

Charity number: 259422

Royal Marines Museum
Trustees' report and financial statements
for the year ended 31 March 2021

Contents

Legal and administrative information 3

Foreword 4

Performance Report..... 5

Accountability Report..... 7

Statement of Corporate Trustee’s and Accounting Officer’s responsibilities 7

Independent auditors' report to the Trustees of the Royal Marines Museum 9

Statement of Financial Activities.....11

Charity Balance Sheet.....12

Cash flow statement13

Notes to the Financial Statements14

Legal and administrative information

Charity number	259422
Registered office	HM Naval Base PP66 Portsmouth Hampshire PO1 3NH
Director General and Accounting Officer	Professor Dominic Tweddle
Sole Corporate Trustee	National Museum of the Royal Navy
Trustee directors of NMRN	Admiral Sir Philip Jones GCB ADC DL Dr Caroline Williams (Resigned 13 July 2020) Rear Admiral Mark Anderson CB (Appointed 1 September 2020) Mr Michael J Bedingfield Ms Katherine Biggs (Appointed 1 September 2020) Dr Andrew Burnett CBE FBA (Appointed 25 October 2020) Mr Philip G Dolling (Appointed 1 September 2020) Mr Mike Gambazzi Ms Helen Jackson Vice Admiral Sir Adrian Johns KCB CBE KStJ ADC (Resigned 20 October 2020) Councillor Donna Jones Major General Jeffrey S Mason Mrs Mary Montagu-Scott DL Rear Admiral Jonathan P Pentreath CB OBE (Appointed 1 September 2020) Mr Tim Schadla-Hall (Resigned 25 October 2020) Mr John Michael E Scott (Appointed 1 September 2020) Mrs Alison Start (Appointed 1 September 2020) Mr Gavin Whitter
Accountants	Compass Accountants Limited Venture House, The Tanneries, East Street, Titchfield, Hampshire PO14 4AR
Auditors	PKF Littlejohn LLP 15 Westferry Circus, Canary Wharf, London, E14 4HD
Bankers	National Westminster Plc 130 Commercial Road, Portsmouth PO1 1ES

Trustees' annual report

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2021. 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 charity.

Foreword

The charitable objects of the Royal Marines Museum trust (the Trust), as established in its Trust Deed dated 9 June 1969 and as amended by the scheme dated 3 March 1999, are:

- 1) To educate the public and members of the Corps in the history and military accomplishments of the Corps and to encourage recruitment by public exhibition of the collection in:
 - a) a museum or museums; or
 - b) such other places as the Trustees may decide;and
- 2) to conserve, restore, repair, reconstruct and preserve items in the collection.

Performance Report

Overview

The Trust was established in June 1969. On the 22 March 2018, the National Museum of the Royal Navy ("the National Museum") (charity number 1126283) was appointed as its sole corporate Trustee and the Trust is now fully integrated into the National Museum. The Trust holds the heritage assets and reserves of the museum which is operated by the charitable entity, NMRN Operations (charity number: 1169061), a wholly owned subsidiary of the National Museum. This change realises the benefits of operation of the Royal Marines Museum within a large organisation, improving visitor experience, safeguarding and enhancing access to the collections and providing greater cohesion in the delivery of the charitable objectives.

Financial Review

Statement of Financial Activities for the Year Ended 31 March 2021

Total incoming resources for the Royal Marines Museum trust in 2020-21 amounted to £1,205,449 (2019-20: £46,208). These resources were received as donations and legacies.

Total resources expended for 2020-21 amounted to £1,382,285 (2019-20: £157,043) relating to grant funding to NMRN Operations in respect of the project to create a new collections store, depreciation and governance costs. After losses on the revaluation of fixed assets of £3,175,947 on the disposal of the charity's land and buildings, the net movement in funds for the year was a decrease of £3,352,783.

Balance sheet

The net assets as at 31 March 2021 amounted to £2,789,281 (2020: £6,142,064).

Reserves

The Trustees regularly monitor the levels of the Trust's reserves. The Trust retains a 'free reserve' in accordance with Group policy and defined as the amounts shown as Net Current Assets in the accounts and which are attributable to Unrestricted Funds. The Group policy is that there is no requirement to accumulate free reserves within the subsidiary charities and trusts and that any reserves held will be appropriately used, as approved by the Board, for the furtherance of the Trust's charitable objects.

As at 31 March 2021, the Trust's free reserves (defined as net current assets attributable to unrestricted reserves) stood at £1,990,430 (31 March 2020: £259,667). The purpose of the Trust is solely to hold the heritage assets and reserves of the Royal Marines Museum, which it will grant to NMRN Operations as and when required until they are expended or a nominal sum remains. The ongoing operating costs are undertaken under an operator agreement by a separate group company, NMRN Operations, therefore the Trustees are content that the going concern basis continues to apply and that the free reserves are at an appropriate level

Investment Policy

The Trust does not invest as a strategic means of raising income but nonetheless ensures that cash reserves are maintained in interest bearing accounts. The Trust's investment policy seeks to produce the best possible financial return within an acceptable level of risk.

Plans for future periods

The decant of the collection from the former museum at Eastney is now complete with the collection catalogued and held in secure storage in Portsmouth Historic Dockyard, Explosion and the Fleet Air Arm Museum. The sale of the Eastney site completed on 25 November 2020, with proceeds from the sale shared between the Trust and the Ministry of Defence.

The Trust's intentions remain to develop a new Royal Marines Museum in Boathouse 6 within Portsmouth Historic Dockyard, subject to funding being made available. The delivery of this project will be undertaken by NMRN Operations, a charitable subsidiary of the National Museum, which will operate the new museum when it is open. The company is in the early development stages of a new project and is consulting on the following intent for a new Royal Marines Commando Experience:

To create a world class new attraction revealing the story of Commandos from their origins in Britain's darkest days of 1940 to the Future Commando Force. Within Boathouse 6, our dynamic experience will take visitors into the physical, mental and technical reality of Commando selection and training. It will reveal the drama of the Royal Marines Commandos and Combined Operations and Royal Navy Special Warfare in the past, present and future. Through cutting edge design which gets people hands-on and showcases military innovation and creativity we will provide an inspirational, unforgettable experience.

Future expenditure will be limited to governance and support costs and any grants awarded to NMRN Operations under the operator agreement to deliver work to support the charity's objects. As such, the Trustee and Directors are content that the going concern basis continues to apply and the impact of the COVID-19 pandemic does not create a material uncertainty around going concern to the charity.

Auditors

The accounts have been audited by PKF Littlejohn LLP. So far as the Trustee and Accounting Officer are aware, there is no relevant audit information of which the charity'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 charity's auditors are aware of that information.

On behalf of the board



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

Date: 2nd December 2021



Professor Dominic Tweddle
Director General and Accounting Officer

Date: 2nd December 2021

Accountability Report

Trustee's Report and Governance Statement

This report sets out the arrangements for the governance of the Royal Marines Museum trust.

The Trustee has due regard to guidance issued by the Charity Commission on public benefit and in its charitable objects, the charity seeks to promote the education of the general public about the history, deeds and traditions of the Naval Service and encourage the public to commemorate, honour and preserve the memory of those members of the Naval Service who have died on active service.

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

The Governance Framework

The Royal Marines Museum is a charity registered with the Charity Commission (registration number: 259422). It is governed by its Declaration of Trust dated 9 June 1969, as amended by the scheme dated 22 March 2018, which incorporate its charitable objects, the powers of the Trust and provides for the appointment and reappointment of Trustees.

The Trustee ensures the distinct legal responsibilities and charitable objectives of the Trust are fulfilled within an overall policy and strategy framework. The day-to-day operation of the Trust within that framework is delegated to the Director General and Accounting Officer and to the Executive Directors.

The Trust has a sole Corporate trustee (the National Museum of the Royal Navy). Disclosure of the appointment of new trustees is provided in those financial statements.

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 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 Trust's risk register and the responses to risk are managed by the Director General and overseen by the National Museum's Audit and Governance Committee as well as the Group's Board.

The principal risks faced by the Trust centre around security and safeguarding of its assets.

**Statement of Corporate Trustee's and Accounting Officer's responsibilities
for the year ended 31 March 2021**

The Trustee and the Accounting Officer are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

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

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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

Date: 2nd December 2021



Professor Dominic Tweddle
Director General and Accounting Officer

Date: 2nd December 2021

Independent auditors' report to the Trustee of the Royal Marines Museum

Opinion

We have audited the financial statements of the Royal Marines Museum (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charity's affairs as at 31 March 2021, and of its 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 Charities Act 2011.

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 charity 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 charity'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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- 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 are responsible for the preparation of financial statements which 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 charity'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 charity 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 as auditor under section 144 of the Charities Act 2011 and report in accordance with the 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 obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Financial Reporting Standard 102 and the Charities SORP.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charity with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- We also identified potential for management bias in the valuation of the heritage assets on the Balance Sheet, which are held at deemed cost. We reviewed supporting documentation and challenged management's assumptions and judgements in relation to indicators of impairment.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Littlejohn LLP.

PKF Littlejohn LLP, Statutory Auditor

**15 Westferry Circus, Canary Wharf
London, E14 4HD**

Date: 13th December 2021

PKF Littlejohn LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities

For the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Income from:							
Donations and legacies							
Donations	2	15,318	1,189,131	1,204,449	43,751	-	43,751
Legacies	3	1,000	-	1,000	2,457	-	2,457
Total income		<u>16,318</u>	<u>1,189,131</u>	<u>1,205,449</u>	<u>46,208</u>	<u>-</u>	<u>46,208</u>
Expenditure on:							
Charitable activities							
Collections and asset management	4	(160,605)	418,369	257,764	152,342	4,701	157,043
Grant to NMRN Operations		-	1,124,521	1,124,521	-	-	-
Total expenditure		<u>(160,605)</u>	<u>1,542,890</u>	<u>1,382,285</u>	<u>152,342</u>	<u>4,701</u>	<u>157,043</u>
Net income/(expenditure)		176,923	(353,759)	(176,836)	(106,134)	(4,701)	(110,835)
Transfers between funds		-	-	-	-	-	-
Other recognised gains/(losses):							
Gains/(losses) on revaluation of fixed assets		(3,175,947)	-	(3,175,947)	43,122	4,362	47,484
Net movement in funds		<u>(2,999,024)</u>	<u>(353,759)</u>	<u>(3,352,783)</u>	<u>(63,012)</u>	<u>(339)</u>	<u>(63,351)</u>
Reconciliation of funds:							
Funds brought forward		5,682,526	459,538	6,142,064	5,745,538	459,877	6,205,415
Total funds carried forward		<u><u>2,683,502</u></u>	<u><u>105,779</u></u>	<u><u>2,789,281</u></u>	<u><u>5,682,526</u></u>	<u><u>459,538</u></u>	<u><u>6,142,064</u></u>

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

The notes on pages 14 to 20 form an integral part of these financial statements.

Balance Sheet
as at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	7	-	5,148,156
Heritage assets	8	734,241	734,241
		<u>734,241</u>	<u>5,882,397</u>
Current assets			
Debtors: amounts due after one year	9	2,500,000	-
Cash at bank and in hand		681,727	269,862
		<u>3,181,727</u>	<u>269,862</u>
Creditors: amounts falling due within one year	10	(1,126,687)	(10,195)
Net current assets		<u>2,055,040</u>	<u>259,667</u>
Net assets		<u>2,789,281</u>	<u>6,142,064</u>
Funds			
Unrestricted funds		2,683,502	5,682,526
Restricted funds	11	105,779	459,538
Total funds		<u>2,789,281</u>	<u>6,142,064</u>

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



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

Date: 2nd December 2021

The notes on pages 14 to 20 form an integral part of these financial statements.

Cash flow statement

for the year ended 31 March 2021

	2021	2020
Cash flows from operating activities:		
Net cash (used in)/provided by operating activities	(1,304,796)	43,939
Cash flows from investing activities:		
Proceeds from sale of fixed assets	1,716,661	-
Net cash provided by/(used in) investing activities	1,716,661	-
Increase/(decrease) in cash and cash equivalents in the year	411,865	43,939
Cash and cash equivalents at 1 April 2020	269,862	225,923
Cash and cash equivalents at 31 March 2021	681,727	269,862
Net (expenditure)/income for the reporting period	(176,836)	(110,835)
Depreciation and impairment	-	154,491
Loss on disposal of fixed assets	255,548	-
(Increase)/decrease in debtors	(2,500,000)	-
Increase/(decrease) in creditors	1,116,492	283
Net cash (used in)/provided by operating activities	(1,304,796)	43,939

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies

1.1. Charity information

The Royal Marines Museum is a registered charity, number 259422.

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

1.2. Basis of preparation of financial statements

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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The role of the Trust is solely to hold the heritage assets and reserves of the Royal Marines Museum which it will grant to NMRN Operations as and when required until they are expended or a nominal sum remains. The ongoing operating costs are undertaken under an operator agreement by a separate group company, NMRN Operations, therefore the Trustee is content that the going concern basis continues to apply and the impact of the COVID-19 pandemic does not create a material uncertainty around going concern in the Trust.

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

1.3. Income

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

1.4. 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 of 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.

1.5. 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.

1.6. Basis of allocation

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

1.7. Restricted 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.

Notes to the financial statements for the year ended 31 March 2021

1.8. 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 were previously valued at depreciated replacement cost, with a professional valuation being obtained at least every five years. The Museum closed on 1 April 2017 and the land and buildings were revalued to market value on 18 May 2017, and subsequently sold on 25th November 2020.

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

Land and buildings - over the lease term

1.9. Heritage assets

The Royal Marines Museum holds in trust artefacts comprising its collection. The main and reserve collections have not been valued and included in the financial statements due to their historic and inalienable nature and due to the specific and individual nature of the artefacts held, it is not believed to be possible to obtain a reliable value of the collection without incurring a cost disproportionate to the benefit of the information reported to the readers of the accounts.

The Museum has been collecting material formally since 1958. Assets acquired prior to 1 April 2000 have not been capitalised and included in the accounts, but with effect from 1 April 2000, additions to the collection with a cost in excess of £2,500, have been capitalised. These assets are not depreciated due to infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

Heritage assets donated to the Museum with a value in excess of £2,500 are included in the accounts on the basis of internal valuations estimated by the relevant curatorial staff and determined by their experience and judgement.

The Collection

The collection consists of artefacts, physical, written and oral reflecting the history of the Royal Marines Corps since its inception in 1664 to the present day. It comprises material which reflects the unique nature of the Royal Marines in both Military and Naval history.

By categories, numbers held are:

Category	Count
Large items	17
Works of Art/Models	10,824
Documentary Archive	36,000
Uniforms/Badges & Insignia	15,817
Orders & Decorations	2,564
Weapons/Armaments	1,694
Photographs/Microfilm/Fiche	2,000,000
Film & Sound Recordings	1,382
Other	3,347

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

In October 2015, a single set of Collections Management policies for the NMRN Group was approved by the Board. These policies were the basis of a new single application to the Arts Council for Museum Accreditation to the higher standards required of a national museum collection, replacing the individual accreditations of the subsidiary museums. These policies set out a common approach for the maintenance and management of collections at different museum sites, and will be subject to regular review as directed by the Collections, Research, Learning and Access Committee (CRLA).

Notes to the financial statements for the year ended 31 March 2021

Acquisitions to the museums are now guided by a single Collections Development Policy (2015) and Strategy (2019); this sets out priorities and processes for acquisition. There are two principal methods of acquisition:

Acquisition by gift - Curators have authority to propose collecting in line with the 'Themes and Priorities for Future Collecting'. Offers of donations are passed to an Acquisitions Panel, chaired by the Registrar. This Committee sits on a monthly basis to assess offers. Decisions are reviewed by the Head of Collections and Research.

Acquisition by purchase - Collections and other staff can recommend and where appropriate make purchases of material from any source up to their authorisation levels in accordance with the NMRN scheme of delegation. Purchases of up to £25,000 are reviewed by the Head of Collections & Research and/or the Deputy Executive Director of Museum Operations. Any purchases of a value above £50,000 go to the Director General for assessment.

Significant acquisitions are discussed at the Collections, Research, Learning and Access Committee. This Committee also receives quarterly reports on key acquisitions and an annual report of all items added to the collection.

Subject to the approval of the Trustees, the Museum may dispose of items from the collection, although this will only happen in exceptional circumstances, for example:

- When items fall outside the Museum's Collecting Policy or Charitable Objectives
- When an item contains a serious hazard which cannot be remediated.
- When an item is one of a significant number of duplicates
- When an item is in exceptionally poor condition which cannot be reversed and it cannot be repurposed to alternate use.

1.10. Basic financial instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Museum 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.

2. Grants and Donations

During the year the following grants and donations were received:

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	2020 Total £
Miscellaneous donations	(400)	1,000	600	19,368	19,368
American Friends of the National Museum	15,718	-	15,718	11,621	11,621
The 1664 Club	-	-	-	12,762	12,762
Ministry of Defence	-	1,188,131	1,188,131	-	-
	<u>15,318</u>	<u>1,189,131</u>	<u>1,204,449</u>	<u>43,751</u>	<u>43,751</u>

**Notes to the financial statements
for the year ended 31 March 2021**

3. Legacies

	Unrestricted funds £	2021 Total £	Unrestricted funds £	2020 Total £
M Pye	-	-	1,000	1,000
A Dawson	-	-	1,000	1,000
Other legacies	1,000	1,000	457	457
	<u>1,000</u>	<u>1,000</u>	<u>2,457</u>	<u>2,457</u>

4. Collections and asset management

	Collections and asset management £	2021 £	2020 £
Depreciation	-	-	154,491
Loss on disposal of fixed assets	255,548	255,548	-
Governance and support costs	2,216	2,216	2,552
	<u>257,764</u>	<u>257,764</u>	<u>157,043</u>

5. Governance and support costs

	Collections and asset management £	2021 £	2020 £
Accountancy fees	972	972	1,080
Auditors remuneration	1,211	1,211	1,401
Bank charges	9	9	60
Other costs	24	24	11
	<u>2,216</u>	<u>2,216</u>	<u>2,552</u>

6. Employee costs

There were no employees directly employed by the charity in the period.

No Trustees received remuneration during the year. Trustees are reimbursed for travel expenses through the parent company, the National Museum of the Royal Navy.

**Notes to the financial statements
for the year ended 31 March 2021**

7. Tangible fixed assets

	Land and Buildings £	Total £
Cost		
At 1 April 2020	5,602,177	5,602,177
On disposal	(5,602,177)	(5,602,177)
	<u>-</u>	<u>-</u>
At 31 March 2021	-	-
Depreciation		
At 1 April 2020	454,020	454,020
On disposal	(454,020)	(454,020)
	<u>-</u>	<u>-</u>
At 31 March 2021	-	-
Net book values		
At 31 March 2021	<u>-</u>	<u>-</u>
At 31 March 2020	<u>5,148,156</u>	<u>5,148,156</u>

The charity's land and buildings were revalued in 2017/18 to £5,500,000 by D.M.Nesbit & Company in accordance with the stated accounting policy and subsequently sold on 25th November 2020.

8. Heritage assets

	At valuation £	At cost £	Total £
Carrying amount at 1 April 2020 and 31 March 2021	<u>734,241</u>	<u>-</u>	<u>734,241</u>

There were no additions made to the Collection in the year. There were no impairments during the year.

Five-year summary	2021	2020	2019	2018	2017
	£	£	£	£	£
<u>Additions</u>					
Purchases	-	-	-	-	-
Donations	-	-	-	-	734,241
<u>Disposals</u>	-	-	-	-	-

**Notes to the financial statements
for the year ended 31 March 2021**

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

	2021 £	2020 £
Other debtors	2,500,000	-
	<u>2,500,000</u>	<u>-</u>

10. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	2,183	2,482
Amount owed to group undertakings	1,124,504	7,713
	<u>1,126,687</u>	<u>10,195</u>

11. Restricted funds

	1 April 2020 £	Incoming £	Outgoing £	Transfers £	Revaluation £	31 March 2021 £
Development fund	418,369	-	(418,369)	-	-	-
Royal Marines Museum Relocation fund	-	1,188,131	(1,124,521)	-	-	63,610
Kochan Collection fund	-	1,000	-	-	-	1,000
Lt Reeves Trafalgar medal	41,169	-	-	-	-	41,169
	<u>459,538</u>	<u>1,189,131</u>	<u>(1,542,890)</u>	<u>-</u>	<u>-</u>	<u>105,779</u>

	1 April 2019 £	Incoming £	Outgoing £	Transfers £	Revaluation £	31 March 2020 £
Development fund	418,708	-	(4,701)	-	4,362	418,369
Lt Reeves Trafalgar medal	41,169	-	-	-	-	41,169
	<u>459,877</u>	<u>-</u>	<u>(4,701)</u>	<u>-</u>	<u>4,362</u>	<u>459,538</u>

The Development Fund represents the net book value of capital expenditure on a major upgrade of the museum's displays and exhibitions.

The Lt Reeves Trafalgar Medal Fund represents the purchase of a medal awarded to Lieutenant Lewis Buckle Reeves, a Marine who was on board HMS Victory at the Battle of Trafalgar, which was funded by a grant.

The Kochan Collection fund represents donations received to support the Trust to purchase a privately assembled collection held in the United States and which is a significant resource for the early history of the Marines. The collection of portraiture, uniform, kit, weapons and documents is unusually well-provenanced and particularly rich for the period 1755-1800.

Notes to the financial statements for the year ended 31 March 2021

11. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	2021 Total
	£	£	£
Unrestricted funds	693,072	1,990,430	2,683,502
Restricted funds	41,169	64,610	105,779
	<u>734,241</u>	<u>2,055,040</u>	<u>2,789,281</u>
	Tangible Fixed Assets	Net Current Assets	2020 Total
	£	£	£
Unrestricted funds	5,422,859	259,667	5,682,526
Restricted funds	459,538	-	459,538
	<u>5,882,397</u>	<u>259,667</u>	<u>6,142,064</u>

12. Ultimate parent undertaking

The Royal Marines Museum considers the National Museum of the Royal Navy (NMRN), a charitable company (charity number 1126283, company number 06699696), to be its ultimate parent undertaking.

Control is exercised by the NMRN being the sole corporate Trustee of the Royal Marines Museum.

The NMRN was established in 2008 as a holding company of the NMRN Group which operates a number of naval service museums, including the Royal Marines Museum. The NMRN's strategy set out to increase the scale, scope and reach of the museum. Its vision is to become the world's most respected Naval Museum underpinned by a spirit of enterprise and adventure. The goal is to promote the public understanding of the Royal Navy past, present and future.

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

13. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	269,862	411,865	681,727
Net funds	<u>269,862</u>	<u>411,865</u>	<u>681,727</u>

14. Related party transactions

The charity received a donation of £988,055 from the Ministry of Defence (a related party of the National Museum of the Royal Navy) in connection with the sale of the former Royal Marines Museum building.

The charity has taken advantage of the exemption under FRS 102 33.1A regarding disclosure of transactions with other NMRN group entities.