

National Maritime Museum Annual Report and Accounts 2014-2015

National Maritime Museum Annual Report and Accounts 2014-2015

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**TRUSTEES' AND ACCOUNTING OFFICER'S ANNUAL REPORT
AND
CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

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i MUSEUM BACKGROUND

The National Maritime Museum (NMM) at Greenwich is the largest maritime museum in the world: as founded by statute in 1934 it included the Queen's House, with the later addition of the Royal Observatory, Greenwich. The Museum is open 362 days a year: in 2014–15 it welcomed some 2.343 million visits from Britain and around the world and its website some 4.5 million visits.

The Museum receives funding from the taxpayer via Grant-in-Aid through the Department for Culture Media and Sport, with additional income derived from trading activity, donations and sponsorship. Entry to the national maritime collection is free, although charges are made for special exhibitions, the Peter Harrison Planetarium, and the Greenwich Meridian Line and Time Galleries at the Royal Observatory.

The National Maritime Museum is an exempt charity and an Executive Non-Departmental Public Body. In 2014–15, it had an annual income of some £28.5 million and a staff of 498 full-time equivalents, under the Board of Trustees, the Director, and an Executive. They uphold diversity and equal opportunities for all.

History and Collection

The Museum was opened to the public by King George VI on 27 April 1937. Previously (1807–1933) its main buildings at Greenwich, including the Queen's House, accommodated the Royal Hospital School. The Royal Observatory, Greenwich, was added to the Museum's estate and curatorial remit in 1953.

The Museum is unique in the architectural significance and setting of its 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, so-designated as a UNESCO World Heritage Site (WHS) in 1997. Flamsteed House (built 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 Museum has a number of storage outstations in south-east London close to its main site: these are currently being rationalized and consolidated as part of the Museum's Endeavour Project.

All the Museum buildings have been subsequently upgraded at various times. Modern redevelopment of the main galleries centres on what is now the Neptune Court. One of the first museum capital projects funded by the Heritage Lottery Fund, this was completed in 1999 and reopened by Her Majesty The Queen. The Queen's House was last refurbished in 2001 to display changing aspects of the Museum's large and significant art collection: the House was re-opened in this role by His Royal Highness The Prince of Wales. The major *Time and Space* capital project at the Observatory was opened by Her Majesty The Queen in May 2007.

In July 2011 the new Sammy Ofer Wing was opened by the Patron of the Museum, His Royal Highness The Duke of Edinburgh. This major architectural addition in many ways completes work on the Museum campus. It provides a new Museum main entrance from the Royal Park, state-of-the-art facilities for our pre-eminent research archive and a custom-built special exhibitions gallery.

In April 2012 Her Majesty The Queen reopened the fully conserved *Cutty Sark* to the public. The Museum at that point took responsibility for the operational management of the ship under a Service Level Agreement with its owner, the Cutty Sark Trust. At the end of June 2015 the Trustees of the Cutty Sark Trust generously presented the ship, as a gift, into the national collection held by the Museum.

The Museum has the most important holdings in the world on the history of Britain at sea, comprising more than two 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; and instruments for time-keeping and astronomy (based at the Observatory). Its portraiture collection, mainly but not solely British, is the largest national one in England after 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 (135,000 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 its future 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 public at home and overseas, a greater understanding of British economic, cultural, social, scientific, political and maritime history, and its consequences in the world today.

For public purposes since 2012, and with approval of Her Majesty the Queen, the Museum has presented its four linked visitor sites at Greenwich under the group title of **Royal Museums Greenwich** (RMG). The governing body remains the National Maritime Museum as established under its Board of Trustees by its founding Act of 1934.

ii **MISSION, OBJECTIVE AND AIMS**

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 **Objective** is to:

Stimulate people's curiosity – the trigger for discovery and learning

The Museum's **Aims** are to:

- 1. Put visitors first.**
Create inspiring experiences that transform people's understanding of our subjects and collections.
- 2. Value our heritage.**
Care for and develop our unique collection and historic sites.
- 3. Extend our reputation.**
Maximize our reach to and impact on local, regional, national and international audiences and stakeholders.
- 4. Strengthen our organization.**
Grow our expertise, increase revenues, control costs and manage risks.

1. CHAIRMAN'S FOREWORD

On Saturday 21 March 2015 I travelled down the Thames with my wife and two young children and many of their friends for all of us to revel in the first day of our new gallery 'Ahoy!' This is the Museum's exciting space for those under eight to explore many playful interactives based on aspects of our collections from a sailing ship to a fish market, a passenger liner to a container port. The gallery helps young children understand why the sea is important to us all and provides a vibrant and engaging space for families to learn together. It was a delight to take part in such a pleasurable and exuberant day and, as Chairman, I was very pleased to see that it perfectly expresses the Museum's concern for children and their spirit of exploration and adventure. I am very pleased to thank all those who have supported the completion of 'Ahoy!'

This year has seen the development and adoption of the detailed sections of our new Corporate Plan *Stimulating Curiosity* which will take us through to 2017–18. This period will present significant financial challenges as it is likely that our annual grant from government will continue to reduce. In consequence we have reorganized the structure of the Museum to realize more efficient ways of working and grow self-engendered income.

Within the Corporate Plan our major Endeavour Project, (see page 24) plays a significant part. The project has taken several important steps forward this year. We have received vital support from the Department for Culture Media and Sport thanks to the loans scheme that forms part of the Museums Freedoms Pilot, for which we are very grateful. In addition, I am delighted to report we have received a Stage 1 pass from the Heritage Lottery Fund for the galleries component of the project. Preparatory works will continue throughout 2015–16 and, provided matching funding can be secured, we look forward to going to the build stages later in 2016.

We welcomed new Trustees to the Board this year — Professor Alison Bashford, Jeremy Penn and Admiral Sir Mark Stanhope — and I would like to record my gratitude to all the Trustees for the entirely voluntary time and work they put towards the governance and strategic future of Royal Museums Greenwich.

As I write this I am very pleased to be able to report that, at their respective recent meetings, the Trustees of the Cutty Sark Trust resolved to present the *Cutty Sark* as a gift to the national collection and the Trustees of the National Maritime Museum warmly accepted this most important donation which is expected to be made formal on 30 June 2015. These historic resolutions are the culmination of the effort made by the Trust in bringing the *Cutty Sark*'s conservation project to such a successful conclusion and the Museum's work in operating the ship since its re-opening by Her Majesty The Queen in 2012. This final step of acquiring the ship for the nation will ensure *Cutty Sark*'s preservation, conservation and interpretation for the pleasure and instruction of generations to come.

Looking ahead, in November 2015 we will open a landmark exhibition exploring London through the eyes of the incomparable Samuel Pepys (1633–1703) Secretary to the Admiralty. In *Samuel Pepys: Plague, Fire and Revolution*, the world's greatest diarist will be your guide through Charles II's court and the great events that continue to define our capital and our nation. The exhibition will showcase 200 objects drawn from our collections and major loans from across Britain and beyond. I am delighted to thank the City of London Corporation for being one of the first organizations to support this exhibition.

In the face of the pressures facing all cultural institutions, the excellence, innovation and ambition which is set out in the pages that follow is only possible through the hard work of all our staff and volunteers, and our generous and committed sponsors and supporters. On

behalf of the Trustees it is my privilege as Chairman to thank you all. As we look to the future, your contributions have never been more important.

Sir Charles Dunstone, CVO, Chairman of the Board of Trustees

22 June 2015

2. DIRECTOR'S STATEMENT

This year has seen a programme to realize major savings to our operating budget by undertaking a comprehensive organizational review to offset a significant reduction in Grant-in-Aid for 2015–16. I am very grateful to every member of staff for all their contributions to this very necessary process.

Nonetheless, Royal Museums Greenwich performed strongly, externally and internally, during 2014–15 fulfilling our remit to deliver stimulating experiences for our visitors and to be a dynamic organization for our many stakeholders and supporters.

Just how inventive can be demonstrated by the NMM's principal 2015 visitor programme, *Against Captain's Orders*, an innovative collaboration with the acclaimed immersive theatre company Punchdrunk Enrichment, staged with support from Arts Council England. Set in the twilight world of a museum collection store, families embark upon an unexpected journey in which success depends on everybody doing their part. Feedback has been hugely positive: 'The experience was 10/10 on all levels and our children (9 & 12) loved it and so did we. At the museum itself: just so much to see and learn. An incredible place set in beautiful surroundings in London.'

Notable features for our 2014–15 year include:

- Consolidation of Royal Museums Greenwich visitor numbers (2.343 million) at levels altogether higher level than have previously been achieved. These visitor figures and the programming that underpins them have materially assisted in changing public perceptions about the NMM and Greenwich in general.
- Staging two major temporary exhibitions – *Turner & the Sea* and *Ships, Clocks and Stars*. 134,000 people saw *Turner and the Sea*, and 95,000 *Ships, Clocks and Stars* – two contrasting exhibitions that displayed outstanding standards of research, innovative presentation, and richly deserved critical acclaim (and *Ships, Clocks and Stars* has won the British Society for the History of Science's Great Exhibitions Competition for 2014);
- The opening of the Eyal Ofer Gallery in the Queen's House (funded by the Eyal Ofer Family Foundation) with the superb exhibition the *Art and Science of Exploration*
- The opening of the new children's gallery for children under eight, 'Ahoy!'
- The acquisition in to the collection of the *Minotaur's* Trafalgar flag - the only Union flag from Trafalgar surviving in Britain today.
- The Endeavour Project: great progress was made in defining the project's scope and brief, and commencing procurement processes. Equally importantly, as the Chairman has noted, our two principal funding applications were submitted ahead of programme and both, our £6 million loan bid to DCMS and our Stage 1 application to HLF for a total bid of £4.9 million, have been successful.
- Providing leadership within the UK maritime heritage community by co-ordinating the 2014 UK Maritime Heritage Forum conference in Belfast and convening a meeting of organisations interested in the forthcoming Cook 250th anniversary.
- Enhancing the Museum's international reputation by successfully touring *Turner and the Sea* to the USA and finalizing the international tour schedule for *Ships, Clocks and Stars*. It is a privilege for me to serve as President of the International Congress of Maritime Museums.

As a result of everyone's hard work and dedication, the Museum has enjoyed what I believe will be seen as one of the most significant years in its history. It gives me great pleasure and pride to thank all our staff and our volunteers for their commitment to a most exciting and stimulating future for us all.

Dr Kevin Fewster, AM, Director

3. REVIEW OF ACTIVITIES, ACHIEVEMENTS & PERFORMANCE

The following section is a brief review of the activities and achievements of 2014–15 (so necessarily contains only a selection of the Museum's work over the year). The section is structured in accordance with the Museum's four Aims.

AIM 1: PUT VISITORS FIRST

Create inspiring experiences that transform people's understanding of our subjects and collections

Temporary Exhibitions:

Rozanne Hawksley: *War and Memory* (28 May–16 November 2014)

War and Memory was mounted to commemorate the centenary of the beginning of the First World War. It examines remembrance, representation and memory in the fitting setting of the Queen's House, which was once a school educating boys for joining the Navy.

***Unseen: the Lives of Looking* by Dryden Goodwin** (5 March 2015 to 26 July 2015)

Acclaimed contemporary artist Dryden Goodwin has created his first feature-length film, considering the act of looking. The film focuses on three individuals with a particular relationship to looking: a planetary explorer, an eye surgeon and a human rights lawyer. The solo exhibition includes drawings produced during the production of the film, as well as artefacts used by all four lookers in their work.

Against Captain's Orders: A Journey into the Uncharted (28 March 2015 to 31 August 2015)

The National Maritime Museum and Punchdrunk Enrichment have presented a groundbreaking new show for 6 to 12-year-olds, taking families on the adventure of a lifetime through the Museum's incredible wealth of maritime history and artefacts.

The response has been excellent and with so much history secured in one museum, so many doorways to other times and other worlds, *Against Captain's Orders* is exciting, enlightening, and perhaps a tiny bit dangerous...

With the aim of opening up the performances to audiences with disabilities we have launched a project to create a 'Visitor Story'. Once developed this will be available to families and schools with children on the autism spectrum in order to help them prepare for a visit.

The Art and Science of Exploration, 1768–80 (August 2014 to January 2015)

An exhibition of exceptional paintings, prints and drawings by specially commissioned artists on Captain Cook's 18th-century voyages of discovery. These works influenced forever how the European public saw the Pacific.

The exhibition in the Eyal Ofer Gallery in the Queen's House includes the newly acquired paintings by George Stubbs – the first depictions of a kangaroo and a dingo in Western art. Also on display are portraits, landscapes and scenes of encounters with Pacific islanders painted by William Hodges and John Webber, as well as botanical prints based on drawings by Sydney Parkinson.

In connection with the exhibition we are working with four partner museums around the UK on the *Travellers' Tails* project. The project brings together artists, scientists, explorers and museum professionals to investigate the nature of exploration in the Enlightenment era, how the multitude of histories can be explored and experienced in a gallery, heritage and museum setting, and to question what exploration means today. The project brings together the Grant Museum of Zoology, University College London; the Hunterian in Glasgow; the Captain Cook Memorial Museum, Whitby; the Horniman Museum and Gardens in south-east London; and Royal Museums Greenwich.

Ships, Clocks and Stars: the Quest for Longitude (11 July 2014 to 4 January 2015)
Described as ‘visually stunning’ by the judges, we are proud to announce that *Ships, Clocks and Stars* has won the British Society for the History of Science’s Great Exhibitions Competition for 2014.

Marking the 300th anniversary of the passing of the Longitude Act in July 1714, this exhibition told the extraordinary story of the race to determine longitude (east-west position) at sea, helping to save seafarers from terrible fates including shipwreck and starvation. Highlights included the original Longitude Act of 1714 on public display for the first time ever and a rare opportunity to see all five of John Harrison’s now legendary timekeepers together, the first to allow accurate timekeeping at sea.

Longitude Punk’d (April 2014 to 4 January 2015)

In parallel to *Ships, Clocks and Stars*, Steampunk artists took over the Royal Observatory! Madcap inventors, stargazing scientists and elegant explorers took visitors on an adventure into a world where scientific convention and the laws of nature had been re-written. Their fabulous narrative lavishly reinterpreted the science and drama of the 18th-century quest to find longitude at sea, inspired by the 300th anniversary of the Longitude Act.

Astronomy Photographer of the Year 2014 (18 September 2014 to 19 July 2015)

This annual competition was arranged at the Royal Observatory, Greenwich, in collaboration with our media partner the BBC magazine *Sky at Night* and was the culmination of an astrophotography competition run by the Museum throughout 2014. In its sixth year, the exhibition attracted a wide range of media attention and received a record 1700 entries.

Touring exhibitions

- *Turner and the Sea*—closed 1 September 2014 at the Peabody Essex Museum, Massachusetts
- *Ships, Clocks and Stars* opened at Folger Library, Washington D.C.
- *Visions of the Universe* booked for Sea City Museum and Dundee Science Centre

New Permanent Galleries:

Forgotten Fighters: the First World War at Sea (August 2014 to 2018)

As part of the NMM commemoration of the First World War this new exhibition explores the naval and maritime dimensions of that conflict. The horrors of the Western Front have long dominated our understanding of those years, and yet the war at sea was fought on an epic scale and with terrible human loss.

At the heart of the gallery are the medals and personal stories of sixteen individuals: reservists, WRENS, pilots and submariners who bring the varied realities of the maritime struggle into sharp relief, from the heroism of merchant mariners to the shattering realities of naval battle.

Guiding Lights: 500 years of Trinity House and safety at sea (16 April 2014 to 4 January 2016)

‘Guiding Lights’ showcases centuries of invaluable work by the Corporation of Trinity House to help sailors navigate safely at sea, preventing countless shipwrecks and immense loss of life. Marking the 500th anniversary of Trinity House, the gallery displays 70 rarely seen objects from Trinity House and the Museum’s own collection, telling stories of the heroic and the extraordinary from throughout the organization’s history, and of human fortitude in the face of the immense power of the sea.

AHOY! New children's gallery for under-8s (from 22 March 2015).

Our brilliant new free gallery for under-8s opened on 22 March. Polar exploration, pirates and a host of other maritime themes are brought to life in this playful and immersive space.

Children's imaginations are fired up as they stoke the boiler of a steamship, toddlers beam with delight as they land a fish in the soft-play area and new friendships will be forged as children work together in the interactive boatyard. Since opening, the feedback from our family audiences has been excellent. The gallery is extremely popular and weekends regularly require a queuing system to be in operation.

Library and Archives

Design work and installation of interpretive material in the area outside the Caird Library were finished to attract more visitors to it. The stairwell, landing and link landing from the galleries now feature information on the Library and its collections. All this complements the 'Caird case' on the landing which features original items from the library collection.

The 1915 Crew List Project – transcriptions of all 39,000 crew lists – is now complete. This is a significant achievement as it has taken four years and involved Museum staff, colleagues at the National Archives and over 400 e-volunteers around the world.

NMM Learning

Formal and informal learning

- In September the formal learning team hosted the annual welcome for Newly Qualified Teachers in Greenwich. Two hundred new teachers enjoyed an introduction to the World Heritage Site and school services of Royal Museums Greenwich in the Queen's House.
- From September the primary school sessions at the Queen's House and National Maritime Museum will be charged, once this is established and evaluated charges for secondary schools will be introduced. The session price has been carefully considered and early signs are that schools are continuing to book and the fee is not a barrier to attendance. We will continue to monitor this and pursue funding options for bursaries to ensure that access for all continues.
- On 5 December the NMM hosted the Sandford Awards for Heritage Education. All winners of the 2014 accreditation came to the Museum for the ceremony. We were honoured with the award, which demonstrates excellence in the delivery of the curriculum and meeting the needs of schools in a cultural and heritage setting.
- The start of the *Ships, Clocks and Stars* events season began with a hugely successful 'Late – Dark and Stormy': this was the first late-evening with charged entry for participants (£5/£4) and 600 advance tickets were sold through a new promotional partnership with *Time Out*.
- Saturday 23 August was International Slavery Remembrance Day. Royal Museums Greenwich have one of the longest-standing dedications to this day of all UK museums, this was the 14th year it has been marked by us. The day was very well received with over 120 participants staying for the collections based events throughout the day until the annual riverside ceremony at the Thames.

Science Learning and Public Engagement at the Royal Observatory

Formal and informal learning

- The Creative Cosmos Competition, intended to increase the number of young entrants to Insight Astronomy Photographer of the Year is entering its final stage. Thousands of young people in secondary school have participated and in the final stage we hope to see gains in the number of young entrants to the competition.
- A new charged actor interpreter-led session for primary schools in the Great Equatorial Building, looking through the telescope, has proved successful with primary schools, and has increased our capacity and income generation.
- The free after-hours 'Think Space' lectures for secondary school pupils, delivered by visiting scientists, are proving highly successful and have been opened to paying members of the public to ensure cost recovery.

- The adult-learning offer, including everything from short introductory to two-year foundation astrophysics courses, continues to be popular: the various courses continue to sell out with more than 100 students on site every Tuesday evening.
- The observing programme with the 28-inch telescope continues to be a sell-out offer, with excellent feedback whether or not skies are clear or cloudy. On 14 February we delivered our 'Valentine's Evening with the Stars', which was booked to capacity.
- In February we began piloting new strands of income-generating family programming, including weekend workshops and holiday activity mornings.
- New offers for Scouts and Guides are also proving successful, and continue to grow alongside a programme of regional and national engagement.

The Peter Harrison Planetarium

- A new 'blockbuster' planetarium show produced by the American Museum of Natural History (*Dark Universe*) was been licensed for the programme in October. Strongly supported by the Press and Marketing teams, this show further increases the income and visits for the planetarium this financial year, which at year end stood at 4% ahead of target for visitor numbers and 13% ahead of admissions revenue.
- The 'Morning Stars' planetarium programme, providing a planetarium offer suitable for children affected by Autistic Spectrum Disorder, continues to be a success.

Public Astronomer

In 2014 our Public Astronomer delivered astronomy talks and lectures to over 4000 adults and children at venues across the UK, including the Channel Islands. He was a co-author on the academic paper '*The Solar Stormwatch CME catalogue: Results from the first space weather citizen science project*' published in the journal *Space Weather* in December 2014.

Visitor Feedback System

The initial testing phase of the new iPad-based visitor feedback system has been completed and the system is currently being evaluated with visitors. Along with improvements suggested by members of Museum staff, the results are being fed into a development plan.

Initial analysis of the number of comments logged digitally in comparison to the number of comments cards previously received (as a percentage conversion of visitors) shows that the new system is performing as well as the comments card system and, in the case of *Cutty Sark*, better than the previous system. Improvements will be introduced to it over the coming months along with improved forms of reporting comments and visitor satisfaction levels.

AIM 2: VALUE OUR HERITAGE

Care for and develop our unique collection and world historic sites

Acquisitions

Significant acquisitions have included

- 'At Sea: A Portrait of a Scottish Fishing Community', 2009–12, by the photographer Paul Duke. This is a series of 32 portraits of individuals from the fishing community of Moray Firth, North East Scotland, from a limited edition of five.
- Rozanne Hawksley has donated a number of art works which were exhibited in *Rozanne Hawksley: War and Memory* in the Queen's House, including four drawings and nine textile-based objects.
- An early unsigned marine clock movement, believed to have belonged to one of the timekeepers developed by Alexander Bruce with Christiaan Huygens in the 1660s. The only other of these movements known to have survived is signed by Severyn Oosterwijk and was shown in *Ships, Clock and Stars*.

- A post-1801 Union flag belonging to HMS *Minotaur* and believed to have been flown at Trafalgar.
- A group of 25 wartime drawings by the artist and Voluntary Aid Detachment nurse, Rosemary Rutherford (1912–72), c.1940–45.
- The Narborough Papers: a rare and important collection of naval papers containing letter books, order books and accounts of Sir John Narborough, George Orton and Sir Cloudesley Shovell. They relate to the last quarter of the 17th century, a period regarded as formative in terms of the development of the naval profession and of great significance for our forthcoming Tudor and Stuart gallery...

...and, on 30 June 2015, the *Cutty Sark*.

Conservation and Preservation

In 2014–15 the Conservation Department hosted five student placements, six internships and placed 13 volunteers.

Conservation highlights include

- The conservation and framing of the Alan Sorrell panels ‘Working Boats from around the British Coast’. The paint has been stabilized and new frames made to protect the individual panels, still ensuring they can be viewed as one painting. They are currently on display in the Sammy Ofer Wing link building.
- The conservation of a uniform-pattern 1834 cocked hat. The silk lining was severely degraded and required full consolidation and a bespoke mount. This project was carried out under the HLF-funded internship programme.
- The conservation of the Pepys portrait frame, made for the now-lost John Hayls portrait of his wife, Elizabeth. It is a 17th-century carved and gilded pine bunched-leaf frame, originally silver-gilt finish, with warmer toning layer. Several layers of non-original gesso and finishes have been painstakingly removed and missing areas repaired. Silver leaf has been applied and it is waiting final toning to match the companion frame of Hayls’s image of Pepys from the National Portrait Gallery.

Conservation Research at the Queen’s House.

Continuing investigation into the paint and construction of the ceiling and other decorated finishes in the King’s Presence Chamber has involved working closely with Historic Royal Palaces on the wood identification and dating for the future restoration project. Similarly, initial research and investigation has also been carried out on the Tulip Stairs: smalt paint (crushed cobalt glass in binding media) is being tested on the Tulip Stairs handrail.

Curatorial Expertise: Research programme

There were three of the monthly staff research seminars held during the period. We have now agreed to hold and programme this popular and long-standing series in conjunction with Greenwich University. The Director’s paper on Gallipoli was the first seminar in the new collaborative series.

Three British Maritime History Seminars were held at the Institute of Historical research and we are planning to extend the series to three terms from the current two. In addition, a seminar supporting the acquisition of the two Stubbs paintings attracted over 70 delegates. The Museum hosted conferences with the Society for the History of Astronomy, New Researchers in Maritime History, the Society for Nautical Research and the Antiquarian Horological Society

Staff publications, papers and awards

Among publications produced for academic and non-academic audiences, Richard Dunn’s essay entitled ‘James Cook and the New Navigation’, in James Barnett and David Nicandri

(eds), *Arctic Ambitions: Captain Cook and the Northwest Passage* (Washington University Press) is worthy of note; as is Margarete Lincoln's 'Woodes Rogers and the War against the Pirates in the Bahamas', in *Essays in Honor of Roy Ritchie* (California: Huntington Library Press), as both demonstrate the international reputation of our scholarship. Staff additionally gave over 70 talks and research papers. Pieter van der Merwe MBE DL, the Museum's General Editor and Greenwich Curator, has been awarded an Honorary Doctorate of Letters by the University of Greenwich: this will be conferred in July.

Research projects and publications in progress

Research projects

- The AHRC-funded History of the Board of Longitude project will be completed this summer. It has had an impressive range of outputs including three temporary exhibitions, publications, doctorates, learning programmes, conferences and seminars. We also now have 11 AHRC-funded doctoral students in residence, with three more starting in October. The department has submitted an application for an AHRC Network Grant on Joseph Banks, led by us and jointly developed with University College London, the Royal Society, National Portrait Gallery, Natural History Museum and British Museum.

Publications in progress

- The department has some 13 publications in progress. These include: the catalogue for the exhibition, *Samuel Pepys: Plague, Fire, Revolution*, edited by Margarete Lincoln; Jonathan Betts's eagerly awaited, *Marine Chronometers at Greenwich*, which will be the fifth of the series of authoritative, critical catalogues of the Museum's outstanding navigational and horological collections published by Oxford University Press; and Christine Riding's edited volume, *Art and the War at Sea, 1914–1945*, due for publication by Lund Humphries in September.

Research fellowships

- The Academic Awards Committee has appointed one Senior Caird Fellow for the 2015–16 academic year (Dr Evan Wilson, University of Oxford, working with a colleague at the National Museum of Denmark on naval officers' careers, education and backgrounds in the 18th century), six Caird Short-term Fellows, and one Sackler Short-term Fellow.

Estates and Facilities Management

- A range of activities (demolition, redecoration, etc.) has been undertaken in various spurs at Kidbrooke in support of the Endeavour Project. Future activities include the relocation of plant-room equipment and laying of additional hard standing.

Queen's House

- Following approval for the Queen's House refurbishment and reinterpretation works a Project Group has been established to deliver the coordinated plan of Estates, Conservation and Exhibitions-related activities.
- As a result of additional DCMS funding some key capital expenditure (M&E equipment, glazing materials, oak flooring) was brought forward into the 2014–15 financial year.
- Meeting with Historic England has confirmed their support for the proposals and it is expected that Scheduled Ancient Monument Consents will be forthcoming without issue.
- The re-glazing works have commenced with large parts of the southern façade complete and to a very high standard.

Grounds

- The draft of the 'Section 17 Management Agreement' for the areas of the grounds identified as associated with the Scheduled Ancient Monument is nearing completion.
- Proposals for the drafting of the Landscape Masterplan for the Museum's grounds are now in development in collaboration with the Department of Architecture and Landscape of the University of Greenwich.

Cutty Sark

Key ship maintenance works carried out over the period included completion of repairs to the king plank and re-caulking on the monkey-deck; oiling of capping rail and timber bulwarks ongoing; cleaning of bilges to stern complete, with removal of rust and coating under way; rust removal to bulwarks, and paint coating carried out and stuns'l booms removed to workshop for restoration.

AIM 3: EXTEND OUR REPUTATION

Maximize reach and impact to local, regional, national and international audiences and stakeholders

Partnerships with our stakeholders are a critical part of ensuring the relevance and reach of the Museum. Specific areas include academic reputation; maritime heritage, including the *Cutty Sark*; local and World Heritage Site (WHS) matters and tourism.

Stakeholder recognition through awards:

In 2014–15 the Museum's awards and nominations were:

- 2014 Museum and Heritage Awards: shortlisted for best Marketing Campaign for *Visions of the Universe: Amazing Photography of Space and the Stars*; best Permanent Exhibition for *Nelson, Navy, Nation*; and best Education Initiative for the Great Yarmouth Partnership project, *Stories from the Sea*
- 2014 *Cutty Sark*: TripAdvisor Certificate of Excellence
- 2014 *Elior Brasserie*: TripAdvisor Certificate of Excellence
- 2014 Media and Technology - Muse Award (Bronze) from the American Alliance of Museums for ROG 'Big Questions' films
- 2014 Best Picture, Scottish Fisheries Museum Short Film Festival: J.J. Prior documentary
- 2014 Painters' and Decorators' Association Awards: Hilton Abbey Very Highly Commended for their work at the Royal Observatory, Greenwich (i.e. equal second)
- 2014 Arts Council England full accreditation
- 2014 *Cutty Sark*: Sandford Award for Excellence in Learning
- 2014 Museum, Observatory and Queen's House: Sandford Award for Excellence in Learning
- 2014 London Volunteers in Museums Awards, Going the Extra Mile category, Highly Commended Graeme Tipp
- 2014 Heritage Park and Garden of the Year, London in Bloom Awards: Gold
- 2014 History of Science Great Exhibition Competition: *Ships, Clocks and Stars*
- 2015 Museums and Heritage Awards: shortlisted for best Marketing Campaign for *Ships, Clocks and Stars*
- 2015 Royal Borough of Greenwich Civic Award: Contribution to Economic Prosperity category
- 2015 Guinness World Record for 'Clock B' – most accurate mechanical clock with a pendulum swinging in free air (Harrison's 250-year-old design)

Cutty Sark

The Museum was responsible for the operational management of the *Cutty Sark*, under the direction and instruction of the independent *Cutty Sark* Trust which remained the owner of the ship throughout the period. Some of *Cutty's Sark's* key activities in 2014–15 were

- Planning for the proposed rig-climb experience continued during the period. A trial climb was scheduled for the beginning of June with the full experience to be planned and costed once a final experience has been agreed.
- The ship-keeping team made a reciprocal visit to Chatham Historic Dockyard in April, visiting HMS *Gannet* and sharing ship-keeping techniques. This visit was valuable and allowed the team to take confidence in their skills, as well as the condition of *Cutty Sark* compared to a vessel of similar construction and age.

- The re-installation of the mast lighting, which has been awaiting completion since winter 2012–13, was completed in April 2015. The ship is now once again the highlight of the World Heritage Site at night with its masts and rigging now strikingly lit. Ongoing checks will ensure that any potential water ingress in future is found early, although the new design of the lighting is intended to be fully watertight.
- Over 800 tickets in total were sold for the third season of events (March/April 2015) at the Michael Edwards Studio Theatre, with sold-out acts including Alexei Sayle, Alan Johnson, MP and Arthur Smith.
- Feedback was very positive, as our survey shows 95% of respondents would recommend the Studio Theatre to others: 40% had never visited *Cutty Sark* before, 93% would visit another event at *Cutty Sark* again, and 61% would come back to visit *Cutty Sark* during the daytime.
- During the second half of the spring term and the first half of the summer term (end Feb – mid-May)
 - 2791 school children and staff took part in facilitated school sessions.
 - 1737 school children and staff took part in self – directed school sessions.
 - 5817 visitors took part in making workshops, actor performances and ‘Toddler Time’, 3298 of whom took part during the Easter school holiday period. (Family data only available up to and including 4 May)
- We have continued to work on a range of new experiences including the sold-out family sleepover, which took place on 2 April. Feedback was very positive, as our survey shows 100% of respondents would recommend the sleepover to others: 27% had never visited *Cutty Sark* before, 31% would visit another sleepover event at *Cutty Sark* again, and 50% would come back to visit *Cutty Sark* during the daytime.

National Maritime Museum Cornwall

The National Maritime Museum Cornwall (NMMC) is an independent, registered charity which the National Maritime Museum does not control. Its website www.nmmc.co.uk gives an indication of its varied and interesting programme. 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.

National Historic Ships UK

National Historic Ships UK is a government-funded organization which gives independent and objective advice to UK governments and local authorities, funding bodies, and the historic ships sector on all matters relating to historic vessels in the UK.

It is the successor to the advisory committee on National Historic Ships, set up as a non-departmental advisory body in July 2006. That organization followed on from the National Historic Ships Committee, which emerged from a seminar held in 1991 to discuss the problems facing the preservation of historic ships and vessels in the UK and the evident neglect of this part of our heritage.

National Historic Ships UK is based at the Museum and made its second annual report to the Museum’s Trustee Board in November 2014.

Reach through Marketing and the Web Website Project

- A new Project Manager for the RMG Main Website Project was appointed in March. The project remains on track for delivery in autumn 2015.
- We are currently working on a new design route and information architecture.
- Content refresh for the new website is on track, including a thorough review and re-edit of 1000 pages of existing content, plus the production of new content and short films for where gaps were identified; e.g., the art proposition, permanent attractions, pirates.

- A Google Analytics project is under way with specialist agency Periscopix. This work will deliver accurate benchmarking data for current RMG websites, plus improved tracking and reporting for e-commerce platforms (tickets, prints and shop).

Social media

- We ran a series marking anniversaries of relevant naval battles, starting on 8 December 2014, the centenary of the Battle of the Falklands Islands. We sought a blog from curator Quintin Coleville that gave an overview of the battle, alongside content from the Archives Team Item of the Month, and linked to the 'Forgotten Fighters' gallery.
 - There were 658 views during December. Activity on Facebook delivered 2323 impressions with 345 people liking, commenting on and sharing the posts
 - Activity on Facebook delivered 3241 impressions with 205 engagements (replies/re-tweets/favourites/@mentions etc)

Samuel Pepys: Plague, Fire, Revolution

- Marketing is essential for special exhibitions (83.2% acknowledged that they were driven by marketing for *Ships, Clocks and Stars*).
- The marketing will target adult exhibition-goers with limited period and Pepys knowledge; i.e., not just preaching to the converted. It will focus upon the key hooks for the period identified in the research and integrated into the title – plague, fire and revolution. It draws upon the drama of this period in history in which the idea of Pepys as an irreverent, witty, candid commentator will be captured: 'turbulent times; private passions'. The London aspect of the story also has strong appeal to audiences and partners – the City of London: Pepys was a Londoner and is important to London.
- Specialist marketing and promotional opportunities are being sought with *The Londonist* (as a media partner), and British heritage brands such as Smythson and Aspinall linking into Samuel Pepys as a commentator and diarist.

Royal Observatory Greenwich; north site

- To raise the profile and awareness of the Observatory and to drive an increase in visitors, an integrated marketing campaign is being planned to target overseas and domestic tourists proactively – currently half of the Observatory market. This will run from July 2015 –to March 2016 and incorporate a new creative treatment and media strategy.
- Social-media activity will focus on tourist and day-trip segments through interest and behavioural targeting, serving ads to those visitors who are planning a trip/holiday to London.

London Pass

- The Observatory joined London Pass – London's largest sightseeing pass scheme – on 11 November 2014, which has generated 10,739 visitors to the site to date. The average of 1000 visitors a month over the winter has seen a significant spike in April, with 4628 visitors (9.5% of overall visitors to the north site).
- *Cutty Sark* joined the scheme on 1 May and in its first seven days of operation the scheme generated 243 visitors.

E-comms

- Our email subscriber data shows healthy growth as a result of harvesting data from iPad visitor survey opt-ins and venue wi-fi user opt-ins. Subscriber levels now stand at 62,599 – an increase of 30%.
- We are seeing the effectiveness of more targeted e-CRM, which is currently manually segmented. Targeted e-newsletters promoting Punchdrunk and Easter events to our local postcodes segment and RMG Family segment saw open rates reach in excess of double our list average of 19% at 43.7% and 32.8% respectively.

Press Office

Against Captain's Orders: the press campaign for the 2015 family show was targeted towards national, London/local and international broadcast, print and online news, consumer, specialist and trade media – with a focus on family audiences, and reviews.

In the run-up to the exhibition opening, key feature pieces, articles and preview pieces were negotiated with targeted media including: *The Guardian*, *Daily Telegraph*, *Guardian Family* supplement, *Sunday Times*, *Financial Times*, *Mail on Sunday*, *Evening Standard*, *Metro*, *Time Out*, *The Wharf*, *Where London*, *Meridian*, *Little London*, *Families NW London*, *Primary Times*, *Culture Whisper*, *Gurgle*.

Key reviewers were invited between 8 and 15 April, with a 16 April embargo date on any reviews. Reviews to date have included: BBC Radio 4's *Front Row*, *The Times*, *Guardian*, *Independent*, *Observer*, *Sunday Times*, *Time Out*, *Londonist*, *Angels & Urchins*, *The Stage*, *What's On Stage*, *The Week* and *Kids in Museums*. Other press coverage included: *Sunday Times*, *Time Out*, *Museums Journal*, *South China Morning Post*, *Smallish*, London and local media, articles and reviews by many 'mummy' bloggers and websites, and a report on *London Live*.

Astronomy Photographer of the Year 2014 and ***Insight Astronomy Photographer of the Year 2015***. In April the Press Office announced the ***IAPY2015*** competition's last cast call for entries, gaining UK and international coverage such as: *Daily Mail*, *Daily Telegraph*, *Metro*, *Hello!*, *The Mirror*, BBC and CNN websites, specialist photography and science media, local press, and interviews with Dr Marek Kukula and Tom Kerres about the competition on *London Live* and *Channel 5 News*.

On 16 April, the Observatory horology team concluded their testing of the **Burgess 'B' Clock**, announcing the success of its trial two days later at the Museum's *Harrison Decoded* conference. At the conference Guinness World Records presented the Observatory with an award for the 'most accurate mechanical clock with a pendulum swinging in free air'. Embargoed feature stories ran the following day in the *Observer* and *Independent on Sunday*, and later in the *Daily Telegraph*, *Daily Mail*, *Horological Journal*, *Yahoo*, *Tech times*, *Culture 24*, *The Wharf*, regional and local press, and on BBC Radio 4 and BBC regional radio.

Museum and Cutty Sark curators took on a range of topics and were interviewed by BBC2 Scotland (Scotland's War at Sea), BBC Regional radio, CBS (Canada), ARD (Germany), Rai Educazione (Italy) and the *Independent*. In April, RMG Director, Kevin Fewster, was interviewed for, and appeared throughout, BBC2's *Gallipoli: when Murdoch went to War* and in the accompanying *Radio Times* article.

The Museum and the Queen's House were the venues and the focus of the third programme in the new BBC4 *The Quizeum* series, presented by Griff Rhys Jones. The NMM also featured in much of *The Quizeum* pre-broadcast publicity including BBC channels and publications and national press. The Observatory and *Cutty Sark* featured on BBC1's *Saturday Kitchen* and the former on Live! Universe Russia and ZDF (Germany). The RMG sites have also featured in Travel and family 'top things to do' features across national, regional and international media.

AIM 4: STRENGTHEN OUR ORGANIZATION

Grow our expertise, increase revenues, control costs and manage risks

Human Resources

- In response to staff feedback, a new appraisal framework was rolled out with much reduced paperwork to a welcome single starting sheet. The focus is to reduce bureaucracy and paperwork for managers, enabling them to focus on performance and development to support both training needs and the flexible reward approach.
- The HR team restructured following the voluntary redundancy of a long serving Training and Development Officer to achieve a cost saving, while offering development opportunities for other team members.
- The annual review from Job Centre Plus to renew the Museum's commitment to the 'Two Ticks' symbol was successfully completed and our 'Equalities Monitoring' form has been updated.
- A group of MA students from the University of Greenwich undertook a work-based project to review the Volunteer programme and make recommendations for improvement.

Retail and Retail Activity

- Strong end of year results with all shops, including *Cutty Sark*, generating excellent retail sales.
- The 'Ahoy!' range was introduced in the NMM Shop to accompany the new children's gallery and has been performing very well.
- A new EPOS system, Cybertill, was implemented at all sites just before year end and Easter.
- A new souvenir range for NMM and the Observatory is in development.

Brand Licensing

- An £8000 contract was signed for a ship model of HMS *Caroline*, which involves scans of 33 historic ship plans and 7 historic negatives by the Photo Studio.
- The *Astronomy Photographer of the Year 2016* calendar (with Flametree) has gone to print, for autumn 2015 release, with an increased print run on the 2015 edition
- A *Guide to the Night Sky 2016* contract was signed (with HarperCollins) for publication in September 2015.

Publishing and Picture Library

- A contract was signed for *Astronomy Photographer of the Year, Collection 4* (with HarperCollins) and 50 extra free copies secured for the sponsor, Insight Investment
- *The British Sailor of the First World War* (with Shire) was published on 10 April to accompany the 'Forgotten Fighters' gallery.
- The Picture Library re-launched its commercial website, which has been completely redesigned using internal staff resources. It has already received much positive feedback.

Events and Filming

- Of the events across site the team managed seven including two repeat visits for clients for Zurich Investment and Grosvenor Estates, as well as Charles Derby LLP at *Cutty Sark* and CSE lead sponsor HSBC for a daytime event at the Queen's House.
- 39% of confirmed event sales for the new financial year for RMG are secured, worth £264,121 against total RMG budget of £672,750.

Development

- *Samuel Pepys: Plague, Fire and Revolution*. The Aldgate and Allhallows Foundation have joined the City of London Corporation as a supporter of the exhibition. Their grant is to enable Tower Hamlets schoolchildren to visit the exhibition free. Every City of London livery company to which we are eligible to apply (over 100) has been approached to support the exhibition.
- *Against Captain's Orders*. The Aldgate and Allhallows Foundation have also awarded a grant to enable 800 Tower Hamlets children to see the production free.
- The total raised for the 'Ahoy!' children's gallery is £385,000, including a new grant of £30,000 from the Leathersellers' Company Charitable Fund. 'Ahoy!' was officially opened with a party for almost 270 children and families, hosted by Sir Charles and Lady Dunstone on 21 March. We were pleased to welcome representatives of many of the funders to the event.
- BAE Systems are sponsoring the Museum's commemorations of the Battle of Jutland in 2016.
- The Museum has attracted four new patrons, and the year has also begun well in terms of renewals for both patrons and American friends.

Membership

- Membership was re-launched on the Easter weekend with a new identity and prices. The new-look scheme, a special promotion on family membership and additional resource of a temporary sales force combined to produce the best-ever weekend for membership sales at RMG: 148 new memberships enrolled.

Health, Safety and Security

- Meetings are taking place with London Fire Brigade concerning a live emergency planning exercise to take place in the special exhibitions gallery immediately after the closure of *Against Captain's Orders*. It is thought that the unique nature of the Punchdrunk set will provide a very interesting backdrop to a live planning exercise.

Finance, IT and Special Projects

- The Soprano (Purchase to Pay) system is implemented and operational in Cutty Sark Trust, Cutty Sark Enterprises and NMM, and NMME will go live in mid-May. The implementation involved: replicating current manual sign-off limits in the system; importing 2015–16 detailed budgets to the new system; ensuring 150+ users had correct access and viewing rights; assigning current orders to correct owners in the new system; provision of on-going support and resolution of issues
- Implementation planning for the Soprano Expenses Module is under way.
- The CyberTill (Retail Management System), replacing the Museum's legacy Futura system, is implemented and operational (project delivered under budget).
- General Admissions and Travel Trade business process improvements and automations between systems are being developed to reduce administration for the Finance team.

Performance against Management Agreement Performance Indicators

Management Agreement Performance Indicators	2013–14	2014–15
Number of visits to the Museum	2,488,801	2,343,372
Total amount of charitable giving*	£6,137,637 ¹	£2,585,776
Ratio of charitable giving to grant-in-aid	37%	15.8%
Number of unique website visits	4,733,460	4,451,355
Visits by children under 16	450,224	445,221

Number of overseas visits	1,154,406	984,216
Number of facilitated and self-directed visits to the Museum by visitors under 18 in formal education	131,464	146,406
Number of instances of visitors under 18 participating in on-site organized activities	92,068	101,462
% of visitors who would recommend a visit	98%	98%
Admissions income (gross)	£3,371,618	£3,174,399
Trading income (net profit)	£781,906	£1,295,275
Number of UK loan venues	79	62
Number of objects conserved	1,710	1,380
Number of peer-reviewed publications	23	24
Number of research projects undertaken/ongoing	15	18
% area of stores and galleries that are sustainably BS5454 compliant	51.7% summer 49.7% winter	55.2% Summer 71.9% winter

*The figures for 2013–14 and 2014–15 include financial sponsorship, donations and grants, and the value of donated objects, as per DCMS guidance

¹ The 2013–14 figure reflects the success of Stubbs fundraising appeal

Efficiency tables

Key Data	2010-11	2011-12	2012-13	2013-14	2014-15
Total Grant-in-Aid (GiA) ¹	£18.8m	£17.0m	£16.6m	£16.4m	£16.6m
All other incoming resources	£23.1m ²	£15.0m ²	£11.4m	£12.4m	£12.0m
FTE employees	416	439	479	491	498
Visits	2.450m	1.872m	1.943m	2.488m	2.343m
Website visits	3.885m	3.955m	4.370m	4.733m	4.451m
Efficiency Ratios					
Total users	6.351m	5.835m	6.322m	7.232m	6.802m
Total users per FTE	15,267	13,292	13,190	14,338	13,659
Total GiA £ per user	2.95	2.92	2.63	2.26	2.44
Revenue GiA £ per user	2.35	2.62	2.37	2.03	2.10
Total GiA £ per visit	7.65	9.09	8.55	6.58	7.08
Revenue GiA £ per visit	6.09	8.15	7.71	5.90	6.11

¹ all Grant-in-Aid figures exclude the restricted funds for the National Historic Ships Unit (£223k in 2014-15)

² includes the donation from the Sammy Ofer Foundation of £14.6 m in 2010–11 and £3.4 m in 2011–12

4. SUSTAINABILITY REPORT

Commentary on Sustainability Performance

The Museum, its staff, volunteers and visiting public are very much committed to sustainable development and we have been working on a number of initiatives for many years. We will continue striving to maintain this approach and break new ground in the future. The Museum introduced a Sustainability section in its Annual Report in 2007–08 and has continued and expanded on this since.

From 2011–12 all central Government bodies that fall within the scope of the ‘Greening Government Commitments’ and which produce Annual Reports and Accounts in accordance with HM Treasury’s Government Financial Reporting Manual (FRoM) are required to produce a sustainability report. This is the third report compiled under that guidance. Further details may be found at http://www.hm-Treasury.gov.uk/frem_sustainability.htm

Summary of Performance

The Museum has a working group, the Sustainable Development Group, dedicated to researching, promoting and reporting on a wide range of sustainability issues. The greatest contribution the Museum can make towards sustainability within the environment is in energy efficiency and we have been working in this area to improve performance since 1995. We have also raised public awareness via our exhibitions, displays and programmes which have covered environmental matters such as the ‘Your Ocean’ gallery which specifically covers environmental maritime issues.

Sustainability is enshrined within the Museum’s Corporate Plan and reported on via an established performance-management system. Great strides have been taken over the years in reducing energy, water and finite resource consumption and on the reduction of waste.

The Museum first agreed a sustainable development policy in October 2006. Since that date many sustainable initiatives have come to fruition. An action plan was first set out in 2009–10 in order to gain agreement to common goals throughout the Museum to help implement future actions efficiently and effectively. This was refreshed during 2013–14. The Museum took account of DCMS’s action plan for sustainability in the development of its own.

The Museum was an active member of the DCMS-sponsored Museums and Galleries Energy Consortium (MAGEC) – now defunct – and the sector’s Sustainable Exhibitions Group. The Museum’s Display Energy Certificates (DECs) have good ratings for the sector and the Museum achieved Energy Accreditation from the Carbon Trust in 2008 and reaccreditation in 2011. Reaccreditation is next due in 2015.

Area		2014-15 Performance	
		Actual	Target
Greenhouse Gas emissions (Scopes 1, 2 and 3 Business Travel excluding international air travel)		3485 tonnes of CO ₂ equivalent	<3400 tonnes of CO ₂ equivalent
Estate Energy	Consumption	9.3 million kWh	<9.3 million kWh
	Expenditure	£596,000	£590,000
Estate Waste	Consumption	279 tonnes	<250 tonnes
	Expenditure	£35,663	£30,000
Estate Water	Consumption	15,600 m ³	<17,000m ³
	Expenditure	£30,000* Estimated	£50,000

Note: Scope 3 Business Travel includes domestic flights only. Figures for other forms of travel are unavailable for this year as the data was not collected but an attempt will be made to work up for future years.

*Estimated figures only to be confirmed subsequent to year end due to late billing

Summary of Future Strategy

The opening of the Ship Model store in Chatham and the Sammy Ofer Wing in Greenwich has greatly increased the Museum's footprint. This did, however, allow a new benchmark to be established and a revitalized approach to the reduction of waste, use of water and finite resources, and with a continued improvement on energy efficiency. The latter is the key area where positive impact is possible and the budget dedicated to this activity will be maintained. We will ensure also that adequate data is collected to improve upon areas of this report and to enable accurate setting of future targets. The Museum will actively seek to reduce travel costs and continue to promote recycling and composting. Overall the Sustainable Development Group will continue, having been refreshed, to enable staff to contribute ideas and have a voice in future decisions. From 2014–15 the Museum has joined with local partners, the Old Royal Naval College and the University of Greenwich in a Green Impact Scheme run under the auspices of the National Union of Students and tapping into funding and expertise from the NUS/University. The Museum proposes joining the International Association of Museum Facilities (IAMFA) in 2015.

Greenhouse Gas (GHG) Emissions

Between 1999 and 2009 the Museum reduced its carbon footprint from 3842 tonnes CO₂ to 3072 tonnes CO₂. Since the opening of the new Sammy Ofer Wing our carbon footprint increased to 3422 tonnes CO₂. Last year the Museum Estate's carbon footprint decreased assisted by an abnormally mild winter and this year is closer to target.

Waste

The Museum's policy as far as possible is to minimize the amount of waste to landfill and to maximize the recycling of waste. In addition we aim to compost as much of our bio-degradable waste as possible. Staff have suggested and therefore greatly co-operated in recycling programmes within offices and catering outlets, where bins have been strategically placed. The Museum recycles garden waste via composting 15.75 tonnes and it is estimated that around half of all other waste is recycled. There is construction and general waste which is regularly skipped with targets set for reduction. These targets were set for 2014–15 before the full extent of the Endeavour Project was known and so have been exceeded this year owing to project-enabling works. The timber stripped out of the *Ships, Clocks and Stars* exhibition set was used by our contractor, Benchwork at their Holmshaw Farm premises in a special burner to help heat the workshop and the water in the workshop.

Use of Resources

The key area where a difference can be made is in energy efficiency, where the Museum has accreditation and a target to reduce energy consumption by 5% annually. It is worth noting that the Museum has been working towards greater energy efficiency since 1995 and has reported on progress to the Executive and Trustees since then.

The Museum was a member of the Green500 scheme, which is now defunct, but the action plan arrived at under that scheme remained for the Sustainable Development Group to set future targets. Lighting is energy-efficient and in places utilizes controlled presence detection ensuring it is on only when needed. Lighting is also daylight-linked, dimming and brightening naturally. Use of LED lighting has been introduced and steadily increased site-wide, including in the East and West Central Wings and Neptune Court this year. Programmes of energy efficiency are in place via the progressive upgrading of lighting systems, replacement of boilers (£220k at Kidbrooke store) and draught-proofing across the estate. The £240k investment in four new energy-efficient chillers for Neptune Court is already paying off. During this period the Museum has saved resources by switching off some gallery lighting systems via the Buildings Management System (BMS). A 'free-cooling' system has been installed in Neptune Court which feeds into the chilled water circuits, thus providing chilled water during the winter when the external temperature drops below 7 degrees C rather than running the chillers.

Climate Change Adaption and Mitigation

The Museum is committed to reducing energy usage, waste and the use of finite resources. The use of public transport is encouraged for both visitors and staff, and cycling and facilities including secure racks, showers, lockers and bike loans are available for staff. Use of the car park is managed and discouraged. The impact of climate change via increased, more sudden and more severe storms is assessed and managed. The threat from flooding via surface water or overflow from the Thames is similarly assessed and managed. Regular emergency-planning exercises take place in this regard which cover initial response, salvage and business continuity requirements.

Biodiversity and Natural Environment

The local natural environment is an important factor in estate management decisions. The varied existence of trees, grass, formal planting and natural flora is managed to preserve the natural biodiversity. Recently careful and considered pruning of the trees bordering the car park, and this year the northern boundary of the main Museum, has been carried out to lengthen their natural lifespan and reduce the potential of storm damage.

A water borehole replaces the previous one capped during the development of the Sammy Ofer Wing and this uses 'grey' water to flush WCs, etc. Large volumes of rainwater are drained from hard surfaces and stored within an underground tank. Rainwater is then pumped to the surrounding landscaping for irrigation. The new landscape itself has been designed to minimize the use of treated water. The majority is covered in drought tolerant grass and turf which will not require irrigation. The planting on the terrace incorporates drought-resistant species reminiscent of those in maritime cliff-top locations. The Museum as a matter of policy does not irrigate its lawns allowing nature to take its course and save on water consumption. There is a nature reserve adjacent to one of the Museum's outstations which is said to be home to all three species of indigenous newt. Estates activity is mindful of this habitat when carrying out works nearby.

Sustainable Procurement including Food

The Museum aims to procure and manage its current assets in the most efficient way possible. It has introduced network printing, for example, which reduces the number of printers per member of staff and also reduces paper usage while improving information security. The default-printing option is double-sided and monochrome again to reduce usage of paper and other resources. All paper used in copying is recycled.

Programmes to improve the procurement of sustainable products in retail and catering operations are well-advanced and enthusiastically embraced by staff. Attention is paid to Fair Trade and to the use of local contractors and suppliers where possible and where European procurement rules permit in order to promote local industry and reduce transport and travel costs. Sub-contractors are aware of these policies and contribute towards them, in some cases taking a lead. The current term contractors for the Museum's Mechanical and Electrical services were, in good part, selected on their sustainability credentials, which it was deemed would greatly assist the Museum in its energy-saving endeavours.

Sustainable Construction

The Sammy Ofer Wing, which opened in July 2011, was constructed to BREEAM (BRE Environmental Assessment Method) standards in which the rating is 'good'. This development has included a number of sustainable features such as the form of inter-seasonal heating and cooling widely used in Holland and growing in usage in the UK, the Aquifer Thermal Energy Storage (ATES) System. This stores heat removed from the building in summer and uses it to heat it in the winter. Conversely, cool from the winter is stored and used for cooling in the summer which makes heating and cooling very energy-efficient with an aspiration to be energy-neutral over time. This involves two boreholes, each 300 mm in diameter and 80 metres deep, one being the hot well, the other the cold well.

The architects for the Kidbrooke store element of the Endeavour Project were, in part, specifically selected on their demonstrable sustainable-development experience and credentials.

The fact that the Special Exhibitions Gallery is underground reduces fluctuations in temperature, which is more energy-efficient. The archive spaces, which are normally energy-intensive, have very good insulation and humidity is buffered by the use of clay in the walls, reducing the amount of plant required. The central boiler plant is more energy-efficient than the previous boilers and will heat not just the new wing but the whole main site. The controls are connected to the existing Buildings Energy Management System (BEMS). The aim is to reduce CO₂ by 21% in this development over time.

Where possible, materials have been recycled; for example surplus Yorkstone from the courtyard, before the old restaurant was removed as part of the Sammy Ofer Wing project, was re-used in the landscaping of the Meridian and Astronomer's Gardens at the Royal Observatory site and surplus was provided to a neighbouring institution of similar heritage, the Old Royal Naval College. Similarly, joinery of significant heritage value that became redundant as part of the Sammy Ofer Wing project was re-used on site in the East Wing Boardroom, in the Royal Armouries in Leeds and at a new museum in Oxford. What remained was recycled via specialist heritage joiners.

People

The existence and activities of the Museum touch the lives of many people worldwide, of all backgrounds and ages, from visitors to our sites who enjoy the displays and varied public programmes to a great number of users interacting with us via publications and the website. A large number of local and national suppliers and contractors depend in whole or in part on the Museum for their living.

See section 6 of the Annual Report for more detail on employment policies.

The Sustainable Development Group consults staff widely on its work and canvasses opinion and ideas. Many of the successful sustainable approaches have been suggested and acted upon by the staff and volunteers.

Environmental Management System (EMS)

The Museum does not have an Environmental policy such as (BS 14001), although we do have a Sustainability Policy approved by the Executive and Trustees which covers all the main issues, and which is reviewed from time to time.

Sustainability and Governance

The Museum's Corporate Plan includes a milestone 'to explore innovative Green and sustainable initiatives across the Museum'. An action plan was drawn up in 2009–10 and has been reviewed and updated by the Sustainable Development Group. Progress is reported via the established performance management system, reporting performance against targets monthly and annually as well as quarterly via a balanced scorecard. The results of this process are considered in planning future activity to maintain a useful cycle of business improvement. Separate specific reports are made annually on particular issues, for instance the Annual Utilities Report is compiled by the Museum's Estates and Facilities Management Department for review by the Executive and, if appropriate, Trustee Boards.

Data is collected principally from information held by the Estates and Facilities Management, and Finance and IT Departments, be they budgetary or records of usage. All data collected is auditable and available for inspection, and it is presented with reference to the guidance outlined within paragraph 1 of this section.

5. FUTURE PRIORITIES

The full 2014–18 Corporate Plan was approved by the Board of Trustees in September 2014.

**The Trustees' overall objective is to:
stimulate curiosity in all our users – the trigger for discovery and learning**

Aims, Strategies and Outcomes

Aim 1: Put visitors first

Create inspiring experiences that transform people's understanding of our subjects and collections.

Strategies: 1. Create exhibitions and programmes that draw on our research and expertise and meet the needs of audiences worldwide
2. Understand current and potential audiences, their needs and motivations, so that we can deliver an excellent visitor experience
3. Build relationships, drive repeat visits and the propensity to recommend.

Outcome: *People have a greater understanding of maritime Britain and astronomy and their relevance to the world today.*

Aim 2: Value our heritage

Care for and develop our unique collection and world historic sites.

Strategies: 1. Safeguard and improve the physical conditions of our collections and estate
2. Develop our collections and sites to make them more relevant and accessible, intellectually and physically
3. Advance and share knowledge of our collections and subjects.

Outcome: *Collections and buildings that are enhanced, accessible to all and preserved for the future.*

Aim 3: Extend our reputation

Maximize our reach to and impact on local, regional, national and international audiences and stakeholders.

Strategies: 1. Project unique and authentic experiences that advance the values and personality of the RMG and their brands
2. Grow partnerships and deepen our engagement with stakeholders
3. Capture audiences through programmes and activities that extend the Museum experience beyond our walls.

Outcome: *An outward-looking museum which rewards public trust with a worldwide reputation for quality, accessibility and originality.*

Aim 4: Strengthen our organization

Grow our expertise, increase revenues, control costs and manage risks.

Strategies: 1. Foster a spirit of inclusive and collaborative working, value expertise, support innovation and encourage volunteering
2. Drive income generation deriving more value from our unique assets and re-balancing our revenue streams
3. Identify and deliver efficiencies without compromising excellence.

Outcome: *A dynamic and entrepreneurial museum that is culturally, intellectually and financially successful.*

The 2014–18 Corporate Plan and its four Aims were developed to provide a clear and stimulating approach to directing the Museum’s work in the years ahead, and to provide a memorable, upbeat and powerful way for Trustees, staff, volunteers and our wider stakeholders to access the essence and purpose of the Plan. Coupled with the overall objective of ‘Stimulating Curiosity’ we believe that this provides a compelling and involving high-level description of the developments planned for the four years ahead.

The Endeavour Project

Underpinning much of the work over the years ahead is the Endeavour project which is currently gathering pace and will occupy us until 2018–19.

The Endeavour Project will transform the visitor experience of Royal Museums Greenwich by radically improving the circulation around the sites; increasing the scope of our exhibitions to make them more comprehensive; increasing the size of the visitor offering through opening up new galleries and putting more of our collections on display; strengthening the thematic links between the National Maritime Museum and Royal Observatory sites; and improving physical access.

The Endeavour Project is an interlinked suite of four elements, outlined in brief below, which addresses and solves a number of challenges facing Royal Museums Greenwich as a whole.

1. The Endeavour Galleries

This element of the project fulfils our long-standing ambition to clarify the circulation of the NMM galleries, to complete key gaps in our displays and to present Britain’s maritime history in a more coherent way for our visitors. Four new galleries will focus on the inspiring and very human theme of exploration, which is so central to the story of Britain and the sea, and will enable an additional 1000 artefacts from the national collection to be on permanent display.

2. Endeavour Collections and Conservation Centre

This project addresses our long-standing needs for collection storage, public access to the reserve collections and conservation studios. Development of our facility in Kidbrooke will not just comprise stores and studios – we also have the chance to realize a long-standing ambition to create an open store, to open up our vast reserve collections to researchers and the general public, and to open up a window for the public to our conservation work.

3. Endeavour Accommodation

For many years the top floor of the West Central Wing has been given over to staff offices. The development at Kidbrooke will include modern office accommodation, facilitating a complete staffing relocation out of the West Central Wing so that this space can be made entirely available to the public for the Endeavour Galleries Project.

4. Endeavour Royal Observatory Improvements

This element of the project, contingent on external funding, will hugely enhance the visitor experience by redesigning the visitor entrance, making the admissions and retail experience more friendly, re-aligning the visitor route so that it matches the narrative journey and creating new galleries.

6. WORKFORCE AND EMPLOYMENT

Employment policies

The Museum strives to be a good employer. Attention is paid to holistic reward approaches. It has a strong record on improving the work environment, job satisfaction and development opportunities with generous pension arrangements. We successfully introduced pension auto-enrolment on our staging date in November 2013 following an intensive campaign to promote the positive benefits of workplace pensions.

The Museum is also very supportive in times of need, providing generous sick absence benefits, return to work policies and procedures, medical retirement assistance, occupational health referrals and H&S assessments. There is a Staff Welfare Officer, employee assistance programmes and trained and supportive management and professional HR back up. In addition, schemes to promote health and wellbeing such as yoga, stress-relieving massages, life drawing and other social activities exist. In March 2013 the Museum was accredited with the first stage of the London Healthy Workplace Charter. Long-term no smoking policies are in existence with support to give up the habit available. Sheltered placement, work experience and 400-plus volunteering opportunities are promoted throughout the year. There are excellent consultation and communication arrangements. There are also charitable and health society benefits plus the provision of employment and job security to 500 people plus, locally, nationally and from overseas. The Museum also undertakes secondments and exchanges both internally and externally.

The 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. 13.58% of the Museum's employees are Black, Asian and Minority Ethnicity (BAME) (15% in 2013–14). The Museum holds the Employment Service's Disability Symbol. In 2014–15, 5.5% of staff employed by the Museum considered themselves to have a disability (5% in 2013-14). The Museum has in place an Equality Plan for both staff and service provision. A number of sheltered placement and other work-experience initiatives specifically for disabled workers are under way.

We believe that we are a leader in our human resources approaches, not least in dispensing with any formal retirement age in 2002. Over a third of employees are aged over 50 and 8.31% are aged over 65 (5% in 2013–14). At the sector level, the Director of Human Resources co-chairs the National Museum Directors' Council's (NMDC) HR Forum.

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 recognized when the Museum achieved the Investor in People standard in November 2001, receiving regular re-accreditation since, the last being in November 2012. Unfortunately, funding constraints have resulted in the reduction of the training and development budget for both 2013–14 and 2014–15. It is still maintained at around 1% of the total pay bill, however, and thus far all needs identified via appraisal and training needs analyses have been met. There is a longer term aim to increase funding for training when resource allows.

Based on predicted outturns from third quarter figures to 31 December 2014, in 2014–15 the average number of days lost per employee through short term sick absence will be 3.89 days (4.28 in 2013-14) while the average number of days lost per employee through long term (over 28 days) sick absence will be 3.95 days (6.12 in 2013-14). The average number of days lost per employee through total sickness (long and short term combined) will be 7.84 days (10.39 in 2013–14).

The Central Arbitration Committee declared the trade unions Prospect and PCS recognized for the purposes of collective bargaining in December 2006, following an application by those unions and a subsequent ballot. The Unions and the Museum reached an agreement for the purposes of collective bargaining in respect of pay, hours and holidays and also have a facilities agreement. Following a period of consultation, in December 2013, the Museum reached a single-union agreement with Prospect in this regard, the six-month notice period for the PCS Union expiring in June 2014.

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.

Volunteers

The Museum has an active volunteer programme and appointed a volunteer manager five years ago. The increase in numbers of volunteers and in volunteer hours has been remarkable since this appointment. Record numbers of volunteers peaked at more than 500 during the past year due to an e-volunteer project and have now decreased to 301 at year end on the tailing off of that project; we are currently researching another two e-projects for next year. In all, it is estimated that these volunteers will have given 35,693 hours in 2014–15 (46,126 hours in 2013–14 due to the e-project) at a value estimated in the region of more than £350,000 (a decrease of £110,000 from 2013–14 and an increase of £10,000 on 2012–13).

Organizational Communication

The Museum regards effective communication as essential. The objective is to ensure that all staff and volunteers are kept fully informed on all issues that directly affect them. 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 organization.

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

Volunteer Event – the Museum holds a special event for volunteers annually to which all are invited. The purpose of this is to express the Museum's sincere thanks for all that the volunteers do but also to brief them on current issues and future plans, as well as serving as a networking event.

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 organizational programmes and information of use to staff and volunteers generally.

Team Briefing – the principal method used by the Museum to pass on information to all employees is team briefing. The cycle begins in the first week of every month with the briefing document compiled by HR, having agreed content with the Executive. 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. Team briefing has been dramatically improved in format and accessibility which has been welcomed by all involved. This initiative arose out of a review of recommendations from a Staff Engagement Survey carried out in 2010. In addition, volunteers have their own specific newsletter.

Notice Boards – are strategically placed in sites or functional areas. They may only be used for official or authorized 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.

Staff Engagement Surveys – are conducted from time to time to allow confidential feedback to be provided to the Trustees and Executive via a professional third party. These are considered and recommendations are acted on, usually via cross-sectional working groups of staff or sub groups of the Senior Management Team. The most recent survey was carried out in November 2013 and the results are being considered, promulgated and acted upon during 2014–15.

Trade Unions – Since December 2013 the trade union Prospect has been recognized for the purposes of collective bargaining on pay, hours and holidays. Meetings take place as and when required.

Health and Safety

It is Museum policy to assign great importance to the safety of visitors, employees, volunteers, contractors 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 the Health and Safety Committee 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 organization 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 organization and employees is vested in the Board of Trustees and Executive Board of Directors. The Executive Board receives 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 and Safety function is managed by a NEBOSH-qualified Departmental Head and an experienced NEBOSH-qualified Health and Safety Adviser. The Director of Operations and HR also holds a relevant qualification and chairs the Health and Safety Committee. Specialist members serve on the Committee to represent particular hazards such as radiological protection, laser safety, asbestos and other risks in the collections, together with an employee representative, and representatives for sites and other functions.

7. 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 decides in the case of the Senior Executive the level of pay and performance-related pay they should receive and recommends to the Chairman of Trustees in the case of the Director, Royal Museums Greenwich, the appropriate level of pay and performance-related award.

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

Membership

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

Sir Robert Crawford, CBE
Linda Hutchinson
Vacancy

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

Secretary: Anne Patterson, Chartered MCIPD (Head of HR)

External Advisers: Brian McEvoy and 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 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 the 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%-30% of salary and in the case of the Director 0%-20% of salary.

Annual pay awards approved by the Museum require HM Treasury approval before they can be made, which must be obtained via the Department for Culture Media and Sport (DCMS). Increasingly, Public Sector Pay policy 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, Royal Museums Greenwich, 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 defined-contribution schemes.

The following information is subject to audit.

Executives' 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 emoluments were as follows:

Single total figure of remuneration	2014-15 all figures £k				2013-14 all figures £k			
	Salary	Performance payment	Pension benefits (to nearest £1k)*	Total	Salary	Performance payment	Pension benefits (to nearest £1k)*	Total
Dr Kevin Fewster, Director and Accounting Officer	110-115	20-25	-	130-135	105-110	20-25	-	130-135
Dr Margarette Lincoln, Deputy Director	80-85	15-20	16	115-120	80-85	15-20	6	100-105
Andy Bodle, Director Operations and Human Resources	70-75	15-20	19	110-115	70-75	15-20	8	95-100
Mike Sarna, Director, Programming and Exhibitions	65-70	15-20	-	80-85	60-65	10-15	-	70-75
Sandra Botterell, Director, Commercial (until 31 August 2014)	55-60 (70-75 FTE)	5-10	-	60-65	75-80	10-15	-	90-95
Anupam Ganguli, Director, Finance & IT	85-90	20-25	-	110-115	85-90	15-20	-	105-110
Richard Doughty, Director, Cutty Sark (until 6 October 2014)	40-45 (80-85 FTE)	5-10	-	50-55	80-85	15-20	-	100-105
Kate Seeckts, Director, Development (from 18 February 2015)	5-10 (70-75 FTE)	-	-	5-10	-	-	-	-
Richard Wilkinson, Director, Enterprises (from 2 March 2015)	5-10 (85-90 FTE)	-	-	5-10	-	-	-	-

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

There were no benefits in kind.

2014–15
Mid-Point of Band of Highest Paid
Director’s Total Remuneration
(£’000) 132.5

2013–14
Mid-Point of Band of Highest Paid
Director’s Total Remuneration
(£’000) 132.5

Median Total Remuneration 14

Median Total Remuneration 15

Remuneration Ratio 1:9.2

Remuneration Ratio 1:9.1

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organization and the median remuneration of the organization’s workforce.

The mid-point of the band of remuneration of the highest-paid director in the National Maritime Museum in the financial year 2014–15 was £132,500 (2013–14, £132,500). This was 9.2 times (2013–14, 9.1 times) the median remuneration of the workforce, which was £14,348 (2013–14, £14,544).

In 2014–15, nil (2013–14, nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £0 to £133,000 (2013–14, £0 to £132,000).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Pension Benefits

The National Maritime Museum operates two pension schemes; a group personal pension scheme and the Civil Service Pension Schemes, full details of which are given in note 7 to the accounts.

All directors are members of the group personal pension scheme other than Dr Margarett Lincoln and Andy Bodle, who are members of the Civil Service Pension Schemes.

	Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/15	CETV at 31/3/14	Real increase in CETV funded by employer	Employer contribution to group personal pension
	£’000	£’000	£’000	£’000	£’000	Nearest £1,000
Dr Kevin Fewster	-	-	-	-	-	11
Dr Margarett Lincoln	30-35 plus lump sum of 100-105	0-5	752	736	15	-
Andy Bodle	30-35 plus lump sum of 100-105	0-5	673	626	15	-
Mike Sarna	-	-	-	-	-	7
Sandra Botterell	-	-	-	-	-	3
Anupam Ganguli	-	-	-	-	-	9
Richard Doughty	-	-	-	-	-	4
Kate Seeckts	-	-	-	-	-	1
Richard Wilkinson	-	-	-	-	-	1

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalized value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is 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 valuation factors for the start and end of the period.

Compensation for loss of office

Margarette Lincoln left under Voluntary Redundancy terms on 30 April 2015. She received a compensation payment of £40-45,000.

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages for 2014/15	Total number of exit packages for 2013/14
0 - 24,999	7	15	22	2
25,000 - 49,999	-	2	2	-
50,000 - 99,999	-	1	1	-
Total	7	18	25	2
Total resource cost (£)	9,980	263,622	273,602	13,706

There were nine departures under the terms of the Civil Service Compensation Scheme in 2014-15: 13 members of staff received a statutory redundancy payment each of which was below £13,500 and which in total amounted to £61,354.

Sir Charles Dunstone, CVO
Chairman of the Board of Trustees

Kevin Fewster
Director and Accounting Officer
22 June 2015

8. REFERENCE AND ADMINISTRATIVE DETAILS

Patron of the Museum: HRH The Duke of Edinburgh, KG, KT

Chairman of the Board of Trustees: Sir Charles Dunstone, CVO

Director and Accounting Officer: Dr Kevin Fewster, AM

Principal address: National Maritime Museum
Greenwich
London SE10 9NF

Website: www.rmg.co.uk

The Board of Trustees of the National Maritime Museum

During 2014–15 the Board of Trustees comprised:

Sir Charles Dunstone, CVO, Chairman
and in order of first appointment:
Linda Hutchinson
Sir Robert Crawford, CBE
Eleanor Boddington
Professor Geoffrey Crossick (to 7 April 2014)
Professor Chris Lintott
Joyce Bridges, CBE
Carol Marlow
Jonathan Ofer
Eric Reynolds
Gerald Russell
Professor Alison Bashford (from 1 February 2015)
Jeremy Penn (from 1 February 2015)
Admiral Sir Mark Stanhope, GCB, OBE, DL (from 1 February 2015)

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

The Executive

During 2014–15 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
Sandra Botterell	Director, Commercial (to 31 August 2014)
Richard Doughty	Director, <i>Cutty Sark</i> (to 6 October 2014)
Anupam Ganguli	Director, Finance
Mike Sarna	Director, Programming and Exhibitions
Kate Seeckts	Director, Development (from 18 February 2015)
Richard Wilkinson	Director of Enterprises (from 2 March 2015)

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

Other relevant organizations:

External Auditors of National Maritime Museum

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London, SW1W 9SP

External Auditor of National Maritime Museum Enterprises Ltd

haysmacintyre
Chartered Accountants and tax advisors
26 Red Lion Square
London, WC1R 4AG

Internal Auditors

Moore Stephens LLP
150 Aldersgate Street
London, EC1A 4AB

Bankers

Royal Bank of Scotland
62-63 Threadneedle St
London, EC2R 8LA

HSBC

275 Greenwich High Road
Greenwich
London, SE10 8NF

Legal advisers

Farrer & Co
66 Lincoln's Inn Fields
London, WC2A 3LH

Stone King

16 St John's Lane
London, EC1M 4BS

CMS Cameron McKenna

Mitre House
160 Aldersgate
London, EC1A 4DD

9. SUPPORTERS OF THE NATIONAL MARITIME MUSEUM 2014–15

Government

The Department for Culture Media and Sport
The Heritage Lottery Fund

Major Supporters

The Art Fund
Barclays
The Clothworkers' Foundation
Dr Lee MacCormick Edwards and Michael Crane
The Esmée Fairbairn Foundation
Sir John Fisher Foundation
The Foyle Foundation
The descendants of Herbert Gibson
Peter Harrison Foundation
Peter Harrison Heritage Foundation
The Hobson Charity
Insight Investment
The Leathersellers' Company
The Stavros Niarchos Foundation
The Eyal Ofer Family Foundation
A. G. Leventis Foundation
Lloyd's Register Foundation
The Monument Trust
The Royal Museums Greenwich Foundation
Clive Richards OBE DL and Sylvia Richards
The Sackler Foundation
Mrs Coral Samuel CBE
The TK Foundation
The Corporation of Trinity House
United Technologies Corporation
Viridor Credits Environmental Company
The Garfield Weston Foundation
The Wolfson Foundation
and other supporters who wish to remain anonymous

Ahoy!

Stavros Niarchos Foundation
Peter Harrison Foundation
Viridor Credits Environmental Company
Dr Lee MacCormick Edwards and Michael Crane
The Leathersellers' Company
The Baltic Exchange Charitable Funds
The Swire Charitable Trust
Michael Everard
Hunting Charitable Trust
The Inchcape Foundation
Worshipful Company of Shipwrights

Guiding Lights: 500 Years of Trinity House and Safety at Sea

The Corporation of Trinity House

Ships, Clocks and Stars: the Quest for Longitude

United Technologies Corporation

Trusts and Foundations

The Clothworkers' Foundation; Joseph Strong Frazer Trust; and other supporters who wish to remain anonymous.

Donor Organizations

The American Friends of Royal Museums Greenwich; Association of Science Discovery Centres; Flamsteed Astronomy Society; Greenwich Hospital Foundation; Members of Royal Museums Greenwich; The Nelson Society; Society for Nautical Research/MacPherson Fund; Sun Dial Society.

Bequests

John Derek Hewison
David Rose

American Friends of Royal Museums Greenwich:

Carl G. Berry; C. Richard and Deborah Carlson; Gary and Beth Glynn; Howard and Patricia B. Lester; Dr Lee MacCormick Edwards and Michael Crane; Robert H. Moore II; Jason M. Pilalas; James B. Sherwood; David M. Wells; C. Lawson Willard.

Sponsors

Farrow & Ball
Charles Frodsham & Co.
Insight Investment
JSC Aeroflot – Russian Airlines
Meantime Brewing Company
OAO Sovcomflot
Pusser's Rum
United Technologies Corporation
Winton Capital Management

Corporate Members

The Baltic Exchange; BMT Group Ltd; BP Shipping; Braemar Seascop; Clarksons; CMS Cameron McKenna; COSCON (UK); Hutchinson Westports Ltd; Howe Robinson & Co. Ltd; Insight Investment; Liberty Syndicate Management Ltd; Lloyd's Register; Meantime Brewing Co. Ltd; Novotel Greenwich; Shell International Trading and Shipping Co. Ltd.; United Technologies Corporation; Upfront TV Ltd.

Life Patrons

Michael T.R. Brown; Rear Admiral Sir Jeremy de Halpert; D. Gregory B. Edwards; Anthony Inder Rieden; Alan R. W. Marsh; R. K. Mehrotra; Vaughan Pomeroy and Ann Nussey; Clive Richards OBE DL; Ian Ridpath; Dick van Meurs; and others who wish to remain anonymous.

Patrons

Elizabeth Lady Amherst; John R. Asprey; Peter Christmas; Rear Admiral and Mrs Roy Clare; The A. C. H. Crisford Charitable Foundation; Simon C. Davidson; J.E. Day; Alderman Jeffrey and Mrs Juliet Evans; Kevin Fewster; Nicholas Fisher; Lt Cdr P. Fletcher; Michael Gibson; Sir David and Lady Hardy; David and Margaret Hartnett; Charles Hoare Nairne; Nigel Hollebhone; Richard Hunting CBE; D. J. Larnder and R. J. Cocksedge; Commander P. J. Linstead-Smith OBE; John Manser; John W. R. Martin; Jane Mennie; Alan Parker CBE; Merrick Rayner; Ms. C Shipley; Rear Admiral D.E. Snelson CB FNI; John and Madeleine Tucker; Dr Anthony Watson CBE; Prof. Morteza Zanganeh and others who wish to remain anonymous.

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

John Anderson, OBE; Sir David Attenborough, OM; the late Victor Benjamin; Richard Carlson; Professor Martin Daunton, FBA; William Edgerley; Sir David Hardy; Peter Harrison, CBE; Nigel Macdonald; Zvi Meitar M Jur; David Moorhouse, CBE; the late Sammy Ofer, KBE; Libby Purves, OBE; Dr David Quarmby, CBE; Lord Rees of Ludlow, OM, FRS; Professor N.A.M. Rodger, FBA; the late Dr Mortimer Sackler, KBE; Dame Theresa Sackler; Coral Samuel, CBE; Peter Snow, CBE; Dava Sobel; Dr David Starkey, CBE, FSA; Lord Sterling of Plaistow, GCVO, CBE; the late Sir Arthur Weller, CBE; the late Lord Wolfson of Marylebone; and the late Susan T. Zetkus.

Corporate Loan Holders

Rathbone Brothers plc; Simpson, Spence and Young.

Donors to the Collection

Brian Ansell; Captain Daniel Shorland Ball; Emma Barrett; Muriel Kay Berry; Jean Crocker; James Devitt and Richard H. Devitt; James Furey; Rozanne Hawksley; Alan R. Irons; Gene M Johnson; Roger Knight; Michael Douglas Mills; Cass Moggridge; Navy Records Society; Susan Salway; Ann Scholes; Jenny Sanderson; Peter Stear; Lord Sterling of Plaistow; Harry Tristram; David Young

Bequests to the Collection

Julia Jean Draper

To all of whom the Trustees are very grateful.

10. FINANCIAL REVIEW

Presentation of Accounts

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.

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Consolidated Accounts

The consolidated Accounts of the National Maritime Museum comprise the Museum itself, its wholly owned subsidiary National Maritime Museum Enterprises Limited (NMME), the Caird Fund, the Development Fund and the Number 3 Trust Fund.

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). Of the £16.6m received in the year, £223k was ring-fenced for National Historic Ships UK. Operating expenditure increased by £665k in the year primarily as a result of the restructuring programme the Museum implemented to adjust its future cost base in the face of known cuts to Grant in Aid. A one-off increase in capital Grant in Aid was awarded in the year to assist the museum's preparatory works for the restoration of the Queen's House in advance of its 400th anniversary in 2016.

In line with 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.

Overview of Financial Performance for the Year

Statement of Financial Activities

The Museum enjoyed great success with its temporary exhibition programme which included the conclusion of *Turner and the Sea* (opened in the 2013–14 financial year), and *Ships, Clocks and Stars: the Quest for Longitude*. A new, exciting immersive theatre experience *Against Captain's Orders: a Journey into the Uncharted* opened in the last days of the financial year. Total admission income, which included the Royal Observatory, was £3.1m, which is comparable to the previous year.

Total incoming resources for the year decreased by £3.2m, largely because 2013–14 was boosted by fundraising for the acquisition of the George Stubbs' paintings 'The Kongouro from New Holland' and 'Portrait of a Large Dog'. This was offset by an increase in sponsorship income – for both the Greenwich exhibition and the overseas tour of *Ships, Clocks and Stars*.

The Membership scheme continues to perform well, generating £172k— in line with the previous year's performance. The scheme was re-launched at the end of March with a view to growing this source of income further.

Investment income continues to be depressed due to challenging market conditions and lower balances held on deposit which, together with reduced returns, resulted in revenue of £145k, marginally below last year.

Resources expended in the year amounted to £30.8m (2013-14: £30.2m). There was an increase of £874k in staff costs, from £14.5m to £15.3m, of which £544k related to the restructuring programme.

There was significant investment in the temporary exhibition programme, not only for the exhibitions held in the year but also in preparatory work for exhibitions in future years.

Additionally the Museum made grants totalling £738k, including £702k to the Royal Museums Greenwich Foundation.

Trading subsidiary

The Museum owns 100% of the share capital of National Maritime Museum Enterprises which carries out trading and other commercial activities on its behalf.

The net trading profit at £1.3m is an increase of £513k over the previous year largely due to an increase in the sponsorship of the temporary exhibition programme. The catering offer and venue hire business continued to perform well. Administrative expenses were slightly reduced.

At the end of the year the net trading profit was transferred to the Museum by way of a donation through the gift aid scheme.

Balance Sheet

Reserves Policy

Annually the Trustees review and approve the level of readily available (i.e. free) reserves to ensure that it is appropriate to the scale, complexity and risk profile of the Museum. This review takes into account the fact that this year nearly 60% of the Museum's incoming resources are from Grant in Aid from DCMS. The level of free reserves is set to provide what is considered to be sufficient contingency for a shortfall in income from the Museum's other funding and any cash flow risks (whether due to timing or other factors) on capital projects, the collections development programme or other unforeseen liabilities. The annual budget is formally reviewed each quarter and adjustments made to reflect any change in circumstances.

The Museum's historic reserves are subject to Treasury budgetary rules under which the Museum's ability to access its reserves is subject to approval by DCMS.

Reserves at 31 March 2015

In accordance with the funding agreement with the DCMS the Museum has access to its reserves up to a maximum of £8.7m during the current four year funding agreement. Of this total the Museum has used £400k of its historical reserves this year.

Although there is no specific target in place for General Reserves the Trustees consider that maintaining the balance at year end of free reserves at £2.2m is adequate. The Trustees are satisfied with the overall level of Reserves in the Museum.

The split of Reserves can be summarized as follows:-

	£m
Fund representing endowments to the Museum, by way of heritage assets, gifts, grants, donations and amounts held in the Caird and No.3 Trust Fund	91.0
Surplus on revaluation of land and buildings representing the difference between cost/valuation and revaluation at 31 March 2014	27.4
Funds which are restricted by virtue of specific conditions or legal restrictions relating to their application	16.1
Funds representing assets acquired by way of gifts/donations or use of the Museum's core grant in aid	7.2
Designated funds for a specific project or purpose in the future	6.6
Unrestricted (free) reserves over which there are no restrictions or specific future spending intentions	2.2
	<u>150.5</u>

Full details of these funds and their purpose are given in Notes 19-21 of the Accounts.

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 purposes and
- Accumulated unrestricted income

The Museum's investment policy is to maintain a balance between capital appreciation and income generation to meet the needs of the Museum while taking account 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

As previously indicated there has been no significant improvement in investment returns although the value of investments has increased by £333k during the year and stood at £5.2m at year end.

The Museum also holds £7.6m in cash or short-term deposit accounts, accumulated from donations and self-generated income. These deposits, plus the significant contribution from Grant in Aid, considerably reduce the Museum's exposure to liquidity or cash flow problems; credit risk is also deemed to be immaterial.

Tangible Fixed Assets

A review based revaluation of the Museum's estate was carried out at year end by external valuers, Gerald Eve, Chartered Surveyors. As a result there was an increase in the net book value of the land and buildings of £10m. Note 10 gives full details of the Museum's Tangible Fixed Assets which stand at £117m at year end.

Heritage Assets

During the year the Museum purchased Heritage Assets with a value of £510k and received donations or bequests to the value of £625k. Details of notable acquisitions are on page 9.

External Audit

Under statute, the Comptroller and Auditor General is the principal auditor of the Museum's consolidated accounts for the year 2014-15 which are audited by the National Audit Office on behalf of the Comptroller and Auditor General. During the year haysmacintyre was appointed auditors of National Maritime Museum Enterprises Limited. Total audit fees for the group were £48k, comprising £39k for the consolidated accounts (incorporating the three Trust Funds) audited by the National Audit Office and £9k for NMME audited by haysmackintyre.

Payment of Creditors

The Museum pays 75% (2013-14: 74%) of its suppliers within 30 days. Suppliers are paid in accordance with their contractual terms unless there is a dispute.

Going Concern

The Museum was advised in July 2013 of the outcome of the Comprehensive Spending Review for 2015-16. This resulted in a further £479k cut compared to 2014-15. A further Spending Review is currently being undertaken by the new Government and given the on-going uncertainty around the level of future Grant in Aid the Executive Board has taken the appropriate actions to control costs and seek other sources of income to ensure that the reductions will not materially affect the financial stability or operations of the Museum. The Trustees, therefore, are of the opinion that it is appropriate for the accounts to be prepared on the going-concern basis.

Sir Charles Dunstone, CVO
Chairman of the Board of Trustees

Kevin Fewster
Director and Accounting Officer
22 June 2015

11. 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 on an accruals basis and must give 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 comply with the requirements of FReM and in particular to:

- observe the accounts direction* issued by the Secretary of State for Culture, Olympics, Media and Sport including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- 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, for the keeping of proper records, and for safeguarding the Museum's assets, 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.

Sir Charles Dunstone, CVO
Chairman of the Board of Trustees
22 June 2015

Kevin Fewster
Director and Accounting Officer
22 June 2015

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

12. GOVERNANCE STATEMENT

This Governance Statement, for which the Accounting Officer takes personal responsibility, and the Board of Trustees, represented by the Chairman of the Audit Committee, take corporate responsibility, manifests how their duties have been carried out in the year.

It is designed to give the reader a clear understanding of the dynamics and control structure of the Museum. It records the stewardship of the organization and encompasses discussion of both corporate governance and risk management. Supplementing the accounts, it provides a sense of the Museum's resilience to challenges and any residual vulnerability.

1. The Governance Framework

1.1 Statutory Background

The founding legislation is the National Maritime Museum Act 1934 that 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.

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 Agreement which defines and manages its status as an Arm's Length Body, agreed with the Department for Culture, Media and Sport (DCMS) in June 2014, and HM Treasury's 'Managing Public Money' and the conditions therein in relation to the Grant-in-Aid and public funds.

The approach to governance that the Board of Trustees of the National Maritime Museum follows is intended to ensure that appropriate principles of Corporate Governance are followed effectively. There are a number of interrelated aspects:

The selection, support and motivation of a suitable management team, coupled with the development and implementation of effective strategies to deliver the objectives of the Museum, reflecting appropriate and agreed priorities, is central to effective governance. So is the maintenance of a creative culture of excellence that is subject to on-going constructive challenge by the Board of Trustees. These elements allow a framework of interlocking personal objectives to be set and monitored, using accurate and timely management information, and allow effective internal and external communication.

All this, including the setting of priorities, reflects on-going processes enabling the Board of Trustees to identify and assess the changing risks that the Museum faces (including its reputation for academic excellence and research) and developing appropriate management responses to those risks including maintaining appropriate security and effective systems of internal control.

1.2 Governance Framework

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

The Board of Trustees, the Board of Directors of the trading company National Maritime Museum Enterprises Ltd, and the Director as Accounting Officer are responsible for establishing and maintaining systems of internal control in line with the *Corporate governance in central government departments: code of good practice* (see also section 8 below). They are committed to public service values, which include integrity, openness, accountability, and securing value for money. The Museum continually reviews and updates the existing systems of internal control that 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 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 as set out in Chapter 3 of *Managing Public Money* by HM Treasury.

1.3 Structure

National Maritime Museum

Under the National Maritime Museum Act 1934, the Board of Trustees is a statutory corporation entitled the Trustees of the National Maritime Museum. As listed in Schedule 3 of the Charities Act 2011, the Trustees of the National Maritime Museum is an exempt charity.

Trading Company

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

Trust Funds

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.

1.4 The Board of Trustees in 2014–15

In 2014–15, the Trustees contributed their voluntary service to the public's benefit at formal Board and committee meetings. In addition to these, they also attended numerous advocacy and other events during the year and made frequent contributions of advice and guidance to the Museum within their areas of specialism.

	Term	From	To	Attendance Board	Audit	Finance	04-14 to 06-15 Rem.
Chairman							
Sir Charles Dunstone	1st	21.11.2013	20.11.2017	4/4			
Trustees in order of first appointment							
Linda Hutchinson	2nd	15.09.2008	14.09.2016	4/4			2/2
Sir Robert Crawford	2nd	15.09.2008	14.09.2016	4/4		3/4	2/2
Eleanor Boddington	2nd	08.04.2010	07.04.2018	4/4	5/5		
Professor Chris Lintott	2nd	24.06.2010	23.06.2018	4/4		2/4	
Joyce Bridges	1st	12.09.2013	11.09.2017	4/4	4/5		
Carol Marlow	1st	12.09.2013	11.09.2017	4/4			
Jonathan Ofer	1st	12.09.2013	11.09.2017	2/4			
Eric Reynolds	1st	12.09.2013	11.09.2017	4/4		3/4	
Gerald Russell	1st	12.09.2013	11.09.2017	3/4	5/5		
Professor Alison Bashford	1st	01.02.2015	31.01.2019	2/2			
Jeremy Penn	1st	01.02.2015	31.01.2019	2/2			
Admiral Sir Mark Stanhope	1st	01.02.2015	31.01.2019	2/2			

1.5 Conflicts of interest

In common with other public bodies, the Museum has a policy of arrangements under which potential conflicts of interest can be recognized and managed. The purpose of these arrangements is to avoid any danger of Trustees being influenced, or appearing to be influenced, by their private interests in the exercise of their public duties.

A register of Trustees' relevant interests is maintained and is available for the public to inspect on request to the Museum Secretary. In addition, a standing item of all Board and committee meetings requires Trustees to declare interests if they or close family members have an interest, pecuniary or otherwise, in any matter being considered. The Board or Committee will then decide whether it is appropriate for the Trustee to participate or withdraw from the meeting. There were no such withdrawals required in 2014–15.

1.6 Trustee Appointments and Induction

All recruitment of Trustees and the appointment process itself is carried out, now by the Department of Culture Media and Sport, in accordance with the Office of the Commissioner of Public Appointments' (OCPA) Code of Practice for Ministerial Appointments to Public Bodies of April 2012. The Chairman and the Nominations Committee identify the skills and expertise needed to reflect the strategic needs of the Museum then recommends Trustee recruitments and re-appointments to Ministers. Ministers agree the role specification for the recruitment of new Trustees and are kept informed throughout the process which is operated by the DCMS Public Appointments Unit.

Advertisements are placed in media deemed appropriate for each case which range from national newspapers through specialist journals to the Museum's website and the Public Appointments website operated by the Cabinet Office.

In 2014–15 a selection panel Chaired by a senior DCMS office with an Independent Panel Member appointed by DCMS and the Chairman of Trustees interviewed shortlisted candidates for three Trustee roles and recommendations were made to Ministers accordingly.

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

In 2014–15 Professor Alison Bashford, Admiral Sir Mark Stanhope and Mr Jeremy Penn were appointed for terms of four years. Ms Eleanor Boddington and Professor Chris Lintott were reappointed by the Prime Minister for second terms of four years.

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 and responsibilities. All Trustees receive a Trustee Governance Pack including the staff handbook and all relevant governance material and receive a day-long induction course on appointment.

Trustees provide the Board with their specific areas of expertise, knowledge and skills but training is always offered and available. 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 and meet with members of the Executive, managers, staff and volunteers.

1.7 In 2014–15 the Board's Committee structure was: Audit Committee

Which gave independent advice and guidance to the Board of Trustees and to the Director as Accounting Officer 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 remit of the Committee reflected Public Sector Internal Audit Standards. The Audit Committee met two weeks before each Trustee Board so that it could communicate any Board level issues at

that point. The Committee also assessed the Museum's strategic risk register two weeks before the Trustee Board so that it could communicate any Board-level issues at that point.

Finance Committee

Which was responsible for: monitoring the Museum's income and expenditure; the management and investment of Museum and trust funds; recommending the draft annual budget going forward to the Board; reviewing quarterly financial performance against budgets and quarterly out-turn forecasts; reviewing quarterly corporate performance against Management Agreement targets and plans prior to meetings of the Board. The Finance Committee met two weeks before each Trustee Board so that it could communicate any Board-level issues at that point. The Trustees of the Finance Committee are ex-officio Trustees of the Trust Funds as is the Director.

Remuneration Committee

Which determined and recommended to the Chairman the reward and performance packages for the Executive and advised the Chairman on his assessment of the Director's remuneration.

Nominations Committee

The Chairman and the Nominations Committee identified the skills and expertise needed to reflect the strategic needs of the Museum then recommended Trustee recruitments and re-appointments to Ministers.

Collections and Research Committee

Oversaw strategies for the stewardship of collections and the development of research at the Museum in the context of its overall strategic objectives. The Trustees Fellowships and Awards Sub-Committee offered guidance and made decisions on selecting candidates for Museum fellowships and selecting candidates for the Caird Medal.

In addition to these formally constituted committees, in 2014–15 Trustees also operated the **Trustee Gallery and Exhibition Finance Sub-Committee**. This Sub-Committee reviewed the financial planning of the Museum's major gallery and exhibitions programme. This is a Sub-Committee of the Finance Committee and reported to that Committee after its meetings.

1.8 The work of the Trustee Board in 2014–15

In 2014–15 the significant work of the Board and its committees included:

- adopting budgetary and planning policies and implementing an organization-wide restructure to deal with the strategic and practical financial impact of the reductions in Grant in Aid over the 2015–16 period
- adopting the significant and far-reaching Endeavour Project and ensuring the progress of its various elements including with the grant of a £6m capital loan from DCMS via the new Museums Freedoms pilot and a successful HLF Stage 1 pass
- ensuring the delivery of the special exhibition *Ships Clocks and Stars* in the special exhibitions gallery which attracted some 95k incremental visitors to the Museum and *The Art and Science of Exploration, 1768–80* at the Queen's House, and the *Astronomy Photographer of the Year 2014* exhibition at the Royal Observatory
- adopting the milestone level of the new 2014–18 Corporate Plan 'Stimulating Curiosity'.
- approving, on the grounds of being outside the Museum's Collections Development Policy, the transfer out from the collection of two archaeological items to other museums
- adopting the annual report from the Director of National Historic Ships UK.

The minutes of Trustee Board meetings are available at www.rmg.co.uk/about/the-organization/trustees/minutes. The Board has received no ministerial directions.

2. The Board's performance, including its assessment of its effectiveness

The Board's performance in terms of outputs and outcomes is briefly outlined in section 1.8 above and further documented in Section 3 Activities and Achievements above of the Annual Report.

The Board commissioned an external independent review, which was conducted between October 2014 and January 2015, to offer an independent and objective view of the Board's effectiveness. The Board discussed the review at its March 2015 meeting and as a result made changes to the rhythm and number of Board meetings through the financial year and the structure of the Board Committees.

The Audit Committee reviews its own effectiveness via a formal questionnaire. The next review will be carried out in 2015–16.

3. Highlights of Board Committee reports

The minutes from all the main Committees are circulated to all Trustees prior to the Board's quarterly meetings.

The Chairman of the Audit Committee makes an annual report to the Board on the previous year's Audit Committee business reporting on the issues highlighted in the Committee's and the internal audit work for 2014–15.

In its report on the 2014–15 Audit Committee work, the Committee reported that there were no matters of high risk or significance arising from the internal audit reports to bring forward to the Board of Trustees. There were, however, a number of recommendations as a result of the reports substantially all of which have already been implemented and the remainder are in the course of implementation. There were no matters of Health and Safety to bring specifically to the Board in 2014–15 and no seven-day injuries to report. The Audit and Finance Committees review the Health and Safety reports at their quarterly meetings and the Board sees the full list of the quarter's incidents in its Board papers.

At each of its quarterly meetings, the Audit Committee reviews the strategic risk register to identify how risks are being mitigated by management and what new risks are emerging. This review also determines the work programme for internal audit the results of which are reported in section 4 below (Internal Audit). The Committee also reviews the management's progress in enacting recommendations made in previous internal audit reports. On an annual basis, the Committee's work includes approving the Annual Report and Accounts for the year on behalf of the Board and any matters arising from the audit of those accounts by the National Audit Office and the Museum's wholly owned trading subsidiary which is audited by haysmacintyre. The Audit Committee also deals with one-off items including emergency planning, validation of the register of interests, anti-fraud matters, and any procurement complexities that may arise.

4. The quality of data used by the Board and why the Board finds it acceptable

Data and information used consists of financial and non-financial performance measures.

Financial data is provided by the Financial Information System from which is produced the monthly management accounts and comparisons with budgets. These together with a commentary are provided to the Finance Committee on a Quarterly basis and thence to the Trustee Board. Budgets are reviewed quarterly and reset according to the Museum's priorities. Revised forecasts are agreed by the Finance Committee if necessary. The Executive reviews financial performance against these targets each month.

Non-financial performance measures enable the Board to monitor progress against the milestones set in the corporate plan and the targets set in the divisional business plans. Results of progress against the non-financial targets or performance indicators set in the divisional business plans are provided by data collectors across the Museum into monthly performance reports. The bulk of measures are collected electronically from counting systems and a series of returns made at divisional level.

Included in these performance reports are data gleaned directly from public visitors themselves via a new visitor feedback system based on tablet lecterns placed throughout the sites and findings from exit surveys conducted by an external provider.

The Executive review these results on a monthly basis and the Board then reviews these results on a quarterly basis. The Finance Committee's remit includes assessing these performance measures as a precursor to the Board some two weeks later so that any issues can be communicated to the Board by the Committee.

In 2013–14 Internal Audit reported on the systems and procedures used to provide accurate counting of visitors to the various sites of Royal Museums Greenwich providing the Board with assurance that these mechanisms provided a robust and accurate measurement.

Notes and commentaries of progress against corporate plan milestones are provided by divisional directors and reviewed at each Board meeting.

The Board considers the standard of this data and information in terms of quality, accuracy and timeliness commensurate with its responsibilities in maintaining systems of internal control but when necessary the Board requests additional clarification or additional information. This data and information is reinforced by Internal Audit.

Internal Audit

Internal Audit is provided by Moore Stephens who work to the Public Sector Internal Audit Standards in order to give an independent appraisal function for the review of activities within the Museum as a service to Management, the Director as Accounting Officer and the Board via the Audit Committee.

At the beginning of each financial year the internal auditors review with management those activities which are or are likely to be of the highest risk to the Museum achieving its objectives and these form the basis for the internal audit programme which is then presented to the Audit Committee for review and approval.

During 2014–15 the internal audit reporting work encompassed:

1. Human Resources
2. Caird Archive and Library
3. Retail
4. Procurement (PO system implementation)
5. Collections management and security
6. Key financial controls
7. New ticketing system
8. Travel trade invoicing

At quarterly Audit Committee meetings the internal auditors present their reports giving their opinion on the adequacy and effectiveness of the system of internal controls, recommendations for improvement and management's responses to those recommendations. The results of these reviews form the basis of the internal audit annual assurance statement given below and recommendations made by internal audit are followed up on a quarterly basis by the Committee using the management's audit tracker which is itself updated quarterly.

All recommendations made by the auditors to strengthen internal controls in the 2014–15 year have been implemented or are in the process of being implemented by management.

During the course of the year the internal audit programme is updated as further/new risks emerge and the amendments to the programme agreed with the Audit Committee. This year the planned audit on procurement was rescheduled to 2015-16 and its place taken by the review of the implementation of the electronic Purchase Order system.

The internal auditors provide an annual statement of assurance to the Accounting Officer and the Trustee Board on the work performed in the year. In respect of the 2014–15 year, the Head of Internal Audit reported that:

There is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved.

External Audit

The external audits of the 2014–15 accounts of National Maritime Museum Enterprises Limited were carried out by haysmacintyre.

The consolidated accounts of the Museum are audited by the National Audit Office on behalf of the Comptroller and Auditor General.

Both sets of auditors discuss with management and the Audit Committee areas of risk when compiling their audit planning documents. Following the audits, recommendations made in respect of internal controls and accounting effectiveness are reviewed with management and action taken.

5. Matters arising in the year

We are able to confirm that there have been no significant internal control problems or information losses in the National Maritime Museum for the year ended 31 March 2015 and up to the date of this report.

6. The Museum's corporate governance

6.1 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 Museum's assets, for which the Accounting Officer is formally responsible, in accordance with the responsibilities assigned to him under 'Managing Public Money' and the Management Agreement between the Museum and the Department for Culture, Media and Sport (DCMS).

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, Management Agreement, the divisional business plans 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 on a quarterly basis for interrogation. The Executive monitors the performance of all major projects, such as the

Endeavour project (for which the Executive is the Project Board) on a monthly/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 summarized results for divisional directors.

6.2 External engagement

In line with the Management Agreement, in September 2014 the Director of Finance and the Museum Secretary conducted a meeting with senior officers from DCMS, including the Head of Museums and Arm's Length Bodies. The Endeavour project was briefed in detail and other aspects of the Museum's performance and risk envelope were discussed under the headings of operational; organizational; financial and legal; and reputational.

6.3 Risk Management

The Museum views risk management as an active part of its 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.

Risk Policy/Appetite

The Museum's Risk Management Policy, agreed in November 2009, recognizes that the Trustees, together with the Executive Board, have overall responsibility for the management of risk in the Museum but a framework of senior level delegation and responsibility is essential if risk management is to be effective.

Risk Appetite/Tolerance

The Museum's policy states that the concept of risk appetite is key to achieving effective risk management and has to be understood before considering how risks can be addressed.

When considering threats, risk appetite defines the level of exposure to risk which the Museum can either justify or tolerate in pursuit of its objectives and then comparing the cost (financial or otherwise) of constraining the risk with the cost of exposure and finding the appropriate balance.

When considering opportunities risk appetite defines how much the Museum is prepared to put at risk in order to obtain the benefits of the opportunity and then comparing the value (financial or otherwise) of potential benefits against the potential loss.

Some risk is unavoidable and may not be within the ability of the Museum to manage to a tolerable level (e.g. terrorism, flood). In such cases the Museum puts into place contingency plans.

The Policy includes specific criteria to identify the probability and impact (high, medium and low) of risks and to evaluate the effectiveness of mitigating actions (strong, medium, weak) to arrive at the net risk.

In assessing the risk level/tolerance the Trustees both at Board meetings and within the Audit Committee, review the risk register both as to content and ability for the Museum to mitigate those risks. In addition, any activities of an unusual nature are considered by Trustees before the Museum is exposed to any significant risk.

Identification and Evaluation

Risk registers are used as a record for all identified risks relating to the achievement of one or more of the Museum's objectives. The Museum has multiple risk registers: a Strategic Risk Register; one for each department; registers for major capital projects and exhibitions and registers for cross-Museum activities such as Health and Safety, security and data management.

In 2012–13 an additional risk register was introduced for the identification, recording and mitigation of risks associated with the Museum's operation of *Cutty Sark* under its Service Level Agreement with the entirely separate and independent Cutty Sark Trust – the owner of the ship itself.

Risks are usually classified under one or more of the following categories: operational, environmental, financial and reputational. In 2013–14 the register was expanded to include the risks associated with the Endeavour project and in 2014-15 these project risks were reassessed and defined in more detail. This work reflected the risks in not carrying out the project as well as the mitigation of the risks that would arise from undertaking the project itself.

At Departmental level, risks are monitored by the Senior Management Team which consists of the Heads of Departments.

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.

7. Risk assessment - Current and Future Risks

At a corporate level strategic risks are identified, evaluated, or re-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 to the Board, again quarterly.

The principal changes in net risk status over the year have been:

- Following the introduction of Museums Freedoms which allows free access to historic reserves, the financial risk of being unable to access historic reserves was removed from the register
- Increase to high of the operational risk of staff morale
- Increase to medium of the operational risk of succession planning.

A new risk was identified and added:

- The potential for a pandemic outbreak, judged to be low

And the Endeavour Project risks were detailed.

The principal external risk to the Museum is the further reduction of Grant in Aid

The Museum has received a further reduction in Grant in Aid funding for the year 2015–16. The Trustees have instigated plans to minimize the inevitable public-facing impact of this reduction in Grant in Aid while continuing to provide free access to the national collection.

The strategic importance of finding more efficient ways of working and growing self-generated income is on-going and receives maximum attention.

At the end of the 2014–15 financial year the Audit Committee and Executive agreed that it would be timely to re-identify, re-appraise and re-evaluate the strategic risks facing the organization. A new methodology of identification, appraisal and mitigation was constructed by the Director of Finance (the Museum's risk sponsor) and it was agreed this would be brought to the Board for focussed discussion at its meeting in September 2015.

Information risk

In December 2010 the Museum adopted an Information Security policy. This policy sets out the guidelines which all staff must comply with in order for the Museum to meet the requirements set out in the HMG Security Policy Framework of 2008 and other data handling and other legislative requirements, for the secure management of information. It applies to all information used, received or created whilst carrying out the business of the Museum. The Museum is not aware of suffering any lapses of protective security (including data incidents) during 2014–15 or previous years and has made no such report to the Information Commissioner's Office.

8. The Board's assessment of compliance with the Corporate Governance Code

For the reasons given above in this Governance Statement, the Board and Accounting Officer are of the opinion that the Museum complies with the *Corporate governance in central government departments: code of good practice* as appropriate for a public body of the Museum's size, scale and scope of activities.

Kevin Fewster, Director and Accounting Officer 22 June 2015

Gerald Russell, Chairman of the Audit Committee 22 June 2015

13. 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 2015 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, 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 Trustees/Board, the Director and auditor

As explained more fully in the Statement of the Responsibilities of the Board of Trustees and the Director as Accounting Officer, the Trustees and the Director are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the National Maritime Museum's and the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the National Maritime Museum; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the National Maritime Museum's affairs as at 31 March 2015 and of its net outgoing resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museum and Galleries Act 1992 and Secretary of State directions issued thereunder with HM Treasury's consent.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Museum and Galleries Act 1992; and
- the information given in the Review of Activities, Achievements and Performance; Sustainability Report; Reference and Administrative details; and the Financial Review for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

Date 1 July 2015

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

**Consolidated Statement of Financial Activities
for the year ended 31 March 2015**

		Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2,015 £'000	Total 2,014 £'000
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary Funds						
		16,376	223	-	16,599	16,383
		554	1,944	-	2,498	6,342
	2	16,930	2,167	-	19,097	22,725
Activities for Generating Funds						
	3	2,753	680	-	3,433	3,082
	4	4,489	-	-	4,489	4,680
		7,242	680	-	7,922	7,762
	5	136	1	8	145	155
		24,308	2,848	8	27,164	30,642
Incoming Resources from Charitable Activities						
		266	-	-	266	405
		454	-	-	454	99
		619	-	-	619	593
	6	1,339	-	-	1,339	1,097
		25,647	2,848	8	28,503	31,739
Total Incoming Resources						
Resources Expended						
Cost of Generating Funds						
		1,026	-	-	1,026	952
		1,230	-	-	1,230	1,208
	3	6,775	680	-	7,455	7,216
		8,005	680	-	8,685	8,424
		40	-	4	44	42
Costs of Charitable Activities						
		13,584	3,103	-	16,687	16,047
		1,794	664	-	2,458	1,972
		1,579	126	15	1,720	2,549
	8	201	-	-	201	170
	7	26,229	4,573	19	30,821	30,156
		(582)	(1,725)	(11)	(2,318)	1,583
Net Incoming/(Outgoing) Resources before transfers						
Transfers						
	19,20	(1,006)	1,006	-	-	-
		(1,588)	(719)	(11)	(2,318)	1,583
Net (Outgoing)/Incoming Resources before other Recognised Gains and Losses						
Other Recognised Gains and Losses						
		-	10,094	-	10,094	9,130
		404	4	30	438	163
	9	(1,184)	9,379	19	8,214	10,876
		19,087	122,572	643	142,302	131,426
		17,903	131,951	662	150,516	142,302

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

The consolidated SOFA includes the distribution of the trading subsidiary profits £1,295,275 (£781,906 - 2014) as Gift Aid to the Charity.

These accounts have been prepared on a Going Concern basis as 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 72 form part of these accounts.

Balance Sheets as at 31 March 2015

	Note	Group		Charity	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Fixed assets					
Tangible Fixed assets	10	124,493	117,458	124,493	117,458
Heritage Assets	12	16,128	14,993	16,128	14,993
Available for Sale Investments	13	5,155	4,822	5,655	5,322
		<u>145,776</u>	<u>137,273</u>	<u>146,276</u>	<u>137,773</u>
Current assets					
Stock	15	315	362	52	72
Debtors: Amounts falling due within one year	16	1,750	1,645	2,614	2,095
Short-Term Deposit	23	4,548	4,684	4,548	4,684
Cash at bank and in hand	23	3,058	4,454	1,607	3,359
		<u>9,671</u>	<u>11,145</u>	<u>8,821</u>	<u>10,210</u>
Current liabilities					
Creditors: Amounts falling due within one year	17	(4,931)	(6,116)	(4,641)	(5,740)
Net current assets					
		<u>4,740</u>	<u>5,029</u>	<u>4,180</u>	<u>4,470</u>
Net Assets					
		<u>150,516</u>	<u>142,302</u>	<u>150,456</u>	<u>142,243</u>
Income Funds					
Restricted funds: 19					
Fair Value Reserve		26	16	26	16
Revaluation Reserve		27,368	17,274	27,368	17,274
Other Restricted Funds		104,557	105,282	104,557	105,282
Total Restricted Funds		<u>131,951</u>	<u>122,572</u>	<u>131,951</u>	<u>122,572</u>
Unrestricted funds: 20					
Fair Value Reserve		1,456	1,055	1,456	1,055
Designated funds		14,200	15,610	14,140	15,551
General funds		2,247	2,422	2,247	2,422
Total Unrestricted Funds		<u>17,903</u>	<u>19,087</u>	<u>17,843</u>	<u>19,028</u>
Capital Funds 21					
Fair Value Reserve		87	62	87	62
Endowment Funds		575	581	575	581
Total Endowment Funds		<u>662</u>	<u>643</u>	<u>662</u>	<u>643</u>
Total Funds					
		<u>150,516</u>	<u>142,302</u>	<u>150,456</u>	<u>142,243</u>

Sir Charles Dunstone, Chairman of the Trustees

Dr Kevin Fewster, Director and Accounting Officer

22 June 2015

The notes on pages 57 to 72 form part of these accounts.

**Consolidated Cash Flow Statement
For the Year Ended 31 March 2015**

Cash Flow Statement	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	23	830	6,813
Returns on investments and servicing of finance			
Interest received		145	155
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	10 & 12	(2,612)	(7,555)
Payments to acquire investments	13	(1,110)	(1)
Proceeds from sale of investments	13	1,215	-
Management of Liquid Resources			
Increase/(Decrease) in short term deposits		136	2,972
Increase/ (Decrease) in cash	23	<u>(1,396)</u>	<u>2,384</u>

The notes on pages 57 to 72 form part of these accounts.

**Notes to the Consolidated Accounts
For the Year Ended 31 March 2015**

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 2011 and in the case of the subsidiary the Companies Act 2006, 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) 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 H.M. Treasury's Reporting Manual, additions to the collections (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 value is reasonably obtainable and reliable. Objects that are donated to the Museum are valued by curators based on their knowledge and market value where available. Heritage assets are not depreciated or revalued as a matter of routine.

In respect of the collections that existed at 31 March 2001, reliable information on cost or valuation is not available and cannot be obtained at a cost commensurate with the benefits to the users of the financial statements. Therefore such assets are not recognised in the balance sheet.

An overview of the collection is given in Note 12.

(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 2012. In the years between full valuations of land and buildings a review based revaluation is undertaken. The next full valuation is due to be undertaken for the year ended 31 March 2017.

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 come into use.

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
Plant & Equipment	4 years
Computers	4 years
Vehicles	4 years

Impairment of fixed assets

An assessment of whether there is objective evidence of impairment is carried out for all fixed assets at the balance sheet date. A fixed asset 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 recoverable value of the asset that can be reliably estimated. Where there is objective evidence that an impairment loss exists, impairment provisions are made to reduce the carrying value to the present estimated recoverable value.

(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. 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 13 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 conditions 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 under Section 505 ICTA 1988 is exempt from income taxation on charitable activities.

2 Voluntary Funds

£16,599,000 (£16,382,000 - 2014) of Grant-in-Aid has been received from the Department for Culture, Media and Sport during the year.

		Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 £'000	2014 £'000
Operating Expenditure		14,092	-	-	14,092	14,446
Capital Grant		2,284	-	-	2,284	1,708
Historic Ships Unit		-	223	-	223	229
Total Grant in Aid	Note 24	16,376	223	-	16,599	16,383
Donations		554	321	-	875	2,416
Donations - Capital Projects		-	664	-	664	983
Donated Objects		-	625	-	625	162
Heritage Lottery Fund	Note 24	-	334	-	334	2,780
Total Voluntary Funds		16,930	2,167	-	19,097	22,725

Donated objects are artefacts given to the Museum with a value of £625,455 (£162,204 - 2014). Objects are valued by curators based on their expert knowledge and market value, i.e. previous auction results for comparable items.

During the year the Museum received donations for Capital Projects with a value of £664,000 (£983,000 - 2014).

3 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. Audited accounts are filed with the Registrar of Companies.

Profit and Loss Account

	2015 £'000	2014 £'000
Trading Income	2,004	2,177
Cost of sales	(923)	(963)
Gross profit	1,081	1,214
Income from other commercial activities	1,429	905
Administrative expenses	(1,219)	(1,340)
Operating profit	1,291	779
Interest receivable and similar income	4	3
Profit on ordinary activities before taxation	1,295	782
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation	1,295	782
Gift Aid donation to the Charity	(1,295)	(782)
Profit retained in the subsidiary	-	-

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

Administrative expenses include charges of £912,000 (£1,095,000 - 2014) from the Museum.

Profits on ordinary activities after taxation of £1,295,275 (£781,906 - 2014) have been distributed as Gift Aid to the Charity.

Balance Sheet

	2015 £'000	2014 £'000
Current Assets	2,184	1,964
Current Liabilities	(1,625)	(1,405)
Total current assets less current liabilities	559	559

Capital and Reserves

	2015 £'000	2014 £'000
Called-up equity share capital	500	500
Profit and loss account	59	59
	559	559

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

	2015	2014
	£'000	£'000
Trading income	2,004	2,177
Income from other commercial activities	1,429	905
Trading income per SOFA	<u>3,433</u>	<u>3,082</u>
Administrative expenses & cost of sales	2,142	2,303
Intercompany transactions	(912)	(1,095)
Trading costs per SOFA	<u>1,230</u>	<u>1,208</u>
Investment income	4	3
Intercompany transactions	-	-
Investment income included within SOFA	<u>4</u>	<u>3</u>

4 Activities for Generating Funds - Other

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

	Unrestricted	Restricted Endowment		2015	2014
	Funds	Funds	Funds		
	£'000	£'000	£'000	£'000	£'000
Admissions	3,123	-	-	3,123	3,254
Compensation	-	-	-	-	21
Donations	-	-	-	-	5
Event Attendance	2	-	-	2	8
Membership	172	-	-	172	183
Publications	40	-	-	40	28
Recharged expenses	1,083	-	-	1,083	1,084
Royalties	-	-	-	-	5
Miscellaneous Other	69	-	-	69	92
	<u>4,489</u>	<u>-</u>	<u>-</u>	<u>4,489</u>	<u>4,680</u>

Income of £1,083,000 (£1,084,000 - 2014) was received from the Cutty Sark Trust for recharge of staff costs for the provision of management services.

5 Investment Income

Investment income is made up as follows:

	Unrestricted	Restricted Endowment		2015	2014
	Funds	Funds	Funds		
	£'000	£'000	£'000	£'000	£'000
Dividends receivable	81	-	6	87	79
Interest receivable - Bank interest	19	-	-	19	18
Interest receivable - Fixed Term Deposits	36	1	2	39	58
	<u>136</u>	<u>1</u>	<u>8</u>	<u>145</u>	<u>155</u>

Investment income received by the Museum's three Trust accounts is allocated to the funds proportionately based on the prior year's closing fund balances.

All investment income received by the Museum and its trading subsidiary, National Maritime Museum Enterprises Limited, is treated as unrestricted.

6 Incoming Resources from Charitable Activities

Incoming Resources from Charitable Activities include the following:	Safeguard & Enhance Assets	Maximise Access	Satisfy Stake- Holders	Total Funds 2015	2014
	£'000	£'000	£'000	£'000	£'000
	Car Parking	-	-	-	-
Conferences	-	-	-	-	13
Compensation	-	-	-	-	50
Filming & Photography	-	-	-	-	35
Licensing	149	-	-	149	16
Open Museum	-	-	187	187	173
Recharges	46	-	432	478	462
Reproductions, Plans & Print Sales	25	-	-	25	185
Research	23	-	-	23	6
Revenue Grant	-	-	-	-	24
Touring Income	-	454	-	454	-
Other	23	-	-	23	113
	266	454	619	1,339	1,097

An amount of £432,000 (£420,000 - 2014) was received from the Cutty Sark Trust for services provided to it during the year. Income received from Car Parking, Conferences, Filming & Photography are shown in Note 4 Activities for Generating Funds: Miscellaneous Other. There was no income received from Compensation during the year.

7 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:

	2015 %	2014 %
Voluntary Expenses	36	37
Activities for Generating Income	22	19
Investment Expenses	1	1
Safeguard and Enhance Assets	28	30
Maximise Access	5	4
Satisfy Stakeholders	4	5
Governance	4	4

Activities	Direct	Support Cost Allocation			Total	Total
	£'000	Directorate £'000	Finance £'000	HR £'000	2015 £'000	2014 £'000
Costs of Generating Funds						
Costs of generating voluntary funds	-	391	251	384	1,026	952
Costs of activities for generating funds	8,055	240	154	236	8,685	8,424
Investment management costs	15	11	7	11	44	42
Costs of Charitable Activities						
Safeguard & enhance assets	15,887	305	196	299	16,687	16,047
Maximise access	2,308	57	37	56	2,458	1,972
Satisfy Stakeholders	1,602	45	29	44	1,720	2,549
Governance	87	44	28	42	201	170
Total Resources Expended	27,954	1,093	702	1,072	30,821	30,156

(a) Staff Costs

	2015 £'000	2014 £'000
Wages and salaries - Permanent Staff	12,242	11,925
Wages and salaries - Agency and Temporary Staff	300	380
Wages and salaries - Consultancy Staff	-	-
Social security costs	1,092	1,037
Pension costs	1,132	1,094
Early retirement and termination costs	558	14
	15,324	14,450

No Consultancy Staff were used during the year, therefore no tax assurances were required.

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

	Staff	Temporary, Contract & Agency	Total 2015	Total 2014
Costs of Generating Funds				
Costs of Generating Voluntary Funds	-	-	-	-
Costs of Activities for Generating Funds	136	1	137	137
Costs of Charitable Activities				
Safeguard & Enhance Assets	287	4	291	298
Maximise Access	21	2	23	21
Satisfy Stakeholders	16	5	21	23
Administration/Support Costs	26	-	26	25
	486	12	498	504

The number of senior employees, including the Director, whose emoluments for the year (including taxable benefits in kind) amounted to £60,000 or over in the year was as follows:

	2015	2014
£60,000 - £65,000	1	-
£65,001 - £70,000	4	2
£70,001 - £75,000	-	1
£75,001 - £80,000	2	-
£80,001 - £85,000	-	1
£90,001 - £95,000	1	2
£95,001 - £100,000	1	1
£100,001 - £105,000	-	1
£105,001 - £110,000	1	-
£130,001 - £135,000	1	1
	11	9

Of the eleven employees with earnings over £60,000 per annum there are three 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 £43,696 (£35,491 - 2013-14) and to the NMM Group Personal Pension Plan was £65,501 (£72,209 - 2013-14).

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 valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

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

For 2014-15, employers' contributions of £149,467 were payable to the PCSPS (£165,495 - 2013-14) at one of four rates in the range 16.7% to 24.3% per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2014-15 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 personal pension scheme into which the employer contributes between 8.5% and 10% of pensionable salary. The employee contributes a minimum of 1.5% or 3% of pensionable salary.

Employers' contributions of £982,762 were paid in 2014-15 (£927,334 - 2013-14) into the Group Personal Pension scheme. This is a defined contribution scheme

Other Personal Pension Scheme

Contributions of £Nil were paid in 2014-15 (£1,283 - 2013-14) 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 33.

b) Trustees

The Trustees neither received nor waived any emoluments during the year (£nil - 2014). Expenses reimbursed (for travel and subsistence) to six Trustees amounted to £1,206 (£331 - three Trustees 2014).

c) Grants Made

The Museum has made in 2014-15 the following grants in relation to Safeguarding and Enhancing the Value of Assets:

		Committed for 2015-16 but not provided in these accounts £000	provided in these accounts £000
The National Trust	i	36	29
Royal Museums Greenwich Foundation	ii	702	-
		<u>738</u>	<u>29</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. Grant to the Royal Museums Greenwich Foundation for use in achieving its charitable objectives.

8 Governance

Governance costs represent the meeting of the Effective Organisation and Sound Financial Management objective and are made up of:	2015 £'000	2014 £'000
External Audit	39	42
Internal Audit	28	28
Apportionment of Support Costs	134	100
	<u>201</u>	<u>170</u>

The external audit fee of £39,000 (£41,500 - 2014) does not include any fees for non-audit work.

The external audit fee is for the audit of the Museum and Trusts only. External audit fees for the audits of NMME of £9,000 have been included within Activities for Generating Funds - Trading Costs.

9 Total Net Movement in Funds

	2015 £'000	2014 £'000
Net movement in funds	<u>8,214</u>	<u>10,876</u>
Net movement in funds includes the following charges:		
Auditors' remuneration - for Museum (within Governance Costs)	39	42
Auditors' remuneration - for NMME and Trusts (within Costs of Generating Funds)	9	9
Lease rental payments on land and buildings	380	363
Lease rental payment - other	11	14
Movement in provision for bad debts	-	5
Loss on Disposal of Assets	16	7
Depreciation	5,145	4,790

10 Tangible Fixed Assets

	Freehold Land and Buildings £'000	Fixtures & Fittings £'000	Plant & Equipment £'000	Computer & Network Equipment £'000	Motor Vehicles £'000	Assets under construction £'000	Total £'000
Cost or valuation:							
At 1 April 2014	107,454	19,997	5,452	3,245	134	585	136,867
Additions	496	710	328	57	-	511	2,102
Disposals	-	(14)	(55)	(40)	-	-	(109)
Transfers Between Asset Class	-	518	67	-	-	(585)	-
Revaluation gain	7,722	-	-	-	-	-	7,722
At 31 March 2015	<u>115,672</u>	<u>21,211</u>	<u>5,792</u>	<u>3,262</u>	<u>134</u>	<u>511</u>	<u>146,582</u>
Accumulated depreciation:							
At 1 April 2014	-	12,687	4,035	2,592	95	-	19,409
Depreciation Charge for the year	2,372	1,610	851	298	14	-	5,145
Disposals	-	(14)	(39)	(40)	-	-	(93)
Revaluation gain	(2,372)	-	-	-	-	-	(2,372)
At 31 March 2015	<u>-</u>	<u>14,283</u>	<u>4,847</u>	<u>2,850</u>	<u>109</u>	<u>-</u>	<u>22,089</u>
Net Book Value at 31 March 2015	<u>115,672</u>	<u>6,928</u>	<u>945</u>	<u>412</u>	<u>25</u>	<u>511</u>	<u>124,493</u>
Net Book Value at 31 March 2014	<u>107,454</u>	<u>7,310</u>	<u>1,417</u>	<u>653</u>	<u>39</u>	<u>585</u>	<u>117,458</u>

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 2015 by external valuers, Gerald Eve LLP, 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. The next full valuation is due to take place for the year ending 31 March 2017.

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 ownership 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 2014-15:

	Cost	Revaluation
	£'000	£'000
Main site - Land and Buildings	82,608	93,894
Royal Observatory - Land and Buildings	14,158	17,996
The Brass Foundry - Land and Buildings	331	860
Kidbrooke Stores - Land and Buildings	1,448	2,922
	98,545	115,672

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.

11 Capital Expenditure Commitments

	2015	2014
	£'000	£'000
Contracted for but not provided in the accounts	2,347	153

The commitments relate to the restoration of the Queen's House in advance of its 400th anniversary and to the creation of four new galleries and new storage and conservation studios.

12 Heritage Assets

This Standard requires that where information on cost or value is available, heritage assets should be reported in the balance sheet separately from other tangible assets. However where this information is not available, and cannot be obtained at a cost which is commensurate with the benefit to users of the financial statements, the assets will not be recognised in the balance sheet.

In the opinion of the Trustees, reliable information on cost or valuation of the collection held at 31 March 2015 is not available for the Museum's collections owing to lack of information on purchase cost, the lack of comparable market value, the diverse nature of the collections and the volume of items held. As the costs of carrying out such a valuation far exceeds the benefits to the users of the accounts, the collections pre March 2001, are not reported in the balance sheet.

The NMM Collections

The Museum has the most important holdings in the world related to the history of Britain at sea, 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 portraits' collection is only exceeded in size by the National Portrait Gallery's and its holdings related 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.

Overall the total collection comprises some 3 million items (this figure includes material not catalogued in Mimsy XG database such as the Library working collection, manuscripts, post 1900 charts and historic photographic prints) sub-divided into 25 collection categories: Archaeology, Applied and Decorative Arts, Coins, Medals and Heraldry, Ethnography, Relics and Antiquities, Tools and Ship Equipment, Cartography, Fine Arts, Science and Technology, Weapons and Ordnance, Photographs and Film, Ship Plans and Technical Records, Boats and Ship Models, Caird Library and archive.

The following provides an approximation of the spread and extent of collections:-

- 100,000 books
- 397,500 items in the Manuscripts Collection
- 90,000 sea charts
- 4,000 oil paintings
- 70,000 prints and drawings
- 1 million Ship Plans
- Up to 1 million Historic Photographs
- 280,000 negatives
- 44,500 3D objects: Including small craft, ship models, coins and medals, decorative art, figureheads, relics, horological instruments, uniforms, weapons etc.

The Museum's collections are used to illustrate for everyone the importance of the sea, ships, time and the stars and their relationship to people, which is interpreted through four major research areas: maritime and decorative art; maritime science and technology, maritime and world history, and the history of maritime Greenwich.

Structure for the Management and Care of the Collections

The NMM has in place a comprehensive framework of policies and procedures for the management and care of its collections assets.

The primary requirements of managing the collections are undertaken by the four departments within the Collections and Curatorial Division: Collections Management; Conservation & Preservation, Library & Archive, and Research.

The day-to-day activities of these departments are shaped by the NMM's statutory responsibilities, strategic priorities and Government initiatives that underpin these.

Collections Management Department; comprising Registration, Documentation & Audit and Storage & Movement.

The department is responsible for managing loans in and out of the Museum and transporting, installing and decanting collections on display and in temporary exhibitions.

The Department underpins the Museum's core remit to look after its collections and provide responsible stewardship, through acquisitions, documentation and audit programmes, management of collections information, management of collections stores and collections security programmes.

The department also provides expertise in support of the Museum's key capital projects.

The Registration section is responsible for managing processes, risk and logistics for loans and the acquisition of collection objects and other cultural artefacts, upholding standards and public accountability and advising on relevant applicable law and the regulatory environment.

The Documentation and Audit section is responsible for the inventory and audit activities across collections, leading on collection disposal, management of the collections databases, provision of documentation advice, guidelines and provision of documentation management and support for key Museum projects.

The Storage and Movement section is responsible for planning, scheduling and managing the movement of collections across sites and to other organisations and for installing exhibitions and displays across the Museum. It is also responsible for managing the Museum's offsite and on-site storage facilities and for the planning and implementation of stores' projects.

Conservation and Preservation Department

The main purpose of the Conservation and Preservation Department is to care for the collections, ensure they are suitable for display and that they can be handled safely. Most of their work is related to reducing the risk of damage to objects, extending their life expectancy whilst ensuring they can be accessed and enjoyed.

Policies governing the management and collections care activities

The NMM maintains a suite of policies which combine to create a Collections Management Manual in order to ensure continuity of practice and standardisation of procedure and policies, and ensure we have a centralised location for all policies and procedures relating to collections management and documentation.

Acquisitions and disposals are made in accordance with the principles detailed in the NMM's Collections Development Policy which can be accessed via the link www.rmg.co.uk/explore/collections/development/development-policy.

The NMM has rigorous acquisition and disposal processes in accordance with the legal and ethical framework required to meet recognised professional standards. Recommendations for acquisition are made by the Collections Development Committee to the Museum Director, and where appropriate, to the Board of Trustees, depending on the financial value, sensitivity or significance of the potential acquisition. Disposals follow the same process with the difference that all are considered by the Board of Trustees and all disposals other than duplicates require consent from the Secretary of State for Culture, Media and Sport.

The NMM undertakes to catalogue Object, Archive and Library collections in accordance with National and International standards. These are outlined in the Museum's Collections Management Manual.

Collections Auditing

The rolling NMM Collections Auditing Programme forms an important part of the Museum's ongoing risk management programme with results informing a range of other management strategies including knowledge management, security and staff training.

Staff undertake a physical inspection of objects against their locations and match these results to those on our Museum databases, and through this monitor the location controls in place within the Museum sites. This process also allows staff to check the basic catalogue information on these objects or add record photographs.

Audits are prioritised according to known risks and business needs.

The NMM also has a suite of policies governing the conservation and preservation of collections including a Conservation Policy, Lighting Policy, Environmental Preservation Policy and an integrated approach to managing insects and pests (IPM).

Collections Care and Storage

Storage Estate:

The NMM has a large and varied collections storage estate which includes a number of offsite facilities.

The operations of the stores are managed by the collections management team in collaboration with Conservation, Curatorial and Estates colleagues and through the quarterly Stores Management meetings.

Overall estates strategy is directed through the Estates and Collections Rationalisation group of Senior Managers.

Prioritised Approach to Collections Care:

The NMM conducts a biannual collections store survey to identify and prioritise areas for improvement. This is coupled with weekly gallery inspections and one collection survey per year in a particular area. The data from these surveys informs strategies for collections care.

In addition to the three survey/inspection programmes outlined above the NMM has an active programme for identifying and monitoring vulnerable objects; many of these contain hazardous materials.

Provision of suitable building conditions:

The Museum's buildings provide adequate protection in terms of their condition and design to ensure the safe keeping of the collection.

The Museum's various buildings and grounds are managed by the in-house Estates Department. The annual planned maintenance programme is informed by the quadrennial condition survey carried out by independent Mechanical & Electrical Engineering (M&E) and Building & Civil Engineering (B&CE) consultants.

A four year maintenance plan is prepared and with this overview the next year's budget is determined. This allows annual flexibility which may be necessary due to changed priorities or a changed financial climate informed by a longer term strategy.

Day-to-day maintenance issues are dealt with on an ongoing basis to ensure the buildings do not fall into disrepair or require more major and costly intervention.

Loans

Loans Out Policy

Although the Museum is only able to display a small proportion of its collections at Greenwich at any one time, it is committed to making it accessible to the widest audience. Every year the NMM contributes high-quality objects to exhibitions and displays in Britain and abroad through its extensive loans programme. The Museum lends material to an increasing variety of borrowers such as museums and galleries, government and public buildings, corporate institutions.

Loan requests are assessed by the Registration Section and by the Loans Committee. The factors that are taken into consideration are timeliness, internal use for requested objects, conflicting loan requests, condition of objects and suitability for travel, availability of resources to prepare the loan and how the loan improves access to the collection.

Financial Information on Acquisition of Heritage Assets since 1 April 2010

Cost or Valuation:	2010	2011	2012	2013	2014	2015
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April	4,172	4,588	4,862	8,927	10,084	14,993
Collection Addition - Purchased	125	31	164	632	4,747	510
Collection Addition - Donated	291	243	3,901	525	162	625
As at 31 March	4,588	4,862	8,927	10,084	14,993	16,128

13 Investments

Quoted Investments

	Group		Charity	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Market value at 1 April 2014	4,822	4,657	4,822	4,657
Additions	1,110	1	1,110	1
Disposal Proceeds	(1,215)	-	(1,215)	-
Loss on Disposal	-	-	-	-
Net Gain/(Loss) on revaluation	438	164	438	164
Market value at 31 March 2015	5,155	4,822	5,155	4,822
Historical cost as at 31 March 2015	3,586	3,690	3,586	3,690
Unquoted Investments:				
Cost as at 31 March 2015	-	-	500	500
Total Investments	5,155	4,822	5,655	5,322

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

14 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 £000	Fixed Financial Assets £000	Assets Earning Equity Return £000	Weighted Average Fixed Int Rate	Weighted Average Period for Which Rate Is Fixed
Year ended 31 March 2015 - Sterling	12,761	3,058	4,548	5,155	0.8%	3 Months
Year ended 31 March 2014 - Sterling	13,960	4,454	4,684	4,822	1.1%	3 Months

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

Reconciliation to the Balance Sheet

	2015 £'000	2014 £'000
Cash	3,058	4,454
Investments (Current Assets)	4,548	4,684
Investments (Fixed Assets)	5,155	4,822
Total	12,761	13,960

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 £765,000 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 £883 (£28,407 - 2014). Of the £765,000 trade debtors, £100,000 (£193,000 - 2014) relates to the service level agreement in place with the Cutty Sark Trust. This is not considered to be of high risk.

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 four months.

15 Stock

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Goods for resale	315	362	52	72

16 Debtors: Amounts falling due within one year

	Group		Charity	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade debtors	765	572	351	319
Amount owed by subsidiary	-	-	1,295	782
Prepayments	329	575	322	566
Taxation (VAT)	118	105	155	105
Accrued income	444	195	399	195
Other debtors	94	198	92	128
Total	1,750	1,645	2,614	2,095
Balances with Central Government Bodies	120	191	156	191
Balances with local authorities	1	2	1	2
Balances with bodies external to government	1,629	1,452	2,457	1,902
Total	1,750	1,645	2,614	2,095

Of the £765,000 trade debtors, £100,000 (£193,000 - 2014) relates to the service level agreement in place with the Cutty Sark Trust.

Accrued income includes £284,000 of income due from restricted grant funding for specific projects undertaken by the Museum in the 2014-15 year.

Other debtors includes £46,000 of unrepresented credit card income (£63,000 - 2014).

17 Creditors: Amounts falling due within one year

	Group		Charity	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade creditors	493	1,100	370	1,082
Other creditors	73	78	64	131
Taxation and social security	271	311	271	272
Accruals	2,969	3,279	2,940	3,278
Deferred income	1,125	1,348	996	977
Total	4,931	6,116	4,641	5,740
Balances with Central Government Bodies	271	311	271	272
Balances with local authorities	-	-	-	-
	271	311	271	272
Balances with bodies external to government	4,660	5,805	4,370	5,468
Total	4,931	6,116	4,641	5,740

The movement on the deferred income account is as follows:

	Group		Charity	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Deferred income at 1 April	1,348	572	977	213
Released in year	(746)	(372)	(375)	(213)
Deferred in	523	1,148	394	977
Deferred income at 31 March	1,125	1,348	996	977

18 Operating Leases

As at 31 March 2015 the Museum had obligations under non-cancellable operating leases which expire as follows:

	Group		Charity	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Buildings				
- Within one year	-	-	-	-
- In the second to fifth year	-	-	-	-
- After five years	380	363	380	363
Total	380	363	380	363
Other				
- Within one year	-	-	-	-
- In the second to fifth year	11	14	11	14
- After five years	-	-	-	-
Total	11	14	11	14

19 Restricted Funds

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

	Balance 1 Apr 2014 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers	Balance 31 Mar 2015 £'000
Land and Buildings Fund	90,180	-	(2,372)	-	496	88,304
Revaluation Reserve	17,274	-	-	10,094	-	27,368
Special Purpose Funds	-	1,830	(1,830)	-	-	-
Collections Capital Fund	14,993	625	-	-	510	16,128
National Historic Ships UK Fund	-	356	(356)	-	-	-
No. 3 Trust Fund - Sackler Caird Fund	47	36	(15)	4	-	72
No. 3 Trust Fund - Anderson Fund	73	1	-	-	-	74
No. 3 Trust Fund - Bosanquet Fund	5	-	-	-	-	5
Total Restricted Funds including Fair Value Reserve	122,572	2,848	(4,573)	10,098	1,006	131,951

The above fund includes a balance of £26,000 for the Fair Value Reserve. This reserve represents the difference between the historical cost of the investments and their market value at 31 March 2015.

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, less depreciation for the year.

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

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 and is the value of capitalised heritage assets.

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

The Caird Trust supports short term research fellows in areas directly related to the Museums collections or in particular related subjects.

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 2015.

Description of main transfers between funds

The Land and Buildings Fund movement provides for a transfer for additions of land and buildings paid for from the General Fund.

The Collections Capital Fund movement provides for the relocation of the purchase of Heritage Assets from the General Fund.

20 Unrestricted Funds

	Balance 1 Apr 2014 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers £'000	Balance 31 Mar 2015 £'000
Tangible Asset Fund	8,663	-	(2,790)	-	1,321	7,194
Designated Capital Caird Fund	-	2,284	-	-	(2,284)	-
Development Fund	1,185	17	(47)	73	-	1,228
No. 3 Trust Fund	6,207	90	(11)	313	-	6,599
Trading Funds	551	7	0	18	-	576
	59	3,437	(2,142)	-	(1,295)	59
Designated Funds	16,665	5,835	(4,990)	404	(2,258)	15,656
General Funds	2,422	19,812	(21,239)	0	1,252	2,247
	19,087	25,647	(26,229)	404	(1,006)	17,903

The above fund includes a balance of £1,456,000 for the Fair Value Reserve. This reserve represents the difference between the historical cost of the investments and their market value at 31 March 2015.

The Tangible Asset Fund represents the value of the fixed assets (excluding land and buildings) plus subsequent additions at cost.

Designated Capital represents funding received from the DCMS for capital expenditure.

The Caird 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.

Trading Funds represent the value of reserves held in the Museums trading subsidiary.

Description of main transfers between funds

The Tangible Assets Fund movement mainly provides for a transfer from Designated Capital reserves for spend on fixed assets during the year.

The Designated Capital fund movement provides for the transfer of the capital Grant in Aid received which has been used for the purchase of tangible assets during the year.

The transfers out of the Trading Funds represents the transfer of the profit as Gift Aid to the Charity.

21 Endowments

	Balance 1 Apr 2014 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Balance 31 Mar 2015 £'000
Permanent endowments:					
The Caird Fund	483	7	(19)	30	501
The Sackler Fund	160	1	-	-	161
	643	8	(19)	30	662

The above fund includes a balance of £87,000 for the Fair Value Reserve. This reserve represents the difference between the historical cost of the investments and their market value at 31 March 2015.

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.

22 Analysis of Group Net Assets between Funds

	Unrestricted Designated Funds £'000	Unrestricted General Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000
Fund balances at 31 March 2015 are represented by:					
Heritage Assets	-	-	16,128	-	16,128
Tangible Fixed assets	8,821	-	115,672	-	124,493
Investments	4,342	-	151	662	5,155
Current assets	7,424	2,247	-	-	9,671
Creditors: Amounts falling due within one year	(4,931)	-	-	-	(4,931)
Group Net Assets	15,656	2,247	131,951	662	150,516

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

Reconciliation of movements in unrealised gains on land and buildings:	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000
Unrealised gains at 1 April 2014	-	17,274	-	17,274
Net gain arising on revaluation	-	10,094	-	10,094
Unrealised gains at 31 March 2015	-	27,368	-	27,368

Reconciliation of movements in unrealised gains on investments:	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000
Unrealised gains at 1 April 2014	1,051	15	65	1,131
Net gain arising on revaluations	404	4	30	438
Unrealised gains at 31 March 2015	1,455	19	95	1,569

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

	2015 £'000	2014 £'000
Net (outgoing)/incoming resources	(2,318)	1,583
Donated Objects	Note 2 (625)	(162)
Depreciation charges	Note 10 5,145	4,790
Investment income	Note 5 (145)	(155)
(Increase)/Decrease in stock	Note 15 47	16
(Increase)/Decrease in debtors	Note 16 (105)	770
(Decrease)/Increase in creditors	Note 17 (1,185)	(36)
Decrease in provisions	-	-
Loss on Disposal of Fixed Assets	Note 9 16	7
Net cash inflow from operating activities	830	6,813

Reconciliation of increase in cash to movement in net funds	2015 £'000	2014 £'000
(Decrease)/Increase in cash in the period	(1,396)	2,383
(Decrease)/Increase in liquid resources in the period	(136)	(2,972)
Change in net funds resulting from cash flows	(1,532)	(589)
Net funds at 1 April 2014	9,138	9,727
Net funds at 31 March 2015	7,606	9,138

Analysis of net funds	NMM £'000	Trusts £'000	Charity £'000	NMME £'000	2015 Group £'000	2014 Group £'000
Held at Commercial Banks	1,330	263	1,593	1,451	3,044	4,422
Held at Government Bank Service	-	-	-	-	-	13
Cash in Hand	14	-	14	-	14	19
	1,344	263	1,607	1,451	3,058	4,454
Liquid resources - Short Term Deposit	776	3,772	4,548	-	4,548	4,684
Net funds	2,120	4,035	6,155	1,451	7,606	9,138

24 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 arm's length with the Department. There were no outstanding balances at the end of the year.

		2015 £'000	2014 £'000
Grant in Aid received		14,315	14,675
Capital Grant in Aid received		2,284	1,708
Total received from DCMS	Note 2	16,599	16,383

b) The Heritage Lottery Fund

The National Maritime Museum received lottery grants from the Heritage Lottery Fund in the year of £334,198 (£2,862,721 - 2014). The HLF shares the same parent Department (DCMS) and is therefore a related party. There was an outstanding balance of £108,500 (£8,517- 2014) at the end of the year.

		2015 £'000	2014 £'000
Capital Grants received from the Heritage Lottery Fund	Note 2	-	2,780

c) The Arts Council England

The National Maritime Museum received grants from the Arts Council England in the year of £46,000 (£nil - 2014). The ACE shares the same parent Department (DCMS) and is therefore a related party. There was an outstanding balance of £22,500 (£nil- 2014) at the end of the year.

d) 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	income received during the year £'000	Value of expenditure during the year £'000	Nature of transaction
Royal Museums Greenwich Foundation	E Boddington, a Trustee of the related party, served as a Trustee during the year	362		rants received & expenditure recharges
Trinity House	C Marlow, a Younger Brother of the related Party, served as a Trustee during the year	64		Grants received
Imperial War Museum	C Lintott, who provided research assistance to the related party, served as a Trustee during the year. K Fewster, a Member of the related party, served as a Director during the year	16		Expenditure recharges - shared rental expense
Society for Nautical Research	K Fewster, a Member of the related party, served as a Director during the year	16		Grants received
Mystic Seaport Museum	K Fewster, a Member of the related party, served as a Director during the year	10		Exhibition fees
Chatham Historic Dockyard Trust	Sir R Crawford, a Trustee of the related party, served as a Trustee during the year	10		Income from image use, Heritage Assets loans out charges
BBC	C Lintott, freelancer for the related party, served as a Trustee during the year.	6		Income from image use
Royal Museums Greenwich Foundation	E Boddington, a Trustee of the related party, served as a Trustee during the year		702	Grants made
Chatham Historic Dockyard Trust	Sir R Crawford, a Trustee of the related party, served as a Trustee during the year		119	Rental at No1 Smithery, Chatham
National Trust	K Fewster, a Member of the related party, served as a Director during the year		36	Grants made
Imperial War Museum	C Lintott, who provided research assistance to the related party, served as a Trustee during the year		8	Research assistance
Museums Association	K Fewster, is a Member of the related party, served as Director during the year		6	Conference and membership costs
Clore Leadership Programme	M Sama, a Fellow of the related party, served as a Director during the year.		4	Staff development & training
Trinity House	C Marlow, a Younger Brother of the related Party, served as a Trustee during the year		4	Conference and membership costs
Baltic Exchange	J Penn, Chief Executive of the related party, served as a Trustee during the year		2	Conference and membership costs
Courtauld Institute of Art	G Crossick, Governing Board Member of the related party, served as a Trustee during the year		1	Income from image use
BBC	C Lintott, freelancer for the related party, served as a Trustee during the year.		1	Miscellaneous small expenses
		484	883	

At the year end there is a creditor balance of £702,000 with the Royal Museums Greenwich Foundation.

There were additional related party transactions conducted with various parties which fall below our materiality threshold (£1,000). These transactions resulted in income of £1,374 and expenditure of £4,813

25 Contingent Liabilities

The Museum had no contingent liabilities at the year end.

26 Post Balance Sheet Events

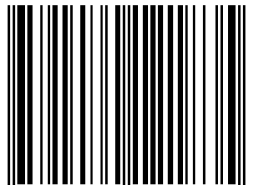
These financial statements were authorised for issue, on the date given on the Audit Certificate, by the Accounting Officer and the Board of Trustees.

There are no other post balance sheet events to report.

27 Control of the Consolidated Entities

The consolidated charity accounts consist of the National Maritime Museum and the three Trust Funds. The consolidated group accounts of the National Maritime Museum also include the results of a trading subsidiary, National Maritime Museum Enterprises Limited. 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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