren in support of the National Curriculum, operates community outreach programmes in the local areas for children, their parents and carers, and hosts foreign language school pupils. NMRN Operations’ activities are supported by a team of volunteers numbering 380 who deliver a variety of tasks across the museum.

This report demonstrates how the system of governance and internal control is maintained within NMRN Operations and how the major risks to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks.

The Governance Framework

NMRN Operations is a charity registered with the Charity Commission (registration number 1169061). It is governed by its Memorandum and Articles of Association dated 9 August 2016, which incorporate its charitable objects, the powers of the company and provides for the appointment and re-appointment of directors. Trustees are appointed in accordance with the Charity Commission guidance ‘Finding new trustees: what charities need to know’ and appointments are guided by the principles of the Cabinet Office guidelines ‘Governance Code on Public Appointments’.

The Trustees ensure the distinct legal responsibilities and charitable objectives of NMRN Operations are fulfilled while acting within an overall policy and strategy framework developed by the National Museum of the Royal Navy. The day-to-day operation of the charitable company within that framework is delegated to the National Museum’s Chief Executive Officer and Executive Directors.

A formal induction process for Trustees is in place which combines all the necessary background reading material including items such as the Memorandum and Articles of Association, copies of minutes of recent meetings, a copy of the Charity Commission publication “The Essential Trustee: what you need to know”, a copy of the National Museum’s strategy and corporate plan and a copy of the Museum Association publication “Code of Ethics for Trustees”, with visits to the National Museum’s sites to meet key members of staff and to discuss current issues. Recent appointees continue to confirm their satisfaction with this process.

Register of Interests

A register of Trustees’ and Executives’ interests is maintained, requiring declaration of any interest, pecuniary or otherwise, in any matter being considered by the Board.

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.

Personal data related incidents

There have been no incidents of data loss involving personal information during the period which required formal reporting to the Information Commissioner's Office (ICO). The cyber-attack was reported immediately to the ICO although there was no evidence of any personal data loss.

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 charity'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 National Museum of the Royal Navy's Audit and Governance Committee. This Committee is chaired by a Trustee of the National Museum's Board of Trustees and draws expertise from other Trustees and committee members, with the executive in attendance as required. The Committee also has access to the independent accountants and internal and external auditors engaged for all companies within the Group, providing review and oversight of the financial control systems and the creation of company and consolidated group accounts.


Risk Management

The charitable company's risk register and the responses to risk are managed by the Executive team and overseen by the National Museum's Audit and Governance Committee as well as the charitable company's board. In addition, the charitable company has a system of internal review and checks which link to plans and risks.



Mr Richard Hatfield
Chairman on Behalf of the Board of Trustees

Date: 05 November 2025



Matthew Sheldon
Chief Executive and Accounting Officer

Date: 05 November 2025

Statement of Trustees' and Accounting Officer's responsibilities
for the year ended 31 March 2025

The Board of Trustees (who are also directors of NMRN Operations for the purposes of company law) and the Accounting Officer are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the method and principles of the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Mr Richard Hatfield
Chairman on Behalf of the Board of Trustees

Date: 05 November 2025



Matthew Sheldon
Chief Executive and Accounting Officer

Date: 05 November 2025

Independent auditors' report to the members of NMRN Operations

Opinion

We have audited the financial statements of NMRN Operations (the 'parent charitable company') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

NMRN Operations
(A company limited by guarantee)
Company number: 09988314

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act, and relevant regulations made or having effect thereunder.

Our 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 an auditor's report that includes our 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.

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of the charitable company not complying with the relevant laws and regulations including fraud; in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting and tax legislation. In relation to the operations of the charitable company this included compliance with Companies Act 2006, Charities Act 2011 and relevant SORP.

NMRN Operations
(A company limited by guarantee)
Company number: 09988314

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Trustee Board meetings;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management, including those charged with governance;
- Reviewing key accounting policies and estimates

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our 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 our auditor's report.

Use of our report

This report is made solely to the parent charitable companies members, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Cooper-Davis FCCA ACA
(Senior Statutory Auditor)

For and on behalf of Price Bailey LLP
3rd Floor, 24 Old Bond St
London W1S 4AP

Date: 06 November 2025

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

	Notes	Unrestricted funds £	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
Income from:							
Donations and legacies	2	4,362,174	7,892,904	12,255,078	5,866,676	2,684,965	8,551,641
Charitable activities							
Admissions	3	6,493,783	-	6,493,783	7,005,895	-	7,005,895
Charges for services		49,332	-	49,332	49,194	-	49,194
Other trading activities							
Trading company	4	2,188,644	-	2,188,644	2,302,016	-	2,302,016
Investments		33,627	-	33,627	-	-	-
Other	5	503,950	480	504,430	517,529	-	517,529
Total income		13,631,510	7,893,384	21,524,894	15,741,310	2,684,965	18,426,275
Expenditure on:							
Raising funds							
Fundraising and publicity	6	1,203,067	-	1,203,067	1,357,142	-	1,357,142
Trading company	4	1,657,342	-	1,657,342	1,899,259	-	1,899,259
Charitable activities:							
Museum and visitor operations	7	11,811,130	4,652,229	16,463,359	12,294,082	3,580,912	15,874,994
Total expenditure		14,671,539	4,652,229	19,323,768	15,550,483	3,580,912	19,131,395
Net gains/(losses) on investments		-	-	-	-	-	-
Net income/(expenditure)		(1,040,029)	3,241,155	2,201,126	190,827	(895,947)	(705,120)
Transfers between funds		750,917	(750,917)	-	922,806	(922,806)	-
Other recognised gains/(losses):							
Gains on revaluation of fixed assets		226,613	367,516	594,129	312,810	558,244	871,054
Actuarial gains/(losses) on defined benefit pension schemes		(133,000)	-	(133,000)	81,000	-	81,000
Net movement in funds		(195,499)	2,857,754	2,662,255	1,507,443	(1,260,509)	246,934
Reconciliation of funds:							
Total funds brought forward		19,394,717	20,011,286	39,406,003	17,887,274	21,271,795	39,159,069
Total funds carried forward		19,199,218	22,869,040	42,068,258	19,394,717	20,011,286	39,406,003

All recognised gains and losses are included in the statement of financial activities

The notes on pages 27 to 45 form an integral part of these financial statements.

Consolidated Balance sheet
as at 31 March 2025

		Group	Group	Charity	Charity
		2025	2024	2025	2024
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	13	31,380,414	32,317,234	31,277,178	32,141,115
Investment properties	13	590,000	590,000	590,000	590,000
		<u>31,970,414</u>	<u>32,907,234</u>	<u>31,867,178</u>	<u>32,731,115</u>
Current assets					
Stocks	14	867,390	708,309	478,309	278,249
Debtors	15	5,636,525	2,904,810	6,103,222	3,134,627
Cash at bank and in hand		5,727,270	5,969,093	5,166,378	5,415,057
		<u>12,231,185</u>	<u>9,582,212</u>	<u>11,747,909</u>	<u>8,827,933</u>
Liabilities:					
Creditors falling due within one year	16	(2,228,341)	(3,315,443)	(1,900,878)	(2,621,009)
Net current assets		<u>10,002,844</u>	<u>6,266,769</u>	<u>9,847,031</u>	<u>6,206,924</u>
Total assets less current liabilities		<u>41,973,258</u>	<u>39,174,003</u>	<u>41,714,209</u>	<u>38,938,039</u>
Net assets excluding pension asset		<u>41,973,258</u>	<u>39,174,003</u>	<u>41,714,209</u>	<u>38,938,039</u>
Defined benefit pension scheme asset	10	95,000	232,000	95,000	232,000
Net assets		<u>42,068,258</u>	<u>39,406,003</u>	<u>41,809,209</u>	<u>39,170,039</u>
Funds	17				
Unrestricted funds		16,139,874	16,829,107	16,139,874	16,829,107
Revaluation reserve		2,012,613	1,786,000	2,012,613	1,786,000
Designated funds		787,682	543,646	787,682	543,646
Total unrestricted funds	18	<u>18,940,169</u>	<u>19,158,753</u>	<u>18,940,169</u>	<u>19,158,753</u>
Restricted funds		17,363,380	14,873,142	17,363,380	14,873,142
Restricted revaluation reserve		5,505,660	5,138,144	5,505,660	5,138,144
Total restricted funds	19	<u>22,869,040</u>	<u>20,011,286</u>	<u>22,869,040</u>	<u>20,011,286</u>
Non charitable trading funds		259,049	235,964	-	-
Total funds		<u>42,068,258</u>	<u>39,406,003</u>	<u>41,809,209</u>	<u>39,170,039</u>

The financial statements were approved by the Trustees and signed on their behalf by



Mr Richard Hatfield
Chairman
Date: 05 November 2025

The notes on pages 27 to 45 form an integral part of these financial statements.

Consolidated Cash Flow Statement
for the year ended 31 March 2025

	Group 2025 £	Group 2024 £
Cash flows from operating activities:		
Net cash provided by operating activities	625,415	4,467,260
Cash flows from investing activities:		
Income from investments	33,627	-
Purchase of fixed assets	(900,865)	(947,050)
Purchase of investments	-	-
Net cash used in investing activities	(867,238)	(947,050)
(Decrease)/Increase in cash and cash equivalents in the year	(241,823)	3,520,210
Cash and cash equivalents at 1 April 2024	5,969,093	2,448,883
Cash and cash equivalents at 31 March 2025	<u>5,727,270</u>	<u>5,969,093</u>
Net income/(expenditure) for the reporting period	2,201,126	(705,120)
Depreciation and impairment	2,084,367	2,097,481
Loss on disposal of fixed assets	97,904	-
Income from investments	(33,627)	-
(Increase)/Decrease in stocks	(159,081)	(45,315)
(Increase)/Decrease in debtors	(2,731,715)	2,321,657
(Decrease)/Increase in creditors	(837,559)	792,557
Increase/(Decrease) in provisions for liabilities	4,000	6,000
Net cash provided by operating activities	<u>625,415</u>	<u>4,467,260</u>

Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash at bank and in hand	<u>5,727,270</u>	<u>5,969,093</u>	<u>5,166,378</u>	<u>5,415,057</u>

Analysis of changes in net debt

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Net (decrease)/increase in cash and cash equivalents in the year	(241,823)	3,520,210	(248,679)	3,371,517
Movement in net debt in the year	(241,823)	3,520,210	(248,679)	3,371,517
Net debt at the start of the year	5,969,093	2,448,883	5,415,057	2,043,540
Net debt at the end of the year	<u>5,727,270</u>	<u>5,969,093</u>	<u>5,166,378</u>	<u>5,415,057</u>

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

1. Accounting policies

1.1. Company information

NMRN Operations 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.

NMRN Operations and its group meet 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 accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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

Consolidated financial statements have been prepared in respect of the charitable company, its wholly owned subsidiary, the National Museum of the Royal Navy (NMRN) Trading, and its Joint Venture, Portsmouth Historic Dockyard (PHD) Operations Limited. The Consolidated Statement of Financial Activities includes the results of NMRN Trading and the company's share of the results of PHD Operations Limited as single line items. The consolidated balance sheet includes the net assets of NMRN Trading on a line by line basis and the company's share of the net assets of PHD Operations Limited as an item within Fixed Asset Investments.

1.3. Going concern

In addition to the revenue it generates and its fundraising activities, the company receives grant funding from the parent company, the National Museum of the Royal Navy, and other subsidiary trusts within the Group, in respect of its operation of the group's museums and heritage assets. 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.

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

1.4. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

1.5. Grants receivable

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable. If a grant or donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period.

Grants for the purchase of 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.

1.6. Expenditure

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.

1.7. Basis of allocation

Cost of generating funds comprises costs incurred in encouraging people and organisations to contribute financially to the charity's work and to promote the Naval Service Museums as visitor attractions.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Charitable expenditure includes expenditure associated with Operations, Collections & Research, and Learning, and include 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 in proportion to staff costs incurred in the following percentages:

	2025	2024
	%	%
Operations	72	77
Collections & research	28	14
Learning	-	9
	<u>100</u>	<u>100</u>

Support costs include central functions and have been allocated to cost categories on a basis consistent with the use of resources.

1.8. Foreign currency transactions

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the end of the month preceding the transaction. Exchange differences are taken into account in arriving at the net incoming/(outgoing) resources.

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

1.9. Funds

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.

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

1.10. 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 derived indices.

Land and buildings are stated at a valuation of depreciated replacement cost and depreciated over the lease term. A professional valuation is obtained at least every 5 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:

Leasehold buildings	- over the lease term
Property improvements	- over the lease term
Computer and office equipment	- 3 - 10 years
Fixtures and fittings	- 3 - 20 years
Plant and machinery	- 3 - 30 years
Exhibitions	- 2 - 10 years

Assets under construction are not depreciated.

Significant Historic Ships

Significant ships are held by separate charitable Trusts within the National Museum group.

Accounting policy for recognition of subsequent expenditure on significant ships

As the National Museum's operating company, NMRN Operations is responsible for the restoration, preservation, and maintenance of each ship under the terms of the operator agreement. Expenditure incurred by the operating company is recognised 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.

1.11. Assets held by the National Museum of the Royal Navy Trading

The tangible fixed assets of the National Museum of the Royal Navy Trading are stated in the group accounts at historic cost less accumulated depreciation. Depreciation has been provided at rates calculated to spread the cost of each asset over its expected useful life as follows:

Plant and machinery	- 5 years
Fixtures and Fittings	- 5 years

1.12. Leased assets

Rentals applicable to operating leases are charged to the Statement of Financial Activities as incurred.

1.13. Investment properties

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

1.14. Stock

Stocks are valued 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. Basic financial Instruments

The charity's financial assets and liabilities consist of cash and cash equivalents, trade and other debtors, and trade and other creditors. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the company is not exposed to significant interest, foreign exchange or credit risks arising from these instruments. Term deposits of less than one year are classified as investments within current assets.

1.16. Pensions

The majority of staff of NMRN Operations and its subsidiary 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 NMRN Operations under the Transfer of Undertakings (Protection of Employment) Regulations 1981 have retained membership of their former employers' pension schemes, which provide benefits based on final pensionable pay and include the Principal Civil Service Pension Scheme (PCSPS) and the Local Government Pension Scheme (LGPS).

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 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).

1.17. 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. Grants and donations received

During the year the following grants and donations were received:

	Unrestricted funds £	Restricted funds £	Total 2025 £	Unrestricted funds £	Restricted funds £	Total 2024 £
National Museum of the Royal Navy						
Operations	3,244,054	-	3,244,054	4,661,926	-	4,661,926
Projects	-	1,238,093	1,238,093	-	640,698	640,698
Other grants and donations						
Royal Marines Museum Trust	-	1,845,000	1,845,000	-	-	-
National Lottery Heritage Fund – RMM	-	432,270	432,270	-	-	-
National Lottery Heritage Fund – Figureheads	-	164,551	164,551			
Hartlepool Borough Council	248,000	556,206	804,206	259,667	-	259,667
HMS Caroline Preservation Company	824,987	-	824,987	874,878	-	874,878
HMS Victory Preservation Endowment Fund	-	2,644,084	2,644,084	-	1,107,567	1,107,567
HMS Victory Preservation Company	-	725,000	725,000	-	665,000	665,000
Miscellaneous donations and grants	34,054	287,700	321,754	68,005	271,700	339,705
Legacies	11,079	-	11,079	2,200	-	2,200
	<u>4,362,174</u>	<u>7,892,904</u>	<u>12,255,078</u>	<u>5,866,676</u>	<u>2,684,965</u>	<u>8,551,641</u>

3. Admissions

	Unrestricted funds £	Total 2025 £	Unrestricted funds £	Total 2024 £
Portsmouth Historic Dockyard	5,112,419	5,112,419	5,560,319	5,560,319
Fleet Air Arm Museum	1,025,774	1,025,774	1,004,021	1,004,021
Hartlepool	291,806	291,806	288,110	288,110
HMS Caroline	63,784	63,784	153,445	153,445
	<u>6,493,783</u>	<u>6,493,783</u>	<u>7,005,895</u>	<u>7,005,895</u>

Admissions income includes amounts reclaimed from HM Revenue and Customs under the Gift Aid Scheme.

4. Income and expenses from trading activities of subsidiaries

National Museum of the Royal Navy Trading

The company controls the National Museum of the Royal Navy Trading, a company limited by guarantee incorporated in England and Wales. NMRN Trading operates a number of souvenir shops within the Museums and the corporate events.

At the discretion of its directors, NMRN Trading distributes its net profit to NMRN Operations (the parent).

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

A summary of the company's trading results is shown below:

	2025	2024
	£	£
Turnover	2,161,837	2,259,538
Cost of sales	(626,881)	(811,186)
Gross Profit	1,534,956	1,448,352
Administration expenses	(1,048,600)	(1,088,683)
Other income	26,807	42,478
Net profit / (loss)	513,163	402,147
Tax on ordinary activities	18,139	610
Available for distribution	531,302	402,757
Amount gifted to NMRN Operations	(508,217)	(460,403)
	23,085	(57,646)
Reserves brought forward	235,964	293,610
Reserves carried forward	259,049	235,964
Assets	1,191,712	1,443,860
Liabilities	(932,663)	(1,207,896)
Retained earnings	259,049	235,964

5. Other income

	Unrestricted funds	Restricted funds	Total 2025	Unrestricted funds	Restricted funds	Total 2024
	£	£	£	£	£	£
Rental income	186,743	-	186,743	202,802	-	202,802
Museum & Galleries Exhibition Tax Relief	81,775	-	81,775	183,021	-	183,021
Sundry income	235,432	480	235,912	131,706	-	131,706
	503,950	480	504,430	517,529	-	517,529

6. Cost of generating funds

	Unrestricted funds	Total 2025	Unrestricted funds	Total 2024
	£	£	£	£
Staff costs	835,718	835,718	903,986	903,986
Premises expenses	277,739	277,739	328,876	328,876
Fundraising and publicity	89,610	89,610	124,280	124,280
	1,203,067	1,203,067	1,357,142	1,357,142

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

7. Museum and visitor operations

	Operations	Collections & Research	Learning	Total 2025	Total 2024
	£	£	£	£	£
Staff costs	3,860,665	1,513,595	20,367	5,394,627	5,467,745
Other staff costs	89,534	34,819	-	124,353	136,203
Marketing	694,391	-	-	694,391	735,815
Site costs	419,603	-	-	419,603	510,578
Computer costs	285,525	-	-	285,525	393,850
Curatorial and exhibition	-	444,361	-	444,361	397,818
Depreciation & loss on disposal of assets	1,515,203	589,245	-	2,104,448	2,020,032
Governance and support costs	2,376,839	944,162	-	3,321,001	3,718,282
	<u>9,241,760</u>	<u>3,526,182</u>	<u>20,367</u>	<u>12,788,309</u>	<u>13,380,323</u>
Project costs					
HMS Victory Preservation	2,278,779	-	-	2,278,779	1,952,714
Hartlepool project costs	94,048	-	-	94,048	226,707
BH6 Reinvigoration	855,591	-	-	855,591	-
Other project costs	446,632	-	-	446,632	315,250
	<u>3,675,050</u>	<u>-</u>	<u>-</u>	<u>3,675,050</u>	<u>2,494,671</u>
	<u>12,916,810</u>	<u>3,526,182</u>	<u>20,367</u>	<u>16,463,359</u>	<u>15,874,994</u>

8. Governance and support costs

	Operations	Collections & Research	Total 2025	Total 2024
	£	£	£	£
Governance costs				
Legal and professional	54,482	21,187	75,669	80,487
Accountancy & payroll	31,282	12,165	43,447	53,378
Auditors' remuneration	52,176	20,291	72,467	70,065
Support costs				
Repairs and maintenance	212,493	82,636	295,129	513,698
Insurance	410,951	159,815	570,766	552,906
Premises costs	1,324,604	534,114	1,858,718	2,020,239
Travelling	91,361	35,530	126,891	150,200
Bank charges and interest	83,264	32,380	115,644	110,185
Health and safety	9,935	3,864	13,799	17,105
Subscriptions	44,829	17,433	62,262	70,390
Sundry expenses	61,462	24,747	86,209	79,629
	<u>2,376,839</u>	<u>944,162</u>	<u>3,321,001</u>	<u>3,718,282</u>

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

9. Employee costs

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£	£	£	£
Employment costs				
Wages and salaries	7,356,190	7,194,448	7,356,190	7,194,448
Social security costs	600,572	576,551	600,572	576,551
Defined contribution pension costs	496,706	460,648	496,706	460,648
Defined benefit pension costs	18,880	15,172	18,880	15,172
Recharges	-	-	(761,397)	(755,812)
	<u>8,472,348</u>	<u>8,246,819</u>	<u>7,710,951</u>	<u>7,491,007</u>

Key management personnel

Key management personnel are employed by the parent charity.

Higher paid employees

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

	2025	2024
£60,001 to £70,000	2	5
£70,001 to £80,000	1	2
£80,001 to £90,000	1	-

Number of employees

The average monthly number of employees during the period was as follows:

	2025	2024
Fundraising	3	3
Charitable activities	340	342
Governance	4	4
	<u>347</u>	<u>349</u>

During this financial year 8 redundancies were identified (2024: 11) and contractual/redundancy costs of £26,621 (2024: £Nil) were paid in the year with £Nil (2024: £99,909) being accrued at 31 March 2025.

Trustees' emoluments

No trustees received remuneration during the period (2024: Nil). Two trustees were reimbursed for travel expenses totalling £830 (2024: Two Trustees £610).

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

10. Pensions

NMRN Operations contributes to a Group Pension Plan and is a participating employer in the Principal Civil Service Pension Scheme and the Local Government Pension Scheme (including Hampshire Pension Fund and Teesside Pension Fund).

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme but NMRN Operations is unable to identify its share of the underlying assets and liabilities. A full actuarial quadrennial valuation was carried out at 31 March 2016. 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 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.

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 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. 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.

Assumptions

The latest actuarial valuation was 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.

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. 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.

Assumptions

The latest actuarial valuation was 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.

	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%

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.
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

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

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

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 £52,442 contributions were outstanding (2024: £Nil).

	2025	2024
	£	£
Defined contribution schemes		
Group scheme	477,066	443,234
PCSPS	19,640	17,414
Defined benefit schemes		
LGPS - Hampshire Pension Fund	18,339	11,645
LGPS - Teesside Pension Fund	541	3,527
	<u>515,586</u>	<u>475,820</u>

11. Net outgoing resources for the year

	2025	2024
	£	£
Net outgoing resources for the year is stated after charging:		
Depreciation and other amounts written off tangible assets	2,104,448	2,020,032
Auditors' remuneration	30,375	28,565
	<u>2,134,823</u>	<u>2,048,597</u>

12. 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. The company's trading subsidiary is subject to corporation tax.

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

13. Fixed assets

Group

	Investment properties £	Short leasehold land & buildings £	Assets under construction £	Improvements to property £	Computer & office equipment £	Fixtures & fittings £	Plant & machinery £	Exhibition costs £	Total £
Cost or valuation									
At 1 April 2024	590,000	7,840,782	564,973	8,926,012	714,316	4,676,146	14,115,010	3,895,371	41,322,610
Additions	-	-	-	-	14,494	4,940	628,465	3,423	651,322
Transfers	-	-	(564,973)	-	-	-	564,973	-	-
Revaluation	-	161,981	-	214,002	20,050	66,091	229,003	55,117	746,244
Disposals	-	-	-	-	-	(25,655)	(14,868)	(140,542)	(181,065)
At 31 March 2025	590,000	8,002,763	-	9,140,014	748,860	4,721,522	15,522,583	3,813,369	42,539,111
Depreciation									
At 1 April 2024	-	349,799	-	1,137,818	618,116	2,137,577	2,752,635	1,419,431	8,415,376
Charge for the year	-	178,940	-	239,787	57,413	268,120	919,082	421,025	2,084,367
Revaluation	-	8,081	-	42,867	11,816	28,958	41,359	19,034	152,115
On disposals	-	-	-	-	-	(20,025)	(8,383)	(54,753)	(83,161)
At 31 March 2025	-	536,820	-	1,420,472	687,345	2,414,630	3,704,693	1,804,737	10,568,697
Net book values									
At 31 March 2025	590,000	7,465,943	-	7,719,542	61,515	2,306,892	11,817,890	2,008,632	31,970,414
At 31 March 2024	590,000	7,490,983	564,973	7,788,194	96,200	2,538,569	11,362,375	2,475,940	32,907,234

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

Charity

	Investment properties £	Short leasehold land & buildings £	Assets under construction £	Improvements to property £	Computer & office equipment £	Fixtures & fittings £	Plant & machinery £	Exhibition costs £	Total £
Cost or valuation									
At 1 April 2024	590,000	7,840,782	564,973	8,926,012	714,316	4,543,459	13,856,155	3,895,371	40,931,068
Additions	-	-	-	-	14,494	-	628,465	3,423	646,382
Transfers	-	-	(564,973)	-	-	-	564,973	-	-
Revaluation	-	161,981	-	214,002	20,050	66,091	229,003	55,117	746,244
Disposals	-	-	-	-	-	(25,655)	(14,868)	(140,542)	(181,065)
At 31 March 2025	590,000	8,002,763	-	9,140,014	748,860	4,583,895	15,263,728	3,813,369	42,142,629
Depreciation									
At 1 April 2024	-	349,799	-	1,137,818	618,116	2,075,316	2,599,473	1,419,431	8,199,953
Charge for the year	-	178,940	-	239,787	57,413	240,592	868,787	421,025	2,006,544
Revaluation	-	8,081	-	42,867	11,816	28,958	41,359	19,034	152,115
On disposals	-	-	-	-	-	(20,025)	(8,383)	(54,753)	(83,161)
At 31 March 2025	-	536,820	-	1,420,472	687,345	2,324,841	3,501,236	1,804,737	10,275,451
Net book values									
At 31 March 2025	590,000	7,465,943	-	7,719,542	61,515	2,259,054	11,762,492	2,008,632	31,867,178
At 31 March 2024	590,000	7,490,983	564,973	7,788,194	96,200	2,468,143	11,256,682	2,475,940	32,731,115

Land and buildings previously owned by the Royal Navy Submarine Museum were revalued at 6 May 2022 by Avison Young in accordance with the stated accounting policy. The revaluation was conducted by a qualified surveyor on a depreciated replacement cost basis and in accordance with the RICS Valuation – Global Standards 2022 (the Red Book). The Investment Property was revalued at 31 March 2023 by Lambert Smith Hampton on the basis of market value in accordance with the RICS Red Book Global Standards.

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

14. Stocks

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
The amounts attributable to the different categories are as follows:				
Goods for resale	682,967	517,704	293,886	87,644
HMS Victory arisings	184,423	190,605	184,423	190,605
	<u>867,390</u>	<u>708,309</u>	<u>478,309</u>	<u>278,249</u>

15. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Amounts falling due within one year:				
Trade debtors	262,070	198,547	183,095	139,719
Other debtors	1,557,516	249,780	1,535,417	191,442
Prepayments and accrued income	438,886	955,025	428,810	822,753
VAT	99,822	136,011	99,822	136,011
Amount due from associated companies	3,278,231	1,365,447	3,856,078	1,844,702
	<u>5,636,525</u>	<u>2,904,810</u>	<u>6,103,222</u>	<u>3,134,627</u>

16. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	766,461	846,505	702,797	783,390
Other taxes and social security	222,079	290,313	144,889	222,412
Other creditors	134,421	83,480	94,346	29,263
Deferred income	144,019	166,022	52,006	49,468
Amounts due to associated companies	23,918	28,999	23,918	28,999
Accruals	937,443	1,900,124	882,922	1,507,477
	<u>2,228,341</u>	<u>3,315,443</u>	<u>1,900,878</u>	<u>2,621,009</u>
Deferred income				
	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Balance at 1 April 2024	166,022	142,981	49,468	36,298
Amounts released to incoming resources	(180,609)	(130,060)	(49,468)	(36,298)
Amounts deferred in year	158,606	153,101	52,006	49,468
Balance as at 31 March 2025	<u>144,019</u>	<u>166,022</u>	<u>52,006</u>	<u>49,468</u>

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

17. Analysis of net assets between funds

	Tangible Fixed Assets £	Net Current Assets £	Pension Scheme Asset £	Total 2025 £
Restricted funds	18,660,455	4,208,585	-	22,869,040
Unrestricted funds	13,206,723	4,850,764	95,000	18,152,487
Designated funds	-	787,682	-	787,682
	<u>31,867,178</u>	<u>9,847,031</u>	<u>95,000</u>	<u>41,809,209</u>
Non charitable trading funds	103,236	155,813	-	259,049
Total	<u>31,970,414</u>	<u>10,002,844</u>	<u>95,000</u>	<u>42,068,258</u>
Included in the above figures is the revaluation reserve:				
Revaluation reserve	<u>7,518,273</u>	<u>-</u>	<u>-</u>	<u>7,518,273</u>

	Tangible Fixed Assets £	Net Current Assets £	Pension Scheme Asset £	Total 2024 £
Restricted funds	19,140,710	870,576	-	20,011,286
Unrestricted funds	13,590,405	4,792,702	232,000	18,615,107
Designated funds	-	543,646	-	543,646
	<u>32,731,115</u>	<u>6,206,924</u>	<u>232,000</u>	<u>39,170,039</u>
Non charitable trading funds	176,119	59,845	-	235,964
Total	<u>32,907,234</u>	<u>6,266,769</u>	<u>232,000</u>	<u>39,406,003</u>
Included in the above figures is the revaluation reserve:				
Revaluation reserve	<u>6,924,144</u>	<u>-</u>	<u>-</u>	<u>6,924,144</u>

18. Unrestricted funds

	At 1 April 2024 £	Incoming Resources £	Outgoing Resources £	Transfers £	Gains and Losses £	At 31 March 2025 £
Unrestricted funds	18,615,107	11,936,120	(12,987,753)	495,400	93,613	18,152,487
Designated funds	<u>543,646</u>	<u>14,963</u>	<u>(26,444)</u>	<u>255,517</u>	<u>-</u>	<u>787,682</u>
	<u>19,158,753</u>	<u>11,951,083</u>	<u>(13,014,197)</u>	<u>750,917</u>	<u>93,613</u>	<u>18,940,169</u>
Non charitable trading funds	235,964	2,188,644	(2,165,559)	-	-	259,049
Consolidation adjustments	<u>-</u>	<u>(508,217)</u>	<u>508,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>19,394,717</u>	<u>13,631,510</u>	<u>(14,671,539)</u>	<u>750,917</u>	<u>93,613</u>	<u>19,199,218</u>

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

	At 1 April 2023	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	At 31 March 2024
	£	£	£	£	£	£
Unrestricted funds	17,086,202	13,860,037	(13,630,246)	905,304	393,810	18,615,107
Designated funds	507,462	18,682	-	17,502	-	543,646
	<u>17,593,664</u>	<u>13,878,719</u>	<u>(13,630,246)</u>	<u>922,806</u>	<u>393,810</u>	<u>19,158,753</u>
Non charitable trading funds	293,610	2,281,038	(2,338,684)	-	-	235,964
Consolidation adjustments	-	(439,425)	439,425	-	-	-
	<u>17,887,274</u>	<u>15,720,332</u>	<u>(15,529,505)</u>	<u>922,806</u>	<u>393,810</u>	<u>19,394,717</u>

Designated funds represent funds designated for the PHD Masterplan, Preservation of the Historic Fleet and the Development of Galleries and Exhibitions.

19. Restricted funds

	At 1 April 2024	Incoming resources	Outgoing resources	Transfers	Gains and losses	At 31 March 2025
	£	£	£	£	£	£
RNM Development fund	6,062,528	-	(197,290)	-	131,341	5,996,579
HMS Alliance fund	45,026	1,103	-	-	-	46,129
HMS Caroline fund	55,849	-	-	-	-	55,849
HMS M33 fund	50,579	-	-	-	-	50,579
HMS Warrior 1860 fund	100,601	-	-	-	-	100,601
HMS Warrior dry docking	-	104,130	(104,130)	-	-	-
HMS Victory Preservation fund	9,258,818	3,371,984	(3,042,446)	(389,200)	136,583	9,335,739
LCT 7074 fund	21,391	-	-	-	-	21,391
RMM New Museum	23,270	3,306,935	(855,591)	(13,296)	-	2,461,318
Hartlepool development fund	(467,911)	556,206	(94,048)	(23,541)	-	(29,294)
Cobham Hall & Leading Edge	150,683	-	-	-	-	150,683
FAAM Environmental Sustainability	-	270,642	-	(270,642)	-	-
Trincomalee fund	40,495	1,827	(7,509)	(9,378)	-	25,435
Other restricted funds (projects)	188,194	280,557	(139,608)	(44,860)	495	284,778
Fieldhouse fund	4,481,763	-	(211,607)	-	99,097	4,369,253
	<u>20,011,286</u>	<u>7,893,384</u>	<u>(4,652,229)</u>	<u>(750,917)</u>	<u>367,516</u>	<u>22,869,040</u>

In 2000 the Royal Naval Museum completed phase I of a major capital development programme to redesign and refit existing galleries and bring new display and office space into use. The movements on the Development fund shown represent the income raised by donations and grants from the National Heritage Memorial Fund and other organisations, less the revenue expenditure and depreciation incurred up to the balance sheet date.

The HMS Alliance fund consists of funding received for the ongoing maintenance of HMS Alliance.

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 HMS M33 fund is for the conservation and presentation/interpretation of the ship, work which has been primarily funded by the Heritage Lottery Fund (HLF), and supported by funding from Hampshire County Council.

The HMS Warrior 1860 Preservation fund is for the conservation of the bulwarks, work which has been primarily funded by the HLF.

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

The HMS Victory Preservation fund is for the conservation and ongoing maintenance of the ship, work which is funded by grants from the HMS Victory Preservation Company and the HMS Victory Preservation Endowment Fund.

The LCT7074 fund relates to the restoration of the last Landing Craft (Tank) to take part in Operation Neptune and is primarily funded by the National Lottery Heritage Fund with match funding from other donors.

The RMM New Museum fund represents funding received for the development of a new Royal Marines Museum in Portsmouth Historic Dockyard.

The Hartlepool Development fund includes grant funding from the Tees Valley Combined Authority for the joint redevelopment of NMRN Hartlepool and the surrounding waterfront area, to support the regeneration of Hartlepool.

The FAAM Environmental Sustainability fund represents capital grant funding from the Royal Navy to improve Cobham Hall's defence against weather conditions and to reduce its energy consumption.

The Trincomalee fund includes donations from the Friends of HMS Trincomalee to support to the preservation, exhibition and promotion of the ship.

The Fieldhouse fund consists of funding received for the improvement and construction of buildings housing exhibits in the Royal Navy Submarine Museum.

Other restricted funds were received towards funding specific projects across the group's museums.

Transfers between funds

The transfers from restricted to unrestricted funds reflect costs recharged to projects, and the value of tangible fixed assets which have been purchased using restricted funds, but are held for general purpose, in accordance with SORP 2019 section 2.26.

	At 1 April 2023	Incoming resources	Outgoing resources	Transfers	Gains and losses	At 31 March 2024
	£	£	£	£	£	£
RNM Development fund	6,225,506	-	(224,295)	-	61,317	6,062,528
HMS Alliance fund	44,996	30	-	-	-	45,026
HMS Caroline fund	55,849	-	-	-	-	55,849
HMS M33 fund	50,579	-	-	-	-	50,579
HMS Warrior 1860 fund	91,365	61,187	(51,951)	-	-	100,601
HMS Victory Preservation fund	10,081,775	1,774,882	(2,671,558)	(397,488)	471,207	9,258,818
LCT 7074 fund	21,391	-	-	-	-	21,391
RMM New Museum	24,457	87,760	(73,795)	(15,152)	-	23,270
Hartlepool development fund	(324,440)	-	(226,707)	83,236	-	(467,911)
Barracuda project fund	19,166	58,005	(62,588)	(14,583)	-	-
Cobham Hall & Leading Edge	150,000	683	-	-	-	150,683
FAAM Environmental Sustainability	-	564,973	-	(564,973)	-	-
Trincomalee fund	29,778	10,717	-	-	-	40,495
Other restricted funds (projects)	147,457	126,728	(67,099)	(13,846)	(5,046)	188,194
Fieldhouse fund	4,653,916	-	(202,919)	-	30,766	4,481,763
	<u>21,271,795</u>	<u>2,684,965</u>	<u>(3,580,912)</u>	<u>(922,806)</u>	<u>558,244</u>	<u>20,011,286</u>

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

20. Revaluation reserve

	£
At 1 April 2024	6,924,144
Revaluation of fixed assets	594,129
	<u>7,518,273</u>
At 31 March 2025	<u>7,518,273</u>
	£
At 1 April 2023	6,053,090
Revaluation of fixed assets	871,054
	<u>6,924,144</u>
At 31 March 2024	<u>6,924,144</u>

21. Commitments and contingent liabilities

The company had capital commitments contracted but not provided for in the financial statements amounting to £818,872 (2024: £796,629). There were no contingent liabilities at 31 March 2025 (2024: £Nil).

22. Financial commitments

The charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Within one year	635,678	406,808
Between one and five years	2,542,711	1,627,232
Greater than five years	29,302,929	21,338,248
	<u>32,481,318</u>	<u>23,372,288</u>

23. Related party transactions

Parent charitable company and ultimate parent undertaking

NMRN Operations considers the National Museum of the Royal Navy (the "National Museum"), a charitable company (charity number 1126283, company number 06699696), to be its ultimate parent undertaking. NMRN Operations receives grant funding from the National Museum which is separately disclosed in Note 2. Control is exercised by the National Museum being the corporate member of NMRN Operations.

Consolidated accounts can be obtained from the National Museum's registered office: National Museum of the Royal Navy, HM Naval Base PP66, Portsmouth, Hampshire, PO1 3NH.

Subsidiary company

Company name	Company number	Percentage shareholding	Description
National Museum of the Royal Navy Trading	01261270	N/A	Souvenir shops & corporate events

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

Joint Venture

NMRN Operations is a related party of Portsmouth Historic Dockyard Operations Limited (PHD Operations Limited), a company limited by shares (company number 12799836) and a Joint Venture with the Mary Rose Trust. In the consolidated financial statements, PHD Operations Limited has been treated as a Joint Venture in which the company has a 50% interest.

A summary of the results for the year are as follows:

	2025		2024	
	Company share	Total	Company share	Total
	£	£	£	£
Trading income	59,944	119,887	80,516	161,032
Services provided	1,352,629	2,705,259	93,539	187,078
Expenditure	(1,412,573)	(2,825,146)	(174,055)	(348,110)
Net income	-	-	-	-
Balance Sheet				
Current assets	106,261	212,522	15,316	30,632
Current liabilities	(106,260)	(212,520)	(15,315)	(30,630)
Net assets	1	2	1	2

PHD Operations Limited is responsible for the collection and distribution of ticketing income for the two members. The company contributes towards the services provided. During the year the net contribution totaled £232,755 (2024: £130,163) and is included within site costs shown in note 7.