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National Maritime Museum Annual Report and Accounts 2008-2009

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**TRUSTEES' AND ACCOUNTING OFFICER'S ANNUAL REPORT
AND
CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

CONTENTS

i Museum Background	1
ii Mission, Responsibilities, Objectives and Values	2
1. Chairman's Foreword	3
2. Director's Introduction	4
3. Review of activities, achievements and performance 2008-'09	5
4. Future priorities	25
5. Statutory background, structure, governance and management	27
6. Remuneration Report	34
7. Reference and administrative details	38
8. Supporters of the National Maritime Museum	40
9. Results for the year and other financial information	42
10. Statement of the Board of Trustees' and the Accounting Officer's Responsibilities	46
11. Statement on Internal Control	47
12. The Certificate and Report of the Comptroller and Auditor General	51
13. Consolidated Statement of Financial Activities	54
14. Balance Sheets as at 31 March 2009	55
15. Consolidated Cash Flow Statement	56
16. Notes to the Consolidated Accounts	57

TRUSTEES' AND ACCOUNTING OFFICER'S ANNUAL REPORT FOR YEAR ENDED 31 MARCH 2009

MUSEUM BACKGROUND

The National Maritime Museum (NMM) is the largest maritime museum in the world. Entry to Museum sites at Greenwich is free but charges are made for special exhibitions and the Peter Harrison Planetarium. It is open 362 days a year, and in 2008-'09 it welcomed more than 2 million visitors from across the world, its website attracted nearly 10 million users, 15 thousand collections related and subject enquiries were answered, and some 308 thousand learners participated in educational programmes. The Museum receives funding from the taxpayer via Grant-in-Aid through the Department for Culture Media and Sport (DCMS), with additional income derived from trading activity and sponsorship.

History and Collection

The National Maritime Museum (Patron: His Royal Highness the Duke of Edinburgh) was opened to the public by King George VI on 27 April 1937 in its buildings at Greenwich, which until 1933 had housed the Royal Hospital School. The Queen's House was part of the Museum from the outset. The Royal Observatory, Greenwich (ROG) was an addition of 1953.

The Museum is unique in the architectural significance and setting of its main buildings. The 17th-century Queen's House, designed by Inigo Jones and probably the most important early classical building in England, is the keystone of the historic 'park and place' landscape of maritime Greenwich, which was designated a UNESCO World Heritage Site (WHS) in 1997. Flamsteed House (1675-76), the original part of the Royal Observatory, was designed by Sir Christopher Wren and was the first purpose-built scientific research facility in Britain.

The NMM has a number of storage outstations in south-east London close to its main site. It owns the freehold of two of these, one being the architecturally interesting Brass Foundry at Woolwich Arsenal attributed to Sir John Vanbrugh.

All the Museum buildings have been subsequently upgraded at various times and a full modern redevelopment of the main galleries, centring on what is now the Neptune Court, and funded in the main by the Heritage Lottery Fund, was completed in 1999 and reopened by Her Majesty the Queen. The Queen's House was refurbished in 2001 to become the heart of displays of art from the Museum's collection; the Queen's House was re-opened in this role by His Royal Highness the Prince of Wales. The major capital project *Time and Space* for the opening up of the entire Royal Observatory site for the benefit of the public was opened by Her Majesty the Queen in May 2007.

The Museum has the most important holdings in the world on the history of Britain at sea comprising more than 2 million items, including maritime art (both British and 17th-century Dutch), cartography, manuscripts including official public records, ship models and plans, scientific and navigational instruments, instruments for time-keeping and astronomy (based at the Observatory). Its British portraits collection is exceeded in size only by that of the National Portrait Gallery and its holdings relating to Nelson and Cook, among many other individuals, are unrivalled. It has the world's largest maritime historical reference library (100,000 volumes) including books dating back to the 15th century. An active loans programme ensures that items from the collection are seen in the UK and abroad. Through its displays, exhibitions and outreach programmes the Museum also explores our current

relationship with the sea and the future of the sea as an environmental force and resource. By virtue of its pairing with the Royal Observatory, the Museum enjoys a unique conjunction of subjects (History, Science, Arts), enabling it to trace the movement and accomplishments of people and the origins and consequences of empire. The outcome of the Museum's work is to achieve, for all its users at home and overseas, a greater understanding of British economic, cultural, social, political and maritime history and its consequences in the world today.

MISSION, RESPONSIBILITIES, OBJECTIVES AND VALUES

The Museum's **Mission** is to:

Illustrate for everyone the importance of the sea, ships, time and the stars, and their relationship to people.

The Museum's **Responsibilities** are to safeguard and enhance the value of its Assets:

- its **collections**
- its **expertise**
- its **buildings**

The Museum's **Objectives** are to spread the benefits of those assets through:

- maximizing **access** and inspiration for its users
- satisfying its **stakeholders**, locally, nationally and internationally
- an effective **organisation** and sound financial management

In carrying out its programme, the Museum recognises the vital role played by its staff and volunteers; the institution **Values** in particular:

- good ideas and learning
- excellence in customer service
- teamwork and communication
- quality

1. CHAIRMAN'S FOREWORD

Greenwich is one of the most exciting and interesting places to visit in London. Its architectural and riverside qualities are a magnet for millions from home and overseas whilst the Prime Meridian, the home of time, at the Royal Observatory is a truly global brand.

We are privileged to occupy this important site in Greenwich. Our neighbours and friends include the *Cutty Sark*; the Old Royal Naval College; the Rangers House, Greenwich Hospital, the Fan Museum, the Thames itself, with its river transport; and Greenwich Royal Park– itself crowned by our Royal Observatory.

This year has seen great progress made with our plans to add to the rich mix that is Greenwich. The Sammy Ofer Wing, to open in 2012, will provide us with a new exhibition venue and give the public much better access to the Museum's pre-eminent maritime archives, including manuscripts, maps, charts, ships plans, prints and drawings that together document Britain's relationship with the sea.

I am very pleased to report that the Sammy Ofer Wing has now received planning permission from the London Borough of Greenwich and approval from HM Treasury of our outline business case. Both approvals meant a great deal of work by the project and wider team here, to which I pay tribute, but also they were gained with the support and constancy of our local stakeholders – a splendid effort. My fellow Trustees and I have been very heartened by and are grateful for the entirely positive feedback we have received from all those around us during the consultation work we have carried out on the new Wing. Now we move on to the construction stage.

I believe Greenwich is getting a new sense of itself and the major role it can play in the leisure and learning industries. To be the best is not easy but we have great natural resources to utilise and a strong sense of community within the World Heritage Site and Greenwich. The London 2012 Olympic Games will bring another opportunity to boost the profile and reputation of both Greenwich and the Museum, and we are working closely with the London Organising Committee to ensure that the many cultural benefits the area can offer will be made maximum use of.

2009 also saw the construction and launch of our 2009-'14 Corporate Plan - *Stimulating Curiosity*. Please turn to page 25 for an outline of its content. The Plan describes the five years ahead which, though they will be years of growth for the National Maritime Museum, will also be ones with many challenges to overcome – not least with the short and medium term economic climate.

I therefore offer my and my fellow Trustees thanks for the commitment of everyone - staff, executive, management, volunteers, sponsors and stakeholders - which has produced such excellent results this year and for ensuring the excellence of the Museum through continual improvement.

Lord Sterling, Chairman of the Board of Trustees

2. DIRECTOR'S INTRODUCTION

In the financial year 2008-'09 the Museum welcomed record numbers to the Royal Observatory, National Maritime Museum and Queen's House, recording over two million visits for the first time in its history. One of the reasons for this success was our decision to extend the opening hours at the Observatory to 8pm in the summer allowing over 140,000 visitors to have this additional opportunity of access to the world-famous meridian line here in Greenwich. As a consequence of the increase in site visits, the Museum's efficiency measure of revenue Grant-in-Aid per visit was £7.45 – the best ever achieved.

In addition, the year saw the Museum enjoy its highest-ever number of visits by children under 16 – over 460k children to our three sites, some 86k more than in 2007-'08. Visitor satisfaction levels remain very high - 99% would recommend a visit to others.

These are all very good results and I believe that this year we have made significant strides in putting Greenwich in people's minds as a world-class destination to give them both enjoyment and inspiration – helping to relax the boundaries between leisure and learning.

The key factor in bringing people to Greenwich is of course the excellence of the product we provide and the quality of experience we give our visitors on site and online. The breadth of our work is outlined in the section that follows and this encompasses research, publications, exhibitions, the www, commercial enterprises, operating the new Peter Harrison Planetarium, and our core responsibility of developing and caring for the national maritime collection.

All this is made possible by the staff, management and volunteers, and I am very grateful for their hard work and commitment to the Museum. Moreover, all this work is going on whilst staff have been making additional commitments to the project planning for the Sammy Ofer Wing. The necessary temporary closure dates for the Caird Library, in order to decant and catalogue material for the new Wing, drew many comments from a variety of individual users and user groups – so much so that we revisited the work programme and managed to reduce the impact. Those changes were welcomed and understood by many readers and I believe that shows how responsive we can be to our specialist stakeholders.

Nevertheless, the very growth that I describe is a challenge for us all to sustain. Wear and tear is increasing across the building fabric. There are some peak days at the Royal Observatory when the very numbers visiting can lower the quality of the experience. Galleries need refreshing and renewing to maintain their relevance and to offer something new to the many repeat visitors we have. The requirement to invest in new technology and the standard of estate upkeep required for a World Heritage Site all require our financial resources to keep pace with demand. That is why it is especially pleasing for me to be able to report that, despite the current economic climate, our commercial activities have performed especially well this year – all of which finished over budgets that were set before the current downturn. We are also indebted to receive the continuing commitment of so many of our corporate supporters and of course to those in our membership organization.

However, our largest quantum of financial support comes from the public itself. We trust, as indeed we believe our figures show, that they are amply rewarded by the value they receive and the efficiency with which it is provided.

Kevin Fewster, AM, Director and Accounting Officer

3. REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE 2008-'09

ACTIVITIES AND ACHIEVEMENTS

The following section is a brief review of the activities and achievements of 2008-'09 (so necessarily contains only a selection of the Museum's work over the year) - all of which contribute to fulfilling the Museum's Responsibilities and achieving the Museum's Objectives.

The section is structured in accordance with the Trustees Responsibilities and Objectives but is also mapped to show how the Museum supports each of the four DCMS Strategic Objectives of:

Opportunity - Encourage more widespread enjoyment of culture, media and sport.

Excellence - Support talent and excellence in culture, media and sport.

Economic impact - Realise the economic benefits of the Department's sectors:

Olympics and Sport for Young People - Deliver a successful and inspirational Olympic and Paralympic Games in 2012 that provide for a sustainable legacy and get more children and young people taking part in high quality PE and sport.

3.1. safeguarding and enhancing the value of its **assets: collections, expertise and buildings**

Links to the DCMS objective of: *Support talent and excellence in culture, media and sport*

Activities and Achievements include:

Collections:

Acquisitions

Notable acquisitions in 2008-'09 were:

- The Rugby MSF radio time signal equipment used for producing the National Physical Laboratory/BT Rugby radio time signal, c.1990-2007. All radio-controlled clocks and watches were controlled by this piece of equipment, which is fundamental to the story of post-1950 precision timekeeping. This object essentially ran UK time-keeping during its lifetime and is a key piece of contemporary collecting.
- A portrait of HRH Prince Philip, The Duke of Edinburgh, by Richard Stone. This work was a gift from the Friends of the National Maritime Museum to commemorate the Museum's Patron, HRH Prince Philip's 60 year close association with the Museum – for over 50 years of which he was a Trustee.
- During the year 104 artefacts to the value of £112k (£637k in 2008) were donated or bequeathed to the Museum.

Long-Term Loans In Reform Project

The Long-term Loans in Reform project, examining NMM's long term loans in for

possible acquisition or return, began in earnest with the appointment of a project assistant and the completion of initial categorisation and project plan by the project working group. The primary aim of the project is to convert as many loans in as possible to gifts and some early results from the project are:

- A full hull builder's ship model of HMS 'Snapdragon' (1915). The model was on loan to the NMM since 1966; it is an intricately detailed shipbuilder's model of the highest quality and unusual in that it depicts the vessel with what appears to be minesweeping equipment rigged off the port bow.
- A silver cup and cover of urn shape with loop handles by Charles Wright, 1781. The cup was presented to Crosby in commemoration of his defence of the ship against a French privateer. This item had been on loan to the Museum since 1980.
- An important collection of 51 items formerly belonging to Sir George Biddell Airy (1801-1892), Astronomer Royal (1835-81), on loan since 1972, was purchased for £50,000.

Loans Out

The Battle of Trafalgar by J.M.W. Turner was couriered from Dallas where it was on display in the Museum of Art, to the Metropolitan Museum of Art in New York.

Twenty two objects including prints, drawings, manuscripts, charts and a ship model were lent to the Australian National Maritime Museum, Sydney for an exhibition entitled *Darwin – in the Wake of the Beagle*.

A great deal of work was undertaken at short notice to take back museum collection items which were on loan to *Explosion* the Naval Firepower Museum. 46 items including several torpedoes containing asbestos had to be made safe and found a home following Gosport Council's decision to redevelop the site.

Conservation

One of the more remarkable objects that underwent conservation was a rare surviving paper and animal gut membrane balloon associated with the searches for Sir John Franklin's fated arctic expedition of 1845. The story of this exciting conservation project is available as a podcast on NMM's website, and further information appears on our website's conservation blog with image of the balloon and the project's paper conservator Paul Cook. Due to the very fragile and degraded nature of the materials of the balloon envelope, the required treatment was delicate and exacting. Constructed in two hemispherical sections and giving an inflated diameter of over 110 cm, the balloon was divided along the original joining seam for repair treatment. One section was completed and put on display some years ago; the second, more damaged section could only be progressed intermittently between other priority work. However treatment was recently resumed and time will be devoted to completing the repair and stabilisation of what will always remain a fragile, but probably unique item. In use the balloon would have been inflated with hydrogen gas (generated by the reaction of acid on zinc), suspended beneath this and coiled under a protective shield or 'car' were bundles of 'signals or dispatches', printed on red or white silk and sewn to long and slow burning matches. The matches lit and the balloon launched to drift with the wind, bundles of messages - giving information on the rescue attempt - would detach at intervals, with the hope that if found, would aid survivors in finding salvation.

Archive & Library

From November 2008, the Archive and Library team, with the Documentation team, documented and prepared the collections currently stored in the south west wing store, prior to their move to offsite storage in March 2009 in preparation for the new archive in the Sammy Ofer Wing. This work involved auditing and documenting the collections, including journal documentation. Whilst preparation and documentation of the collections took place, the Caird Library was open to the public Tuesday to Thursday, and general enquiries continued to be dealt with.

Expertise

Research is a core activity for the National Maritime Museum, vital for good stewardship of our collections and the intellectual development of our subjects. It is the foundation for all activities, including exhibitions, programmes and publications (online and paper-based), that connect with and inspire the public.

Research Fellowships 2008-'09

Sackler-Caird Research Fellowship:

Dr Clare Anderson, University of Warwick

Marginal Centres: subaltern biographies of the Indian Ocean world

Caird Senior Research Fellowship:

Dr Nuala Zahedieh, University of Edinburgh

Jamaica and the Atlantic economy, 1655-1720

Caird North American Fellowship:

Dr Sophie Gilmartin, Royal Holloway, University of London

Letters from the sea: literature, navigation and identity in the writings of nineteenth-century maritime women

The Crown Estate Caird Research Fellowship:

Dr Robin McInnes OBE

Art as a tool in support of the understanding of coastal change

Caird Short-term Research Fellowships:

Katherine Cranston Epstein, The Ohio State University

British and American torpedo development, 1866-1914

Ingeborg Hovik, The University of Edinburgh

Images of the Arctic: The Explorer and Exploration

Professor Claire E Jowitt, Nottingham Trent University

A literary and cultural biography of the Pirate Captain John Ward aka Yusuf Reis (c.1552-1622)

Claire Pauline Phelan, Texas Christian University

"In the Vise of Empire": British Impressment of the American Sailor

AHRC Collaborative Doctoral Studentships in Residence

Anyaa Anim-Addo, with Royal Holloway, *Steam after slavery: The Royal Mail Steam Packet Company in the post-emancipation Caribbean, c. 1834-1870*

Lindsay Doulton, with University of Hull, *Anti-slavery and the Royal Navy in the Indian Ocean, 1810-1890: race, empire and identity*

Mary Wills, with University of Hull, *Anti-slavery and the Royal Navy in the Atlantic Ocean, 1810-1890: race, empire and identity*

Harriet McKay, with University of Kingston, *Accommodating the Passenger: Interior Design for the Union Castle Line, 1945-1977*

Philip Rich, with University of Sheffield, *The culture of cruising: post-war images of Oceanic Cruises in NMM Film Archive*

Charlotte Mullins with University of Sussex

Prints & Drawings collection for a thesis relating to art and travel

John Moyle with University of Leeds

2- and 3-D collections looking at the work of submarine cable technicians, 1850-1914

Helen Reddick and Hazel Sheeky with University of Newcastle upon Tyne

Popular narratives of exploration in children's literature from the 18th to the 20th century

Claire Warrior with University of Cambridge

Exploring Histories: Polar Exploration and the construction of History at the National Maritime Museum

Scholarly Publications

Turmoil and Tranquillity catalogue, Dr Jenny Gashchke (Ed.)

Fanny Loviot, A lady's captivity among Chinese pirates, Dr Margarete Lincoln

Mary Lacy, The Female Shipwright, Dr Margarete Lincoln

'The production and publication of Captain Henry Butler's *South African sketches* (1841)', *Studies in Travel Writing*, Dr John McAleer

Ruth Belville the Greenwich Time Lady, David Rooney

Conferences, Lectures and Symposia

Naval Dockyards Annual Conference, 12 April 2008, 43 delegates

Asia/Atlantic Symposium, 26 April 2008, 17 delegates

Richard Hakluyt Conference, 15-17 May 2008, 111 delegates

Scientific Voyaging Conference, 8-10 July 2008, 62 delegates

The Empire Lectures, 7-30 October 2008, 416 delegates

Turmoil and Tranquillity Conference, 14 November 2008, 35 delegates

Tate/Turner Symposium, 18 December 2008, 15 delegates

Buildings and estate works infrastructure improvements have included:

Meridian and Astronomer's Gardens

A project was begun to landscape these Gardens at the Royal Observatory, in order to improve the visitor route and ensure that it is Disability Discrimination Act (DDA) compliant. Planning consent was given by the London Borough of Greenwich and English Heritage was also supportive of the scheme.

These works to the Meridian Garden are now nearing completion; the new visitor route was opened at Easter, and planting has commenced for the soft landscaping. A design was also agreed for the landscaping scheme for the Astronomer's Garden and work in this area was started in December 2008.

Both of these garden works were funded by the Friends of the National Maritime Museum to some £163k, and we are grateful to the Friends for their generosity, and by an individual bequest.

Colonnade Steps

Significant repair and replacement of the yorkstone steps was required due to weather deterioration. This work was carried out by a specialist stone restoration contractor under the guidance of a leading stone restoration consultant.

Queen's House works

The waterproof rendering, redecoration and lighting upgrade of the 'Horseshoe Steps' entrance tunnel was completed and the undercroft was redecorated.

IT Infrastructure works included

- Installation of wireless network in South West Wing to enable manuscripts cataloguing audit.
- Setting up better web filtering of E-Library machines so that the public can more easily access library resources.
- Managed the hardware asset disposal for a number of departments, ensuring proper procedures and waste disposal methodology was applied.
- Installed and configured our anti-virus software to block USB storage devices (a key source of viruses that could infect NMM's network).

3.2 maximising access and inspiration for its users

Links to the DCMS objective of: *Encourage more widespread enjoyment of culture, media and sport*

Activities and Achievements include:

Sammy Ofer Wing

Sammy Ofer's extremely generous pledge of £20million, early in 2008, allowed the Museum to proceed with a key strategic project: to create a temporary exhibition space, improve access to archival collections, provide better catering and other facilities, and create a new southern entrance to the Museum to enhance visitor routes across our site. Since that time, swift progress has been made. We began with extensive consultation to garner feedback from local stakeholders. As a result, there was not a single formal written objection to our scheme, which was granted planning permission and listed building consent at the first pass. Our fundraising is also doing well: the Heritage Lottery Fund approved our Stage One submission in October 2008, and we have just completed our Stage Two application on time. If this bid is successful, all capital funding for the construction project will be in place.

Meanwhile, Treasury have approved our outline business case and we have also successfully completed government's Gateway Review 2. We will be appointing a Principal Contractor in July, when construction work will begin. In preparation for this, galleries that will be affected have already been decanted. Also, 300 boxes of manuscript material has been temporarily re-located to an off-site store, ahead of schedule. The Museum has seconded key staff to the project so that it is efficiently resourced. Enhanced cataloguing of archival materials is underway and, although library opening hours have had to be reduced as a consequence, the library will remain open throughout the period of construction. Work is now proceeding on an operational plan to ensure the smooth running of the new Wing when it opens fully in 2012.

Beside the Seaside: Snapshots of British coastal life, 1880-1950

This exhibition ran from September 2008 to April 2009, bringing together photographs, posters and seaside memorabilia to capture the essence of both working life and early tourism along the British coast.

North-West Passage

This exhibition (which opens in May 2009) replaced *Beside the Seaside* in the Friends gallery under the podium. It juxtaposes a small selection of the NMM's unparalleled historical Polar collections with contemporary climate change research to examine the idea of the North-West Passage, discuss British attempts to find it, and explore the impact of global warming on the Arctic.

Touring exhibitions

Turmoil and Tranquillity US tour

Now decanted from the Queen's House after a very popular and successful run in Greenwich, this exhibition will reside in Peabody Essex Museum, Massachusetts from 13 June to 9 September.

Your Ocean has, over the last 2 years toured to; Beacon Museum -Whitehaven, Tall Ship Museum - Glasgow, St. Andrews Museum - Kirckaldy, Caithness Horizons - Thurso, Hull Museum & Art Gallery. It is presently at the Aberdeen Maritime Museum until July 2009 when it will move to The Time and Tide Museum in Great Yarmouth and will be on display from 18 July - 27 Sept 2009, this is the show's final venue.

International Year of Astronomy 2009

The Royal Observatory held the UK National Launch for International Year of Astronomy 2009(IYA) on 18 February, a year-long celebration of astronomy and its contribution to society and culture. The year is being organised by the International Astronomical Union and endorsed by UNESCO.

As a leading contributor to IYA2009 the Royal Observatory is presenting a varied programme of astronomy-related events throughout the year. The programme includes space-themed family days, the launch of new planetarium shows and exhibitions and the chance to meet leading scientists and hear them talk about the latest discoveries in astronomy and space science.

Highlights of the Royal Observatory's IYA programme include:

- The launch of the UK's first 'Astronomy Photographer of the Year' competition. Entries can be submitted online from January, with an exhibition of the winning photographs launching at the Observatory on the 10th September 2009. The project is in collaboration with the BBC magazine *Sky at Night*. Both the partnership and the project create great opportunities to reach a key audience (there is a large and very active astrophotography community) and to engage new audiences in a new and interesting way. The competition is being run in collaboration with the website Flickr to create a new online community around the competition.
- A week of Mars-themed events and activities in March to tie in with National Science and Engineering Week (6-15 March 2009). Visitors to the ROG were able to explore the red planet with a family weekend of Martian-themed activities centred around the *Invaders of Mars* planetarium show. The week included an evening talk by Mars expert Dr Tom Pike, mission scientist on NASA's recent Phoenix Lander which touched down on Mars in 2007.

- *Spring and Autumn Moonwatch* in March and October: two week-long opportunities to get a close-up view of the Moon's mountains and craters through the Observatory's 28-inch telescope, the largest refracting telescope in the UK.
- *Ice Worlds* – a new show in the Peter Harrison Planetarium, narrated by Emily Watson and launching in May. Visitors can take a dazzling tour of the frozen moons and planets of the solar system, including the polar ice caps of Earth itself.
- In August and September the Observatory explores how science fact has influenced science fiction in books, movies and television shows. Highlights include a talk from Dr. Paul Parsons, author of *The Science of Dr Who*, who explains why time travel has not been ruled out by the laws of physics and how genetic engineering is being used to breed Dalek-like designer life forms. Families can enjoy a weekend of family activities with a *Doctor Who* theme.

Royal Observatory Visitor Experience

In December 2008 we welcomed the two millionth visitor to the Royal Observatory in the calendar year – the first time this milestone had been achieved. Local press were present for a presentation and photographs on the line with our visitor who came from South Africa.

The improvements to the visitor route at the ROG were ready for a 'soft' opening during the Easter Holidays in April. New information desks were installed in the Astronomy Centre entrance and Visitor Reception area, site signage reviewed and a dual tour approach introduced to help visitors navigate the site, and drive footfall to the Astronomy Centre and Planetarium. Final completion for the Astronomers garden is June 2009.

Peter Harrison Planetarium

A total of 14,953 children participated in education programmes at the ROG throughout the year, our best performance to date. To accommodate increasing demand the capacity of the programme will increase by 33% from September 2009.

A new planetarium programme was piloted over February half term, increasing the number of afternoon shows from three to four. Customer satisfaction improved with the availability of seats and we increased our income generation for the week by over £4,000. Following this successful pilot the programme will be employed during periods of peak demand.

Understanding Slavery Initiative

Teaching the transatlantic slave trade and its abolition in British history is now a compulsory component of the revised Key Stage 3 History curriculum; this noticeably increased interest in the project and requests for resources in 2008-'09. The Initiative continued to raise awareness of the resources with teachers and educators, to develop standards of good practice for teaching and learning about Transatlantic Slavery and to promote use of national and regional museum collections.

The national training programme with regional partners ran through December 2008. Freelance educators were recruited in London, Liverpool, Bristol and Hull to be trained in the standards and approaches used by USI for programme delivery. There are now eight freelancers working nationally to deliver the USI objectives in gallery-

based programmes to KS3 & 4 students; in addition to this, the freelancers have also conducted teacher training days in early 2009.

Informal and Formal learning activities have included:

Science Learning

A new programme for foundation stage groups, including children aged 3-5, was rolled out in January. The programme includes a new live planetarium show developed for under 5's and a taught session called Stories from Outer Space.

Public events

Family Learning Festival - this national initiative has been developed by the Campaign for Learning to encourage adults and children to develop their literacy, language and numeracy skills together by taking part in family learning activities. This year the NMM worked with Greenwich Council, and local family learning organizations, to promote the wealth of activities that take place throughout the year in the borough; two showcase events took place at the museum to engage and inspire local families. In addition Book Start Day, a collaboration with Greenwich Libraries, took place at the NMM to encourage parents to become actively involved in supporting their child's learning from a young age.

Engaging Early Years

Play Tuesdays are growing in popularity for parents with very young children and increasing the dwell time and repeat visitation for this audience. The established track record for working with this audience and understanding of their needs places the NMM in an excellent position to become sector leaders in engaging young children with museum collections. Over 1,500 children attended during the year.

Marine Environment Education Initiative

The *More Plastic than Plankton* sessions attracted a mix of both adults and children, the workshop was run as a informal learning programme during the school holidays for visitors to find out more about the effects of plastic in the marine environment

Formal Learning

A new programme for primary schools 'There be Treasure!' began in November. The session provides a unique opportunity for school children to access rare manuscript material and to enjoy lively interpretation of the stories contained in the archive journey boxes. The session trials new approaches for the forthcoming Sammy Ofer Wing.

Adult learning public programme

This year's *Evening with the Stars* programme started on 4 November and ran until 7 March. Consisting of 31 evenings - which is more than in previous years - it provided viewing opportunities for more than 3,000 members of the public.

Publishing included:

From Here to Infinity: The Royal Observatory Greenwich Guide to Astronomy by John and Mary Gribbin. An accessible introduction to astronomy by leading science writers. Rights were sold to US, Australian, French and Korean publishers.
Ruth Belville: The Story of the Greenwich Time Lady by David Rooney

A popular history of the life of Ruth Belville and her family, who sold the correct time to London for 103 years. A reprint was needed after only two months making it the fastest-selling book ever published by the NMM.

Publicity was excellent with TV features on BBC World and ITV London Tonight, and strong coverage on BBC Radio. Reviews appeared in the Daily Mail, The Times, Nature Magazine, The Guide, the Horological Journal of the British Horological Institute amongst others.

Alan Villiers: Voyager of the Winds by Kate Lance

Biography of Alan Villiers, writer, photographer and past Trustee of the Museum, along with a reprint of his last work *Square Rigged Ships: An Introduction*, both published in February 2009.

Sextants at Greenwich by Willem Morzer Bruyns

In association with Oxford University Press, this catalogue of the museum's sextants collection went through production in 2008 and will be published in June 2009. The catalogue results from Bruyns' period at the Royal Observatory as a Sackler Research fellow.

Pirate Gran by Geraldine Durrant and Rose Forshall

This children's book was featured on a BBC London news report in July 2008. The book was developed from the winning entry to the BBC London/RaW 60 second story-writing competition.

nmm.ac.uk

The Museum launched its re-designed website in June 2008, and introduced short, readable web addresses (URLs) for all content. This change has made our website easier to navigate and improved our visibility in online searches.

We also recently published new foreign-language visitor information pages at nmm.ac.uk/languages. The text has been completely rewritten and translated into nine languages, including Arabic, Polish, Traditional and Simplified Chinese.

NMM podcast - *On the line*

The Museum launched a new monthly podcast, *On the line*, this year. Every month there is a selection of short audio stories from Maritime Greenwich, all told by members of the Museum's staff. *On the line* has consistently featured in Apple iTunes' 'new and notable' history podcasts since its launch.

In conjunction with the podcast, the Museum launched a *Big questions answered* phone line; visitors record their 'big questions' about astronomy and our resident astronomer, Dr Claire Bretherton, answers a selection in the monthly podcast.

Digital collections

The Museum produced an online telescopes gallery for the International Year of Astronomy (IYA2009). The gallery looks at various aspects of the telescope and its interpretation, from its status as an iconic object to its use in satire.

- 3.3** satisfying **stakeholders**, locally, nationally and internationally
Partnerships with our stakeholders are a critical part of ensuring the relevance and reach of the NMM. Specific areas include academic reputation; maritime heritage; local and World Heritage Site (WHS) matters; and tourism.

Links to the DCMS objectives of: *Encourage more widespread enjoyment of culture, media and sport* **and** *Deliver a successful and inspirational Olympic and Paralympic Games in 2012*

Partnerships, Activities and Achievements include:

Stakeholder recognition through Awards

The Museum was a finalist in the VisitLondon Awards 2008 categories of ‘Visitor Attraction of the Year’, ‘Best Tourism Experience’ and ‘Outstanding Customer Service’. It was awarded silver in the ‘Outstanding Customer Service’ category, and the ROG was awarded bronze in the ‘Best Tourism Experience’ category.

At the London Museums Hub - Volunteers in Museums Awards 2009 the Museum was recognised in three different categories. In the ‘Best Team Contribution’ category the Museum’s volunteer team at the Brass Foundry was Highly Commended; our Textile Conservation volunteer team was runner-up in the ‘Going the Extra Mile’ category; and in the ‘Developing in Role’ category Giuseppe Nicolosi was nominated as runner-up.

The Museum received an Honourable Mention in the ‘Innovative and Experimental’ category at the Museums and the Web Awards 2009, for its work on the *Astronomy Photographer of the Year* competition.

The Astronomy Photographer of the Year competition was also recognized in the ‘Community’ category at the 2009 Muse Awards, which recognise outstanding achievement in museum media.

National Museums at Chatham

National Museums at Chatham is a transformational project to safeguard and enhance the value of its ship model assets. The project is of national, regional and local significance. It will house and display the maritime model collections of the partners – the National Maritime Museum, the Imperial War Museum whilst recovering for future generations the 19th Century No.1 Smithery building at The Historic Dockyard Chatham. The project is actively supported by Medway Council, English Heritage and the Department for Culture, Media and Sport.

The main build contract started on site in July 2008. Chatham Historic Dockyard Trust has raised sufficient funding to complete the core project. It is expected that the public areas of the project will open in Spring 2010 with the Research Centre in early 2011.

National Maritime Museum Cornwall

The National Maritime Museum Cornwall (NMMC) is an independent, registered charity which the National Maritime Museum does not control. The entities have a range of interactions:

The National Maritime Museum has provided, on loan, the small boat collection exhibits for the NMMC and many other objects on display in its galleries.

The Trustees of the National Maritime Museum guaranteed a sum not exceeding £250,000 available to the NMMC during the period ending 21 October 2009, to cover shortfalls in partnership funding for the capital costs of the NMMC and the payment of running costs of the NMMC exceeding the income and reserves. Payments are recoverable within the lifetime of the guarantee from surpluses made by NMMC. NMMC invoked the guarantee in January 2004 and the full amount guaranteed has been paid.

The National Maritime Museum has a member of staff seconded to NMMC as a long-term arrangement.

Local and World Heritage Site stakeholders

June and July 2008 saw intensive activity around the Sammy Ofer Wing West Wing consultation programme. Seven stakeholder meetings all of which were very well attended by representatives of heritage and Greenwich organisations and the scheme has received massive local approbation and support.

Community Engagement

A British Sign Language-interpreted *Star Life* planetarium show was launched in November 2008, with a day of activities for deaf visitors entitled 'Signing Space'.

DestinAsian: Maritime took place at the Museum on 1 November 2008 and saw a sumptuous evening of South Asian dance in the Queen's House, followed by screenings of South Asian independent short films. The evening was a great success and saw a new audience - many of the participants had not visited the NMM before.

The Japan lecture series in November 2008 commemorated 150 years of diplomatic relations between Japan and the UK and exploring cultural influences. As part of this programme an *East meets West: Kurosawa* film series ran through November and December, and was well attended.

Chinese New Year was celebrated in the Museum on 7 February 2009 with performances, workshops and talks. The day was very well attended by local families.

On the evening of 20 June 2008 the Museum's front lawns were the venue for a major outdoor spectacular staged as part of the *Greenwich Docklands Festival*. Theatre productions were also staged at the Royal Observatory as part of the Festival. This was the first time for some years that the Museum has played a role in the Festival and provided ample evidence of our ability to be a great venue for similar events linked to the Cultural Olympics.

The annual *Giant Rhymathon* took place on the Queen's House lawns in June 2008 and attracted hundreds of young children and their families. This collaborative event with Greenwich Libraries has become a popular highlight in the Borough; the aim of the event is to promote reading skills through active learning by encouraging parents and guardians to read lyrics and do actions to nursery rhymes with children.

Youth Engagement

A new initiative to create a Youth Advisory Group to advise NMM on programming and work in partnership to develop relevant approaches for the Cultural Olympiad is now underway. We hosted a training course for the new recruits in October.

Eleven young people are currently engaged in the group on a regular basis, the group are very diverse in levels of ability, interest and heritage. The group have participated in a range of team building activities. They have now completed their first event, Youth Evening with the Stars, which took place in January 2009 as part of the International Year of Astronomy. More events are being planned and ways to link the group with Seavision partners are being discussed.

To ensure most effective input from the Youth Advisory Group a series of activities are being undertaken for them to get to know both the collections, themes and core business of the NMM. The Group undertook a research day on the Thames, in which they responded to the river through creative writing; for all the participants this was also their first experience on a boat.

London 2012

The Museum has continued to work with the London Organising Committee of the Olympic Games (LOCOG) to assist the preparations for the Equestrian Events in Greenwich in 2012. The Director and senior manager involved attended the 2008 Olympic equestrian event in Hong Kong to gain further understanding of what will be required.

The Museum also continues to attend the meetings of the London 2012 Maritime Greenwich Venues Group, which is a meeting of key World Heritage Site partners (and fellow Olympic hosts).

Membership activity

The Museum took over the Membership Scheme from the 'Friends of the NMM' in 2007; thus this has been the Scheme's first full year under the Museum's direction. During the late spring, the Membership Office fully rebranded the Membership programme. Welcome packs for new Members, Membership cards and stationary were designed and printed. The Membership team now has leaflets and posters distributed across the three sites. They have also begun joint mailings with outside partners and Membership is sold in the Museum shops and online.

The team launched its new events programme, including some charged events which are proving to be an important new revenue stream. Attendance at these events has been very strong, often leading to them selling out. Recent events have included film screenings, private views and lectures. Our most successful events have been *Cunard Yanks*, *The QM2* and the *Turmoil and Tranquillity* supporters' event.

A regular communications schedule is now fully underway. The team sends out a bi-monthly e-newsletter, a quarterly printed newsletter and the Membership annual magazine. These are supplemented with regular event invitations to the growing events programme.

There were 15 events held for Museum Members in 2008-'09, and these events were attended by over 1,100 participants.

On 4 November, over 90 Members attended two special consultation sessions about the Sammy Ofer Wing which featured a presentation and question session with the Director.

The 7th annual Sea Words literary dinner was held on 13 November. The event was staged in the Queen's House this year for the first time, with special guests Sir David Attenborough and Jeremy Paxman. Ticket sales were excellent with the Queen's House filled to its capacity of 130 guests.

Human Resources

Kevin Sumption was appointed as Director, Exhibitions and Programmes, joining in September 2008 from the Powerhouse Museum in Australia.

Sarah Roots was appointed Director, ROG. Our former Head of Visitor Services, Sarah returned in early November 2008 after five years with The National Trust.

David Philip was appointed in January 2009 as Director of Finance and Enterprises, joining the Museum from VisitBritain.

The Museum hosted 15 young people from our local schools and colleges on a new work experience initiative. These young people were different ages, had different skills and also spoke different first languages. They showed excellent team-work during 5 days. They were given an 'apprentice'-style mission to create four work placements to suit different characters (specifically individuals who may not normally look to visit the NMM). They were introduced to Child Protection issues, Health and Safety (risk assessments) as well as our themes and collections.

The Museum's long-running Management Development Programme (MDP) has gained Institute of Leadership and Management (ILM) approval and will now be recognised as an accredited programme. The ILM qualifications are designed to develop the key management skills and knowledge required by aspiring or practising managers at all stages of their career. By attending the mandatory units of the MDP staff will be accredited with the ILM level 3 qualification in First Line Management.

The Museum has placed 75 work experience students for the year again exceeding the target. The Museum also welcomed 11 sheltered placements for the year.

Volunteers

We have appointed a Volunteer Coordinator – a new post that is being funded by the Poppy Factory Supported Employment Scheme (a Royal British Legion charity for disabled ex-service men and women).

Currently there are 81 volunteers engaged in various roles throughout the Museum, plus 12 who work online on the Navy Board Project. The departments who benefit from the use of the valuable time of these volunteers include Historic Photographs and Ships Plans, Conservation, National Historic Ships, Membership, ROG operations, Research and Curatorial, Visitor Services and Learning and Interpretation.

3.4 effective **organisation** and sound financial management

Links to the DCMS objectives of: *Support talent and excellence in culture, media and sport* **and** *Realise the economic benefits of the Department's sectors*

Activities and Achievements include:

Retail and Commercial Services

Work is underway to complete a joint commercial strategy and reporting structure to analyse performance, costs and commercial growth. Work is also underway to deliver new terms of reference for the Commercial Forum to enable the teams to deliver the plans set out in the Museum Corporate plan as well as preparing to fully exploit the opportunities afforded by the hosting of the Olympics on the site and the development of the Sammy Ofer wing.

End of year results for retail were positive – £30k up on profit plan with recent growth of 40% (like-for-like sales for Easter '09 against Easter '08) with average spend and conversion rates showing healthy growth.

Publishing ended the financial year 24% ahead of sales target with particularly successful launches of *Ruth Belville: The Story of the Greenwich Time Lady*. *Pirate Gran*, an NMM children's title has been heavily promoted in Waterstones with sales of 2,200 copies.

Filming moved to join the Events team in April and was recently working with a 'Bollywood' production company on the largest filming project for the Museum for a number of years.

In January 2009 the Picture Library launched www.nmmimages.com, a new image licensing website. The website is aimed at commercial image buyers, such as book publishers and television companies, from whom the Picture Library has generated over £1m in revenue since 2001. As well as fast and easy access to the Museum's image collection, nmmimages.com offers sophisticated search options, bespoke collections and meets the industry's latest metadata standards. The website, developed with software specialists Capture Ltd., is accompanied by a completely new web-based back office system, which the Picture Library uses to manage the business and website. The new systems have boosted productivity and offer an excellent platform for future development and growth.

Catering returned a healthy over target performance for the end of the year. Work is underway to improve the offering at the ROG and to ensure we capture more of the visitors on-site.

Events ended the year £26k up on target. Despite the challenging economic climate, sales for private hire remain strong though there is understandable caution surrounding the number of corporate events we will hold this coming year.

Fundraising

Sammy Ofer Foundation

On 27 March 2008, the National Maritime Museum was delighted to announce that it had received a pledge of £20m towards the creation of a major new wing at the heart of its Maritime Greenwich World Heritage Site. This very substantial gift has been made by the shipping magnate and philanthropist Sammy Ofer and is believed to be the largest single donation by an individual to a cultural project in the UK. This generosity exemplifies Private Giving for the Public Good and helps demonstrate the contribution the Museum makes to the UK's creative economy.

Heritage Lottery Fund (HLF)

During 2008-'09 the NMM received £104,382 from the HLF being the initial drawdown of the Development Grant. This payment represents 13% of eligible costs incurred by the Museum towards the Capital Costs of the Sammy Ofer Wing.

Trusts & Foundations / Statutory Funding

The Museum received good support from the Cultural Department of the US Embassy for the *Renee Green New Visions* exhibition in February 2009.

Corporate Sponsorship

The Museum created a strong partnership with the Canadian Embassy in conjunction with the *North-West Passage: An Arctic Obsession* exhibition.

However, the corporate sponsorship climate is proving exceedingly challenging.

Corporate Membership & Loans Scheme

The Museum was pleased to renew the Corporate Memberships of Ince & Co, Evergreen, Liberty Syndicates, Lloyds Register, Hapag Lloyd, The Baltic Exchange, Shell International Trading & Shipping, Braemar Seascope and BMT Group.

The Museum was also delighted to announce Novotel Greenwich and Ibis Greenwich as new corporate members.

Individual Giving

The Museum was pleased to welcome Mr William Falconer as a Life Patron.

Marketing

The second phase of the summer *Time to Visit Greenwich* campaign ran until mid September with 12 sheet posters on the underground. The landmark poster at Waterloo was advertised until early November. *Time to Visit Greenwich* was a large-scale, high-impact, image-based campaign showcasing the beauty of Maritime Greenwich. It positioned the NMM as the epicentre and 'must see' attraction for visitors to the World Heritage Site over the busy summer period. A landmark poster was situated at Charing Cross from April 2008 until mid- July 2008.

Our strong and successful marketing was of great assistance in helping achieve the highest ever visitor numbers on all three sites in spite of significant access challenges including the regular weekend closures of the Docklands Light Railway due to platform upgrade works.

The *Invaders of Mars* advertising campaign focusing on London and the South East was run in October to coincide with half term and the show launch. Marketing included advertising on the underground from 20 October, print advertising in Time Out, Guardian Guide and local and regional publications, onsite posters and banners and an A5 promotional leaflet promoting all shows at the planetarium.

Travel trade

Trade activities during March consisted of a promotional day at the US airbase at RAF Lakenheath, and the Best of Britain & Ireland trade and consumer show at ExCel (attracting over 11,000 visitors) both of which demonstrated a great love of Greenwich and the museums by those who have visited before. We were able to explain the range of what is offered here to many prospective visitors.

Media

The announcement of the £20m donation from the Sammy Ofer Foundation at the end of March 2008 was covered as a press exclusive by Lloyd's List and the Evening Standard, and followed with coverage in national newspapers and various local and regional titles. The donation also received substantial broadcast coverage on national, regional and local TV and radio.

The NMM opened *Turmoil and Tranquillity* on 20 June 2008; during the opening week of the exhibition the Museum gained preview coverage in the local and national press including Lloyd's List, Sunday Times Culture and The Independent Information.

The Press Office secured coverage for the *Beside the Seaside* exhibition in national, regional, local, family and London publications including The Times as one of the Top Five Museums exhibitions. The Sun also ran a series of images from the exhibition and an article on its website.

Efficiency

The National Maritime Museum is operated efficiently and effectively; reforms over the last 10 years have seen it increase its outputs at a steady rate whilst its financial and workforce inputs have remained largely constant. Audiences have grown, both on-site and online, while the Museum follows a trajectory of continuous improvement as demonstrated in the table below:

Key Data:	2003-'04	2004-'05	2005-'06	2006-'07	2007-'08	2008-'09
Total Grant-in-Aid (GiA)	£14.0m	£15.7m	£15.1m	£16.8m	£18.2m	£19.3m¹
All other incoming resources	£4.5m	£6.4m	£9.6m	£9.0m	£7.1m	£6.3m
FTE employees	417	408	420	407	400	412
Visits	1.365m	1.533m	1.512m	1.633m	1.782m	2.089m
Website visits	4.089m	6.750m	8.218m ²	9.171m ²	9.710m ²	9.710m²
Total Users ³	5.479m	8.307m	9.743m	10.814m	11.503m	11.814m
Efficiency ratios:						
Total Users per FTE	13,139	20,360	23,199	26,569	28,757	28,675
Total GiA £ per User	2.56	1.89	1.55	1.56	1.58	1.63⁴

Revenue GiA £ per User	2.44	1.68	1.46	1.36	1.32	1.32
Total GiA £ per Visit	10.26	10.26	10.01	10.31	10.19	9.24
Revenue GiA £ per Visit	9.81	9.09	9.39	8.99	8.50	7.45

^{1.} excluding restricted funds of £257k for Historic Ships Unit

^{2.} after deduction of spiders/robots

^{3.} includes collections and subject-related enquiries

^{4.} due to increase of £1.1m in total Grant-in-Aid

The Museum has a strong culture of seeking value for money across all its workflows and the effectiveness of procurement and other systems are regularly reviewed as part of its internal audit plan.

The Museum places a high priority on building the capacity of its staff through training and development. It also operates a modest scheme that recognises and rewards staff to identify, plan and implement further efficiencies.

The Finance department has restructured its Activity Centres according to Divisional Director responsibility, which allows for greater accountability, as well as improving Purchase Order compliance from 50% to 80% Museum-wide.

The Finance department reduced the number of manual accruals through smarter use of the PS Financials purchase ledger, which now creates accruals for goods received not invoiced - thus reducing management time on this monthly task.

In early 2009 Publishing, Filming, Licensing, Picture Library and Photo Studio joined Catering, Retail and Events in a new Commercial Team reporting to the Head of Commerce. This amalgamation has since allowed a more efficient utilisation of staff posts within the Commercial Team.

Actions being taken to promote sustainability and mitigate the effects of climate change

A new sustainable development strategy group was set up within the Museum in 2008-'09. This group of senior managers will be looking at developing a long-term strategy for sustainability, with particular focus on the further integration of economic, environmental and resource sustainability.

The Museum's 'Green Champions' group has sought to build sustainable practice within the Museum and launched the 'Sustainable Solutions' competition for staff, which was an initiative to encourage sustainable practice.

Examples of sustainability-related works completed this year were:

- East Wing heating improvements
- Schools room lighting occupancy sensor
- Lecture Theatre occupancy sensor
- Lecture Theatre energy efficient lighting
- Kidbrooke store voltage reduction
- Brass Foundry insulation works
- Energy efficient lights Flamsteed boiler house
- Buildings Energy Management System installation in the East Wing
- Buildings Energy Management System installation in the Queen's House

An Energy Performance of Buildings Certificate has been displayed in the Main Museum in compliance with the Energy Performance of Buildings Directive. The rating achieved is an 'E' which is better than some similar institutions, but the criteria upon which the assessment is made is being discussed with other Museums, with a view to improving the rating as the benchmarking utilised does not accurately reflect the specific nature of museum operational requirements.

The Museum continues to maintain its high standards in its Energy Management and, despite colder weather, saw only a marginal 0.7% increase in its energy consumption from the previous year.

Electricity consumption fell by a further 6% in 2008-'09 when compared with 2007-'08; however due to the mild summer and cold winter of 2008 the Museum experienced an increase of 8% in its gas consumption. The Museum reduced its CO₂ emissions by approximately 7 tonnes from the 2007-'08 levels.

PERFORMANCE

The following table shows the Museum's 2008-'09 performance against the Performance Indicators listed in the Museum's 2008-'11 Funding Agreement.

Funding Agreement Performance Indicators 2008-09	2008-09 Actual	2007-08 Actual
Number of visits to the Museum	2,089,104	1,782,405
Number of unique website visits	9,710,240	9,710,022
Visits by children under 16	463,181	377,174
Number of visits by UK adult visitors aged 16 and over from NS-SEC groups 5-8	83,517	81,582
Number of visits by UK adult visitors aged 16 and over from an ethnic minority background	105,163	*
Number of visits by UK adult visitors aged 16 and over who consider themselves to have a limiting long-term illness, disability or infirmity	40,827	*
Number of overseas visits	1,060,012	949,982
Number of facilitated and self-directed visits by children under 16 in formal education	105,522	*
Number of instances of children under 16 participating in on-site organised activities	54,940	*
Number of instances of children under 16 participating in outreach activity	24,226	*
Number of instances of adults aged 16 and over participating in organised activities	122,336	*
Number of instances of adults aged 16 and over participating in outreach activities	538	*
% of visitors who would recommend a visit	99%	98%
Admissions income (includes Peter Harrison Planetarium)	£337,827	*
Net contribution from trading prior to inter-company charges	£1,252,590	£1,266,724
Fundraising income from sponsors, private benefactors and/or charitable trusts used to support Museum activities (not including capital projects such as the Sammy Ofer Wing)	£333,108	£127,500
Number of UK loan venues	77	83
% area of stores and galleries that are sustainably BS5454 compliant	51% summer 58% winter	*
Number of objects conserved	1,111	1,134
No. of peer-reviewed articles and publications	18	20
Number of research projects undertaken	7	*

*New performance measure for 2008-'09 (no data available in 2007-'08)

The following tables show the Museum's performance against as its management targets in the four areas of its responsibilities and objectives: Assets, Access, Stakeholders and Organisation.

ASSETS	2008-09 Actual	2007-08 Actual
Number of research papers given based on work in progress	125	97
Number of conferences	4	4
Number of objects assessed for conservation	2,534	2,107
Number of digitised images added to database	2,716	2,301
Value of buildings and infrastructure stewardship	£1,179,815	£1,439,607

ACCESS	2008-09 Actual	2007-08 Actual
Total Museum Users (includes site visits, web visits and research enquiries)	11,814,334	11,502,803
Number of visits by adults ages 16 and over	1,608,063	1,388,635
Number of public visits to the Peter Harrison Planetarium	85,468	80,003
Number of adult education contact student hours	11,539	15,246
Number of interpreted collection items made available online	5,687	5,091
Number of overseas loan venues	19	24
Number of collections-related and subject expertise enquiries	14,990	10,376

STAKEHOLDERS	2008-09 Actual	2007-08 Actual
Number of UK adult visitors from groups C2DE	115,901	112,130
% of visitors who found the Museum was at least satisfactory	100%	99%
Percentage of staff in vocational training	27.0%	24%
Number of training courses attended by staff	1,853	1,530
Number of partnerships and links	380	350

ORGANISATION	2008-09 Actual	2007-08 Actual
Revenue generated from sponsorship and donations per visit	£3.10	£3.65
Non-grant income per visit	£1.35	£2.01
Events income	£308,239	£325,860
Corporate Membership and Corporate Loans income	£145,748	£175,611
Catering commission	£169,434	£97,835
Average number of days lost per employee through sick absence (excluding long-term sick)	5.26	6.0
Value of Collections Services and Research income	£471,785	£371,810
Donation boxes revenue	£72,899	£92,657
Spend on energy	£524,758	£415,420

4. FUTURE PRIORITIES

Our first priority is to use the Museum's Collection to stimulate people's curiosity. Then by providing a truly excellent product and experience we will inspire people to explore and understand Britain's national story – so well expressed in our relationship with the sea.

The Trustees and Executive held a strategy planning day on 22 May 2008 to review the Museum's aims, outcomes and strategies for the coming five years - the period incorporating the delivery and initial operation of the Sammy Ofer Wing Project and hosting the 2012 Olympics.

The 2009-'14 period immediately ahead is a demanding one with the effects of the medium-term economic climate and restraint on Government spending impacting on the Museum's management of its resources. In addition to this financial context increasing the reliance we place on our own abilities to raise income, the outcome of the next funding round of 2011-'14 will influence whether or not we can deliver all of the objectives in the plan.

The Corporate Plan itself entitled *Stimulating Curiosity* was developed by the Executive and Senior Management Team and it was endorsed by Trustees at their 19 February Board. An overview at Strategy level follows below:

STIMULATING CURIOSITY - Primary Aims, Outcomes and Strategies

Aim 1: Stimulate curiosity in all our users – the trigger for discovery and learning

Outcome:

For people to have a greater understanding of British economic, cultural, social, political, imperial and maritime history and its consequences in the world today

Strategies:

- Realize the potential of the Sammy Ofer Wing to open up NMM's archival collections to researchers of all kinds and provide bespoke facilities for special exhibitions
- Work towards excellence through inter-disciplinary research that advances knowledge of our collections and subjects
- Place people's stories at the heart of our interpretation and link these to contemporary issues

Aim 2: Provide stakeholders with a sense of ownership – "Our Museum"

Outcome:

To raise the Museum's reputation with its stakeholders and develop a confident, well-defined, outward-looking Museum with a world-wide reputation for quality, accessibility, originality and relevance

Strategies:

- Develop mechanisms that enable the Museum to increase the dialogue with stakeholders to provide improvements
- Promote the NMM as "your local museum"
- Create environments that invite the public to participate in a dialogue about our subjects and collections
- Create a new brand and brand perception

Aim 3: Ensure inspired stewardship of our collection, our buildings and our expertise

Outcome:

So that people are engaged and have greater respect for, and excitement about, our assets - the collection, the buildings and our expertise

Strategies:

- Demonstrate leadership in developing and implementing standards and good practice in security, conservation and collections management
- Maximise people's sense of the value of the estate by promoting appreciation of its architecture and history
- Use our expertise to make the full diversity of our collections more visible and accessible
- Advance the strategy for the estate, ensuring organisational efficiency, security and preservation of the collections
- Pursue modern ways of capturing and managing information and knowledge about the Museum and its collection

Aim 4: Build an organization that responds to the challenges ahead & makes the most of its opportunities

Outcome:

To develop a Museum that is financially, structurally and culturally able to realise its potential

Strategies:

- Increase revenue resources
- Implement the strategic plan and sub-strategies (eg HR Strategy, sustainability and process efficiencies)
- Imbue entrepreneurship across the Museum
- Maintain a culture high on trust, devolvement, development and communication
- Extend and increase staff expertise throughout the organisation - particularly financial, project and management skills

With the overall objective that the NMM will be recognised as a place and organization of excellence – "the best in class"

The entire plan is available from www.nmm.ac.uk or from the Museum Secretary.

5. STATUTORY BACKGROUND, STRUCTURE, GOVERNANCE AND MANAGEMENT

The founding legislation is the National Maritime Museum Act 1934 which established the National Maritime Museum and a Board of Trustees, who are a body corporate by the name of the Trustees of the National Maritime Museum. The 1934 Act was amended by the National Maritime Museum Act of 1989 and the Museums and Galleries Act of 1992. The 1989 Act gave the Trustees the power to acquire and dispose of land and property. Titles to the main Museum properties and the collection stores have been transferred to the Trustees (see note 11 to the accounts). The Museum occupies and operates the Royal Observatory under a Royal Warrant dated 23 March 2004.

Grant-in-Aid is provided by Parliament to enable the Board of Trustees to carry out the objectives set out in the original and amended Acts. The practices and procedures of the Museum comply with the requirements of the Management Statement and Financial Memorandum, agreed with the Department for Culture, Media and Sport (DCMS) in September 2002, and HM Treasury's "Managing Public Money" and the conditions therein in relation to the Grant-in-Aid and public funds.

Structure

National Maritime Museum

Under the National Maritime Museum Act 1934, and as listed in Schedule 2 of the Charities Act 1993, the National Maritime Museum is an exempt charity.

Trading Company

The National Maritime Museum established a trading company called National Maritime Museum Enterprises Limited (NMME) on 2 April 1985. The principal activities of the company are that of running shops, catering and events within the National Maritime Museum.

The result for the year is a profit on ordinary activities before tax of £428,458 (2008: £672,756).

The directors who served the company during the year were as follows:

Lord Sterling of Plaistow	(Chairman)
N C L Macdonald	
K Fewster	
D R Philip	Appointed 2 January 2009
N J Reed	Until 18 July 2008

Under the provisions of the Memorandum and Articles of Association of the company, no person holding the office of director may hold any salaried position in the company or otherwise receive remuneration, and the entire share capital is owned by the National Maritime Museum, which is the ultimate parent company. The interests of the group directors are disclosed in the financial statements of the parent company.

Trust Funds

Management of the Trust Funds is by their Trustees who are members of the Finance Committee itself responsible to the Trustees.

The Caird Fund was created under a trust deed dated 23 March 1942. The original capital was provided by Sir James Caird as a permanent endowment to generate income for the purpose and benefit of the National Maritime Museum.

The Development Fund and *The No 3 Trust Fund* were set up for the development and benefit of the National Maritime Museum.

Governance and Management

The Board of Trustees of the National Maritime Museum has oversight of the production of the Museum's Corporate Plan, Funding Agreement, Management Plan and Budget that are prepared by the Director and the Executive. These documents set out the policy and resources framework within which the Museum discharges its duties and its key corporate and management objectives and targets.

The 2009-'14 Corporate Plan "Stimulating Curiosity" expresses its main future priorities - all of which deliver Public Value outcomes. See page 25 above for further information.

The 2008-'11 Funding Agreement between the Museum and the Department for Culture, Media and Sport (DCMS) provides explicit and challenging statements of the underlying outputs and levels of performance that the Museum is required to deliver to achieve the Department's objectives.

The Board of Trustees, the Board of Directors of National Maritime Museum Enterprises Ltd, and the Director as Accounting Officer are responsible for establishing and maintaining systems of internal control. They are committed to public service values, which include integrity, openness, accountability, and securing value for money. The Museum continues to review and update the existing systems (see the Statement on Internal Control on page 47), which the Boards and Accounting Officer believe to be appropriate for a public body. The systems of internal control are designed to meet the particular needs of the Museum and the risks to which it is exposed. By their nature, internal control systems can provide reasonable but not absolute assurance of effectiveness.

The Board of Trustees have corporate responsibility for ensuring the Museum fulfils the aims and objectives set out in legislation and governing documents and are accountable to Parliament.

The Director as Accounting Officer is accountable to Parliament and is personally responsible for safeguarding the public funds for which he has charge, for propriety and regularity in the handling of those public funds and for the day-to-day operations and management of the Museum. The Director's relevant responsibilities as Accounting Officer including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in Chapter 3 of *Managing Public Money* by the Treasury.

The Museum is led and managed by the Director and the Executive with the support of the Senior Management Team and is structured to ensure delivery of the targets laid down in the Corporate Plan, Funding Agreement, the Management Plan and the respective performance agreements of divisional directors and managers.

These targets cover outputs relating to the public's access to the collections, the themes the Museum explores and the quality of services it provides. The targets also cover financial performance and the efficiency and effectiveness of its operations. The Executive reviews performance against these targets monthly using the performance management system developed for the purpose. In turn, the Trustee Board receives reports quarterly. The Executive monitors the performance of all major projects on a quarterly basis, or by exception reporting.

Accountability, limits of authority and lines of reporting are clearly defined throughout the Museum's management. Annual performance targets are set for each member of staff. Well-developed information and reporting systems monitor progress against financial and non-financial targets. The Financial Information System provides networked access to the details of actual and committed expenditure for activity centre managers and summarised results for divisional directors.

The Board of Trustees

The Board has four plenary meetings a year, and usually one extended strategic planning session. There are five committees of the Board – Audit; Finance; Remuneration; Nomination; and the Personnel Committees. Two of these, the Audit Committee and the Finance Committee, meet quarterly.

Beyond the demands of governance, Trustees' expertise and experience is drawn upon, to the benefit and assistance of the Museum, via the Informal Sub Committee (ISC) structure. Trustees serving on ISCs provide advice and guidance to the Executive and the ISCs report informally to the Board of Trustees. Currently these encompass the Academic ISC and Collections ISC.

A register of Trustees' relevant interests is maintained and is available for the public to inspect on request to the Museum Secretary. Trustees are not remunerated.

Methods used to recruit Trustees

All recruitment and the appointment process itself is carried out in accordance with the Office of the Commissioner of Public Appointments' (OCPA) Code of Practice for Ministerial Appointments to Public Bodies and operates in accordance with the DCMS Delegated Appointment Procedure (wherein the Minister for Culture agrees the role specification) and the Board's Diversity Plan.

Advertisements are placed in media deemed appropriate for each case, ranging from national newspapers to the Museum's and the DCMS websites. A panel of Trustees, with an Independent Assessor representing OCPA, interviews shortlisted candidates and a recommendation is made to Ministers accordingly.

The Prime Minister makes the appointment to the Board and appointments or re-appointments are normally for four years.

In 2008-'09, in accordance with the above procedure, two new trustees were appointed, three trustees were reappointed to a second term and two trustees' terms ended.

Procedures for induction and briefing of Trustees

The Chairman ensures that all members of the Board, when taking up office, are fully briefed

on the terms of their appointment and on their duties, rights and responsibilities. All Trustees have a copy of all relevant governance material and receive an induction course on appointment. New Trustees may also receive mentoring from members with experience.

Trustees are normally appointed to provide the Board with their specific areas of expertise, knowledge and skills but training is always offered and available and committees such as the Audit Committee benefit from an annual sector-wide conference. In addition from time to time the Board receives specific briefings on matters such as Health and Safety and compliance procedures and individual Trustees are encouraged to take up departmental visits.

Audit Committee

The purpose of the Audit Committee, a committee of the Board, is to give independent advice and guidance to the Board of Trustees and to the Accounting Officer on the adequacy of audit arrangements and on the implications of assurances provided in respect of risk and control in the Museum. The remit of the Committee reflects Government Internal Audit Standards and the code of practice on Audit Committees issued by the Treasury.

The Chairman of the Audit Committee makes an annual summary report to the Board of Trustees and signs the Statement on Internal Control as the representative of the Board.

Internal Audit

The Museum engages an external company to provide an internal audit service, in accordance with the current Government Internal Audit Standards, which reports to the Audit Committee and Accounting Officer. Internal controls and systems are reviewed in accordance with the annual internal audit plan. The Audit Committee agrees the plan, and the results of the reviews (including progress against previous recommendations) are reported quarterly in detail to the Executive, the Audit Committee and annually in summary to the Board of Trustees.

Risk Management

The Museum views risk management as an active part of the management processes and operates a system of risk identification, assessment, addressing, reviewing and reporting in line with HM Treasury's *Management of Risk – Principles and Concepts*. Please see the Statement on Internal Control on page 47 for further details.

Significant projects such as the Sammy Ofer Wing are subject to the Gateway Review process. The Museum and the Gateway Review Team carried out a Risk Potential Assessment and agreed a Medium risk rating and a Gateway 1 Review was undertaken in late June 2008 and a Gateway 2 Review was carried out in February 2009. The project was given an Amber/Green assessment.

Managing Information Risk

The Museum is not aware of suffering any protected personal data incidents during 2008-'09 or prior years and has made no report to the Information Commissioner's Office.

Employment policies

The National Maritime Museum values the diversity of its workforce and upholds equal opportunities and has maintained employment policies to ensure that staff or applicants for posts are not discriminated against on the grounds of gender, marital status, sexual orientation, race, colour, nationality, ethnic or national origin, religion, belief, disability or age. 11.5% of the Museum's employees are BME.

The Museum holds the Employment Service's Disability Symbol. In 2008-'09, 8.5% of staff employed by the Museum (5.2% in 2006-'07, 7.2% in 2007-'08) considered themselves to have a disability. The Museum has in place Disability and Gender Equality Schemes for both staff and service provision. A number of sheltered placement and other work experience initiatives are under way. The Museum has an active volunteer programme and appointed a volunteer co-ordinator this year. Plans are underway to also recruit a volunteer manager and an increase in volunteer hours is already in evidence. The Museum also undertakes secondments and exchanges both internally and externally at home and overseas.

We believe that we are a leader in its human resources approaches, not least in dispensing with any formal retirement age in 2002. Just over a third of employees are aged over 50 and nearly 6% are aged over 65. At the sector level, the Director of Human Resources co-chairs the National Museum Directors' Conference's (NMDC) HR Forum and is involved in a number of seminars examining best practice in our sector. He also chairs the Museums, Libraries and Archives Council's (MLA) Take the Lead programme steering group.

Workforce development is a priority with training and capacity-building a significant part of the reward quadrant [working environment; personal development; job satisfaction; pay and benefits] at the Museum. This was recognised when the Museum achieved the Investor in People (IiP) standard in November 2001, receiving re-accreditation in 2003 and again in October 2006.

In 2008-'09 the average number of days lost per employee through sick absence (excluding long-term sick) was 5.26 days (6.0 in 2008).

The Central Arbitration Committee declared the trade unions Prospect and PCS recognised for the purposes of collective bargaining in December 2006 following an application by those unions and a subsequent ballot. The Unions and the Museum have reached an agreement for the purposes of collective bargaining in respect of pay, hours and holidays and have a facilities agreement.

All staff are inducted formally and issued with contracts of employment and staff handbooks, which contain information on benefits, health, safety and welfare and are regularly updated.

Organisational Communication

The Museum regards effective communication as essential. The objective is to ensure that all staff are kept fully informed on all issues that directly affect them. Communication is a two-way process and consultation is as important as informing. Although everyone in the Museum has a contribution to make it is the particular role of team leaders and line managers to be the main communicators by creating a continuous flow of information through and across the organisation.

Director's Cross-Museum Briefing - the Director and the managers dealing with selected themes speak to the entire staff on a monthly basis to provide a brief on specific areas, progress or projects.

TMs (temporary memoranda) - cover a wide range of issues and are signed by members of the Executive Board and Senior Management Team. All TMs are published on the Intranet and in paper form.

Intranet - available to all staff it details policies, management meetings and organisational programmes and information of use to staff generally.

Team Briefing - the principal method used by the Museum to pass on information to all employees is team briefing. The cycle begins on the first Tuesday of every month with the briefing document compiled by HR. Each Director is then tasked with briefing their Managers who in turn pass the information on to their teams. By the end of the next week everyone in the Museum should share the same information. The briefing document also appears on the Intranet.

Notice Boards - are strategically placed in sites or functional areas. They may only be used for official or authorised communication purposes.

Staff Lunches - are informal meetings for communication in which Directors and senior managers can speak directly with cross-sectional groups of staff over a sandwich lunch. The object of these meetings is to give staff a chance to communicate directly with senior management on a wide range of issues, but on an informal basis.

Trade Unions – Since December 2006 the Trade Unions Prospect and PCS have been recognised for the purposes of collective bargaining on pay, hours and holidays. A Joint Negotiating Body has been set up for this purpose and meets as and when required with a formal agenda and published minutes of meetings.

Health and Safety

It is Museum policy to assign great importance to the safety of employees and others, considering this as a management responsibility equal to that of any other management function.

In the design, construction, operation and maintenance of all plant, equipment and facilities, everything that is reasonably practicable is done to prevent personal injuries and ill health to employees, customers, visitors, contractors and members of the public. To this end the Board of Trustees and Executive Board of Directors provide, so far as is reasonably practical, such training and equipment as is necessary to enable employees to work safely.

The importance of employee involvement in health and safety matters and the importance of the positive role played by safety representatives and safety committees are acknowledged.

All employees are required to co-operate fully in implementing this policy to comply in all respects with the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1999 and the accompanying arrangements contained within the Museum's Health and Safety Policy. Everyone throughout the organisation is expected to exercise all reasonable care for their own health and safety and that of others who may be affected by their acts or omissions.

The overall responsibility for the health, safety and welfare of the organisation and employees is vested in the Board of Trustees and Executive Board of Directors. The Executive Board receive a monthly report on Health and Safety matters and analysis of incidents which then goes forward to the Trustee Board for quarterly review.

The Health & Safety function is managed by a NEBOSH-qualified Departmental Head and an experienced NEBOSH-qualified Health & Safety Adviser. The Divisional Director is also qualified in this area. Specialist members serve on the Health & Safety Committee to represent particular hazards such as radiological protection, laser safety, asbestos and other risks in the Collections together with employee representatives, and representatives for sites and other functions.

Relationships with the Shell Shipping Health and Safety team have proved to be particularly beneficial, and tools such as their Risk Assessment Matrix, as well as their wider knowledge and experience, continue to be of great use.

Payment of Creditors

The National Maritime Museum endeavours wherever possible to follow the Better Payment Practice Code. In 2008-'09 80% of valid supplier accounts were settled within 30 days or in accordance with contract (90% in 2008).

External Audit

Under statute, the Comptroller & Auditor General is the principal auditor of the Museum's consolidated accounts for the year 2008-'09 which are audited by the National Audit Office on behalf of the Comptroller & Auditor General. Baker Tilly UK LLP undertake the audit of National Maritime Museum Enterprises Limited and the Trust Funds. Total audit fees for the group were £49k comprising £34k for the consolidated accounts audited by the National Audit Office and £15k for the Trust Funds and NMME audited by Baker Tilly UK Audit LLP.

Going Concern

The Boards believe that it is appropriate to continue to adopt the going concern basis in preparing accounts as the Museum has adequate resources to continue in operation.

Presentation

The Accounts have been prepared in a form directed by the Secretary of State for Culture, Media and Sport with the consent of the Treasury in accordance with sections 9(4) and 9(5) of the Museums and Galleries Act 1992.

The Annual Report and Accounts are presented in accordance with the reporting requirements of the Statement of Recommended Practice (SORP 2005), Accounting and Reporting by Charities and the Government Financial Reporting Manual.

Consolidated Accounts

The consolidated Accounts of the National Maritime Museum comprise the Museum itself, its wholly owned subsidiary National Maritime Museum Enterprises Limited, the Caird Fund, the Development Fund and the Number 3 Trust Fund. Although an independent charity the results of the American Fund are also consolidated into the results of the Museum.

6. Remuneration Report

Introduction

The information in this report relates to the Director (Accounting Officer) and Senior Executives (Directors) of the National Maritime Museum. No remuneration is paid to the Trustees of the Museum.

Function of the Remuneration Committee

The Committee reviews the performance of the Director and the Senior Executives annually against their objectives, receives independent advice on market comparators and other matters and then recommends to the Chairman of Trustees the level of pay and performance-related pay they should get.

The Committee also considers any matter relating to employees as the Director and Board of Trustees may refer to it.

Membership

The Committee consist of three Trustees who are appointed by the Trustee Board:

Nigel Macdonald (Chairman)
Councillor Jagir Sekhon, OBE
Admiral the Lord Boyce GCB, OBE, DL

Ex officio Officer: Dr Kevin Fewster, AM, FRSA (Director)

Secretary: Joanne Odle, Chartered MCIPD

Advisers: Brian McEvoy
Alan Hurst

The Chairman of the Committee is also appointed by the Trustee Board and the quorum of the Committee is two out of three Trustees.

The Director and the Head of Human Resources (who is also Secretary) attend meetings of the Committee.

No individual is present when their remuneration or performance is being discussed.

Performance Assessment

A key element of the Museum's reward system for the Director and the Senior Executives is that base pay is set below market levels but performance-related pay potential allows for competitive reward based on performance and contribution. The aim of the reward system is to create incentives which identify and reward excellent performance fairly rather than assuming that such performance will be inevitable and so allowing little differentiation between exceptional and adequate performance.

The individual performance agreements of directors and senior management are in turn linked with the operating plans of the Museum (which reflect its mission, objectives and values of the Museum). They thus reflect objectives and targets relating to both individual and corporate components, and the performance-related pay potential reflects the combination of

these different elements. The range of performance-related pay available is from 0%-20% of salary.

Annual pay awards approved by the Museum require HM Treasury approval before they can be paid, which must be obtained via the Department for Culture Media and Sport (DCMS). Increasingly, HM Treasury insists that pay awards should be performance driven.

Service Contracts

The Director and Senior Executives have open-ended rolling employment contracts: the notice period is six months for the Director of the National Maritime Museum, and three months for other directors (six months in the case of redundancy). Other than notice periods, there are no contractual termination payments, compensation for loss of office or any provision of compensation for early retirement except for those two directors within the Civil Service Pension Scheme. Pension contributions on behalf of the directors, other than those in the Civil Service Pension Scheme, are made to deferred contribution schemes.

Executive's Remuneration

The salary and pension entitlements set out below include gross salary, performance-related pay, benefits in kind and any other allowances to the extent that they are subject to UK taxation.

The National Maritime Museum operates two pension schemes; a group personal pension scheme and the Civil Service Pension Schemes full details which are given in the note 8 to the accounts.

The emoluments were as follows (*information subject to audit*):

	2008-'09		2007-'08	
	Remuneration (£'000s)	Pension (£'000s)	Remuneration (£'000s)	Pension (£'000s)
Dr Kevin Fewster Director & Accounting Officer (appointed 3 September 2007)	105-110	10	60-65	5
Dr Margarette Lincoln Deputy Director	95-100	*	90-95	*
Andy Bodle Director, Operations and Human Resources	80-85	*	75-80	*
Angela Doane Director, Collections	70-75	7	60-65	6
David Philip Director, Finance & Enterprises (appointed 1 January 2009)	20-25	2	-	-
Sarah Roots Director, Royal Observatory Greenwich (appointed 5 November 2008)	25-30	1	-	-
Kevin Sumption Director, Exhibitions & Programmes (appointed 15 September 2008)	40-45	2	-	-
Geoff Gibbs Interim Director, Finance & Enterprises (4 August 2008 to 6 Jan 2009)	20-25	-	-	-

Norman Reed Director, Finance and Enterprises (until 20 October 2008)	65-70	4	90-95	8
Roy Clare Director & Accounting Officer (until 31 May 2007)	-	-	80-85	5
Stephen Riley Director, Maritime Heritage (retired 17 July 2007)	-	-	15-20	*

Benefits in Kind (included above)

Name	2008-'09 £'000s	2007-'08 £'000s
Dr Kevin Fewster	-	8
Kevin Sumption	6	-
Roy Clare	-	1

The benefits in kind for Dr Kevin Fewster and Kevin Sumption arise from relocation to the UK from Australia.

Norman Reed was Director of Finance and Enterprises until the 20 October 2008. In addition to the above remuneration he received a compensation payment of £72,400 under a severance agreement dated the 14 July 2008 which was duly authorised by the Trustees, the Department for Culture Media and Sport and HM Treasury.

* All directors are members of the group personal pension scheme other than Dr Margarette Lincoln and Andy Bodle who are members of the Civil Service Pension Schemes and whose entitlement is as follows:

Name	Real increase in pension since 31 March 2008 ('000)	Pension at 31 March 2009 ('000)	Lump sum at 31 March 2009 ('000)	Real increase in lump sum since 31 March 2008 ('000)	CETV* at 31 March 2008 ('000)	CETV at 31 March 2009 ('000)	Real increase in CETV funded by employer ('000)
	Andy Bodle	0-2.5	25.0-27.5	75-77.5	0-2.5	402	443
Margarette Lincoln	0-2.5	22.5-25.0	72.5-75.0	2.5-5.0	449	525	32.5-35.0

Stephen Riley retired 17 July 2007

Cash Equivalent Transfer Value (CETV)

A CETV is a lump sum value in today's terms of the rights accruing within a member's pension scheme. It assumes a member is leaving service and makes a pension transfer of the

pension fund to an alternative pension arrangement. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. The pension figure shown relates to the benefits the member has accrued as a consequence of total service not just the current appointment.

Real Increase in CETV

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

Lord Sterling
Chairman of the Board of Trustees
9 July 2009

Kevin Fewster
Director and Accounting Officer
9 July 2009

7. REFERENCE AND ADMINISTRATIVE DETAILS

Patron	HRH The Duke of Edinburgh KG KT
Chairman of the Board of Trustees	The Rt Hon The Lord Sterling of Plaistow GCVO CBE
Director & Accounting Officer	Dr Kevin Fewster AM
Principal address	National Maritime Museum Romney Road Greenwich London SE10 9NF
Website	www.nmm.ac.uk

The Board of Trustees of the National Maritime Museum

During 2008-'09 the Board of Trustees were:

The Rt Hon The Lord Sterling of Plaistow GCVO, CBE, Chairman

and in order of first appointment:

His Royal Highness The Duke of York KG KCVO ADC
Patricia Rothman to 19 August 2008
Professor Dame Jocelyn Bell Burnell DBE FRS FRSE
Professor Martin Daunton FBA
Councillor Jagir Sekhon OBE
Nigel Macdonald
Jan Kopernicki
Alan Titchmarsh MBE VMH DL to 7 December 2008
Mrs Gilly Drummond OBE DL reappointed on 24 February 2009
Sir John Guinness CB reappointed on 24 February 2009
Admiral the Lord Boyce GCB OBE DL reappointed on 10 March 2009
David Moorhouse CBE
Dr David Quarmby CBE
Linda Hutchinson appointed on 15 September 2008
Sir Robert Crawford CBE appointed on 15 September 2008

Brief biographies of the Trustees are available from www.nmm.ac.uk in the 'About Us' section.

A Register of Interests is maintained and is available for inspection by application to the Museum Secretary at the National Maritime Museum. The Register of Interests is declared by the Trustees, the Executive and senior members of staff.

The Executive

During 2008-'09 members of the Executive were:

Dr Kevin Fewster AM	Director and Accounting Officer
Dr Margarette Lincoln	Deputy Director
Andy Bodle	Director, Operations and Human Resources
Angela Doane	Director, Collections
David Philip	Director of Finance and Enterprises, appointed 1 January 2009
Sarah Roots	Director, Royal Observatory, Greenwich, appointed 5 November 2008
Kevin Sumption	Director, Exhibitions and Programmes, appointed 15 September 2008
Norman Reed	Director of Finance and Enterprises, to 20 October 2008
Geoff Gibbs	Interim Director of Finance, 4 August 2008 to 6 Jan 2009

Other relevant organisations

External Auditors	Comptroller & Auditor General National Audit Office 151 Buckingham Palace Road Victoria London SW1W 9SS
External Auditor of National Maritime Museum Enterprises Ltd and the Trust Funds	Baker Tilly UK Audit LLP Chartered Accountants and Registered Auditors Hanover House 18 Mount Ephraim Road Tunbridge Wells Kent TN1 1ED
Internal Auditors	Robert Noye-Allen, Head of Internal Audit AHL Limited Chartwell House 292-294 Hale Lane Edgware, HA8 8NP
Bankers	Royal Bank of Scotland 49 Charing Cross Admiralty Arch London SW1A 2ZD HSBC 275 Greenwich High Road Greenwich London SE10 8NF
Legal advisers	CMS Cameron McKenna Mitre House 160 Aldersgate London EC1A 4DD

8. SUPPORTERS OF THE NATIONAL MARITIME MUSEUM 2008-'09

Government

The Department for Culture Media and Sport
The Heritage Lottery Fund
The Department for Children Schools and Families

Major Donors

The Sammy Ofer Foundation
Lloyd's Register Educational Trust
Science & Technology Facilities Council
The DCMS/Wolfson Foundation Museums and Galleries Improvement Fund
The Peter Harrison Foundation

Donors

Arts Council England, The Elephant Trust, The William Falconer Charitable Trust, The Friends of the National Maritime Museum, The Headley Trust, The Henry Moore Foundation, The Inchcape Foundation, Stanley Thomas Johnson, The Embassy of the Kingdom of the Netherlands, The Leathersellers' Company Charitable Fund, The Poppy Centre, Patricia Rothman, The Sackler Foundation, The Embassy of the United States of America.

Bequests

Miss Norah Elsie Lilian Irwin; Edward Reginald William Ferguson; Peter Alastair Howard Glover.

Supporters of the American Fund of the National Maritime Museum and the Royal Observatory Greenwich (EIN 30-0190984)

Courtney M Brown, C Richard Carlson, Edwin Goodman, Lee MacCormick Edwards PhD, John W Oelsner, The Carlson Family Trust, The Dmitro Foundation, The Gladys Kriebel Delmas Foundation.

Sponsors

Accurist, Blackwall Green, The Crown Estate, Evergreen Shipping Agency (UK) Limited, John Swire & Sons Limited, Maritime & Coastguard Agency

Corporate Benefactor

BP Shipping
Evans & Sutherland.

Corporate Members

Accor UK, Braemar Seascope, DP World, Evergreen Shipping Agency (UK) Ltd, General Maritime Corporation, Hapag-Lloyd (UK) Ltd, Ince & Co, Liberty Syndicates, Lloyd's Register, Shell International Trading and Shipping Co. Ltd, Swiss Re, The Baltic Exchange, Yang Ming.

Associate Member

Cheeswrights, BMT Group Ltd

Corporate Loan Holders

Conran Holdings plc - The Orrery Restaurant, Mandarin Oriental Hyde Park Hotel, Morgan Stanley & Co International plc, Pemberton Greenish, Rathbone Brothers plc, Simpson, Spence and Young Ltd, The Cayzer Trust Company, The Leathersellers' Company.

Life Patron

William Falconer

Patrons

Dayton Carr, Amelia Chilcott Fawcett, Stephan Frank, Gary and Beth Glynn, Lady Gosling, Howard and Patricia Lester, Robert Moore II, Clive Richards OBE DL, Susan T Zetkus.

Honorary Commodores – awarded for outstanding support and commitment to the Museum:

Sir David Attenborough OM; Mr Victor Benjamin; Mr Richard Carlson; Sir David Hardy; Mr Peter Harrison; Mr Zvi Meitar M Jur; Libby Purves OBE; Dr David Quarmby CBE; Lord Rees of Ludlow; Professor NAM Rodger FBA; Mrs Coral Samuel CBE; Dava Sobel; Mr Peter Snow CBE; Dr David Starkey; Sir Arthur Weller CBE; Susan T Zetkus.

Donors to the Collection

During the year artefacts were donated, bequeathed or given in lieu of tax to the Museum by the following:

Lieutenant-Colonel Ian K Mackinnon; Mr. Patrick Bryan; Mr Arthur F Honnor; Mrs Margaret Murray Smith; Ms Carol Acworth; Mrs MRJ Ball; Mrs Eileen Coombes; Mr PGD Breton; Maritime and Coastguard Agency; Long Now Foundation; Downside Abbey; Mr. David Winstanley; Mr John Cowen; Dr Alan Pearsall; Mr. Richard Southall; Kelvin Hughes Ltd; Mr Andrew Crisford; British Records Association; Mr. John Garnish; Ministry of Defense; Mrs Jacqueline Izatt; Julian Romney, Earl of Romney; Sir John Guinness; Mr Robert Edmonds; Mr Aidan R Laing; Mrs Joan Duberley; Mr Malcolm Bullivant; Sea Containers Services Ltd; Mrs Andrea Lockhart; Mr John Waite; Mrs Thelma De Bourne; Miss Tessa and Miss Polly Spencer Pryse; Mrs Eileen and Mr Ronald Jarman; Mr Julian Bedale; Ms Sally Scott; Dr Robert Massey; Mrs Josceline Baker; Mrs Laura Walker; Mrs Josephine Elkins; Mrs Ann Waterman; Mrs Barbara Perkiss; Mr Chris Harrison; Mrs AN Dew; Mr Robert Witham; Fred Olsen Cruise Lines; Mr Ian C White.

To all of whom the Trustees are very grateful.

9. RESULTS FOR THE YEAR AND OTHER FINANCIAL INFORMATION

Financial Policy

During the period covered by these Accounts, the National Maritime Museum was funded primarily by Grant in Aid from the Department for Culture, Media and Sport (DCMS). Following Government objectives, the Museum seeks to ensure that optimum use is made of all resources during the financial year and, in so far as it is consistent with its objectives, seeks to maximise non-exchequer resources generated through commercial activities.

Income

The Consolidated Statement of Financial Activities on page 54 shows Incoming Resources of £25.86m (£25.58m in 2008). Resources expended amount to £22.56m (£22.92m in 2008). The Museum thus achieved a surplus of £3.3m (surplus of £2.66m in 2008). After deduction of the revaluation of land and buildings, the unrealised loss on investments and a realised gain on currency, the resultant surplus is £1.1m

The principle reason for the increase in surplus is the timing of expenditure incurred in relation to the Museum's capital projects, particularly the Sammy Ofer Wing and Time and Space at the Royal Observatory.

The Grant-in-Aid allocated to the Museum from the DCMS has increased to a total of £19.57m (£18.49m in 2008) due to the additional capital funding predominantly used for the Sammy Ofer Wing. The revenue element of Grant in Aid was £15.82m (£15.49m in 2008), of which the Museum has drawn down £15.82m in 2008-'09 (£15.49m in 2008). The funding split is detailed in Note 3 in the accounts.

The Museum's other income has decreased over the period. This is principally due to a decline in donations. Underlying core activity has been carried out in line with the Museum's efficiency programme seeing greater returns for each pound of expenditure.

Expenditure

The Museum has continued to invest significantly, with funding assistance from DCMS in the collections reform programme, and, in conjunction with the donation from Sammy Ofer, in developing the Sammy Ofer Wing project, a major strategic priority.

The *Time and Space* project has generated timing differences between the project budget and actual expenditure and receipt of donations, but the overall project was completed within its agreed financial parameters.

Reserves and Reserves Policy

At 31st March 2009 the Museum had reserves totalling £111.2m of which £1.8m are free reserves as follows:

	£
Funds representing endowments to the Museum by way of heritage assets, gifts, grants, donations and amounts held in the Caird and No.3 Trust Fund	64.4m

Surplus on revaluation of land and buildings representing the difference between cost/valuation and revaluation at 31 st March 2009	21.8m
Funds which are restricted by virtue of specific conditions or legal restrictions relating to their application	4.3m
Designated funds created to provide a reserve against which depreciation of capitalised assets is charged in future years	8.5m
Designated funds for a specific project or purpose in the future including the Galleries Masterplan	10.4m
Unrestricted (free reserves) over which there are no restrictions or specific future spending intentions	<u>1.8m</u>
	<u>111.2m</u>

Full details of these funds and their purpose are given in Notes 21, 22 and 23 to the Accounts.

The reserves policy, together with the investment policy, is renewed annually by the Trustees having regard to the evolving financial risks of the Museum and to inform the framework against operating strategy is formulated and the operating plans of the following year are set.

This encompasses a review of:

- the level of funds required to meet liabilities as they fall due
- the funds required to cover unforeseen circumstances
- the risks to the Museum in generating income from sources other than Government in the current economic climate
- funding for future capital programmes
- the provision for the collections development programme
- the development of the Museum's exhibition programme

The Museum is about to commence the construction of a new wing, 'The Sammy Ofer Wing' which is due for completion in 2011. The overall cost of this project is expected to be £35m. Additionally the Museum has developed a new 'Galleries Masterplan' with expenditure being incurred in the current financial year but with increasing demands on resources in the following years. Accordingly the Trustees have decided that it would be appropriate to assign part of the designated funds to the development of these plans.

Whilst there can be no absolute amount of reserves which are correct or necessary at any one point of time, the Board of Trustees consider it desirable that substantially greater levels of

free reserves than those currently held should be available to provide adequate protection against such matters as those outlined above. Existing free reserves amount to £1.8m which is little more than the working capital equivalent of approximately 1 month of expenditure (excluding capital expenditure for which there is specific funding). The Trustees have concluded that in current circumstances the reserves position is acceptable for the time being but that further strengthening of the reserves is an important objective.

Investment Policy

The Museum holds funds for charitable purposes in the form of:

- specific endowments
- funds representing the accumulated reserves resulting from income from designated and specific purpose funds, and
- accumulated unrestricted income.

At 31st March 2009 the Museum holds investments valued at £2.69m all of which are held within in the Caird Fund, the Development Fund and the No. 3 Trust Fund. Those funds represent specific endowments and designated funds and also income derived from those funds not yet spent. The investments held within those funds may be categorised as follows:-

	£'000s
Endowment Funds	199
Restricted Funds	40
Unrestricted Funds	<u>2,450</u>
	<u>2,689</u>

The Museum’s investment policy is to maintain a balance between capital appreciation and income generation to meet the needs of the Museum whilst taking accounts of donors’ requirements where funds have been donated to the Museum for specific purposes. The investments are held as units in a variety of funds managed by Jupiter Asset Management Limited.

Investment performance in the year has been subject to the economic and financial downturn with the Financial Times All Share Index falling by 30% for the 12 months ended 31st March 2009. Compared with this the reduction in the Museum’s funds has been 13% for the Development Fund, 16% for the Caird Fund and 18% for the No. 3 Trust Fund. There has been a reduction in the market value of the investments of £765k at 31st March 2009 (compared with a reduction of £472k at 31st March 2008) which is reflected in the above figures.

The Museum also holds cash and money market deposits from donations and accumulated unrestricted income. These amounts total £12.9m and in part relate to expenditure anticipated in the near future and in part reflect the Trustees’ view that the Museum should hold appropriate liquidity in respect of the matters described under the reserves note above.

Fixed Assets (other than Investments)

The net book value of fixed assets at 31st March 2009 amounted to £92.6m (2008 £94.2m) and comprises:

	2009	2008
	£m	£m
Freehold land and buildings	84.2	87.4
Other fixed assets	4.9	6.0
Assets under construction	<u>3.5</u>	<u>0.8</u>
	<u>92.6</u>	<u>94.2</u>

At 31st March 2009 the main Museum site and the Royal Observatory, Greenwich were revalued on a depreciated replacement costs basis and the Brass Foundry and Kidbrooke sites on an existing use basis by external valuers, Gerald Eve, Chartered Surveyors. The result of this revaluation was a reduction in the net book value of the land and buildings of £3.2m of which £1.7m is recognised as depreciation for the year 2008-'09 and £1.5m as a revaluation loss in the Consolidated Statement of Financial Activities.

The Museum does not have ownership of the freehold to either the main Museum site or the Royal Observatory Greenwich and accordingly the site and buildings at Greenwich have no realisable value to the Museum. (See Note 11).

The assets under construction reflect the investment being made in the Sammy Ofer Wing.

During the course of the year the Museum purchased heritage assets amounting to £109k.

Donations in kind

During the year artefacts to the value of £112k (£637k in 2008) were donated or bequeathed to the Museum. [see Section 8 above]

Lord Sterling
Chairman of the Board of Trustees
9 July 2009

Kevin Fewster
Director and Accounting Officer
9 July 2009

10. STATEMENT OF THE RESPONSIBILITIES OF THE BOARD OF TRUSTEES AND THE DIRECTOR AS ACCOUNTING OFFICER

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

In preparing the Museum's accounts the Trustees are required to:

- observe the accounts direction* issued by the Secretary of State for Culture, Media and Sport including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Museum will continue in operation.

The Accounting Officer of the Department for Culture, Media and Sport has designated the Director as the Accounting Officer for the Museum. The Director's relevant responsibilities as Accounting Officer including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in Chapter 3 of *Managing Public Money* by the Treasury.

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

Lord Sterling
Chairman of the Board of Trustees
9 July 2009

Kevin Fewster
Director and Accounting Officer
9 July 2009

* A copy of this is available from the Director of Finance and Enterprises, National Maritime Museum, Romney Road, London SE10 9NF

11. STATEMENT ON INTERNAL CONTROL

1. Scope of responsibility

The Accounting Officer (the Director) and the Trustees (represented by the Chairman of the Audit Committee) have joint responsibility for maintaining a sound system of internal control which supports the achievement of the Museum's mission, responsibilities, objectives and policies whilst safeguarding public funds and the Museum's assets, for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to him under "*Managing Public Money*" and the Management Statement and Financial Memorandum between the Museum and the Department for Culture, Media and Sport.

The Museum has a three-year Funding Agreement with its Government Sponsor Body, the Department for Culture, Media and Sport (DCMS), which includes targets to assist the Department in meeting its Public Service Agreement targets and identifies the most significant risks to achieving the Museum's objectives. Progress against Funding Agreement targets is monitored by the Museum at least twelve times a year and through various mechanisms through the year by the Department. Meetings with the Secretary of State and Minister are held as necessary. These meetings are supplemented by a regular dialogue by the Accounting Officer and his Executive Team with officials at DCMS.

2. The purpose of the system of internal control

The Museum's system of internal control is appropriate to the circumstances and business of the Museum. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Departmental 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 system of internal control has been in place in the National Maritime Museum for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to handle risk

The Museum aims to manage risk at a reasonable level to achieve and add value to its mission, responsibilities, objectives and policies. It does not aim to eliminate all risk but does aim to eliminate surprises, and to reduce risk to such a level as is reasonably practicable.

The Director has responsibility for leading and managing the work of the Museum in achieving its mission and proposing strategies to meet its objectives and uphold its values; he reports to the Board of Trustees of the National Maritime Museum.

The Board of Trustees monitors the significant risks to achieving the Museum's strategic goals at each of its quarterly meetings, whilst the Audit Committee gives independent advice and guidance to the Accounting Officer and the Board of Trustees on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control in the Museum. The Audit Committee also reviews the work plan of the internal auditors before work is carried out and then reviews the resulting findings and recommendations.

The Director of Finance and Enterprises is responsible for sponsoring and coordinating effective risk management procedures throughout the Museum.

The Executive - each member confirms his/her agreement to the Statement on Internal Control, and provides an annual assurance statement that confirms she or he has acted within the rules and procedures laid down by Government for the operation of a public body and have sought to maximise value for money in all transactions.

Managers and specialist staff - are trained to identify, evaluate and manage risk as a practical module on the Museum's management and specialist development courses.

Internal Audit - the Museum employs an Internal Audit service, which operates to the Government Internal Audit Standards. The Internal Audit service submits regular reports and advice to the Accounting Officer, which includes the Head of Internal Audit's annual statement of assurance supporting the work performed during the year. The remit of the Audit Committee also reflects Government Internal Audit Standards and Cabinet Office guidance.

4. The risk and control environment

The Museum's Risk Management Policy, endorsed by the Accounting Officer, Audit Committee and Board, states:

The Museum will operate a systematic and effective process of risk management following the Museum's Code of Practice on Risk Management. This document will be updated as and when to take account of lessons learned and good practice.

The Museum will monitor and control both the process of risk management and the risks themselves to ensure its continuing effectiveness; continuing value for money is being achieved; and that opportunities for the Museum's advancement are not being rejected.

The Museum's Code of Practice on Risk Management sets out the structures and procedures for the identification, evaluation, ownership, monitoring and control of risk at all levels of business planning - from the corporate process to the setting of individual staff's objectives – and accords with Treasury Guidance.

Identification and Evaluation

At the corporate level strategic risks are revalidated, identified and evaluated by the Executive on a quarterly basis. These risks, their management and any current issues are then brought to the Audit Committee for further consideration and then on to the Trustee Board, again quarterly.

Risks at operational level are identified and evaluated in a structured way following the procedures given in the *Code of Practice on Risk Management*. These risks are tabulated in the Management Plan and responsibilities for their management defined.

All significant projects are subject to separate risk evaluation and, if meeting appropriate criteria, are reviewed under the OGC Gateway Review Process.

Risk ownership

Responsibility is assigned at the relevant and appropriate level. As part of the appraisal, performance management, and objective setting mechanism, executive directors' and managers' performance agreements contain explicit requirements for identifying, assessing and managing the risks in their area of work in order to provide a reasonable assurance that their contribution to the Museum's objectives are met in the most efficient and economical way. These are linked to the Management Plan.

Specialist risk managers exist within the Museum dealing with Health and Safety, Security and Data Management.

Oversight and Monitoring

The Museum views internal controls and risk management as an integral part of the management processes and continues to develop and embed these systems and practices, in line with the latest guidance and best practice.

The Accounting Officer and Executive review performance against operational targets and objectives, and risks to that performance, on a monthly basis using a system of key performance and risk indicators established from the targets in the Funding Agreement and Management Plans. In addition, the Executive receives quarterly reports from project managers on the steps they are taking to manage risks on key projects including, where appropriate, the application of Gateway Review procedures. The Finance Committee and the Board of Trustees also review these performance reports on a quarterly basis.

Developments in internal control made in 2008-'09 included:

- Revisions and upgrades to the presentation and analysis of strategic-level risks and the format and hierarchy of operational risk registers throughout the Museum
- An upgrade of the process that provides the Trustees' Register of Interests and its cascade to senior members of staff who play a significant role in procurement
- A full scale "disaster response exercise" taking place involving a wide range of internal and external participants fully testing the Museum's Emergency Plan
- A major security upgrade moving from an analogue to digital CCTV system
- Following a review of the Hannigan report, and commissioning a data survey from the Internal Audit service, several upgrades to the Museum's capability of managing information risk. These included the adoption of an Information Security Policy and an Information Security Charter. Information Asset owners were appointed across the Museum with formal duties under the policy.

Developments planned for 2009-'10 include:

- A review of the mandatory requirements of HMG Security Policy Framework
- In support of the updating and development of the Museum's risk strategy, a review conducted by internal audit of the effectiveness of the processes and working practices to ensure risks are effectively managed
- The establishment of a "Risk Advisory Group"
- A review of the Museum's procurement procedures
- Instigating a formal Register of Losses and Compensation payments

5. Review of Effectiveness

Assurance on the System of Internal Control is given by the Head of Internal Audit who has provided the Accounting Officer and the Audit Committee with reasonable assurance on the effectiveness of the Museum's risk management, control and governance processes reviewed as part of the 2008-'09 internal audit plan, the scope and results of which have been agreed with management.

The Accounting Officer and the Trustees (represented by the Chairman of the Audit Committee) have joint responsibility for reviewing the effectiveness of the systems of internal control. Our review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Museum who have

responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their management letter and other reports. Our review has also been informed by participating in the oversight of the effectiveness of the system of internal control carried out by the Audit Committee and reviewing any resulting plans to address any weaknesses and ensure continuous improvement of the underlying systems.

Whilst there are matters arising from the reviews, there are no serious control weaknesses arising from the work of internal audit, which require disclosure in the statement on the system of internal control. Management is addressing all matters arising and recommendations made during the year. The implementation of all recommendations is monitored and reported to the Museum's Audit Committee.

Managing Information Risk

The Museum is not aware of suffering any protected personal data incidents during 2008-'09 or prior years and has made no report to the Information Commissioner's Office.

Significant Internal Control problems

We are able to confirm that there have been no significant internal control problems in the National Maritime Museum for the year ended 31st March 2009, and up to the date of this report.

Kevin Fewster, Director and Accounting Officer

9 July 2009

Nigel Macdonald, Chairman of the Audit Committee

9 July 2009

12. THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the National Maritime Museum for the year ended 31 March 2009 under the Museums and Galleries Act 1992. These comprise the Consolidated Statement of Financial Activities, the Consolidated and Museum Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board of Trustees, the Director and auditor

The Board of Trustees and the Director, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Museums and Galleries Act 1992 and the directions made thereunder by the Secretary of State for Culture Media and Sport with the consent of the Treasury and for ensuring the regularity of financial transactions funded by Parliament. These responsibilities are set out in the Statement of Trustees' and Director's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Museums and Galleries Act 1992 directions made thereunder by the Secretary of State for Culture Media and Sport. I report to you whether, in my opinion, the information, which comprises the Museum Background; Mission, Responsibilities, Objectives and Values; Review of activities, achievements and performance 2008-'09; Future priorities; Statutory background, structure, governance and management; Reference and administrative details; and Results for the year and other financial information in the Annual Report, bar the remuneration report, is consistent with the financial statements. I also report whether in all material respects the incoming and outgoing resources funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the National Maritime Museum has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the National Maritime Museum's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the National Maritime Museum's corporate governance procedures or its risk and control procedures.

I read the other information, which comprises the Chairman's Foreword; the Director's Introduction; and the Supporters of the National Maritime Museum 2008-'09 and the unaudited part of the Remuneration Report, and consider whether it is consistent with the

audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board of Trustees and the Director in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the National Maritime Museum's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the incoming and outgoing resources funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with Museums and Galleries Act 1992 and directions made thereunder by the Secretary of State for Culture, Media and Sport, of the state of National Maritime Museum's and the group's affairs as at 31 March 2009, and of its incoming resources and application of resources of the group for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Museums and Galleries Act 1992 and the directions made thereunder by the Secretary of State for Culture Media and Sport; and
- the information which comprises, Museum Background; Mission, Responsibilities, Objectives and Values; Review of activities, achievements and performance 2008-'09; Future priorities; Statutory background, structure, governance and management; Reference and administrative details; and Results for the year and other financial information in the Annual Report, bar the remuneration report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects, the incoming and outgoing resources funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas C.E. Morse
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS

Date 14 July 2009

**Consolidated Statement of Financial
Activities for the year ended 31 March 2009**

		Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2009 £'000	Total 2008 £'000
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary Funds						
		19,313	257	-	19,570	18,491
		28	1,819	-	1,847	2,626
	3	19,341	2,076	-	21,417	21,117
Activities for Generating Funds						
	4	1,993	-	-	1,993	2,006
	5	620	114	-	734	974
		2,613	114	-	2,727	2,980
	6	622	9	24	655	579
		22,576	2,199	24	24,799	24,676
Total Incoming Resources from Generated Funds						
Incoming Resources from Charitable Activities						
		351	-	-	351	382
		73	5	-	78	59
		136	500	-	636	461
	7	560	505	-	1,065	902
		23,136	2,704	24	25,864	25,578
Total Incoming Resources						
Resources Expended						
Cost of Generating Funds						
		1,064	-	-	1,064	947
	4	771	-	-	771	774
		1,227	-	-	1,227	1,298
		1,998	-	-	1,998	2,072
		32	-	1	33	19
		12,917	1,955	-	14,872	14,906
		2,528	329	-	2,857	3,301
		1,032	525	19	1,576	1,541
	9	159	-	-	159	134
	8	19,730	2,809	20	22,559	22,920
		3,406	(105)	4	3,305	2,658
Transfers						
	21,22	1,353	(1,353)	-	-	-
		4,759	(1,458)	4	3,305	2,658
Other Recognised Gains and Losses						
		-	(1,484)	-	(1,484)	(622)
		(681)	(16)	(68)	(765)	(472)
		54	5	-	59	(23)
	2	(2,373)	-	-	(2,373)	(2,279)
	10	1,759	(2,953)	(64)	(1,258)	(738)
	2	2,373	-	-	2,373	2,279
		4,132	(2,953)	(64)	1,115	1,541
		17,905	91,595	610	110,110	108,569
		22,037	88,642	546	111,225	110,110

All recognised gains and losses on investments have been included in the accounts.

The consolidated SOFA includes the distribution of the trading subsidiary profits £429,000 (£673,000 - 2008) as Gift Aid to the Charity.

All operations of the Museum continued throughout the two years and no operations were acquired or discontinued in either year.

The notes on pages 57 to 69 form part of these accounts.

Balance Sheets as at 31 March 2009

	Note	Group		Charity	
		2009 £'000	2008 £'000	2009 £'000	2008 £'000
Fixed assets					
Tangible Fixed assets	11	92,640	94,176	92,640	94,176
Heritage Assets	13	4,172	3,951	4,172	3,951
Available for Sale Investments	14	2,689	3,453	3,189	3,953
		<u>99,501</u>	<u>101,580</u>	<u>100,001</u>	<u>102,080</u>
Current assets					
Stock	16	408	339	170	147
Debtors: Amounts falling due within one year	17	985	833	1,340	1,410
Short-Term Deposit	25	7,103	3,999	7,103	3,999
Cash at bank and in hand	25	5,842	6,158	4,999	5,549
		<u>14,338</u>	<u>11,329</u>	<u>13,612</u>	<u>11,105</u>
Creditors: Amounts falling due within one year	18	(2,564)	(2,691)	(2,403)	(3,033)
Net current assets		<u>11,774</u>	<u>8,638</u>	<u>11,209</u>	<u>8,072</u>
Total assets less current liabilities		<u>111,275</u>	<u>110,218</u>	<u>111,210</u>	<u>110,152</u>
Provisions for liabilities and charges	20	(50)	(108)	(50)	(108)
Net Assets		<u>111,225</u>	<u>110,110</u>	<u>111,160</u>	<u>110,044</u>
Income Funds					
Restricted funds:	21				
Fair Value Reserve		36	52	36	52
Revaluation Reserve		21,869	25,059	21,869	25,059
Other Restricted Funds		66,737	66,484	66,737	66,484
Total Restricted Funds		<u>88,642</u>	<u>91,595</u>	<u>88,642</u>	<u>91,595</u>
Unrestricted funds:	22				
Fair Value Reserve		(23)	658	(23)	658
Designated funds		20,309	13,711	20,244	13,645
General funds		1,751	3,536	1,751	3,536
Total Unrestricted Funds		<u>22,037</u>	<u>17,905</u>	<u>21,972</u>	<u>17,839</u>
Capital Funds	23				
Fair Value Reserve		88	156	88	156
Endowment Funds		458	454	458	454
Total Endowment Funds		<u>546</u>	<u>610</u>	<u>546</u>	<u>610</u>
Total Funds		<u>111,225</u>	<u>110,110</u>	<u>111,160</u>	<u>110,044</u>

Lord Sterling of Plaistow, Chairman of the Trustees

9th July 2009

Dr Kevin Fewster, Director and Accounting Officer

9th July 2009

The notes on pages 57 to 69 form part of these accounts.

**Consolidated Cash Flow Statement
For the Year Ended 31 March 2009**

Cash Flow Statement	Note	2009 £'000	2008 £'000
Net cash inflow from operating activities	25	5,697	5,414
Returns on investments and servicing of finance			
Interest received		655	579
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3,623)	(3,787)
Proceeds from sale of investments		-	-
Realised Gain/(Loss) on current investments		59	(23)
Management of Liquid Resources			
(Increase)/Decrease in short term deposits		(3,104)	62
Increase/(Decrease) in cash	25	<u>(316)</u>	<u>2,245</u>

The notes on pages 57 to 69 form part of these accounts.

**Notes to the Consolidated Accounts
For the Year Ended 31 March 2009**

1 Accounting Policies

The accounts comply with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005), applicable accounting standards, the requirements of the HM Treasury's Financial Reporting Manual, Charities Act 1993 and in the case of the subsidiary the Companies Act 1985, and Accounts Direction issued by the Department for Culture, Media and Sport. The particular accounting policies adopted by the Museum are described below.

(a) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of tangible fixed assets and the required valuation methods for financial instruments. The Museum (Group) accounts includes the three Trusts (The Caird Fund, The Development Fund and The No. 3 Trust Fund), the American Fund of the National Maritime Museum and Royal Observatory, Greenwich and the trading subsidiary, National Maritime Museum Enterprises Limited (NMME). All figures shown as Charity are comprised of the Group results excluding NMME. The accounts are consolidated on a line-by-line basis.

(b) Incoming resources

Income is classified under the headings of Incoming Resources from Generated Funds and Incoming Resources from Charitable Activities. Grant-in-aid from the Department for Culture, Media and Sport is recognised in the Statement of Financial Activities in the year that it is received. Lottery and grant income is recognised when the conditions for its receipt have been met. Donations are recognised on a receipts basis unless there is earlier certainty of amount and entitlement. Commercial income including sponsorship is recognised upon performance of services rendered in accordance with the contractual terms. Admissions and membership income is recognised as received. All other income is recognised where there is certainty of receipt and the amount is quantifiable.

(c) Expenditure

All expenditure has been accounted for on an accruals basis.

Expenditure is matched to the income classifications under the headings of Costs of Generating Funds and Costs of Charitable Activities with the additional classification of Governance rather than the type of expense in order to provide more useful information to users of the accounts.

Costs of Generating Funds and Costs of Charitable Activities comprise direct expenditure including direct staff costs attributable to the activity.

Where costs are unable to be directly attributed they are allocated to activities on a basis consistent with use of the resources in accordance with SORP 2005. The use of resources for costs not directly attributable to an activity are allocated in accordance with resource use (based on activity income and direct expenditure divided by total income and direct expenditure).

Governance costs include audit fees and a portion of administration costs. The Governance administration costs are calculated as a percentage of the total administration costs for the Directorate, Finance Department and Human Resources Department which are not directly attributable to an activity. This allocation includes an apportionment for the following expenditure:

Salaries - including Pensions and Social Security
Staff Recruitment
Staff Training and Development
Professional Consultancy Fees
Professional Legal Fees

(d) Collection acquisitions (Heritage Assets)

In accordance with the HM Treasury's Financial Reporting Manual, additions to the collection (that is, Heritage Assets), acquired since 1 April 2001 are capitalised and recognised in the Balance Sheet at the cost or value of the acquisition, where such cost or valuation is reasonably obtained. Such items are not depreciated or revalued as a matter of routine.

(e) Tangible fixed assets

The Museum capitalises the purchase of assets which cost more than £1,000 and which have lives beyond the financial year in which they are bought.

All fixed assets are reported at cost less accumulated depreciation, except in the following instance:

- Land and buildings are professionally fully valued every five years; a full valuation was undertaken as at 31 March 2008. In the years between full valuations of land and buildings a review based revaluation is undertaken. A review based revaluation was prepared for the year ended 31 March 2009.

No revaluation is undertaken for other tangible fixed assets as it is considered that depreciated cost value is appropriate.

Depreciation is provided on all tangible assets, except freehold land and heritage assets, at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis. For assets under construction, depreciation is not charged until the asset has been completed.

Fixed assets are depreciated from the date of acquisition to the date of disposal.

Indicative asset lives are as follows:

Buildings - Structure	100 years
Buildings - Plant & Machinery	20 years
Buildings - Fit out	20 years
Fixtures and fittings	4 years or 10 years
Equipment, Computers and vehicles	4 years

(f) Financial Instruments

Financial Assets

The Museum classifies its financial assets in the following categories: receivables and available-for-sale. The classification depends on the purpose for which the financial asset was acquired.

i. Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. The Museum has no intention of trading these receivables. Receivables consist of trade and other debtors and are recorded at their carrying values, in recognition that these assets fall due within 1 year.

ii. Available for sale financial assets

Available for sale ("AFS") financial assets are mainly investments that the Museum does not plan to hold until maturity.

Investments that are treated as AFS financial assets are stated at fair value (market value). Given that these investments are small in relation to the Museum's overall reserves, it is the Museum's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result, the Statement of Financial Activities only includes those unrealised gains or losses arising from the revaluation of the portfolio throughout the year. Disclosure is made in Note 14 of the difference between historical cost and the sale proceeds of the investments sold during the year.

Impairment of Financial Assets

An assessment of whether there is objective evidence of impairment is carried out for all financial assets or groups of financial assets at the balance sheet date. A financial asset, or group of financial assets, is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

Where there is objective evidence that an impairment loss exists on receivables carried at amortised cost, impairment provisions are made to reduce the carrying value to the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The charge to the Statement of Financial Activities represents the movement in the level of provisions, together with any amounts written off, net of recoveries in the year.

Financial liabilities

Trade, other creditors and accruals are recorded at their carrying value, in recognition that these liabilities fall due within 1 year.

(g) Stock

Stock is valued at the lower of cost and net realisable value.

(h) Pension Schemes

Pensions costs are accounted for as they are incurred.

(i) Early retirement costs

Principal Civil Service Pension Scheme (PCSPS)

Under the rules of the PCSPS the early retirement of officers is permitted with the agreement of the Museum. In these circumstances certain benefits arise for the employee. The Museum bears the cost of these retirement benefits for the period from the officer's retirement up to their normal retirement age under the Scheme's rules.

The total pension liability up to the normal retirement age of the officer is charged to the Statement of Financial Activities in the year in which the employee ceases employment and an increase in the provision for future pensions is made. The provision is released each year to fund the pension paid to the retirees until the date at which they normally would have retired.

Group Personal Pension Scheme

There are no early retirement benefit costs incurred by the Museum under the Group Personal Pension Scheme.

(j) Foreign currencies

Unless material, foreign currency transactions are converted to or from Sterling at the Bank Rate available on the day of the transaction. For material transactions and where a movement in currency would present a risk to the Museum, this is minimised by securing the currency in advance of payment.

(k) Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Museum. Designated funds comprise unrestricted funds which have been set aside at the discretion of the Trustees for specific purposes. Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. Permanent endowment funds are funds which the donor has stated are to be held as capital.

Transfers are made from Unrestricted funds to Restricted funds to cover restricted funds' deficits. Where restricted funds are received for specific capital or other projects, once expenditure is incurred, transfers are made to the appropriate fund.

(l) Leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities of the period in which the cost is incurred. The Museum holds no finance leases.

(m) Taxation

The Museum is a Non Departmental Public Body Exempt Charity and as such is exempt from income taxation on charitable activities.

2 Notional Cost of Capital

In accordance with Treasury guidance, notional costs of capital are charged in the Statement of Financial Activities in arriving at a net incoming/(outgoing) resources figure. These are reversed so that no provision is included in the balance sheet.

The notional cost of capital has been calculated as 3.5% (3.5% - 2008) of the average capital employed in the year, less amounts equal to the assets funded by donations (including Heritage Lottery Fund grants). The charge for the year is £2,373,000 (£2,279,000 - 2008).

3 Voluntary Funds

£19,570,000 (£18,491,000 - 2008) of Grant in Aid has been received from the Department for Culture, Media and Sport (Request for Resources 1) during the year.

		Unrestricted	Restricted	Endowment		
		Funds	Funds	Funds	2009	2008
		£'000	£'000	£'000	£'000	£'000
Operating Expenditure		15,452	-	-	15,452	15,043
Pension Uplift		111	-	-	111	111
Capital Grant		3,750	-	-	3,750	2,800
Time & Space Capital Grant		-	-	-	-	200
Historic Ships Unit		-	257	-	257	337
Total Grant in Aid	Note 26	19,313	257	-	19,570	18,491
Donations		28	1,603	-	1,631	1,087
Donated Objects		-	112	-	112	637
Heritage Lottery Fund	Note 26	-	104	-	104	902
Total Voluntary Funds		19,341	2,076	-	21,417	21,117

Donated objects are artefacts given to the Museum with a value of £112,000 (£637,000 - 2008). Objects are valued by curators based on their expert knowledge and market value, i.e. previous auction results for comparable items.

4 Results of Trading Subsidiary

The Museum has a trading subsidiary National Maritime Museum Enterprises Limited whose principal activities are merchandising through the Museum shops and the organisation of commercial activities and events. The company donates its profit to the Museum through Gift Aid. A summary of its trading results is shown below. Auditee accounts are filed with the Registrar of Companies.

Profit and Loss Account

	2009	2008
	£'000	£'000
Trading Income	1,361	1,395
Cost of sales	(644)	(645)
Gross profit	717	750
Income from other commercial activities	632	611
Administrative expenses	(941)	(733)
Operating profit	408	628
Interest receivable and similar income	20	45
Profit on ordinary activities before taxation	428	673
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation	428	673
Gift Aid donation to the Charity	(429)	(673)
Loss retained in the subsidiary	(1)	0

Other commercial activities include venue hire, corporate membership and artefact loans and the catering franchise commission.

Administrative expenses include charges of £813,000 (£604,000 - 2008) from the Museum.

Profits on ordinary activities after taxation of £429,000 (£673,000 - 2008) have been distributed as Gift Aid to the Charity.

Balance Sheet

	2009	2008
	£'000	£'000
Current Assets	1,159	1,473
Current Liabilities	(594)	(907)
Total current assets less current liabilities	565	566

Capital and Reserves

	2009	2008
	£'000	£'000
Called-up equity share capital	500	500
Profit and loss account	65	66
	565	566

Reconciliation of results of trading subsidiary to the consolidated Statement of Financial Activities

	2009	2008
	£'000	£'000
Trading income	1,361	1,395
Income from other commercial activities	717	644
Intercompany transactions	(85)	(33)
Trading income per SOFA	<u>1,993</u>	<u>2,006</u>
Administrative expenses	1,585	1,378
Intercompany transactions	(814)	(604)
Trading costs per SOFA	<u>771</u>	<u>774</u>
Investment income	20	45
Intercompany transactions	-	-
Investment income included within SOFA	<u>20</u>	<u>45</u>

5 Activities for Generating Funds - Other

Incoming Resources from Activities for Generating Funds - Other is made up as follows:

	Unrestricted	Restricted	Endowment	2009	2008
	Funds	Funds	Funds	£'000	£'000
	£'000	£'000	£'000		
Admissions	338	-	-	338	303
Donations	109	14	-	123	432
Event Attendance	10	-	-	10	6
Membership	44	-	-	44	36
Publications	87	-	-	87	31
Royalties	7	-	-	7	4
Sponsorship	-	100	-	100	128
Miscellaneous Other	25	-	-	25	34
	<u>620</u>	<u>114</u>	<u>-</u>	<u>734</u>	<u>974</u>

6 Investment Income

Investment income is made up as follows:

	Unrestricted	Restricted	Endowment	2009	2008
	Funds	Funds	Funds	£'000	£'000
	£'000	£'000	£'000		
Dividends received	114	1	11	126	96
Interest received - Bank interest	229	6	1	236	254
Interest received - Fixed Term	279	2	12	293	229
Deposits	<u>622</u>	<u>9</u>	<u>24</u>	<u>655</u>	<u>579</u>

7 Incoming Resources from Charitable Activities

Incoming Resources from Charitable Activities include the following:

	Safeguard	Maximise	Satisfy	Total	
	& Enhance	Access	Stake-	Funds	
	Assets		holders	2009	2008
	£'000	£'000	£'000	£'000	£'000
Car Parking	15	-	-	15	15
Conferences	17	-	-	17	21
Corporate Loans	-	-	-	-	5
Filming & Photography	44	-	-	44	26
Licensing	52	-	-	52	55
Open Museum	-	-	42	42	85
Recharges	-	-	77	77	10
Reproductions, Plans & Print Sales	173	-	-	173	179
Research	12	-	-	12	31
Revenue Grant	-	9	-	9	200
Specific Purpose Government Grants	-	-	500	500	138
Other	38	69	17	124	137
	<u>351</u>	<u>78</u>	<u>636</u>	<u>1,065</u>	<u>902</u>

8 Analysis of Total Resources Expended

Cost allocation includes an element of judgement and the Museum has had to consider the cost benefit of detailed calculations and record keeping. To ensure accurate costs are kept the Museum adopts a policy of allocating costs to the respective cost headings throughout the year for projects or where the activity is self contained (for example, activities undertaken by the subsidiary), which means that the Activities include support costs where they are directly attributable.

The use of resources for costs not directly attributable to an activity have been allocated in accordance with resource use (based on activity income and direct expenditure divided by total income and direct expenditure), as follows:

				2009	2008
				%	%
Voluntary Expenses				43	44
Activities for Generating Income				5	5
Investment Expenses				1	1
Safeguard and Enhance Assets				35	35
Maximise Access				7	8
Satisfy Stakeholders				5	3
Governance				4	4

	Direct Activities £'000	Support Cost Allocation			Total 2009 £'000	Total 2008 £'000
		Directorate £'000	Finance £'000	HR £'000		
Costs of Generating Funds						
Costs of generating voluntary funds	-	541	180	343	1,064	947
Costs of activities for generating funds	1,874	63	21	40	1,998	2,072
Investment management costs	9	12	4	8	33	19
Costs of Charitable Activities						
Safeguard & enhance assets	14,006	440	146	280	14,872	14,906
Maximise access	2,684	88	29	56	2,857	3,301
Satisfy Stakeholders	1,452	63	21	40	1,576	1,541
Governance	60	50	17	32	159	134
Total Resources Expended	20,085	1,257	418	799	22,559	22,920

(a) Staff Costs

	2009	2008
	£'000	£'000
Wages and salaries - Permanent Staff	9,407	8,918
Wages and salaries - Agency and Temporary Staff	156	155
Social security costs	862	809
Pension costs	685	640
Early retirement and termination costs	299	24
	11,409	10,546

The average number of employees (i.e. full-time equivalents) analysed by function and category of employment was:

	2009	2009	2009	2009	2008
	Staff	Temporary, Contract and Agency	Staff on Capital Projects	Total	Total
Costs of Generating Funds:					
Costs of Generating Voluntary Funds	-	-	-	-	-
Costs of Activities for Generating Funds	44	-	-	44	42
Investment Management Costs	-	-	-	-	-
Costs of Charitable Activities					
Safeguard & Enhance Assets	295	3	-	298	291
Maximise Access	14	-	-	14	14
Satisfy Stakeholders	18	2	3	23	23
Administration/Support Costs	31	2	-	33	30
	402	7	3	412	400

The number of senior employees, including the Director, whose emoluments as defined for tax purposes amounted to £60,000 or over in the year were as follows:

	2009	2008
£60,000 - £65,000	1	1
£70,001 - £75,000	1	-
£75,001 - £80,000	-	1
£80,001 - £85,000	1	1
£95,001 - £100,000	1	3
£105,001 - £110,000	1	-
£140,001 - £145,000	1	-
	6	6

Of the six employees with earnings over £60,000 per annum there are two for whom benefits are accruing under the defined benefits scheme (PCSPS), with the remainder accruing benefits under the defined contribution scheme. The total employer's contribution, for these individuals, to the PCSPS was £35,318 (£33,875 - 2008) and to the NMM Group Personal Pension Plan was £25,106 (£27,091 - 2008).

The Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme. The National Maritime Museum is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary (Hewitt Associates) valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

The Museum ceased offering membership to the PCSPS to new non-member employees on the 1 April 1994.

For 2008-09, employers' contributions of £239,000 were payable to the PCSPS (£243,000 - 2007-08) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands (the rates in 2007-08 were between 17.1% and 25.5%). The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. From 2009-10 the rates will be in the range 16.7% to 24.3%.

The contribution rates are set to meet the cost of the benefits accruing during 2008-09 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Group Personal Pension Scheme

The Museum offers membership of a group money purchase scheme into which the employer contributes between 8.5% and 10% of pensionable salary. The employee contributes between 1.5% and 3% of pensionable salary.

Employers' contributions of £234,000 were paid in 2008-09 (£383,000 - 2007-08) into the Group Personal Pension schemes. These are defined contribution schemes.

Other Personal Pension Scheme

Contributions of £20,000 were paid in 2008-09 (£14,000 - 2007-08) to other private pension schemes on behalf of individuals.

The Museum also provides, centrally, an insurance based cover for death in service and ill health benefits.

Additional information on staff costs is provided in the Remuneration Report on page 34.

b) Trustees

The Trustees neither received nor waived any emoluments during the year (£nil - 2008). Expenses reimbursed (for travel and subsistence) to five Trustees amounted to £685 (£667 - 2008).

c) Grants Made

The Museum has made in 2008-09 and is committed to making in 2009-10 the following grants in relation to Safeguarding and Enhancing the Value of Assets:

		Provided in these accounts £000	Committed for 2009-10 but not provided in these accounts £000
The National Trust	i	31	32
National Maritime Museum Cornwall Trust	ii	52	52
The Chatham Historic Dockyard Trust	iii	250	0
		<u>333</u>	<u>84</u>

i. Contribution to the maintenance and preservation of the historic vessel Shamrock which is jointly owned by the National Maritime Museum and the National Trust.

ii. Contribution to the operational costs of the National Maritime Museum, Cornwall, which houses the Small Boats Collection and other assorted collection items owned by the National Maritime Museum, Greenwich.

iii. Contribution to the development of the Smithy at the Historic Dockyard, Chatham, which will house the majority of the National Maritime Museum's collection of ship models.

9 Governance

Governance costs represent the meeting of the Effective Organisation and Sound Financial Management objective and are made up of:

	2009 £'000	2008 £'000
External Audit	35	34
Internal Audit	26	16
Apportionment of Support Costs	98	84
	<u>159</u>	<u>134</u>

The external audit fee of £34,980 (£33,800 - 2008) does not include any fees for non-audit work.

The external audit fee is for the audit of the Museum only. External audit fees for the audits of NMME and the Trusts of £15,000 have been included within Activities for Generating Funds - Trading Costs.

10 Net Movement in Funds

	2009	2008
	£'000	£'000
Net movement in funds	(1,258)	(738)
Net movement in funds includes the following charges:		
Auditors' remuneration - for Museum (within Governance Costs)	35	34
Auditors' remuneration - for NMME and Trusts (within Costs of Generating Funds)	15	15
Lease rental payments on land and buildings	124	177
Lease rental payment - other	29	83
Early Retirement Fund Spend	58	44
Movement in provision for bad debts	6	3
Loss on Sale of Assets	7	3
Depreciation	3,558	3,676

11 Tangible Fixed Assets

	Freehold Land and Buildings	Fixtures & Fittings	Plant & Equipment	Computer & Network Equipment	Motor Vehicles	Assets Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:							
At 1 April 2008	87,350	11,971	3,673	2,467	149	763	106,373
Additions	-	206	340	20	51	2,896	3,513
Disposals	-	(217)	(214)	(58)	(90)	-	(579)
Transfers Between Asset Class	-	-	7	113	-	(120)	-
Revaluation (loss)	(3,190)	-	-	-	-	-	(3,190)
At 31 March 2009	84,160	11,960	3,806	2,542	110	3,539	106,117
Accumulated depreciation:							
At 1 April 2008	-	7,818	2,146	2,093	140	-	12,197
Depreciation Charge for the year	1,706	1,117	536	182	17	-	3,558
Disposals	-	(219)	(206)	(57)	(90)	-	(572)
Revaluation (loss)	(1,706)	-	-	-	-	-	(1,706)
At 31 March 2009	-	8,716	2,476	2,218	67	-	13,477
Net Book Value at 31 March 2009	84,160	3,244	1,330	324	43	3,539	92,640
Net Book Value at 31 March 2008	87,350	4,153	1,527	374	9	763	94,176

The freehold title to the main Museum site at Greenwich was transferred from the Secretary of State for the Environment to the Museum Trustees in July 1989. The Museum was granted rights to occupy and use part of the site of the Royal Observatory, Greenwich in a Royal Warrant dated 1953. On 23 March 2004 a new Royal Warrant was signed which granted rights to occupy and use the entire site of the Royal Observatory, Greenwich.

The Land and Buildings have been professionally valued at 31 March 2009 by external valuers, Gerald Eve, Chartered Surveyors in accordance with the Appraisal and Valuation Standards as published by the Royal Institution of Chartered Surveyors and FRS15 - The Financial Reporting Standards for Tangible Fixed Assets. This was a review based, interim valuation. A full revaluation of the land and buildings was carried out at 31 March 2008.

The Land and Buildings of the main Museum and the Royal Observatory, Greenwich have been revalued using the Depreciated Replacement Cost basis applicable to specialised buildings and on the basis that the Museum is a going concern. The revaluation of the Royal Observatory, Greenwich reflects the valuation of the entire site following the grant of the new Royal Warrant. The Brass Foundry and the Kidbrooke Stores have been revalued using the Existing Use Value basis applicable to non-specialised buildings.

All depreciable fixed assets are depreciated from the date of acquisition to the date of disposal or to the end of their useful economic life.

Legal and Statutory Constraints

By the National Maritime Museum Acts 1934 and 1989, should the specialised buildings at Greenwich (not including the Royal Observatory, Greenwich) cease to be used for the purposes of the Museum, they shall be held in trust for the benefit of Greenwich Hospital. The Royal Warrant, by which the Royal Observatory, Greenwich is occupied, does not confer ownerships rights to the property and so should the Royal Observatory Greenwich cease to be used for Museum purposes it would revert to the Crown. In consequence, the entire site and buildings at Greenwich have no realisable value to the Museum.

Revaluation

A review based valuation was carried out on the following assets for 2008-09:

	Cost	Revaluation
	£'000	£'000
Main site - Land and Buildings	48,000	64,680
Royal Observatory - Land and Buildings	14,054	17,600
The Brass Foundry - Land and Buildings	325	620
Kidbrooke Stores - Land and Buildings	1,260	1,260
	63,639	84,160

The closing revaluation figure is the sum of cost and the cumulative total of annual revaluations.

No revaluation has been undertaken for other tangible fixed assets as it is considered that depreciated cost value is appropriate

12 Capital expenditure commitments

	2009	2008
	£'000	£'000
Authorised by the Board of Trustees, but not yet contracted	32,138	947
Contracted for but not provided in the accounts	346	454

The large increase in the authorised capital expenditure is due to the commencement of the Sammy Ofer Wing project. The project is scheduled for completion in 2012 and expected to cost £35m.

13 Heritage Assets

	2009	2008
	£'000	£'000
Cost or valuation:		
At 1 April 2008	3,951	3,207
Collection Additions - Purchased	109	107
Collection Additions - Donated	112	637
At 31 March 2009	4,172	3,951

In accordance with FREM, additions to the Museum's collections (Heritage assets) donated since 1 April 2001 are capitalised and recognised in the balance sheet under Heritage Assets. Heritage assets are held in pursuit of preservation and conservation objectives, and are integral to broader objectives such as educating the public in history, the arts and science. This category of asset includes artwork, manuscripts and other objects - all of historical importance. Heritage assets do not attract depreciation as they do not have a defined lifespan.

14 Investments

	Group		Charity	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Quoted Investments				
Market value at 1 April 2008	3,454	3,926	3,454	3,926
Net Loss on revaluation	(765)	(472)	(765)	(472)
Market value at 31 March 2009	2,689	3,454	2,689	3,454
Historical cost as at 31 March 2009	2,588	2,588	2,588	2,588
Unquoted Investments:				
Cost as at 31 March 2009	-	-	500	500
Total Investments	2,689	3,454	3,189	3,954

The unquoted investment is in the trading subsidiary, National Maritime Museum Enterprises Limited - a company registered in England and Wales. The authorised, issue share capital consists of 500,000 £1 ordinary shares of which the Museum owns 100%.

15 Financial Risk Management

FRS29, Financial Instruments, requires disclosure of the role which financial instruments have had during the year, in creating or changing the risks the Museum faces in undertaking its activities.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Museum's expected purchase and usage requirements and the Museum is therefore exposed to little credit, liquidity or market risk.

Financial Assets

	Total	Floating Financial Assets	Fixed Financial Assets	Assets Earning Equity Return	Weighted Average Fixed Int Rate	Weighted Average Period for Which Rate Is Fixed
	£000	£000	£000	£000		
Year ended 31.03.09 - Sterling	15,634	5,842	7,103	2,689	2.3%	3 Months
Year ended 31.03.08 - Sterling	13,610	6,158	3,999	3,453	5.8%	3 Months

The interest rate on floating financial assets is determined by the bank and market conditions.

	2009	2008
	£'000	£'000
Reconciliation to the Balance Sheet		
Cash	5,842	6,158
Investments (Current Assets)	7,103	3,999
Investments (Fixed Assets)	2,689	3,453
Total	15,634	13,610

Liquidity Risk

The National Maritime Museum receives the majority of its income by way of Grant in Aid and as a result there is little exposure to liquidity risk. This is managed through the reserves policies as established by the Trustees.

The Museum has sufficient unrestricted funds to cover its current liabilities.

Credit Risk

The Museum is exposed to credit risk of £135,000 of trade debtors. This risk is not considered significant as major customers are familiar to the Museum. Bad and doubtful debts are provided for on an individual basis. Write offs in the year for bad debts amounted to £6,000 (£1,000 in 2007-08).

Cash is held by the Museum's bankers. The Museum has not suffered any loss in relation to cash held by bankers.

Foreign Currency Risk

The National Maritime Museum has no exposure to foreign currency risk because no material transactions are carried out in foreign currencies.

Investment Income Risk

The National Maritime Museum has no borrowings and all cash deposits are for terms of up to three months. Market performance of interest rates has meant the Museums investment income has not increased in line with its investment balance. Due to market factors, there is a risk that the Museum will receive a substantially reduced amount of investment income in the 2009-10 year.

16 Stock

	Group		Charity	
	2009 £000	2008 £000	2009 £000	2008 £000
Goods for resale	408	339	170	147

17 Debtors: Amounts falling due within one year

	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade debtors	135	248	85	170
Amount owed by subsidiary	-	-	430	673
Prepayments	306	235	304	235
Taxation (VAT)	394	307	394	307
Other debtors	150	43	127	25
Total	985	833	1,340	1,410
Balances with Central Government Bodies	394	310	394	310
Balances with local authorities	137	130	137	130
Balances with bodies external to government	454	393	809	970
Total	985	833	1,340	1,410

18 Creditors: Amounts falling due within one year

	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade creditors	754	582	741	568
Other creditors	67	117	10	585
Taxation and social security	266	232	266	232
Accruals and deferred income	1,477	1,760	1,386	1,648
Total	2,564	2,691	2,403	3,033
Balances with Central Government Bodies	266	232	265	232
Balances with local authorities	12	10	12	10
Balances with bodies external to government	2,286	2,449	2,126	2,791
Total	2,564	2,691	2,403	3,033

19 Operating Leases

As at 31 March 2009 the Museum had obligations under non-cancellable operating leases which expire as follows:

	Group		Charity	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Buildings				
- Within one year	-	-	-	-
- In the second to fifth year	-	-	-	-
- After five years	281	239	281	239
Total	281	239	281	239
Other				
- Within one year	7	-	7	-
- In the second to fifth year	4	14	4	-
- After five years	-	-	-	-
Total	11	14	11	-

20 Provisions for Liabilities and Charges

		Balance			Balance
		1 April			31 March
		2008	Additions	Payments	2009
		£'000	£'000	£'000	£'000
Early retirement - as described in the accounting policies	Note 10	108	2	(60)	50
		108	2	(60)	50

The Museum's obligation under provision for early retirement will expire as follows:

	Group		Charity	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
- Within one year	16	58	16	58
- After one year	34	50	34	50
	50	108	50	108

Liabilities are independently assessed by Xafinity Paymaster Limited, the Museum's approved pension awarding body.

21 Restricted Funds

The income funds of the Museum comprise of specific purposes grants and donations which remain unexpended:

	Balance			Gains/		Balance
	1 Apr 2008	Income	Expenditure	(Losses)	Transfers	31 Mar 2009
	£'000	£'000	£'000	£'000	£'000	£'000
Land and Buildings Fund	62,291	-	(1,706)	1,706	-	62,291
Revaluation Reserve	25,059	-	-	(3,190)	-	21,869
Sammy Ofer Wing Fund	-	104	-	-	-	104
Special Purpose Funds	-	917	(754)	-	(163)	-
Collections Capital Fund	3,951	112	-	-	109	4,172
Time & Space Fund	-	1,300	-	-	(1,300)	-
New Opportunities Capital Fund	67	-	(67)	-	-	-
American Fund of the National Maritime Museum, Greenwich	13	5	-	5	1	24
National Historic Ships Unit Fund	-	257	(257)	-	-	-
No. 3 Trust Fund - Sackler Caird Fund	142	6	(25)	(10)	-	113
No. 3 Trust Fund - Anderson Fund	67	3	-	(6)	-	64
No. 3 Trust Fund - Bosanquet Fund	5	-	-	-	-	5
Total Restricted Funds including Fair Value Reserve	91,595	2,704	(2,809)	(1,495)	(1,353)	88,642

Fair Value Reserve included in Restricted Funds

No. 3 Trust Fund	52	-	-	(16)	-	36
Total Restricted Fair Value Reserve	52	-	-	(16)	-	36

The Land and Buildings Fund represents the value of the land and buildings on transfer from the Secretary of State for the Environment to the Trustees of the Museum, the incorporation of the Royal Observatory, Greenwich partly in 1999 and fully in 2004, plus subsequent additions at cost

The Revaluation Reserve represents the difference between the original cost and valuation of the land and buildings at year end

The Sammy Ofer Wing Fund represents funding received from the Heritage Lottery Fund specifically related to the development of the new wing.

Special Purpose Funds represents grants and donations received by the Museum for specific purposes.

The Collections Capital Fund represents assets either donated or purchased for the Museum's collection.

The New Opportunities Capital Fund was established to reflect lottery funding for the content development of the Port Cities worldwide website which has now been fully written off as an asset.

The American Fund of the National Maritime Museum, Greenwich represents funding received from the United States for the benefit of the Museum

The National Historic Ships Unit Fund supports research, publications, training, recording and similar activities relating to the preservation of historic vessels.

The Sackler Caird Fund (part of the No.3 Trust Fund) was established to support a research fellowship in areas directly related to the Museums collections or in particular related subjects.

The Anderson Fund (part of the No.3 Trust Fund) supports a fellowship in naval and maritime history

The Bosanquet Fund (part of the No.3 Trust Fund) provides funding for the purchase of library books.

The Fair Value Reserve (for Restricted, Unrestricted and Endowment Funds) represents the difference between the historical cost of the investments and their market value at 31 March 2009.

22 Unrestricted Funds

Transfers out of the Tangible Asset Fund represent expenditure from restricted funds on ongoing capital projects.

	Balance 1 April 2008 £'000	Income £'000	Expenditure £'000	Other Gains & (Losses) £'000	Transfers £'000	Balance 31 March 2009 £'000
Tangible Asset Fund	6,758	-	(1,790)	-	3,507	8,475
Designated Capital	-	3,000	-	-	(3,000)	-
Galleries Masterplan Fund	-	-	-	-	3,500	3,500
Caird Fund	1,138	48	(29)	(166)	-	991
Development Fund	5,934	919	(4)	(480)	429	6,798
No. 3 Trust Fund	473	20	(1)	(35)	-	457
Trading Funds	66	2,443	(2,015)	-	(429)	65
Designated Funds	14,369	6,430	(3,839)	(681)	4,007	20,286
General Funds	3,536	16,706	(15,891)	54	(2,654)	1,751
	17,905	23,136	(19,730)	(627)	1,353	22,037
Fair Value Reserve included in above Designated Funds						
Caird Fund	122	-	-	(166)	-	(44)
Development Fund	657	-	-	(480)	-	177
No. 3 Trust Fund	(121)	-	-	(35)	-	(156)
Total Unrestricted Fair Value Reserve	658	-	-	(681)	-	(23)

The Caird Fund fund is available for use at the discretion of the Trustees for the purpose and benefit of the Museum

The Development Fund is designated for development projects at the Museum.

The No.3 Trust Fund (except to the extent that funds are endowment or restricted) is for the purpose and benefit of the Museum at the discretion of the Trustees.

23 Endowments

	Balance 1 April 2008 £'000	Income £'000	Expenditure £'000	Investment Losses £'000	Balance 31 March 2009 £'000
Permanent endowments:					
The Caird Fund	460	20	(20)	(68)	392
The Sackler Fund	150	4	-	-	154
	610	24	(20)	(68)	546
Fair Value Reserve included in above Endowment Funds					
The Caird Fund	156	-	-	(68)	88

The Caird Fund is a capital sum the income of which is to be used for the purpose and benefit of the Museum.

The Sackler Fund (part of the No.3 Trust Fund) is a capital sum which is used to support a research fellowship in areas directly relating to the history of astronomy and navigational sciences.

24 Analysis of Group Net Assets between Funds

	Unrestricted Designated Funds £'000	Unrestricted General Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fund balances at 31 March 2009 are represented by:					
Heritage Assets	-	-	4,172	-	4,172
Tangible Fixed assets	8,481	-	84,159	-	92,640
Investments	2,451	-	40	198	2,689
Current assets	11,967	1,751	272	348	14,338
Creditors: Amounts falling due within one year	(2,563)	-	(1)	-	(2,564)
Provisions for liabilities and charges	(50)	-	-	-	(50)
Group Net Assets	20,286	1,751	88,642	546	111,225

Unrealised gains and losses detailed below have been included in the above balances.

Reconciliation of movements

in unrealised gains on land and buildings:

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2009 £'000
Unrealised gains at 1 April 2008	-	25,059	-	25,059
Net loss arising on revaluation	-	(3,190)	-	(3,190)
Unrealised gains at 31 March 2009	-	21,869	-	21,869

Reconciliation of movements**in unrealised gains on investments:**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2009 £'000
Unrealised gains at 1 April 2008	942	3	73	1,018
Net loss arising on revaluations	(681)	(16)	(68)	(765)
Unrealised gains at 31 March 2009	261	(13)	5	253

25 Reconciliation of net incoming resources to net cash inflow from operating activities

	2009 £'000	2008 £'000
Net incoming resources	3,305	2,658
Donated Objects	Note 3 (112)	(637)
Depreciation charges	Note 11 3,558	3,676
Investment income	Note 6 (655)	(579)
(Increase)/Decrease in stock	Note 16 (69)	74
(Increase)/Decrease in debtors	Note 17 (152)	302
Increase/(Decrease) in creditors	Note 18 (127)	(39)
Increase/(Decrease) in provisions	Note 20 (58)	(44)
Loss on Disposal of Fixed Assets	Note 11 7	3
Net cash inflow from operating activities	5,697	5,414

Reconciliation of increase in cash to movement in net funds

	2009 £'000	2008 £'000
(Decrease)/Increase in cash in the period	(316)	2,245
(Decrease)/Increase in liquid resources in the period	3,104	(62)
Change in net funds resulting from cash flows	2,788	2,183
Net funds at 1 April 2008	10,157	7,974
Net funds at 31 March 2009	12,945	10,157

Analysis of net funds

	At 1 April 2008 £'000	Cashflow £'000	At 31 March 2009 £'000
Held at Commercial Banks	6,151	(316)	5,835
Held at Office of HM Paymaster General	3	-	3
Cash in Hand	4	-	4
Liquid resources - Short Term Deposit	3,999	3,104	7,103
Net funds	10,157	2,788	12,945

26 Related party transactions

The National Maritime Museum is a non-departmental public body whose parent department is the Department for Culture, Media and Sport.

a) The Department for Culture, Media and Sport

The Department for Culture, Media and Sport is regarded as a related party. During the year the Museum had a number of transactions in the normal course of business and at full arms length with the Department. There were no outstanding balances at the end of the year

	2009 £'000	2008 £'000
Grant in Aid received	15,820	15,491
Capital Grant in Aid received	3,750	3,000
Total Grant in Aid received	Note 3 19,570	18,491
Understanding Slavery Initiative	272	138
Total received from DCMS	19,842	18,629

b) The Heritage Lottery Fund

The National Maritime Museum received lottery grants of £104,000 for the Sammy Ofer Wing project from the Heritage Lottery Fund in the year (2008 year - Time and Space - £902,000). The HLF shares the same parent Department (DCMS) and is therefore a related party. There were no outstanding balances at the end of the year.

	2009 £'000	2008 £'000
Capital Grants received from the Heritage Lottery Fund	Note 3 104	902

c) The Trustees, Staff and Other Related Parties

During the year the National Maritime Museum has had various material transactions with other entities, as set out below:

Related Party	Nature of Relationship	Value of income received during the year £'000	Value of expenditure during the year £'000	Nature of transaction
Chatham Historic Dockyard Trust	R Crawford, a Trustee of the related party, served as a Trustee during the year	-	250	Capital contribution to regeneration programme at Chatham Sites. Donation of Road Train asset (fully depreciated asset).
Department of Children, Schools & Families	Government department	228	-	Contribution to Understanding Slavery Initiative
Friends of the National Maritime Museum	Sir J Guinness, D Moorhouse and D Quarmby, members of the Council of the related party, served as Trustees during the year	183	-	Donation of portrait of HRH The Duke of Edinburgh (£20,000) and donation towards Royal Observatory garden development (£163,000)
Lloyds Register Educational Trust	D Moorhouse, Chair of Trustees of the related party, served as a Trustee during the year	300	-	Donation
Shell International	J Kopernicki, a Director of the related party, served as a Trustee during the year	7	-	Contribution as part of the Corporate Members Scheme
Southern & South Eastern Tourist Board Limited	D Philip, a Director of the related party, served as a staff member during the year	-	3	Contribution to costs of exhibition stands
Townley Grammar School for Girls	L Hutchinson, Head Teacher of the related party, served as a Trustee during the year	2	-	Income from GCSE Astronomy fees
		720	253	

There are no outstanding balances at the year end.

27 Contingent Liabilities

The Museum had no contingent liabilities at the year end.

28 Post Balance Sheet Events

These financial statements were authorised for issue on July 2009 by the Accounting Officer.

There are no other post balance sheet events to report.

29 Control of the Consolidated Entities

The consolidated accounts of the National Maritime Museum include the results of a trading subsidiary, National Maritime Museum Enterprises Limited (NMME), three Trust Funds and the American Fund of the National Maritime Museum, Greenwich. The Museum controls NMME through ownership of 100% of its issued share capital. Control of the Trust Funds arises from the Trust deeds which vest ownership of the assets, which are to be used for the benefit of the Museum, in the Trustees of the Funds. Monitoring of the performances of NMME and the Trusts is undertaken by the Trustees of the National Maritime Museum through quarterly Trustee, Board, and Finance Committee meetings. Day to day control is operated through the financial and management arrangements of the executive offices of the Museum. Accountability is to the Trustees of the Museum and to the Department for Culture, Media and Sport.



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