

National Maritime Museum Annual Report and Accounts 2018-2019

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i MUSEUM BACKGROUND

The National Maritime Museum was founded by Act of Parliament in 1934. It is the largest maritime museum in the world and it now includes the Royal Observatory, the Queen's House, the clipper ship *Cutty Sark*, and the Prince Philip Maritime Collections Centre. The collective brand name for the five sites is Royal Museums Greenwich. The sites are open 362 days a year and in 2018–19 we welcomed some 2.654 million visits from Britain and around the world and 5.689 million to www.rmg.co.uk.

By the 1934 Act the Board of Trustees of the National Maritime Museum is a statutory corporation and an exempt charity. For management purposes the Museum is classed as an Executive Non-Departmental Public Body. In 2018–19 the Museum had an annual income of some £32.1m (including donated gifts of £107k and capital grants of £1.2m) and a staff of 513 full-time equivalents, under the Board of Trustees, the Director, and an Executive.

The Museum's total revenue income in 2018–19 of £28.7m constituted £14.9m from its self-engendered trading activity, donations and sponsorship; and £13.8m of funding from the taxpayer via Grant-in-Aid through the Department for Digital, Culture Media and Sport. Entry to the national maritime collection is free. Admission charges are made for special exhibitions, the Peter Harrison Planetarium, the Greenwich Meridian Line, and *Cutty Sark*.

History and Collection

The National Maritime 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.

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 major *Time and Space* capital project at the Royal 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 provided a new Museum main entrance from the Royal Park, state-of-the-art facilities for our 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. At that time the Museum had the responsibility for the operational management of the ship under a Service Level Agreement with the then owner of the ship, the Cutty Sark Trust. At the end of July 2015 the ship was generously donated as a gift by the Trustees of the Cutty Sark Trust in to the national maritime collection held by the Museum.

The Museum's Endeavour project, started in 2014 and named to commemorate the 250th anniversary in 2018 of Captain Cook's voyage in HM Bark Endeavour, has provided new

open- plan staff accommodation which has in turn freed up space to allow the creation of four new galleries totalling 1,000m² to display an additional 1,100 collection items and radically improve and simplify visitor circulation around the Museum. The four new galleries were opened to the public on 19 September 2018 by Sir David Attenborough, OM.

The strategically significant element of the Endeavour project is the Prince Philip Maritime Collections Centre ('PPMCC'), completed in September 2017, which has consolidated and upgraded the collections storage and conservation functions on the Museum's Kidbrooke site near the main campus in Greenwich. It is a great step forward in the Museum's ability to store, preserve, conserve and make accessible the national collection.

The Museum's collection comprises more than 1.5 million items. There are some 40 thousand three dimensional objects – which include ship models, scientific and navigational instruments, and instruments for time-keeping and astronomy. There are some 70 thousand oil paintings and prints and drawings and some 1.4 million manuscripts, rare books, ships plans, sea charts and historic photographic negatives. Its British portraits collection is exceeded in size only by that of the National Portrait Gallery and its holdings relating to Nelson and Cook, among many other individuals, are unrivalled. The Museum has the world's largest maritime archive and maritime historical reference library including books dating back to the 15th century. An active loans programme ensures that items from the collection are seen in the UK and overseas. Through its displays, exhibitions and learning programmes the Museum also explores our current relationship with the sea, and its future as an environmental force and resource.

By virtue of its sites and subjects, Royal Museums Greenwich enjoys a unique conjunction of subjects (History, Science, Arts) and works with its audiences at home and overseas to provide a greater understanding of Britain's role in world history and its consequences in the world today.

ii MISSION, OBJECTIVE AND AIMS

The Museum's Mission is:

to enrich people's understanding of the sea, the exploration of space, and Britain's role in world history.

The Museum's Objective is:

to discover more about humanity and the possibilities of human endeavour by showing how we strive to explore our world and our universe.

The Museum's Aims are to:

1. Put audiences at the heart of everything we do
Listen to and learn from all our audiences so that we make our collections, our subjects and our visitors' experience relevant and engaging.
2. Value our heritage
Care for and develop our unique collection and world historic sites.
3. Extend our reputation and reach
Maximise our impact on all audiences and stakeholders.
4. Strengthen our organisation
Develop our culture and people, build our financial sustainability, and manage risks.

1. CHAIRMAN'S FOREWORD

The Board of Trustees noted with pleasure the 70th anniversary of His Royal Highness The Duke of Edinburgh's appointment on 19 June 1948 as a Trustee of the National Maritime Museum, and now as the Museum's Patron. I am pleased to record the gratitude of all of us involved with the Museum for Prince Philip's immense and constant support and encouragement of the Museum's endeavours as custodian of the UK's great maritime heritage.

On 19 September 2018, Sir David Attenborough, an Honorary Commodore of the National Maritime Museum, did us the honour of opening our four new permanent galleries and remarked to the audience, 'You're in for a treat. The new galleries are absolutely fabulous.' The new galleries present over 1,100 hitherto unseen collection objects; increase our permanent display space by 40%; create new visitor routes and museum narratives which, together with improvements to other public spaces across the Museum, vastly improve the experience for the 2.65 million people visiting us annually.

These galleries form the culmination of our hugely successful Endeavour project which has occupied us all for the past four years of the Corporate Plan. The Endeavour project was the creation of Kevin Fewster who has directed Royal Museums Greenwich since 2007 but who is now standing down.

The Trustees and I wish to record our gratitude to the Director by recording here some of the major achievements over the period. These include the creation of the Sammy Ofer Wing, with its bespoke Caird Library and Archive, and the programme of critically acclaimed exhibitions that the Wing has facilitated; our involvement in the London 2012 Olympics; Her Majesty The Queen's consent to use the name Royal Museums Greenwich; and the integration of *Cutty Sark* into the institution. We have upgraded the Peter Harrison Planetarium, developed the Royal Observatory as a centre for public education and brought astronomical research observation back to the Royal Observatory in the Altazimuth Building.

The magnificent conservation work undertaken in the Queen's House to mark the building's 400th anniversary in 2016, creating our state-of-the-art Prince Philip Maritime Collections Centre at Kidbrooke and transforming the National Maritime Museum visitor experience by creating a suite of four magnificent new permanent galleries with their new ways of engaging with audiences are accomplishments we share together.

We have also enhanced our pre-eminent collections through acquisitions such as Yinka Shonibare's 'Nelson's Ship in a Bottle', George Stubbs' Kongouro and Dingo paintings, the Armada portrait of Elizabeth I and the impressive scholarship they have triggered.

Our commercial activities have flourished and, equally importantly, we have built a strong and committed Members and Patrons programme.

As we work towards the appointment of a new Director, the Trustees and I are pleased to record that all this is the work of our many staff, volunteers and supporters. I should also like to thank in particular the Trustees, who are all volunteers, for the great expertise and commitment they bring to the Museum. This year, Dr Fiona Butcher, Dr Helen Czerski, Professor Julian Dowdeswell and Alastair Marsh were appointed to the Board by the Prime Minister. The Trustees were also pleased to approve the new Corporate Plan for 2019 -23, see Future Priorities below, entitled *Building on our Success*.

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

20 June 2019

2. DIRECTOR'S STATEMENT

I am very pleased to report that Royal Museums Greenwich retained its place in the 2018 Association of Leading Visitor Attractions table as the UK's 10th most visited attraction and the highest visited attraction outside central London. We achieved our second highest ever visitation figures in the year 2018-19, welcoming 2.65 million visitors (4% above last year) to our four public sites. This was particularly boosted by the number of visits to our four new galleries which drew a high number to Greenwich over the latter half of the year.

In addition to this, the Peter Harrison Planetarium again topped 200,000 visitors and the Caird Library and Archive welcomed over 6,000 onsite users for the first time ever. This figure is especially pleasing as it surpasses the target figure we set in our 2008 Heritage Lottery Fund bid to relocate the Library and Archive facility into the new Sammy Ofer Wing.

Our online performance was equally strong. Total website visits were a record 5.689 million (28% up on last year). Our Lunar Eclipse webpage reached the No.1 spot on Google for UK lunar eclipse searches and drew a record 357,899 views. Our social media followers increased by 31,037 (120% above our growth target) to 188,917, and RMG Facebook followers now exceed 80,000 for the first time. Our video series following Mat Collishaw's Elizabeth I mask was viewed 1,237,208 times on Facebook and the online films relating to our 4 new galleries were viewed 686,000 times.

The highlight of our acquisitions this year was the donation of the Colville archive collection, an important and comprehensive collection of papers from a prominent dynasty of navy and army officers which has until now not been seen by the research community. The papers cover the naval and military careers of no less than 11 members of the Colville family over a period of 300 years, and address almost every major naval campaign from the War of Jenkins's Ear in the 1730s, through the Seven Years War, the French Revolutionary and Napoleonic Wars, a series of 19th-century naval engagements and both world wars.

Much of my final year at Royal Museums Greenwich has been focussed on our extraordinary struggle to bring the RMS *Titanic* collection into the national collection for the benefit of the public. Following the bankruptcy of the commercial owner in the USA, we led a team consisting of the Titanic Foundation Ltd, Titanic Belfast Ltd, the National Museums and Galleries of Northern Ireland and a specialist team of US lawyers, for whose pro bono work we are immensely grateful, as we are for the support of our Minister at the Department for Digital, Culture, Media and Sport. Though we tried enormously hard to achieve the best outcome for the collection and Britain's maritime heritage, ultimately we did not succeed. Despite the result, the Trustees and I did exactly the right thing in trying to bring this collection intact into public ownership in the UK for posterity.

The Endeavour Project is now completed. The total project (PPMCC, new galleries, Park Row Wing accommodation, ROG enhancements) cost £27.0m of which £25.4m was raised from external sources and philanthropists (see section 9 below). It is thus very pleasing to report that the project was funded with no net drawdown from the Museum's Development Fund.

It has been a privilege to lead this great museum over the past twelve years and to work with such a talented and dedicated staff, volunteers, Trustees and supporters. Thank you.

Dr Kevin Fewster, A.M., Director

20 June 2019

3. REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The following section is a brief review of the activities and achievements of 2018-19 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

Engage and inspire people through our collections, subjects and the visitor experience.

Endeavour Galleries

- Four new galleries Pacific Encounters, Tudor and Stuart Seafarers, Polar Worlds and Sea Things opened to great acclaim on 20 September.
- To celebrate the opening of the new galleries, and to thank the communities who worked with us over the past 4 years, an opening programme of activities took place that month.

NMM Enrichment

- Delivery of the main welcome hubs at Parkside and Romney Road entrances, including introductory films and a new information and ticket desk for the Sammy Ofer Wing, new interpretation on global trade, upgraded lighting and redecoration was timed with the opening of our four new galleries. Priority signage was also installed to coincide with the opening, with the majority of the new way-finding system now in place. New interpretation lecterns in the Square and on the Upper Deck were installed in December 2018.

Queen's House

- Mat Collishaw display, which is part of the larger Armada activity plan attracted excellent press and public acclaim and remained on display until 17 March.
- Co-curation project with Woburn Abbey, taking advantage of its closure for refurbishment, will result in the loan of artworks from the Duke of Bedford's collections integrated into the annual rehang in January 2020.

Royal Observatory

- Exhibition fit out of the Altazimuth Pavilion completed and opened to the public on 31 January.

Prince Philip Maritime Collections Centre

- Collections Learning Producer appointed.
- Initial phase of public programme and learning framework has been developed with roll out of tours starting April 2019 and schools pilot season from September 2019.
- First school outreach session delivered for Kent House Priory School, an Ofsted-registered low secure school. The nature of the facilities at PPMCC allows for the required level of support to students.
- Recruitment and training of third cohort of conservation volunteers – to deliver across both conservation and PPMCC engagement roles.
- Consultation with local schools and community groups has been established and programmes in development.
- There is a continuing programme of energy efficiency savings since opening – currently seeing a drop by a third in energy costs initially.
- The first phase of PPMCC interpretation and way-finding completed.

Library and Archives

- Library held its annual Open Day on Saturday, 28 July and the event attracted 408 visitors. Amongst items on display were charts and atlases, sketches by the artist Rosa Brett, items from the collection of a naval officer, John Boteler, relating to the east coast of Africa in the early nineteenth century and a selection of images and photographs relating to Punch and Judy shows. Volunteers working on the Navy Board Project spoke to visitors about their work and there were items from the handling collection available for younger visitors.
- Community Research Project linked to the new galleries and HLF Endeavour Activity Plan has continued with library staff supporting local people and communities to research hidden histories. New groups, including an Islamic History group, have been given introductory sessions to the library, archive and the collections.
- First World War at Sea: Conflict, Culture and Commemoration, 8-10 November 2018. This major international conference was the culmination of the Museum's programmes to mark the centenary of the First World War. There were a wide range of speakers from all over the world. The conference was convened in partnership with the University of Portsmouth, University of Kent and King's College London, and was assisted by the United States Naval War College and the Gateways to the First World War AHRC Engagement Centre.
- 2018 UK Maritime Heritage Forum was hosted for the first time by RMG in October to mark its 10th anniversary and the opening of the new galleries. Over 100 delegates from maritime museums, organisations and historic vessels around the country attended; there were 30 speakers including the keynote address by Fred Kenney from the International Maritime Organization.
- One new and interesting acquisition was a kite made from a map in Calais by refugees in 2016, as part of Art Fund New Collecting Award project.
- Loan of the world record breaking Burgess Regulator which confirmed John Harrison's design and ideas for a regulator that would lose no more than 1 second in 100 days has been extended. The regulator will now remain in the Time and Longitude gallery and will continue to be monitored and adjusted as part of the ongoing research project.
- AHRC formally approved our Collaborative Doctoral Partnership studentship nomination with University of East Anglia looking at the historic role of missionary societies in shaping children's understandings of Britain's place in the world. We will be recruiting a student to undertake the research.
- Laura Boon, Lloyds Public Curator: Contemporary Maritime, attended the 1st World Congress of Maritime Heritage in Singapore with the Director, and presented during a panel session at the conference. This was an opportunity to present ideas for contemporary maritime advocacy to international maritime industry stakeholders (such as shipping companies) and maritime heritage organisations.
- Sally Archer, Research and Heritage Partnerships Manager, attended the International Congress of Maritime Museums Executive Council meeting in San Francisco in March, in her capacity as Hon. Secretary-General of ICMM. The meeting included the planning for the forthcoming ICMM congresses in Stockholm/Åland Islands in September 2019 and North America in 2021. RMG was the co-founder of the ICMM network in the 1970s and has been a key supporter ever since; benefits to the Museum include international networking and information exchange, particularly at senior levels.
- The IHR Maritime History and Culture Seminars continued with two lectures during the period - *Mental Health at Sea, 1740-1820* by Catherine Beck and *A Fair Wind: The Past and Future of Sail Technology* by Ian Buxton, Frank Scott and Andrea Grech.

Learning and Interpretation (NMM, QH & CS)

- Learning and Interpretation Department, alongside Exhibitions and Design, have hosted 31 different visits and tours in the new Endeavour galleries for cultural and heritage organisations wanting to know about the innovative process. Organisations included V&A, National Trust, British Library and Royal Collection. We also hosted a study day for the 2018 Museums ID Conference 'Collections and Communities' with an international attendance. The day was attended by 110 participants.
- In celebration of Black History Month 2018 we held a Youth Takeover evening event at in the Atlantic Worlds gallery, a collaboration with forum students from Goldsmiths University attended by 200 people.
- During March/April the Participation team facilitated a series of after-hours experiences at the Museum providing an atmospheric tailored experience from award-winning theatre makers SPECIFIQ. Funded by a grant from the Wellcome Trust and created in collaboration with Professor Mark Harrison from Oxford University, the evenings explored the unsettling history of maritime quarantine as audiences moved through galleries after-dark to feel the tension rise as the quarantine zone closed in around them; with thrilling accounts of plagues and pestilence, they learned about the controversial measures taken to control them and tested their own morals with a real-world quarantine scenario.
- On 16 March the team hosted the world premiere performances of Melting, Shifting, Liquid World on the iconic Great Map. This was new immersive musical piece written by composer Hollie Harding for Trinity Laban String Ensemble and electric viola soloist Nic Pendlebury. Written especially to be performed in situ, this was a 30-minute live performance exploring the themes of climate change and ocean pollution. This event was performed as part of the Parallax Series which showcases new research work by Trinity Laban students and staff.
- Between October 2018 and January 2019, the team has been working on the 'All Over Dressed' project at *Cutty Sark*. During periods of celebration, ships are frequently 'dressed overall' by stringing international maritime signal flags from a ship's masthead to masthead and then down to the taff-rail as a form of decoration. To celebrate *Cutty Sark's* 150th Anniversary, five local school and community groups worked with artists to create a set of original flags to dress the Ship which will be on display during the anniversary year.
- Cutty Sark Toddler Takeover Day - the team partnered with Meridian Primary School in Greenwich for the annual Kids in Museums Takeover Day on 21 November (29 Year 6 pupils). The event was attended by both the Mayor and Deputy Mayor of Greenwich.
- In June we welcomed 90 local young people aged 16-19 to take part in a 1-day enterprise challenge as part of National Citizenship Service's Challenge Programme. Young attendees created their own marketing and outreach campaign to attract other young people to the Museum. This event was a great success and engaged with many young people who had never visited the Museum before.
- As part of the HLF-funded Endeavour project, we have recruited a Youth Engagement Intern who will work for a 6-month period to support the design and delivery of the youth programme.
- In the Autumn term we launched 4 new school sessions as part of the opening of the new galleries – We are explorers (EYFS/KS1); Titanic: frozen in time (KS1/2); Explorer Day (KS2); and Living Learning Working (Post-16 SEND). We have also updated existing

school sessions to incorporate the new galleries including the Armada Study Day (KS3) and Archive Adventures: Polar Explorers (KS2).

Formal Science Learning – Schools Programme

- Through onsite school sessions and teacher training along with offsite outreach activities and CPD via our online FutureLearn teaching mooc, the schools programme has increased its reach. The team have released three new animated educational videos to add to the suite of learning resources which collectively have been viewed 40,000 times in the past year.

Peter Harrison Planetarium

- New planetarium show *Ted's Space Adventure* started in April and has been a great hit with families. Developed in-house by our planetarium astronomers with the support of the digital exhibitions team, the show will roll out to schools in October.
- Planetarium team redeveloped our existing live show repertoire for a new software platform in time for the Easter holidays.
- Planetarium refit completed on schedule. Upgrades to the projectors have greatly improved visual appearance and audio quality of existing shows, while the newly-integrated blu-ray and additional cinema projector systems has received very positive reactions at our Silver Screen movie nights.
- Our first Presenter Network conference was held at the ROG in September. Attended by a range of stakeholders, the presenter network now has multiple national hubs and a sprinkling of international hubs.

Informal Science Learning – Public Programme

- The team continued its outstanding pilot work on developing our community programmes, including Morning Stars, for families with children affected by Autism, and Astronomy and Islam, for the Muslim community, with strands for both adults and families. For one of these mornings, the team collaborated with the New Crescent Society to host an Imam CPD day. Over 100 community leaders from across the UK learned more about the Moon, gained access to data about key timings such as the best time to sight a new crescent Moon and the science behind this. This lays the foundation for sharing this programme with other UK science centres to engage with their local Muslim communities. Additional sessions provide training for Imams and community leaders. This pilot has been so successful that a permanent strand of regular weekend community programming for a wider range of audiences will commence in April. This will make use of the Planetarium before the main public programme begins at 11am, enabling us to drive community engagement, increase family learner numbers, promote socio-economic access and engage more diverse audiences.
- On 14 April the Royal Observatory launched 'Annie Maunder Day' on her birthday in celebration of her life and work. This combined a blog piece by Louise Devoy, a new image of the Sun taken with the Annie Maunder Astrographic Telescope (AMAT), a Facebook Live stream on the day and a press release on these items plus recognition of the new Altazimuth Pavilion permanent gallery on the ground floor.

Exhibitions and Design

- *Great British Seaside* exhibition closed on 30 September.
- Following a productive visit to Chinese partners made by Director, Kevin Fewster and Director, Collections and Public Engagement, Gail Symington in March we will progress the Maritime Silk Road exhibition for the Special Exhibitions Gallery in 2021. A three-party

exhibition agreement will now be progressed between RMG, National Conservation Centre for Underwater Cultural Heritage and Guangdong Museum.

- Work progresses for *The Moon* exhibition opening July 2019
- RMG is in negotiation with the Australian National Maritime Museum to take their James Cameron: *Challenging the Deep* exhibition as a tour venue in 2020.
- *Death in the Ice* is nearing the end of its run at Mystic Seaport Museum and will transfer to Anchorage Museum, Alaska where it will open on 7 June.
- *Astronomy Photographer of the Year* closed at Cooper Museum, April 2019, opened at Liverpool World Museum on 3 May 2019 and will be at the Vero Museum of Art, Florida in June 2019.

Visitor Experience

- Excellent results achieved for our visitor experience with all scores improved for our annual Visit England VAQAS assessment: NMM up from 84% to 92% (Gold level); Queen's House up from 79% to 88%; ROG from 76% to 80%; and *Cutty Sark* up from 84% to 86%.
- In September ROG was selected as one of the top ten places in the 'Science and Discovery' category of Historic England's 100 Irreplaceable Places.
- *Cutty Sark*'s VSA team developed a paid 30-minute tour of the Ship, which can be booked by Travel Trade. There will also be one free daily tour of the Ship when staffing allows.
- Queen's House guided tour will become part of the National Trust offer in 2019 and is featured in the latest handbook.
- *Cutty Sark* audio guide went live in Spring 2019. The English language tour launched first, with another ten languages (including Easy English) going live in early June. This will be a step-change for the visitor experience on board and will allow RMG to attract significant numbers of additional overseas groups. The guide will be included in the Ship's entry price.
- Contactless donation boxes are now in use at the NMM entrances.

AIM 2: VALUE OUR HERITAGE

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

***Cutty Sark* Ship Maintenance**

- Works have been carried out to the stern and bow gingerbread and on the cat faces.

Collections Information

- We are developing a new Custom Search facility in order to make searching for objects and Collections information more intuitive and efficient.
- Collections team have audited 7,089 items since October 2018

Conservation

- We ran an event with the Institute of Conservation's Dynamic Objects Network in the Royal Observatory in July focussing on the conservation of the iconic Time Ball.
- Management of the *Cutty Sark* shipkeeping team, daily maintenance and long-term preservation has been incorporated into the department. The merger provides increased opportunities for skills and knowledge sharing and the continued professional development of both teams.
- We have recruited a new cohort of conservation volunteers; we had a good number of applicants and recruited 22 new volunteers to join the team. In total we have 40 volunteers now registered. Training of the new group of volunteers is currently underway at PPMCC.

- 20 of our conservation volunteers are now taking part in the newly launched NVQ Level 3 in object cleaning and housing.
- Tresco figurehead collection has been condition surveyed and the largest of the figureheads on display on the island have been re-mounted.
- Replacement of the Monkey Fo'c's'le deck on-board the *Cutty Sark* is now complete and the shipkeepers are re-fitting the furniture removed to facilitate the work.

Curatorial

- Symposium to discuss and develop the new Research Strategy focussing on proposed research themes for the 19th and 20th centuries was held in May 2018. Discussions about a new collaborative doctoral partnership have continued with potential partners including the National Portrait Gallery, Historic Royal Palaces, British Film Institute and National Trust. Once there is agreement a submission to the AHRC is due in September.
- Conferences held during the period were *Elizabeth I: The Armada and Beyond, 1588 to 2018*, RIN/RMG *History of Navigation Conference - Navigation, Heroism and History, The Tudors Restored: the creation and conservation of 16th-century British Art* and the *Museums and Galleries History Group Conference: Museums, Collections and Conflict, 1500-2010*
- RMG hosted the annual award of the Anderson Medal by the Society for Nautical Research in April. This year the medal was awarded to Dr Innes McCartney for his book *Jutland 1916: the Archaeology of a Battlefield*.
- Queen's House Lecture Series continued with four lectures on the theme of *Cultivating Taste: The Art of the English Garden, Greenwich and Beyond*
- Caird Fellows currently in residence at the Museum covering the following research: Experiment and Innovation in the 17th Century Navy; Naval Victualling during the Seven Years War; Colonial Cooks in the Merchant Navy; Matthew Flinders in Australis 1795-1803; John Webber's Images of the Pacific 1776-84; Chinese Tea, and Colonial India and the Canton Tea Trade.
- There are also four curatorial and research interns working on the following projects; Richard Parker and the Nore Mutiny, Naval Men in Devonshire: Economic, Social and Political influences on Coastal Communities, Scientific instruments used in Polar Exploration from 19th to early 20th centuries

Estates & Facilities Management

- Draft Landscape Master Plan is complete.
- Altazimuth Pavilion refurbishment was finished to a high standard and to the full satisfaction of Historic England.
- Refurbishment of Meridian Building gallery is complete. Works included replacement of the wooden floor, full internal redecoration and addressing of a number of issues of damp.
- New mast lighting installed on *Cutty Sark* resulted in savings in power requirements and maintenance costs as well as delivering well received aesthetic improvements.
- Kidbrooke Phase II – feasibility stage Strategic Business case preliminary background work has been undertaken. Partnership storage options are under exploration. Temporary storage with Government Art Collection is agreed.

AIM 3: EXTEND OUR REPUTATION

Maximise our impact on all audiences and stakeholders

Marketing & Web

- The 'Explore Greenwich and...' campaign helped drive the highest May attendance for Queen's House and the highest income for ROG in May since 2009 as well as the highest attendance for the Observatory since 2012.
- Large-scale campaign to engage tourists visiting London is live, with placements across outdoor (Underground and DLR), digital advertising, print and social media. Aligning with our visitor profile, US, French, German and Chinese tourists are the focus for this activity, with content developed in multiple languages specific for each audience.
- Our most visited webpage to date <https://www.rmg.co.uk/discover/explore/lunar-eclipse>. Organic search delivered over 110,000 page views in July. 85,000 page views took place 'on the day' of the eclipse – our most visited page ever in a single day. Of the people who visited the Lunar Eclipse webpage: 88% were from the UK, 73% were from locations outside of London, 83% were 'new' to RMG – raising awareness of our offer among a new national audience.
- Compared to our peers in July: RMG achieved more audience interactions than the British Museum (who have 1,400,000 more Facebook followers); interaction and growth rates higher than all the other national museums combined along with more video views (+2,265% above UK museum average for the month).
- On-site visitor research was carried out throughout the period to inform an updated segmentation model. This will refine and refresh our current segments to give an accurate picture of our audiences today and shape future activity.
- In September we rolled out the campaign for the new galleries targeting Culture Adults (current museum attenders) and Local/Diverse audiences (not currently engaged). The campaign helped drive over 260k visitors to NMM from Oct-Dec – a 9% uplift y/y. There was a 9% uplift in domestic visitors from C2DE backgrounds and a 12% uplift in local attendance.
- In October the opening of Insight Investment Astronomy Photographer of the Year was supported with a large-scale campaign. Activity ran across multiple-platforms showcasing the range of awe-inspiring photography.
- Work on our new audience segmentation model continues. Polling both domestic and international visitors, over 1,000 onsite interviews have been conducted along with 2,500 online interviews. An initial architecture of six new segments has been agreed, with a view to rolling this out organisation-wide in Q1/2 2019/20.
- Total website visits were 5,688,978 – a 28% increase on the previous year and a milestone in surpassing 5m annual visits.
- We grew our social reach by 31,037 new followers, 120% of our target. We now have 188,917 followers across our core channels.
- Our database of email subscribers is now 69k+, surpassing our target of 65,000. Plans to develop our e-CRM activity through the use of the Dynamics platform and a more targeted, automated approach are in progress.
- We have confirmed our participation in a new domestic campaign led by London and Partners through a consortium of partners in Greenwich. This activity is expected to start with a family campaign in summer 2019 aimed at encouraging Londoners and domestic visitors to rediscover London. This activity is in response to the drop in domestic visits

to London over the past two years. We are also continuing our long-haul campaign with Visit Greenwich/ Visit London in 2019.

Media coverage

- BBC Arts Cook250 three-part series, 'Oceans Apart' aired on BBC Four in September to coincide with the opening of the new galleries. Items from our collection featured in each episode.
- During January, we developed and ran a lunar eclipse campaign to promote the ROG and astronomy team's expert profile (and directing readers to the RMG Facebook Live event). Media coverage gained was approximately 170 pieces across broadcast, print and online media with a circulation of over 77.5 million and an Advertising Value Equivalent (AVE) of over £1M.
- Press team worked on a number of astronomy news stories with the astronomy team, which reached local, national and international audiences, with frequent appearances on TV and radio including: Channel 5 News, ITV News, Channel 4 News, BBC World Service, Sky News, BBC Russian Service, AP, BBC Two's Heir Hunters and BBC regional radio.
- Curatorial team featured on a number of TV and radio channels and programmes including: BBC Radio 4's Making History, PBS (Ancient Skies), Discovery Channel Science (Cooper's Treasure), BBC One (Royal Recipes), Channel 5 (Mysteries of the Bermuda Triangle), ITV News, Channel 5 News, BBC South East News, BBC Radio Scotland, LBC, BBC Radio 5 Live and BBC Regional radio.
- Press and PR teams started planning for *Cutty Sark* 150. In January, 'Cutty Sark: 150 years of war and speed' (Channel 5) and 'Impossible Engineering' (UK TV's Yesterday) were broadcast. We also recorded three radio features for BBC Radio 3, Free Thinking, BBC Radio London's Robert Elms Show and BBC Radio 4's Front Row, and a report for BBC London TV.

Recognition through Awards

- Best of Royal Greenwich Business Awards: we were shortlisted in the Culture and Creative category
- Time Out Love London Awards – Best landmark in Greenwich/Woolwich – runner-up: *Cutty Sark*
- Kids in Museums Awards - shortlisted
- London Volunteers in Museums Awards, Special Award for Supporting, managing and Encouraging Volunteers won by Helen Robertson
- London in Bloom Award – Silver Gilt
- Aim Awards Accreditation – Conservation Volunteers qualification
- Chinese Tourist Welcome Award
- London Venue Awards, Best Wedding Venue – Silver for the Queen's House
- Known Consignor reaccreditation
- British Sign Awards Wayfinding Scheme of the Year - shortlisted
- Investors in people reaccreditation
- Tickets Remarkable Venue Awards: we won Best Family Attraction: *Cutty Sark*
- Museum + Heritage Awards: we were shortlisted in 4 categories: Permanent Exhibition (New galleries); Innovation (Space Lives); Marketing Campaign (New Galleries); Shop under £500k (IIAPY Shop)
- Group Travel Awards – Best Attraction for Group Visits, London: *Cutty Sark* has been nominated
- National Painting & Decorating Awards: Bagnalls and Park Row Wing has been nominated

- Brand and Licensing Lifestyle Awards – Best Brand Licensed Adult Apparel Product or Range category for the ROG-Oasis collaboration
- Transform Awards – Best wayfinding and Signage: we won Gold – with CCD Design and Ergonomics Ltd
- Global Social Media Award ('The Shorties') – Cultural Institution category for Facebook Lives
- Archives Accreditation from The National Archives

AIM 4: STRENGTHEN OUR ORGANISATION

Develop our staff, build our financial sustainability, and manage risks.

Admissions

- This was a record year for admissions with £7.3m income, up £1.2m versus the previous year – an increase of 20% largely achieved as a result of a price change at the Royal Observatory.
- After a slow start to the year due to poor weather, the final quarter of the year was very strong mainly due to exceptionally good weather in February and the early part of March. We ended the year with 2.654m visitors, which is the highest number since 2013-14, and up 4% versus last year.
- Royal Observatory north site exceeded £4.27m in admissions income – a growth of over £1m or 31% on last year.

Retail

- 2018-19 was a record year for retail with £2.9m income, up 9% versus last year. Every site had record years with the highest growth achieved at the Royal Observatory north site (Meridian shop), which was up 16% as the result of the refurbishment and expanding into the 'Three Arches' plus more high spending Chinese visitors.
- Several new ranges performed particularly well in 2018 including the introduction of the very successful London & Greenwich range.
- New shop in the Photography Gallery had a conversion rate of 29% showing we are deriving incremental spend from the shop and not just from people visiting the exhibition.
- We launched a new pirate range with an updated skull and crossbones motif for February half term. From launch to end of financial year this range delivered just over £6k via NMM and online, +£1.8k or +42% versus the previous year.

Publishing

- Publications in association with RMG included *Tudor & Stuart Seafarers* edited by James Davey; *South: The Race to the Pole*, edited by Pieter van der Merwe with Jeremy Michell, both published by Bloomsbury; *Navy Board Ship Models* by Simon Stephens and Nick Ball; *British Warship Recognition Volumes VII & VIII* with an introduction by Andrew Choong, both published by Seaforth; *Pacific Exploration*, by Nigel Rigby, Pieter van der Merwe and Glyn Williams, published by Bloomsbury; *Moongazing*, by Tom Keress, published by Collins; *Guide to the Night Sky 2019*, by Storm Dunlop and Wil Tirion, published; *Insight Investment Astronomy Photographer of the Year Collection 7*, both published by Collins; *A New Naval History*, by Quintin Colville and James Davey, published by Manchester University Press; and *National Maritime Museum souvenir guide*, published by NMM.

- Brand licensing deal signed with Oasis fashions for a Christmas night sky collection of 15 items of clothing and accessories. The collection, inspired by the ROG and our astronomy imagery, was sold in Oasis high street stores and online as well as in our RMG shops.

Sales & Events

- Record level of events income was achieved this year. The team worked hard to secure some last minute bookings with a lot of interest in filming and top brands with photoshoots by Burberry and Goat Fashion and a product launch by Levi's.
- In August we held a celebrity wedding in a marquee on our grounds for Paralympian, Ade Adepitan with great press coverage featured in a double page spread in Hello magazine.
- Travel Trade team secured bookings (thanks to early opening for the *Cutty Sark*) for 30 cruise ships including Viking, Kuoni, Excursions, Intercruises and European Cruise Services.
- We saw a drop in travel trade of 16% with more visitors booking directly with us, but a growth of trade income of 14% as a result of better trade commission levels and higher trade rates.
- Our trade clients including: City Cruises, Get Your Guide, Evan Evans, Golden Tours, Tiqets, Viator, Visit Greenwich and Visit Britain were all ahead in ticket sales January – March compared to the same period last year.

Development

- We successfully completed Endeavour Project fundraising and in September Sir David Attenborough kindly opened the four new galleries with over 800 guests in attendance.
- Members' and Patrons' Appeal was so successful it paid for the refurbishment of the Altazimuth Building as well as the purchase of five new state of the art telescopes to replace the one that had been in the building previously. This turned the Royal Observatory into a working observatory again for the first time in 40 years. The opening in June was attended by many of the donors.
- 2018 saw the renewal of the Insight Investment sponsorship for a further five years in support of the Astronomy Photographer of the Year competition and exhibition. Now in its 10th year, the exhibition of the winning photographs moved to a larger space in the NMM as ROG could no longer accommodate. It also saw the final instalment of HSBC's partnership after 8 years of significant support, particularly for the *Cutty Sark* for which we are very grateful. To support the *Great British Seaside* exhibition Wall's enjoyed a very successful partnership helped in part by the extremely hot summer. Our visitors benefitted from the retro ice cream vans in our grounds all summer.
- Corporate Membership programme grew this year despite a harsh climate by making it more bespoke and we now have 10 members actively using their membership. These include Euronav, HASSRA, Howe Robinson, Hutchison Ports, ING, Liberty Speciality Markets, Lloyd's, Lloyd's Register Foundation, Saga and Worshipful Company of Shipwrights.
- After a significant change in the Patrons scheme last year which was both updated and increased in price for the first time in 10 years, several members decided to move on. The refreshed and re-energised scheme bounced back this year as we increased income by 30% and built a momentum for significant growth in the future. The Patrons had a very successful trip to Lisbon with a range of tailored visits which was ably put together by our partner, Art Tours.
- Membership scheme grew by nearly 20% for the fifth year in a row. It has become extremely popular with local families who have the opportunity to return and make use

of all the changing activity on all our sites. We finished the year with nearly 32,000 members and 8,727 memberships.

Human Resources & Volunteers

- September 2018 saw the second anniversary of Staff Forum which celebrated the successes of implementing communication champions.
- Our new HR & Payroll Information System project successfully launched in March 2019 and has been very well received. Briefing sessions took place at all sites accommodating all those who requested them.
- Training & Development and Wellbeing - Sensitive Histories training is taking place for staff working in connection with Endeavour galleries, including the Events team.
- Activities organised for Mental Health Awareness Week in May 2018. Managers' briefing session particularly well attended with a desire for more briefings and a roll out to all staff.
- Mindfulness sessions introduced to support employee wellbeing and promote good mental health in the workplace.
- We have recruited large numbers of volunteers to support learning activities within the Endeavour galleries.
- Funding has been agreed by the Marsh Christian Trust for an award to recognise volunteers at our annual event.

Finance, IT & Special Projects

- Finalised 4-year corporate plan and detailed budget for 2019-20 in conjunction with all activity centre managers.
- RMG awarded Cyber Essentials security accreditation, as mandated by DCMS.
- Conducted a number of network and application security audits as well as undertaking remedial action resulting.
- The more technically challenging interactive failures in galleries have been addressed to extend their life by 2-3 years.
- Ongoing programme to review security infrastructure (with particular reference to Windows Active Directory).
- Started roll out of Windows 10 and Office 365.
- Developed Project Proposal form to be used for capturing new project proposals.
- Final Defects inspection PPMCC and subsequent programme of works to rectify minor issues completed by September 2018. PPMCC landscaping also completed.
- Preparatory work on Kidbrooke Phase II feasibility. Discussions with DCMS & potential shared storage solution partners. Preparation and submission of Kidbrooke phase II proposal to DCMS for Spending Review.
- Preliminary scoping work has commenced for ROG350 project.

AIM 4 is an enabling objective that relates to the full range of Museum activities, and as such no income or expenditure is directly attributed to it.

RMG Management Agreement Performance Indicators at Year end 2018-19

Management Agreement Performance Indicator	2017-18	2018-19
Number of visits to the Museum	2,560,150	2,654,092
Total amount of charitable giving ¹	£5,711,000	£2,360,668
Ratio of charitable giving to grant-in-aid	34%	13.90%
Number of unique website visits	4,442,213	5,688,978
Visits by children under 16	569,085	608,730
Number of overseas visits ²	1,598,580	1,858,094
Number of facilitated and self-directed visits to the Museum by visitors under 18 in formal education	166,654	160,536
Number of instances of visitors under 18 participating in on site organised activities ³	93,704	104,716
% of visitors who would recommend a visit	94%	94%
Admissions income (net of VAT)	£6,083,593	£7,318,081
Trading income (net profit)	£1,538,257	£1,738,909
Number of UK loan venues	89	82
Number of objects conserved	1,532	1,657
No. of peer-reviewed publications	15	14
Number of research projects undertaken/ongoing	9	12
% area of stores and galleries that are sustainably BS5454 compliant	63% summer 58% winter	65% summer 60% winter

¹ as per DCMS guidance: Definition is any money or gift received from an individual, charity or private company in one of the following forms: bequests, legacies, donations and capital grants from individuals, charities, foundations, trusts and private companies; income raised through sponsorship and income from membership schemes. It does not include any money received from a publicly funded organisation, central government grants, investment income or lottery grant funding. In 2018-19 Heritage Lottery Fund support (not included in the above charitable giving figure) amounted to Nil.

² The increase in overseas visits reflects local trends and an increase in accuracy of data.

Efficiency tables

Key Data	2014-15	2015-16	2016-17	2017-18	2018-19
Total Grant-in-Aid (GiA) ¹	£16.6m	£15.3m	£15.8m	£15.8m	£15.7m
All other incoming resources	£12.0m	£13.5m	£106.3m	£17.4m	£16.2m
FTE employees	498	476	500	504	513
Visits	2.343m	2.403m	2.441m	2.560m	2.654m
Website visits	4.451m	4.362m	4.303m	4.442m	5.689m

Efficiency Ratios

	2014-15	2015-16	2016-17	2017-18	2018-19
Total Users ^{3.}	6.802m	6.770m	6.748m	7.005m	8.345m
Total Users per FTE	13,659	14,193	13,496	13,899	16,267
Total GiA £ per User	£2.44	£2.26	£2.34	£2.26	£1.88
Revenue GiA £ per User	£2.10	£2.00	£2.01	£1.97	£1.63
Total GiA £ per Visit	£7.08	£6.37	£6.47	£6.17	£5.90
Revenue GiA £ per Visit	£6.11	£5.65	£5.56	£5.39	£5.12

^{1.} the Grant-in-Aid figures exclude the designated funds for National Historic Ships (UK) (£215k in 2018-19)

^{2.} of which heritage assets comprise £0.1m

^{3.} comprises visits, website visits, and collections enquiries

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 (FReM) are required to produce a sustainability report. This is the fourth 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 practically 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.

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. That said, the introduction of new air conditioning during the refurbishment of The Queen's House in 2016, the construction of the Prince Philip Maritime Collections Centre (PPMCC) in 2017 and the opening of four new galleries in the National Maritime Museum in 2018 have significantly increased the Museum's energy use and carbon footprint but now build is complete the Museum will focus on driving down energy usage and decreasing its carbon footprint once again.

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. The Museum took account of DCMS's action plan for sustainability in the development of its own. The Policy was reviewed, updated and linked to the Corporate Plan and other related policies from December 2015. The Museum's next corporate plan 2020-24, recently agreed, features strategies and objectives on sustainability.

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 achieved Energy Accreditation from the Carbon Trust in 2008 and reaccreditation in 2011. This was a voluntary scheme and has been replaced by a mandatory Energy Savings Opportunity Scheme (ESOS) which the Museum entered into in early 2016. The Museum's Display Energy Certificates (DECs) had good ratings for the sector but under ESOS have been recalculated and for the most part downgraded.

The Museum 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 resulting in a bronze award achieved in November 2015.

In the new Endeavour galleries which opened in September 2018 we specified that all fit out materials must be from sustainable sources and that lighting must be LED. As regards base build, the design sought to reduce energy use as far as reasonably practicable despite introducing air conditioning. This is achieved via new roof insulation, new thermal wall linings, window blocking on the second floor galleries and through efficient choices of air handling units, chillers and plant as well as the installation of a controls system to enable better systems management. Despite these considerable new services, the Museum is linking with current M&E provision and re-using core service routes, ensuring that the new galleries are integrated with the rest of the Museum's estate as well as being more sustainable financially and practically.

At Kidbrooke, grant funding was awarded to implement a landscaping scheme, improve the biodiversity of the site landscape and to provide car and cycle parking and DDA compliant access to the new PPMCC. The scheme comprises extensive soft landscaping which adds interest and colour to the site and provides green screening from the A2 road as well as providing pleasant surroundings for local residents, visitors, volunteers and staff. There is an adjacent newt reserve so the Museum maintained a newt run to this habitat and introduced newt mitigation measures as required in planning. Special provision of a habitat for the Great Crested Newt, an endangered species in particular, is included in this scheme. Hard landscaping includes a BREEAM 'excellent' rating with a covered cycle park, tarmacked car park and access road providing level access to the loading bay, and paved pathways for visitor access to the new site. The scheme was implemented in autumn 2017 in time for the opening. Also as part of the BREEAM rating we have a water attenuation tank, photovoltaic cells on the roof feeding into the electricity grid, ultraviolet blinds on the windows, exceptional air tightness of the building, usage of the same office furniture as the Museum to achieve an economy of scale and easy replacement as well as identical IT, fire and security systems for the same reason. We reused much of the conservation and photography equipment and furniture from Feathers Place.

In June 2017 the Museum hosted an event for Chargemaster PLC, the UK's leading provider of electric vehicle charging points. The company kindly installed a charge point at the Museum free of charge as a legacy item to the value of £40k.

A new product and staff offer for all RMG employees and volunteers was introduced in March 2018. The Retail team worked with Ecoffee Cup to produce a branded eco-friendly reusable cup made from natural, sustainable bamboo fibres, meaning there is no plastic aftertaste, and it is also fully biodegradable and dishwasher safe. Our on-site caterers are supporting this initiative by offering any tea or coffee at reduced prices to any member of staff that brings along any reusable take-away cup to our cafés. Since then 11,500+ single-use cups have been saved from landfill by staff using reusable cups.

The Estates & Facilities Department, together with site and events management and the shipkeepers of the *Cutty Sark* replaced the mast lighting this year which is more energy efficient saving up to a fifth compared to the previous installation at a much better quality and which is more easily and cost effectively maintained doing away with the requirement to involve riggers. The new installation went live in April after lengthy preparatory work. The team have also replaced lighting in the dry berth and on deck to save some 23,000W per annum.

The team also changed out light fittings in the Baltic Glass display to save a further 1,600W per annum. New boilers at the Brass Foundry will save £1,800 per annum and the balancing of the air-handling units at PPMCC will save some £5,000 annually.

Summary of Future Strategy

The previous opening of the Ship Model store in Chatham and the Sammy Ofer Wing in Greenwich greatly increased the Museum's footprint to which was added the clipper ship *Cutty Sark*. The Endeavour Project impacted on three of the Museum's outstations, the Royal Observatory and the Park Row and East Wings of the Museum. This again allows a new benchmark to be established and a revitalised approach to the reduction of waste, use of water and finite resources, and with a continued improvement on energy efficiency. This 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. The new brand roll-out is being staged for reasons of sustainability. Overall the Sustainable Development Group will continue, having been refreshed together with the new Staff Forum, to enable staff to contribute ideas and have a voice in future decisions.

Greenhouse Gas (GHG) Emissions

Between 1999 and 2009 the Museum reduced its carbon footprint from 3,842 tonnes CO₂ to 3,072 tonnes CO₂. Since the opening of the new Sammy Ofer Wing our carbon footprint increased to 3,422 tonnes CO₂. In recent years the Museum Estate's carbon footprint decreased assisted by abnormally mild winters but more recently has increased significantly due to the addition of the *Cutty Sark* footprint, extensive building works across the site and the new PPMCC which will be slightly balanced against the departure from two stores offsite. As these works complete a new benchmark (4,659 tonnes CO₂ in 2018-19) will be established and reduction targeted accordingly.

Area		2018-19 Performance	
		Actual	Target
Greenhouse Gas emissions (Scopes 1, 2 and 3 Business Travel excluding international air travel)		4,659 tonnes of CO ₂ equivalent	<3,500 tonnes of CO ₂ equivalent
Estate Energy	Consumption	10.3 million kWh	<9.5 million kWh
	Expenditure	£938,000	£675,000
Estate Waste	Consumption	238 tonnes	<220 tonnes
	Expenditure	£46,000	£43,000
Estate Water	Consumption	44,442 m ³	<18,000m ³
	Expenditure	£42,300	£58,900

Note: Scope 3 Business Travel includes domestic flights only. Figures for other forms of travel are unavailable.

The disparity between targets and actuals in this one particular year is that the targets were deliberately left at steady state because we were unable to calculate the actual impact of the significant increase in our carbon footprint caused by the full year of operation of new plant in the refurbished Queen's House, the construction and commissioning of the Prince Philip Maritime Collections Centre and the four new galleries which all take a while to settle down. In addition, there were two particular extremes of weather this year which thus far have not been replicated this year. New targets have been set based on these new actuals which the Museum is fairly confident should be met next financial year.

The consumption of waste water was higher than average due to the leak on the water supply feeding the Royal Observatory Greenwich.

Waste

The Museum's policy as far as possible is to minimise the amount of waste to landfill and to maximise the recycling of waste. In addition, we aim to compost as much of our bio-degradable waste as we can. 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 12 tonnes annually 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. This has increased during the Endeavour Project temporarily. No hazardous waste comprising asbestos removal was necessary this year (2 tonnes at cost of £2,400 in 2017-18). All strip-out work in these projects is monitored to ensure that the majority can be recycled. All redundant furniture has been recycled.

Use of Resources

The key area where a difference can be made is in energy efficiency where the Museum has accreditation and a self-imposed target to reduce energy consumption by 5% annually. It is worth noting that we have been working towards greater energy efficiency since 1995.

A report on the use and cost of Utilities is compiled annually for consideration by the Estates team, the Executive and Trustees.

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 utilises controlled presence detection ensuring they are 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 the Park Row Wing improvements recently completed. Programmes of energy efficiency are in place including the progressive upgrading of lighting systems.

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. This year the shower and toilet facilities in the Park Row Wing have been modernised. Use of the car park is managed and discouraged amongst staff. 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.

In July 2017 the Museum was awarded the Green Flag accreditation for our well managed estate and green spaces at the first attempt. In September 2017 the Museum together with its contractor Ground Control Ltd received the British Association of Landscape Industries (BALI) award for Grounds Maintenance in the Free Public Access category.

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. 2016-17 saw a reduction in grey water usage due to the building works to 9,423 m³ per annum (down from 11,000 m³ in 2015-16) and usage now is just under 10,000 m³ in 2018-19. 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 landscape around the Sammy Ofer Wing is designed to minimise 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.

Sustainable Procurement including Food

The Museum aims to procure and manage its current assets in the most efficient way possible. The Museum has introduced network printing for example which reduces the number of printers per member of staff and also reduces paper usage whilst 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.

Sustainable Construction

The Sammy Ofer Wing which opened in July 2011 was constructed to BREEAM (BRE Environmental Assessment Method) standards where 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 300mm in diameter and 80 metres deep, one being the hot well, the other the cold well. Further work on optimisation of ATES took place last year and completed early this year.

The fact that the Special Exhibitions Gallery is underground reduces fluctuations in temperature which is more energy efficient and 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 heat not just the new wing but the whole main site. The controls are connected to the existing BEMS.

The architects for the Kidbrooke store element of the Endeavour Project were specifically selected in part on their demonstrable sustainable development experience and credentials and an 'excellent' BREEAM rating has been achieved. Contributing towards this rating are an attenuation tank for water, UV blinds on the windows to reduce 90% transmission, 'level 2' airtightness of the building, the thermal performance of the building lessens M&E environmental conditioning costs and the re-use of much of the conservation and photography equipment and fixtures. The completion of this building and the removal from

the estate of two less energy efficient buildings will have a very positive impact overall in time.

Where possible materials have been recycled, for example surplus York stone 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 Greenwich 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 SOW project was re-used on site in the East Wing Boardroom, or re-used in the Royal Armouries in Leeds and a new museum in Oxford. Any remaining was recycled via specialist heritage joiners.

People

The existence and activities of the Museum touches the lives of many people worldwide of all backgrounds and ages, through visitors to site who enjoy the displays and varied public programmes to a great number of users interacting with the Museum 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. The latest ideas include the use of tablets for Trustee and Executive meetings rather than paper, provision of codes for Trustees, staff and volunteers to greatly reduce paper usage for complimentary tickets and official notification of corporate changes by email rather than letter where possible. Vacancy Filler, an electronic recruitment system has been installed in HR, vastly reducing paperwork and consumption and in March 2019 iTrent a new HR and Payroll system was introduced which features electronic rather than paper payslips and an element of self-service to be introduced progressively. As part of World Oceans Day, the Museum encouraged staff to exchange single-use plastic bottles in favour of reusable ones added to the previous installation of water dispensers we have also secured funding for a water fountain in the grounds.

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 new Corporate Plan includes a strategy 'build on our environmental sustainability strategy to ensure it is a part of everything that we do', an activity 'strengthen our approach to sustainability trying to attain above our existing standards' and a milestone 'align our sustainability approach to the health of the Oceans'. An action plan was drawn up in 2009-10 and has been reviewed and updated by the Sustainable Development Group, most latterly in November 2015 and due for review again under this Corporate Plan. 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 & Facilities Management Department for review by the Executive and if appropriate Trustee Boards.

Data is collected via information held by the Estates & Facilities Management and Finance & IT Departments principally 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

After a positive and helpful period of public and stakeholder consultation, Trustees approved the new 2019-23 Corporate Plan named *Building on our success* at the Board meeting of 28 February 2019.

This Corporate Plan for the four years ahead to 2023 will see the Trustees and Executive focus on our two internationally important sites: *Cutty Sark*, whose 150th anniversary is celebrated in 2019, and the Royal Observatory whose 350th anniversary will be in 2025.

The third vitally important element in this Plan is the drive to increase our self-generated income through the concerted efforts of everyone across the Museum to grow existing revenue streams, foster entrepreneurial ideas and the implementation of new income streams. We have made great strides in these areas over recent years, but likely economic and financial pressures in the period ahead require us to redouble our efforts. We need to build on our previous success to ensure a sustainable and resilient future – indeed our progress with fundraising and income generation will materially influence the extent to which we can deliver our planned objectives.

1. **Cutty Sark Vision: By 2023 Cutty Sark will be the UK's most visited historic ship offering an award-winning visitor experience.**

Put audiences at the heart of everything we do: *Cutty Sark* will offer an outstanding visitor experience, which will bring to life the stories of the ship and its crew, and will give visitors of all ages and nationalities the opportunity step back in time to experience 'living history' and the daring and adventure of life on board.

Value our heritage: This iconic London landmark will continue to be preserved for future generations through planned, regular ship-keeping maintenance; and that future large-scale maintenance will receive long-term planning and budgeting.

Extend our reputation and reach: *Cutty Sark* will be one of the most recognised ships in the world and considered a 'must do' visitor attraction for UK families, UK cultural adults, international and domestic tourists.

Strengthen our Organisation: We will ensure that the ship is financially sustainable, able to meet its annual operational costs, and that its reserves are built up to cover its long-term maintenance costs.

2. **The Royal Observatory 350**

2025 marks the 350th anniversary of the foundation of the Royal Observatory at Greenwich.

Vision: Our goal is to inspire visitors of all ages and from all backgrounds with the compelling stories of navigation, exploration, space and time – the where and when of our lives and the universe itself.

Put audiences at the heart of everything we do: Our unique ability to cover historical and contemporary astronomy simultaneously; the foundation of the Observatory as part of the quest for longitude and its global role in the golden age of navigation, exploration and the birth of modern astronomy; the adoption of the Prime Meridian and Greenwich Mean Time; and the stories of the people who worked and continue to work here will be told with clarity and integrity. Its world-class experience will delight all those who visit and inspire the next generation of astronomers and physical scientists.

Value our heritage: The historic site and buildings will be refurbished over phases to deliver: a purposeful, clear, welcoming orientation and introduction to the site; improve the Prime Meridian Line experience, with bolder clearer interpretation in the Meridian Courtyard; improved learning spaces; better galleries; more coherent circulation and themes within and between the north and south sites. All this will enable us to preserve the history of this unique scientific institution but also explore fundamental questions: 'What now are the big unknowns?' By combining the historic and the modern, the Observatory illuminates the importance of science and shows how the world of time and space continues to stretch the human imagination.

Extend our reputation and reach: By 2025 the Royal Observatory will be recognised throughout the world as one of the most accessible authorities on time and space and the first port of call for expertise in our themes from our audiences, the media and stakeholders.

Strengthen our Organisation: We will grow audiences to reach 1 million visits per annum and ensure the highest possible visitor satisfaction ratings while maximising our opportunities to grow our income to provide for the resilience of Royal Museums Greenwich. We will improve the overall commercial offer of cafes, shops, retail, and pay-per-view experiences without compromising the integrity of the site and our offer to the public.

3. Resilience and growth

Our current Grant in Aid settlement runs to March 2020 and has been flat in cash terms since April 2016. At the same time, we have aspirations to improve and upgrade the estate, as well as develop our offer for the changing needs and desires of our visitors. In the current year, approximately 45% of our total revenue income is from our own efforts, and our aim will be to grow this to over 50% self-generated during the course of this Corporate Plan. However, this needs to be with the understanding that there is an associated risk of unpredictable income sensitivities whereas the steady state of Grant-in-Aid income is a known quantity.

Efficiencies, economies, digital working and shared services are all ways of achieving resilience but we need to do more than this to operate at current levels – let alone to realise our ambitions.

In consequence we need to find ways of working smarter while simultaneously moving the entire Museum to embrace significant increases in income from commercial and philanthropic sources and the internal cultural implications of doing so.

That is why this plan is initiating an ambitious programme of growth in our self-engendered income. It is the responsibility of all of us to work together to achieve these financial targets in order for us to grow and build on our success.

Forthcoming Exhibitions

Our major exhibition for 2019–20 marks the fiftieth anniversary of Neil Armstrong's "one small step" – the moment when the Moon ceased to be a distant, unattainable light in the sky and instead became a place, where humans had walked and left their footprints. Half a century on from this historic achievement Royal Museums Greenwich is staging a major exhibition (17 July 2019 to 5 January 2020) that aims to place the Apollo lunar landings into the broader context of humanity's age-old obsession with our closest cosmic neighbour, the Moon.

The exhibition will show how scientific study and exploration have always been intertwined with artistic, religious and political interpretations of the Moon; and take stock of current and future plans to return there.

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 and pension arrangements. We successfully introduced pension auto-enrolment on our staging date on 1 November 2013 and completed our re-enrolment exercise three years following implementation on 1 November 2016.

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 Health and Safety assessments. There is a Staff Welfare Officer, employee assistance programmes (with the addition from last year of online cognitive behavioural therapy) 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, walking days 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. Sheltered placement, work experience, industrial placements, internships, apprenticeships and around 400 volunteering opportunities are promoted throughout the year. There are also charitable and health society benefits plus the provision of employment and job security to 600 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, 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% of the Museum's employees are Black, Asian and Minority Ethnicity (BAME) (14% in 2017-18). The Museum operates the Employment Service's Disability Confidence scheme. In 2018-19, 6% of staff employed by the Museum considered themselves to have a disability (5% in 2017-18).

The percentage of female staff is 59% (57% in 2017-18) and the percentage of female Executive Board members is 50% (33% in 2017-18). The Museum reported its Gender Pay Gap (GPG) by the due deadline. The mean GPG is +0.84% (+2.25 in 2017) and the median GPG is -2.23 (-0.49% in 2017). 75% of staff have declared a religious belief (83% in 2017-18) and 7% of staff are self-declared lesbian, gay, bisexual or transgender (LGBT) (9% in 2017-18).

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 6% are aged over 65 (6% in 2017-18). At the sector level, the Director of Human Resources 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 recognised when the Museum achieved the Investor in People standard in November 2001, receiving regular re-accreditation since, the last being in November 2015. Unfortunately, overall budgeting constraints have resulted in the reduction of the training and development budget from 2014-15 to 2017-18. However, it is still maintained at around 1% of the total paybill and thus far all needs identified via appraisal and training needs analyses have been met.

Based on outturns to 31 March 2019, in 2018-19 the average number of days lost per

employee through short term sick absence was 5.09 days (5.91 in 2017–18) whilst the average number of days lost per employee through long term (over 28 days) sick absence was 3.96 days (4.45 in 2017–18). The average number of days lost per employee through total sickness (long and short term combined) was 8.84 days (10.35 in 2017–18).

The Central Arbitration Committee declared the trade unions Prospect and PCS recognised for the purposes of collective bargaining in December 2006 following an application by those unions and a subsequent ballot. The Unions and the Museum 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.

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.

In 2017-18 the staff recognition scheme was revamped and a long service recognition scheme was introduced.

Volunteers

The Museum has an active volunteer programme run by 0.5 FTE employed staff (1 FTE in 2017-18) with support from the wider HR team and volunteers themselves. The increase in numbers of volunteers and in volunteer hours has been remarkable since these appointments. Record numbers of volunteers peaked at more than 500 during the year 2013-14 due in large part to an e-volunteer crew list project and decreased thereafter at project's end, these peaks and troughs continuing with each project. During 2018-19 the Museum benefitted from an average number of 302 volunteers (329 at year's end in 2018); in all, volunteers gave 33,334 hours in 2018–19 (38,530 hours in 2017–18) at a value estimated in the region of more than £333,340 (a decrease of £51,660 from 2018–19). The Museum became an accredited centre with AIM in 2018 in order to offer our conservation volunteers the opportunity to complete a Level Three Diploma in Cultural Heritage – Conservation Pathway. During 2018-19 The Marsh Christian Trust kindly agreed to support our volunteer awards, the first to be awarded will be in 2019.

Organisational 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 organisation.

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 and also to brief volunteers on current issues and future plans as well as serve 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 for noticeboards.

Intranet – available to all staff it details policies, management meetings and organisational 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 the Communications Department having agreed its 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. Front of House staff have their own specific newsletter in addition.

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

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

New Starters' Coffee - new staff meet monthly with the Executive before one of their meetings.

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 2015 and an action plan agreed. The Investors in People reaccreditation in 2018 included a questionnaire and action plan.

Staff Forum – formed as a consequence of the 2015 staff engagement survey this comprises a cross-section of representatives at varying levels drawn from all departments and is designed to facilitate communication Museum-wide. Representatives of the Forum meet regularly with the Executive and Senior Management Team and have presented to Trustees.

Trade Unions – Since December 2013 the Trade Union Prospect has been recognised 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 organisation is expected to exercise all reasonable care for their own health and safety and that of others who may be affected by their acts or omissions.

The overall responsibility for the health, safety and welfare of the organisation and employees is vested in the Board of Trustees and Executive Board of Directors. The Executive Board 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 & Safety function is managed by a NEBOSH-qualified Departmental Head and an experienced NEBOSH-qualified Health & Safety Advisor. The Director of Operations & HR also holds a relevant qualification and chairs the Health & 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.

**The Trade Union (Facility Time Publication Requirements) Regulations 2017
Regulation 8: Information to be published**

Table 1 Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
8 (8 in 2017-18)	7.4 (7.37 in 2017-18)

Table 2 Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

<i>Percentage of time</i>	<i>Number of employees</i>
0%	7 (4 in 2017-18)
1-50%	1 (4 in 2017-18)
51%-99%	0 (0 in 2017-18)
100%	0 (0 in 2017-18)

Table 3 Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

<i>First Column</i>	<i>Figures</i>
Provide the total cost of facility time	£1,295 (£1,230 in 2017-18)
Provide the total pay bill	£15,553,521 (£14,858,939 in 2017-18)
Provide the percentage of the total pay bill	0.01% (0.01% in 2017-18)

Table 4 Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours</i>	0% (0% in 2017-18) (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100
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7. REMUNERATION AND STAFF 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 Executives 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:

Joyce Bridges, CBE
Admiral Sir Mark Stanhope, GCB, OBE, DL
Gerald Russell

Ex officio Officer: Dr Kevin Fewster, AM, FRSA (Director)
Secretary: Charlotte Cowan, (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, Royal Museums Greenwich 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 Digital, Culture, Media and Sport

(DCMS). Increasingly, Public Sector Pay policy insists that pay awards should be performance driven, whilst urging pay restraint.

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. 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 directors within the Civil Service Pension Scheme. Pension contributions on behalf of the directors, other than 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	2018-19 all figures £'000				2017-18 all figures £'000			
	Salary	Performance payment	Pension benefits (to nearest £1k)*	Total	Salary	Performance payment	Pension benefits (to nearest £1k)*	Total
Dr Kevin Fewster, Director & Accounting Officer	135-140	25-30	-	160-165	130-135	25-30	-	160-165
Andy Bodle, Director Operations and Human Resources	80-85	20-25	14	115-120	75-80	15-20	13	110-115
Mike Sarna, Director, Collections and Public Engagement (until 2 October 2018)	40-45 75-80 FTE	5-10	-	70-75	75-80	15-20	-	95-100
Anupam Ganguli, Director, Finance & IT (until 6 July 2018)	25-30 95-100 FTE	0-5	-	50-55	90-95	20-25	-	115-120
Kate Seeckts, Director, Development	75-80	20-25	-	100-105	75-80	15-20	-	95-100
Eleanor Harris, Director, Enterprises & Visitor Experience	80-85	20-25	-	100-105	75-80	15-20	-	95-100
Chris Walker, Director, Finance & IT (from 16 July 2018)	65-70 95-100 FTE	15-20	-	80-85	-	-	-	-
Gail Symington, Director, Collections and Public Engagement (from 1 October 2018)	55-60 65-70 FTE	5-10	-	65-70	-	-	-	-

* 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.

For 2018-19 total payments to Key Management Personnel amounted to £777,926 (£726,028 in 2017-18) including bonuses and other payments.

2018-19	2017-18
Mid-Point of Band of Highest Paid Director's Total Remuneration (£'000) 162.5	Mid-Point of Band of Highest Paid Director's Total Remuneration (£'000) 162.5
Median Total Remuneration 19	Median Total Remuneration 18
Remuneration Ratio 1:8.4	Remuneration Ratio 1:8.9

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

The mid-point of the band of remuneration of the highest-paid director in the National Maritime Museum in the financial year 2018–19 was £162,500 (2017–18, £162,500). This was 8.4 times (2017–18, 8.9 times) the median remuneration of the workforce, which was £19,300 (2017–18, £18,360).

In 2018–19, nil (2017–18, nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £0 to £164,000 (2017–18, £0 to £161,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, 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 Scheme full details of which are given in note 8 to the accounts.

All directors are members of the group personal pension scheme other than Andy Bodle who is a member of the Civil Service Pension Scheme.

	Accrued pension at pension age as at 31/3/19	Real increase in pension and related lump sum at pension age	CETV at 31/3/19	CETV at 31/3/18	Real increase in CETV funded by employer	Employer contribution to group personal pension
	£'000	£'000	£'000	£'000	£'000	Nearest £1,000
Dr Kevin Fewster	-	-	-	-	-	14
Andy Bodle	40-45 plus lump sum of 120-125	0-2.5 plus a lump sum of 2.5-5	974	878	14	-
Mike Sarna	-	-	-	-	-	4
Anupam Ganguli	-	-	-	-	-	3
Kate Seeckts	-	-	-	-	-	8
Eleanor Harris	-	-	-	-	-	8
Chris Walker	-	-	-	-	-	6
Gail Symington	-	-	-	-	-	6

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised 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

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages for 2018/19	Total number of exit packages for 2017/18
0 - 24,999	1	1	2	1
25,000 - 49,999	-	-	-	-
50,000 - 99,999	-	-	-	-
Total	1	1	2	1
Total resource cost (£)	1,019	2,164	3,183	4,790

There were nil departures under the terms of the Civil Service Compensation Scheme in 2018-19. 2 members of staff received a statutory redundancy payment which were below £5,000.

Sir Charles Dunstone, CVO
Chairman of the Board of Trustees

Kevin Fewster
Director and Accounting Officer
20 June 2019

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
Park Row
Greenwich
London SE10 9NF

Website: www.rmg.co.uk

The Board of Trustees of the National Maritime Museum

During 2018–19 the Board of Trustees comprised:

Sir Charles Dunstone, CVO, Chairman

Eleanor Boddington (to 7 April 2018)

Dr Fiona Butcher (from 3 September 2018)

Joyce Bridges, CBE

Dr Helen Czerski (from 3 September 2018)

Professor Julian Dowdeswell (from 3 September 2018)

Dr Aminul Hoque, MBE

Professor Chris Lintott (to 23 June 2018)

Carol Marlow

Alastair Marsh (from 3 December 2018)

Jeremy Penn

Eric Reynolds

Gerald Russell

Admiral Sir Mark Stanhope, GCB, OBE, DL

Brief biographies of the Trustees are available from www.rmg.co.uk

The Executive

During 2018–19 members of the Executive were:

Dr Kevin Fewster, AM Director and Accounting Officer

Andy Bodle Director, Operations and Human Resources

Anupam Ganguli Director, Finance and IT (to 6 July 2018)

Eleanor Harris Director, Visitor Experience and Enterprises

Mike Sarna Director, Collections and Public Engagement (to 2 October 2018)

Kate Seeckts Director, Development

Gail Symington Director, Collections and Public Engagement (from 3 October 2018)

Chris Walker Director, Finance and IT (from 16 July 2018)

A Register of Interests is maintained and is available for inspection by application to the Museum Secretary. The Register of Interests is completed by each Trustee, each Executive and those members of staff who make decisions on significant procurement.

Other relevant organisations:

External Auditors of National Maritime Museum
Comptroller & 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
BDO 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
Boundary House
91 Charterhouse Street
London, EC1M 6HR

CMS Cameron McKenna
Mitre House
160 Aldersgate
London, EC1A 4DD

9. SUPPORTERS OF ROYAL MUSEUMS GREENWICH 2018-19

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American Friends of Royal Museums Greenwich
John Armitage Charitable Trust
The Art Fund
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The Deborah Loeb Brice Foundation
The Department for Digital, Culture, Media and Sport
Charles Dunstone Charitable Trust
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The Goldsmiths' Company
The Government of the British Antarctic Territory
Peter Harrison Foundation
The National Lottery Heritage Fund
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Mark Pigott KBE, KStJ, FRSA*
The Dr Mortimer and Theresa Sackler Foundation
The Sackler Trust
Charles Skey Charitable Trust
UK Antarctic Heritage Trust
Viridor Credits Environmental Company
The Wellcome Trust
The Wolfson Foundation
And others that wish to remain anonymous

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Dr Lee MacCormick Edwards Charitable Foundation*
The Radcliffe Trust
The Royal Commission for the Exhibition of 1851
Joseph Strong Frazer Trust
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Euronav; Howe Robinson Partners; Hutchinson Ports; HASSRA; ING; Liberty Specialty Markets; Lloyd's of London; Lloyd's Register Foundation; Novotel Greenwich; Meantime Brewing Co Ltd; Saga; The Worshipful Company of Shipwrights.

Benefactor Patrons

Michael Brown; D. Gregory B. Edwards; Rear Admiral Sir Jeremy de Halpert; Charles Hoare Nairne; Anthony Inder Rieden; Carol Marlow; Alan R. W. Marsh, OBE; John W. R. Martin; Jamie Matheson; Ravi K. Mehrotra, CBE; Tim Newling; Mr & Mrs D Petropoulos; Jason M. Pilalas*; Vaughan Pomeroy and Ann Nussey; Clive Richards, OBE, DL; Ian Ridpath; Paddy Rodgers and Harriet Drake; Dick van Meurs; David M. Wells*

Patrons

Sir Franklin & Lady Berman; Dr Stuart Blackie; Alexander Bulazel; C. Richard & Deborah Carlson*; Dr William Collier; Anthony Cooke; Simon C. Davidson; James Day; Mr and Mrs John Denholm; Nicholas Edmiston; Robert Elliott; Dr Kevin Fewster; Nicholas Fisher; Ross Fitzgerald; Lieutenant Commander P. Fletcher; Sir David Hardy; The Rt. Hon. David Heathcoat-Amory; Dana Hepburn; Richard Hunting, CBE; Commander Peter J. Linstead-Smith, OBE, RN; William Loschert; John Manser; Alison and Glen Milliman*; John Morrow; Roy Olsen; Michael Palin; Jeremy Penn; Dick Porter; Merrick Rayner; Eric Reynolds; E F Shawyer, CBE; James Sherwood*; Chrissy Shipley; Rear-Admiral D. G. Snelson, CB, FNI; Nigel Squibb & Lesley Mansfield ; Dr Anthony Watson, CBE.

And others that wish to remain anonymous

Legacies and Bequests

George Greaves; Marilyn L.R. Peterson; John Alexander Smith

In Memoriam Gift

Lawson Willard

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

John Anderson, OBE; Sir David Attenborough, OM; Victor Benjamin; C. Richard Carlson; Sir Robert Crawford, CBE; Professor Martin Daunt, FBA; Dr Stephen Deuchar, CBE; William Edgerley; Sir David Hardy; Peter Harrison, CBE; Aud Jebesen; Nigel Macdonald; Brian McEvoy; Zvi Meitar M Jur; David Moorhouse, CBE; Sammy Ofer, KBE; Mark Pigott, KBE, KStJ, FRSA; Libby Purves, OBE; Dr David Quarmby, CBE; Lord Rees of Ludlow, OM, FRS; Professor NAM Rodger, FBA; Dr Mortimer Sackler, KBE; Dame Theresa Sackler, DBE; Coral Samuel, CBE; Peter Snow, CBE; Dava Sobel; Dr David Starkey, CBE, FSA; Lord Sterling of Plaistow, GCVO, CBE; Sir Arthur Weller, CBE; Lord Wolfson of Marylebone; and Susan T Zetkus.

Donors to the Collection

Pamela Grabham; James Hildebrand; Rebecca Jewell; Martin Parr & Co Limited; Caroline Moore; Peter Moore; Helena Moore; Richard Moore; John Oliver; and Simon Roberts.

To all of whom the Trustees are very grateful.

*Donations made to the American Friends of Royal Museums Greenwich

10. FINANCIAL REVIEW

Presentation of Accounts

The Accounts have been prepared in a form directed by the Secretary of State for Digital, 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 FRS102), 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 and its wholly owned subsidiary National Maritime Museum Enterprises Limited (NMME).

Financial policy

In accordance with Financial Reporting Standard 102 grants and donations receivable are recognised when receipt is probable, values can be measured reliably, and there are no conditions attaching to its receipt that limit its recognition.

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

The outturn for the year was a surplus of £4.4m on Unrestricted Funds and a deficit of £2.7m on Restricted Funds. This reflects the positive contribution from trading operations, strong visitor numbers at the Royal Observatory, an exceptional receipt in respect of the Kidbrooke storage facility, tight control on the cost base and the net transfer of £2.8m from Restricted Income funds to unrestricted asset funds upon completion of the Endeavour Gallery programme.

Statement of Financial Activities

Total Income and Endowments decreased from £33.4m to £32.1m as last year was boosted by grants and donations received for the *Endeavour* Galleries. The Museum received £15.9m in Grant in Aid from the Department for Digital, Culture, Media and Sport (with £215,000 being ring-fenced for National Historic Ships UK) which represented 49% of total income. Grant in Aid included £350,000, part of the additional amount of £1.4m, receivable over 4 years, towards the construction of the four *Endeavour* galleries. The balance of total income was generated through the Museum's fundraising and commercial activities.

Donations and grants received this year totalled £1.6m (2017-18: £5.4m) and included amounts from the Royal Museums Greenwich Foundation towards the Museum's Enrichment Project at the main museum site and the Digital Transformation Project. £256,000 was also received via the American Friends of RMGF towards the *Endeavour* Galleries.

Other Trading Activities increased by £1.7m including a one off receipt for a long term lease at the museum's storage facilities at Kidbrooke and increased trading income of £348,000.

The Museum staged two temporary exhibitions in the year: *'The Great British Seaside'* (sponsored by Wall's) which ran until the end of September and the *'Insight Investment Astronomy Photographer of the Year'* which is ongoing. The latter was housed in the Museum's new Photography Gallery. Total admission income, which included these shows, along with the Royal Observatory, the Peter Harrison Planetarium and *Cutty Sark*, was £7.3m, an increase of £1.3m, helped by overseas visitors and tour groups.

The Membership scheme continued to grow due to its exciting programme of events and benefits and generated £453,000, an increase of £58,000 over the previous year. The scheme now boasts nearly 9,000 memberships covering 32,000 members, an increase of 4,000.

Expenditure in the year was £33.3m an increase of £2.5m. The increase is mainly in Valuing our Heritage and relates to an increased depreciation charge (this is the first full year for Prince Philip Maritime Collections Centre and the Endeavour Galleries opened in the year), external redecoration of one wing of the Museum and increased maintenance of the expanded estate.

Total staff costs were £15.3m, an increase of 2.5% over the previous year and represented 46.0% of total expenditure (2017-18: 47.6%). Staff numbers increased by 8.

Trading subsidiary

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

The net trading profit at £1.7m was £200,000 more than the prior year. Retail gross profit increased by £103,000 due to the increased visitor numbers at the ROG and the extension to the shop at the Meridian Line; the refurbishment of the Parkside Café at the beginning of the year contributed to the £128,000 increase in catering sales.

At the end of the year the net trading profit was donated to the Museum through the gift aid scheme.

Reserves Policy

Annually the Trustees review and approve the level of readily available (ie 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 almost 50% of the Museum's incoming revenue resources are from Grant in Aid. 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 or other unforeseen liabilities. In light of the increased uncertainty around visitor numbers the Trustees have increased general reserves from £2.5m to £3m. The annual budget is formally reviewed each quarter and adjustments made to reflect any change in circumstances.

Access to the Museum's historic reserves is subject to Treasury budgetary rules under the 'Museums' Freedoms' implemented in November 2014.

Reserves at 31 March 2019

The Trustees consider that the balance at year end of free reserves at £3m, an increase of £500,000 from last year, is adequate. The Trustees are satisfied with the overall level of Reserves in the Museum.

The split of Reserves can be summarised 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	102.5
Surplus on revaluation of land and buildings representing the difference between cost/valuation and revaluation at 31 st March 2018	70.1
Funds which are restricted by virtue of specific conditions or legal restrictions relating to their application	1.6
Funds representing assets acquired by way of gifts/donations or use of the Museum's core grant in aid	101.0
Restricted or Designated funds for a specific project or purpose in the future	16.7
Restricted or Designated Funds set aside for the future preservation of the <i>Cutty Sark</i>	1.1
Unrestricted (free) reserves over which there are no restrictions or specific future spending intentions	3.0
	296.0

Full details of these funds and their purpose are given in Note 19 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 whilst 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 Rathbone Investment Management Limited.

Investment performance

Investment income at £85,000 was £16,000 below last year as the investment balance was reduced by £700,000 (to fund capital works). Equity investments totalled £4.3m at year end; additionally the Museum holds £7.5m in cash or short term deposit accounts, accumulated from donations and self-generated income. These amounts, 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 low.

Tangible Fixed Assets

A desktop revaluation of the estate was carried out at year end by external valuers, Gerald Eve, Chartered Surveyors. There was a decrease in the net book value of the land and buildings of £0.4 m. Note 10a gives full details of the Museum's Tangible Fixed Assets which stand at £188.5m at year end.

Heritage Assets

During the year the Museum purchased Heritage Assets worth £240,000 (including '*Ship of Fools*' by Kehinde Wiley) and received donations of gifts in kind valued at £107,000.

External Audit

Under statute, the Comptroller & Auditor General is the principal auditor of the Museum's consolidated accounts for the year 2018-19 which are audited by the National Audit Office on behalf of the Comptroller & Auditor General. Total audit fees for the group were £58,000, comprising £45,000 for the consolidated accounts audited by the National Audit Office and £13,000 for NMME audited by haysmacintyre.

Payment of Creditors

The Museum paid 79% (2017-18: 85%) of its suppliers within 30 days. Suppliers are paid in accordance with their contractual terms unless there is a dispute.

Going Concern

A Comprehensive Spending Review was undertaken at the end of 2015 and Grant in Aid has been confirmed for the period to 31 March 2020. The next Spending Review is imminent and will have a material impact of the Museum's future operations. At this stage the Executive Board continues to take the appropriate actions to control costs and seek other sources of income to minimise the impact of any potential future reductions in Grant in Aid and the Trustees 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
20 June 2019

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 Digital, 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 Museum'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 Digital, Culture, 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 Digital, 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* published by HM Treasury.

The Director as Accounting Officer hereby confirms that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

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

Kevin Fewster
Director and Accounting Officer
20 June 2019

* A copy of this is available from the Director, Finance and IT, 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 organisation 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 and management 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 supplemented 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 Digital, Culture, Media and Sport in June 2014, updated in February 2017, 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 proportionate systems of internal control in line with the *Corporate governance in central government departments: code of good practice* (see also section 10 on page 52 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 operating retail, catering, events and other associated activities within the National Maritime Museum.

1.4 The Board of Trustees in 2018–19

As a non-executive board, the Trustees are collectively responsible for the management and control of the Museum. In 2018–19, the Trustees contributed their voluntary service to the public's benefit at six formal Board meetings and many other committee meetings. In addition to these, the Trustees also attended 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	Others*
Chairman						
Sir Charles Dunstone	2nd	21.11.2013	20.11.2021	6/6		
Trustees in order of first appointment						
Eleanor Boddington	2nd	08.04.2010	07.04.2018	0/0		
Professor Chris Lintott	2nd	24.06.2010	23.06.2018	1/1		
Joyce Bridges	2nd	12.09.2013	11.09.2021	5/6	2/3	2/2
Carol Marlow	2nd	12.09.2013	11.09.2020	6/6		7/7
Eric Reynolds	2nd	12.09.2013	11.09.2021	6/6		5/7
Gerald Russell	2nd	12.09.2013	11.09.2019	5/6	3/3	2/2
Jeremy Penn	1st	01.02.2015	31.01.2023	5/6		1/1
Admiral Sir Mark Stanhope	1st	01.02.2015	31.01.2023	6/6	3/3	5/5
Dr Aminul Hoque	1st	05.09.2016	04.09.2020	5/6		
Dr Fiona Butcher	1st	03.09.2018	02.09.2022	4/5	2/3	
Dr Helen Czarski	1st	03.09.2018	02.09.2022	4/5		
Prof. Julian Dowdeswell	1st	03.09.2018	02.09.2022	5/5		1/1
Alastair Marsh	1st	03.12.2018	02.12.2022	2/2	1/1	

* see 1.7 below

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 Interests is maintained and is available for inspection by application to the Museum Secretary. The Register of Interests is completed by each Trustee, each Executive and those members of staff who make decisions on significant procurement.

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 2018–19.

Related party transactions are declared and recorded within the Annual Account in note 24.

1.6 Trustee Appointments and Induction

The Chairman and the Nominations Committee identify the skills and expertise needed to reflect the strategic needs of the Museum. Ministers agree the role specification for the recruitment of new Trustees and are kept informed throughout the process. The appointment process itself is carried out by the Department for Digital, Culture, Media and Sport (DCMS). From 1 January 2017 this is in accordance with the Cabinet Office Governance Code on Public Appointments the regulation of which is carried out by the Commissioner for Public Appointments.

Advertisements are placed in media deemed appropriate for each case but always include the Museum's own website and the Public Appointments website operated by the Cabinet Office.

A selection panel Chaired by a senior DCMS officer with a DCMS appointed Independent Panel Member and the Chairman of Trustees shortlist then interview the shortlisted candidates and recommendations are made to Ministers accordingly.

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

In 2018–19 the Trustees Eleanor Boddington and Professor Chris Lintott stood down after eight years each on the Board.

In 2018–19 Dr Fiona Butcher, Dr Helen Czerski, Professor Julian Dowdeswell and Alastair Marsh were appointed by the Prime Minister for terms of four years.

Admiral Sir Mark Stanhope and Jeremy Penn were reappointed by the Prime Minister for second terms of four years as Trustees.

The Chairman ensures that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties and responsibilities. All Trustees receive a Trustee Governance Pack which includes 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 2018–19 the Board's Committee structure was:

Audit Committee

This Committee 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 reflects the standards of HM Treasury's Audit Committee Handbook. The Audit Committee usually meets some two weeks before Trustee Boards so that it can communicate any Board level issues at that point as well as assessing the Museum's strategic risk register before it goes forward to the Board.

In line with best practice, the Audit Committee undertook a self-assessment of its effectiveness by completing a formal questionnaire in February 2016 by the then five members of the Audit Committee. The self-assessment indicated an effective and robust Committee but the Committee will return to the exercise in 2019-20.

Remuneration Committee

This Committee determines and recommends to the Chairman the Executive reward and performance packages and advises the Chairman on his assessment of the Director's remuneration. The Committee meets twice a year.

Nominations Committee

The Chairman and the Nominations Committee identify the skills and expertise needed to reflect the strategic needs of the Museum then request recruitment campaigns accordingly from the Department for Digital, Culture and Sport.

Collections and Research Committee

The Committee oversees 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 & Awards Sub-Committee offers guidance and made decisions on selecting candidates for Museum fellowships and selecting candidates for the Caird Medal.

Cutty Sark Advisory Committee

Oversees strategies and provides advice and guidance for: the stewardship of the ship and collections with a particular focus on the conservation, maintenance and upkeep requirements of the ship.

Enterprises Committee

The Committee is specifically tasked with exploring and advising the Executive on ways of increasing amounts of self-engendered income.

1.8 The work of the Trustee Board in 2018–19

In 2018–19 the significant work of the Board and its committees included:

- monitoring the governance and costs of the Endeavour project and ensuring the progress of its various elements including the successful opening on time and below budget in October 2018 of four new permanent galleries with their attendant clarification of the visitor circulation through the Maritime Museum
- adopting, after positive public and stakeholder consultation, the new Corporate Plan named *Building on our success* for the years 2019-23 in which preparing the Royal Observatory for its 350th anniversary in 2025 is prioritized
- though ultimately unsuccessful, and with the support of the Department for Digital, Culture, Media and Sport, the determined pursuit of the potential acquisition of the RMS *Titanic* collection for the benefit of the public in a complex US legal context

- acquiring into the national collection the very generous donation of the Colville archive, an important and comprehensive collection of papers from a prominent dynasty of navy and army officers which is as yet unseen by the research community
- agreeing the exhibitions and galleries 5 year programme update and the budget and programme for the new *Cutty Sark* 150 anniversary programme and project (see section 5. Future Priorities)
- approving, in accordance with the agreed criteria and procedures, transfers of items out from the collection
- adopting the annual report from National Historic Ships UK
- the scrutiny and approval of the budget and business plans for 2019–2020
- such planning for Brexit as has been possible
- the recruitment of a new Director.

The minutes of Trustee Board meetings are available at www.rmg.co.uk/work-services/what-we-do/policies-procedures/foi/how-we-work/trustee-board-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, Achievements and Performance above of the Annual Report.

The Board agreed to review formally its performance at its September 2017 meeting which was two years on from adopting the modified governance arrangements which have been previously reported. The Board reviewed the results of the self-assessment questionnaire at its November 2017 meeting. The Board considered the assessment provided a consistent and collective view that the Board was performing well in its statutory role and its wider Trusteeship of Royal Museums Greenwich – as was being evidenced by the Museum's continuing improvements and resultant reputation. The Board will undertake another self-assessment in 2019-20.

3. Matters from the Audit Committee reports

The minutes from the Audit Committees are circulated to Trustees prior to the Board's meetings.

The Chairman of the Audit Committee makes an annual report to the Board on the previous year's Audit Committee business.

With respect to its 2018–19 Audit Committee work, the Committee had 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 2018–19 and no seven-day injuries to report. The Board of Trustees is given the prior quarter's Health and Safety incidents in its Board papers.

At each of its meetings, the Audit Committee reviews the strategic risk register to identify how strategic 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 5 below (Internal Audit). The Audit Committee also continually 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 as delegated by and 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, anti-fraud matters, and any procurement complexities that may arise.

Whistleblowing

At its meeting in February 2016 the Audit Committee reviewed the Museum's Anti-Fraud/Bribery/Theft Policy and found the effectiveness of the whistleblowing arrangements and procedures therein to be satisfactory. The policy will be reviewed again in November 2019.

The Audit Committee

In November 2018 Dr Fiona Butcher, Trustee, joined the Audit Committee as did Alastair Marsh, Trustee, in February 2019.

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 Board on a Quarterly basis. Budgets are reviewed quarterly and reset according to the Museum's priorities. Revised forecasts are undertaken at Q2 and Q3 then agreed by the Board as 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 then collated into monthly performance reports. The bulk of measures are collected electronically from counting systems and a series of returns made at divisional level.

Notes and commentaries of progress against corporate plan milestones are provided by divisional directors and reviewed at three Trustee Board meetings per year.

Visitor feedback- as reported earlier, as well as exit surveys undertaken throughout the year, in 2017-18 a new system was put into place to glean freestyle feedback and other data from public visitors including from Social Media and Trip Advisor. These Visitor Insight reports are reviewed on a monthly basis by the Executive and the Trustee Board on a quarterly basis to work on improvement to the visitor experience wherever feasible.

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.

5. Internal Audit

Internal Audit is provided by BDO LLP 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.

At 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.

During 2018–19 the internal audit reporting work encompassed:

1. *Collections security* – a health check of the physical security of the collections
2. *Catering* – one year on from the letting of a new contract
3. *Core financial controls*
4. *New ticketing system* – looking at a major procurement exercise
5. *Development* – also looking at due diligence on donations
6. *Records Management* – a review of the policies and procedures for the management of public records.

Of these six reviews, one was rated amber, four green/amber and one, collections security, green.

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 at each meeting of the Committee using management's audit tracker which is itself updated for each meeting.

All recommendations made by the auditors to strengthen internal controls in the 2018–19 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 or new risks emerge and the amendments to the programme agreed with the Audit Committee.

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 2018–19 year, the BDO lead on 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.

6. External Audit

The external audit of the 2018–19 accounts of National Maritime Museum Enterprises Limited was carried out by haysmacintyre.

The consolidated accounts of the Museum are audited by the National Audit Office and 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.

7. Matters arising in the year

There were two areas highlighted by the internal auditors:

- Poor procurement practices noted in relation to the new Ticketing System audit;
- The Museum discovered a data breach, notifiable to the Information Commissioner's

Office. Externally commissioned IT forensic investigators were brought in by the Museum to try to determine how the breach had occurred.

8. The Museum's corporate governance

8.1 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 Digital, Culture, Media and Sport.

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 with DCMS, 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 review. 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 objectives and targets are set for each member of staff. Well-developed information and reporting systems monitor progress against financial and non-financial targets. The Financial Information System provides networked access to the details of actual and committed expenditure for activity centre managers and summarised results for divisional directors.

The Director and each member of the Executive completed a formal annual Assurance Report, sighted by the Audit Committee, certifying that, during the 2018–19 Financial Year, the systems of internal control used within their areas of responsibility had been sound and had been followed.

8.2 External engagement

In line with the Management Agreement, in April and December 2018, and in March 2019 the Director of Finance and the Museum Secretary conducted an Engagement meeting with senior officers from the Department for Digital, Culture, Media and Sport. Progress on the Endeavour project was briefed in detail and other aspects of the Museum's performance and its strategic risks were discussed.

8.3 Risk Management

The Museum views risk management as an active part of its management processes and operates a comprehensive system of risk identification, assessment, addressing, reviewing and reporting.

Risk Policy

The Museum's Risk Management Policy, updated in November 2016, recognises 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 Tolerance or risk appetite

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. The Museum's risk tolerance is the amount of risk it is prepared to tolerate in a particular circumstance. Agreement of the risk tolerance is an important element in the organisation's risk management framework, as it provides the yardstick by which the Museum can assess the strength of the present controls against the risk rating applied to a particular risk, to ensure that the residual risk remaining - once these controls have been applied - falls within the risk appetite. When considering threats, risk tolerance 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 tolerance 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.

Trustees both within the Audit Committee, and at plenary Board meetings, review the strategic 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, Evaluation and Ownership

Executive Directors are responsible for risks within the areas under their control, and for ensuring that any strategic level matters are escalated to the strategic risk register. Specialist risk managers exist within the Museum dealing with Health and Safety, Security and Data Management. The approaches used to monitor operational risk include local risk registers; review by department & project groups and review within the Senior Management Team which consists of the Heads of Departments.

9. 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 Board has a risk management strategy which comprises:

- i a quarterly review of the risks that the charity and its subsidiary, NMME, face;
- ii establishment of policies, systems and procedures to mitigate those risks; and
- iii implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

In 2018–19 this work identified the following principal risks for both the charity and its subsidiary: the sustainability of the financial operating model, in particular given the impending Spending Review; completion of the Endeavour galleries on time and on-budget; theft, vandalism or loss of the collections; potential impact of Brexit on visitor numbers and staff recruitment and retention; and, catastrophic business disruption as a consequence of fire, cyber-crime or terrorism.

The financial sustainability risk, including that arising from the potential Brexit impact on visitor numbers, is managed by maximising income generating opportunities, budgeting for and delivering operating surpluses, overall cost control and identifying and delivering efficiencies, appropriate on-going maintenance, and setting up of a "conservation fund" to cover long term maintenance needs of *Cutty Sark* when they fall due. The Museum has also taken further steps towards long-term, multi-year financial planning and this approach will be reinforced during 2019-20.

The risks of the base-build and fit-out phases of the four Endeavour galleries were managed through proper project governance and reporting, general stakeholder engagement, and monitoring the resource requirements of the project.

Collections audits and security reviews mitigate the risks of theft, vandalism and loss of collections. During the year the increased risk to collections as a consequence of moth infestation was dealt with.

The risks from fire, cybercrime and terrorism are managed through: clear emergency procedures; constant review and practice of recovery and business continuity plans; a fire safety strategy; first-aid training; and, continued liaison with counter-terrorism police and emergency services.

In 2018-19 the restructure of the Museum's front-of-house teams resulted in a day of minor industrial action.

The risk of an impact on staff recruitment and retention from Brexit is managed by constant monitoring of staff turnover, in particular in those areas most likely to be affected; maintaining a broad recruitment policy and regular review of terms and conditions of employment to ensure that these remain as competitive as possible,

Information risk

In December 2010 the Museum adopted an Information Security Policy which was updated in 2016. 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. In 2017-18, and again in 2018-19, the statement of assurance made by all Information Asset Owners was upgraded to encompass DPA 2018 and GDPR compliance.

In accordance with the Data Protection Act 2018 and the General Data Protection Regulations, in January 2019 a full report was made to the Information Commissioner's Office regarding a loss of personal information. In April 2019 the Information Commissioner's Office stated that "After careful consideration based on the information that has been provided, we have decided not to take any formal enforcement action on this occasion" and the Information Commissioner's Office now consider the matter closed.

During the year the Museum achieved the Basic level of Cyber Essentials Assurance Accreditation and is now working towards achieving the Cyber Essentials Plus level.

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

For the reasons given 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.

Gerald Russell
Trustee and Chair of the Audit Committee

Kevin Fewster
Director and Accounting Officer
20 June 2019

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

Opinion on financial statements

I certify that I have audited the financial statements of the National Maritime Museum for the year ended 31 March 2019 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated and Charity Statements of Financial Activities, the Group and Parent Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

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 2019 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the National Maritime Museum and group in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

We are required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the National Maritime Museum's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Board of Trustees and Accounting Officer

As explained more fully in the Statement of 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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the National Maritime Museum's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

The Board of Trustees and the Director are responsible for the other information. The other information comprises information included in the Trustees' and Accounting Officer's Annual Report, other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992;
- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Trustees' and Accounting Officer's Annual Report; and
- the information given in the Trustees' and Accounting Officer's Annual Report which I provide a positive consistency opinion on 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 and Staff 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.

Gareth Davies

Date 27 June 2019

Comptroller and Auditor General

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

Consolidated Statement of Financial Activities
For the year ended 31 March 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	Total 2019 £'000	Total 2018 £'000
Income and Endowments						
Donations and Legacies						
- Grant in Aid		15,520	350	-	15,870	16,020
- Other		182	1,432	-	1,614	5,429
Total Donations and Legacies	2.a	15,702	1,782	-	17,484	21,449
Other Trading Activities						
- Trading Income	3	4,378	293	-	4,671	4,322
- Other	4	1,960	-	-	1,960	637
Total Other Trading Activities		6,338	293	-	6,631	4,959
Income from Investments	5	79	1	5	85	100
Income from Charitable Activities						
Putting Visitors First and creating inspiring experiences		7,318	-	-	7,318	6,295
Valuing our Heritage, caring for and developing our unique collection		272	-	-	272	274
Extending our Reputation, reach and impact		336	-	-	336	300
Total Income from Charitable Activities	6	7,926	-	-	7,926	6,869
Total Income and Endowments		30,045	2,076	5	32,126	33,377
Expenditure						
Expenditure on Raising Funds						
Costs of Raising Donations and Legacies		1,720	-	-	1,720	1,641
Costs of Other Trading Activities						
- Trading Costs	3	2,477	293	-	2,770	2,634
- Cost of Activities for Generating Funds, other		7,136	11	-	7,147	6,690
Total Cost of Other Trading Activities	7	9,613	304	-	9,917	9,324
Total Expenditure on Raising Funds		11,333	304	-	11,637	10,965
Investment Management Costs		73	-	3	76	72
Expenditure on Charitable Activities						
Putting Visitors First and creating inspiring experiences		2,034	123	-	2,157	2,686
Valuing our Heritage, caring for and developing our unique collection		13,013	4,109	-	17,122	15,095
Extending our Reputation, reach and impact		2,152	171	18	2,341	2,062
Total Expenditure	7	28,605	4,707	21	33,333	30,880
Net Gains/(Losses) on Investments	13	132	2	15	149	(13)
Net Income/(Expenditure)		1,572	(2,629)	(1)	(1,058)	2,484
Transfers						
Transfers between funds	19.a	2,816	(2,816)	-	-	-
Net Income/(Expenditure) before other Recognised Gains and Losses		4,388	(5,446)	(1)	(1,058)	2,484
Other Recognised Gains and Losses						
Gains/(Losses) on Revaluation of Fixed Assets	10.a	-	2,740	-	2,740	10,577
Total Net Movement in Funds	9	4,388	(2,706)	(1)	1,682	13,061
Reconciliation of Funds						
Funds balance brought forward at 1 April 2018		16,428	277,215	680	294,323	281,262
Funds balance at 31 March 2019	19.a	20,816	274,510	679	296,005	294,323

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

All operations of the Museum continued throughout both periods and no operations were acquired or discontinued in either period. There are no recognised gains or losses other than those shown above.

Prior year comparatives are shown in note 28

The notes on pages 64 to 82 form part of these accounts.

Charity Statement of Financial Activities
For the year ended 31 March 2019

		Unrestricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	Total 2019 £'000	Total 2018 £'000
Income and Endowments	Note					
Donations and Legacies						
- Grant in Aid	2.a	15,520	350	-	15,870	16,020
- Other	2.a	182	1,432	-	1,614	5,429
- Gift Aid donation from NMME	3	1,739	-	-	1,739	1,538
- Recharges NMME		166	-	-	166	154
Total Donations and Legacies		17,607	1,782	-	19,389	23,141
Other Trading Activities						
- Trading Income		-	-	-	-	-
- Other		2,002	-	-	2,002	698
Total Other Trading Activities		2,002	-	-	2,002	698
Income from Investments		75	1	5	81	96
Income from Charitable Activities						
Putting Visitors First and creating inspiring experiences		7,318	-	-	7,318	6,295
Valuing our Heritage, caring for and developing our unique collection		272	-	-	272	274
Extending our Reputation, reach and impact		336	-	-	336	300
Total Income from Charitable Activities	6	7,926	-	-	7,926	6,869
Total Income and Endowments		27,610	1,783	5	29,398	30,804
Expenditure						
Expenditure on Raising Funds						
Costs of Raising Donations and Legacies		1,720	-	-	1,720	1,641
Costs of Other Trading Activities						
- Trading Costs		-	-	-	-	-
- Cost of Activities for Generating Funds, other		7,178	11	-	7,189	6,751
Total Cost of Other Trading Activities		7,178	11	-	7,189	6,751
Total Expenditure on Raising Funds		8,898	11	-	8,909	8,392
Investment Management Costs		73	-	3	76	72
Expenditure on Charitable Activities						
Putting Visitors First and creating inspiring experiences		2,034	123	-	2,157	2,686
Valuing our Heritage, caring for and developing our unique collection		13,013	4,109	-	17,122	15,095
Extending our Reputation, reach and impact		2,152	171	18	2,341	2,062
Total Expenditure		26,170	4,414	21	30,605	28,307
Net Gains/(Losses) on Investments	13	132	2	15	149	(13)
Net Income/(Expenditure)		1,572	(2,629)	(1)	(1,058)	2,484
Transfers						
Transfers between funds	19.b	2,816	(2,816)	-	-	-
Net Income/(Expenditure) before other Recognised Gains and Losses		4,388	(5,445)	(1)	(1,058)	2,484
Other Recognised Gains and Losses						
Gains/(Losses) on Revaluation of Fixed Assets	10.a	-	2,740	-	2,740	10,577
Total Net Movement in Funds	9	4,388	(2,705)	(1)	1,682	13,061
Reconciliation of Funds						
Funds balance brought forward at 1 April 2018		16,369	277,215	680	294,264	281,203
Funds balance at 31 March 2019	19.b	20,757	274,510	679	295,946	294,264

Prior year comparatives are shown in note 28

The notes on pages 64 to 82 form part of these accounts.

Consolidated and Museum Balance Sheets as at 31 March 2019

	Note	Group		Charity	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed Assets					
Tangible Fixed Assets	10.a	188,510	186,666	188,510	186,666
Intangible Fixed Assets	10.b	346	341	346	341
Heritage Assets	12	100,991	100,644	100,991	100,644
Investments	13	4,350	5,048	4,850	5,548
		<u>294,197</u>	<u>292,699</u>	<u>294,697</u>	<u>293,199</u>
Current assets					
Stock	15	435	396	76	82
Debtors: Amounts falling due within one year	16	2,489	5,139	3,962	6,370
Short-Term Deposit	23	-	512	-	512
Cash at bank and in hand	23	7,530	3,635	5,390	1,759
		<u>10,454</u>	<u>9,682</u>	<u>9,428</u>	<u>8,723</u>
Current liabilities					
Creditors: Amounts falling due within one year	17	(3,604)	(3,158)	(3,137)	(2,758)
		<u>6,849</u>	<u>6,524</u>	<u>6,291</u>	<u>5,965</u>
Net current assets					
		<u>326</u>	<u>712</u>	<u>326</u>	<u>712</u>
Debtors: Amounts falling due after one year	16	326	712	326	712
Creditors: Amounts falling due after one year	17	(5,368)	(5,612)	(5,368)	(5,612)
		<u>296,005</u>	<u>294,323</u>	<u>295,946</u>	<u>294,264</u>
Net Assets					
		<u>296,005</u>	<u>294,323</u>	<u>295,946</u>	<u>294,264</u>
Income Funds					
Restricted funds:					
	19				
Revaluation Reserve		70,471	67,731	70,471	67,731
Other Restricted Funds		204,039	209,484	204,039	209,484
Total Restricted Funds		<u>274,510</u>	<u>277,215</u>	<u>274,510</u>	<u>277,215</u>
Unrestricted funds:					
	19				
Designated Funds		17,775	13,927	17,716	13,868
General Funds		3,041	2,501	3,041	2,501
Total Unrestricted Funds		<u>20,816</u>	<u>16,248</u>	<u>20,757</u>	<u>16,369</u>
Capital Funds					
	19				
Endowment Funds		679	680	679	680
Total Endowment Funds		<u>679</u>	<u>680</u>	<u>679</u>	<u>680</u>
Total Funds					
		<u>296,005</u>	<u>294,323</u>	<u>295,946</u>	<u>294,264</u>

The financial statements on pages 60 to 82 were approved by the Director and the Chairman.

Sir Charles Dunstone, Chairman of the Trustees 20 June 2019

Dr Kevin Fewster, Director and Accounting Officer 20 June 2019

The financial statements were authorised for issue by the Accounting Officer and Board of Trustees on the date shown on the audit certificate.

The notes on pages 64 to 82 form part of these accounts.

**Consolidated Cash Flow Statement
For the year ended 31 March 2019**

Statement of Cash Flows	Note	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	22	<u>8,482</u>	<u>10,877</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	85	100
(Decrease)/Increase in short term deposits	23	512	676
Purchase of property, plant and equipment			
Total Asset Additions	10	(5,459)	(10,373)
Total Purchased Heritage Assets	12	(240)	(14)
Proceeds from sale of investments	13	1,176	1,441
Purchase of investments	13	(330)	(979)
Increase in cash		<u>4,226</u>	<u>1,728</u>
Cash flows from financing activities:			
Repayments of borrowing	17	(332)	(336)
Net cash used in financing activities		<u>(332)</u>	<u>(336)</u>
Reconciliation of increase in cash to movement in net funds			
Increase in cash in the period	22	3,895	1,394
Increase/(Decrease) in liquid resources in the period	22	(512)	(676)
Change in cash and cash equivalents in the reporting period		<u>3,383</u>	<u>718</u>
Cash and cash equivalents at the beginning of the reporting period	22	4,147	3,429
Cash and cash equivalents at the end of the reporting period	23	<u>7,530</u>	<u>4,147</u>

The notes on pages 64 to 82 form part of these accounts.

Notes to the Consolidated Accounts For the year ended 31 March 2019

1 Accounting Policies

The accounts comply with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102), applicable accounting standards, the requirements of the HM Treasury's Financial Reporting Manual, Charities Act 2011, Accounts Direction issued by the Department for Digital, Culture, Media and Sport (DCMS) and in the case of the subsidiary the Companies Act 2006. The charity is a public benefit entity. The particular accounting policies adopted by the Museum are described below. The Functional currency is Sterling (£).

(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) Income

Income is classified under the headings of Donations and Legacies, Income from Charitable Activities and Trading Income. Grant-in-aid from the DCMS is recognised in the Statement of Financial Activities in the year that it is received. Lottery, Grant, Donations and legacies are recognised in the SOFA when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Grants and other income that are awarded subject to specific performance conditions and non capital income from the Heritage Lottery Fund, are recognised when the performance conditions for their receipt have been met. Commercial and trading income including sponsorship is recognised upon performance of services rendered in accordance with the contractual terms. Admissions and Membership income is recognised as the Museum becomes entitled to the income. All other income is recognised where there is probability 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 Expenditure on Raising Funds and Expenditure on Charitable Activities rather than the type of expense in order to provide more useful information to users of the accounts.

Expenditure on Raising Funds and Expenditure on 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 FRS102. 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).

Costs for the Directorate, Finance Department, Human Resources Department and the IT department which are not directly attributable are allocated across Expenditure on Raising Funds and Expenditure on Charitable Activities calculated as a percentage of the total income and expenditure.

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 HM Treasury's Financial Reporting Manual and SORP, 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 as depreciation is not required on heritage assets which have indefinite lives.

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 & Intangible 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 2017. 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 2022.

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

Depreciation is provided on all tangible and intangible 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. Heritage assets are considered to have indefinite lives and are therefore not depreciated. Land is not depreciated because land is assumed to have an unlimited useful life.

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

Indicative asset lives are as follows:

Buildings - Structure	50 years or 100 years
Buildings - Plant & Machinery	20 years
Buildings - Fit out	20 years
Fixtures and fittings	2 years, 4 years or 10 years
Plant & Equipment	4 years
Computers	4 years
Vehicles	4 years
Software and Website	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) Significant judgements and estimates

The significant judgements and estimates made in preparing these accounts are disclosed throughout the document, and include those with respect to depreciation (note 1(e)) and the valuation of fixed assets (note 10) and heritage assets (note 12).

(g) Financial instruments

Financial assets

The Museum only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of DCMS loans which are subsequently measured at amortised cost using the effective interest method.

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.

Investments that are intended to produce a return, but are available to be spent within a 12 month period are treated as Current Asset investments. All other investments, which are intended to produce a long term return, and are not intended to be spent within the next 12 months, are treated as Fixed Asset investments.

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. The museum has no exposure to interest rate risk on its financial liabilities as the interest rate on the DCMS loan is fixed for the entire repayment period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks.

(h) Stock

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

(i) Pension Schemes

Pensions costs are accounted for as they are incurred. The Museum operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund with Scottish Widows plc. Some past and present employees of the Museum are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which are described at note 7a. The Museum recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Museum recognises the contributions payable for the year.

(j) 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.

Group Personal Pension Scheme

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

(k) 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.

(l) 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.

(m) 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.

(n) 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.

Notes to the Consolidated Accounts

2.a Donations and Legacies - Charity & Group

£15,870,000 (£16,020,000 - 2018) of Grant-in-Aid has been received from the Department for Digital, Culture, Media and Sport during the year.

		Unrestricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	Total 2019 £'000	Total 2018 £'000
DCMS						
Resource Grant-in-Aid		13,795	-	-	13,795	13,795
Capital Grant-in-Aid		1,725	350	-	2,075	2,225
Total Grant in Aid	Note 24.a	15,520	350	-	15,870	16,020
Donations		182	116	-	298	1,169
Donations - Capital Projects		-	1,209	-	1,209	3,671
Donated Objects	Note 12	-	107	-	107	145
Heritage Lottery Fund	Note 24.b	-	-	-	-	444
Total Donations and Legacies		15,702	1,782	-	17,484	21,449

Donated objects are artefacts given to the Museum with a value of £107,290 (£145,275 - 2018). Objects are valued by curators based on their expert knowledge and market value, including previous auction results for comparable items.

During the year the Museum received donations for Capital Projects with a value of £1,209,008 (£3,670,578 - 2018).

This note discloses the totality of the donated resources receivable by the museum during the year and their disposition. The museum provides enhanced disclosure in the Statement of Financial Activities beyond the requirements of the SORP in order to allow readers of the accounts to distinguish between the ongoing revenue income and costs of operating the museum, and the impact of donations in support of capital expenditure and collection acquisitions. The value of such donations is often material, and can vary significantly from year to year. Donations and grants in support of capital expenditure and collections acquisitions are recognised in the SOFA when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. But the associated capital expenditure is depreciated over the expected useful life of the asset, and heritage assets are not depreciated at all.

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.

<u>Profit and Loss Account</u>	2019	2018
	£'000	£'000
Trading income	2,912	2,668
Cost of sales	(1,303)	(1,163)
Gross profit	1,609	1,505
Income from other commercial activities	1,759	1,654
Administrative expenses	(1,633)	(1,625)
Operating profit	1,735	1,534
Interest receivable and similar income	4	4
Profit on ordinary activities before taxation	1,739	1,538
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation	1,739	1,538

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

Administrative expenses include charges of £166,253 (£154,075 - 2018) from the Museum.

Profits on ordinary activities after taxation of £1,738,909 (£1,538,257 - 2018) will be distributed as Gift Aid to the Charity.

<u>Balance Sheet</u>	2019	2018
	£'000	£'000
Current assets	2,765	2,504
Current liabilities	(2,206)	(1,945)
Total current assets less current liabilities	559	559

<u>Capital and Reserves</u>	2019	2018
	£'000	£'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

	2019	2018
	£'000	£'000
Trading income	2,912	2,668
Income from other commercial activities	1,759	1,654
Trading income per SOFA	4,671	4,322
Administrative expenses & cost of sales	2,936	2,788
Intercompany transactions	(166)	(154)
Trading costs per SOFA	2,770	2,634
Investment income	4	4
Intercompany transactions	-	-
Investment income included within SOFA	4	4

4 Activities for Generating Funds, Other - Charity & Group

Income from Other Trading Activities - Other is made up as follows:

	Unrestricted	Restricted	Endow-	2019	2018
	Funds	Funds	ment	£'000	£'000
	£'000	£'000	Funds		
			£'000		
Conferences & Event Attendance	105	-	-	105	32
Membership	453	-	-	453	395
Publications	49	-	-	49	53
Licence Fee	1,250	-	-	1,250	-
Miscellaneous Other	103	-	-	103	157
	1,960	-	-	1,960	637

5 Investment Income

Investment income is made up as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	2019 £'000	2018 £'000
Dividends receivable	65	1	5	71	94
Interest receivable - Bank interest	14	-	-	14	6
	79	1	5	85	100

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 is treated as unrestricted or restricted according to the fund in which it is received.

6 Income from Charitable Activities - Charity & Group

Income from Charitable Activities include the following:

	Value Our Heritage £'000	Put Visitors First £'000	Extend Our Reputa- tion £'000	Total Funds 2019 £'000	2018 £'000
Admissions	-	7,318	-	7,318	6,084
Licensing	201	-	-	201	197
Education and Public Programmes	-	-	314	314	288
Recharges	43	-	-	43	46
Reproductions, Plans & Print Sales	19	-	-	19	11
Research	2	-	-	2	6
Touring Income	-	-	22	22	12
Other	7	-	-	7	225
	272	7,318	336	7,926	6,869

Income received from Car Parking, Filming & Photography is shown in Note 4 Activities for Generating Funds: Miscellaneous Other.

7 Analysis of Total Expenditure

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 the 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:

	2019 %	2018 %
Costs of Raising Donations and Legacies	32	36
Costs of Other Trading Activities	16	14
Investment Management Costs	1	1
Putting Visitors First and creating inspiring experiences	16	15
Valuing our Heritage, caring for and developing our unique collection	30	30
Extending our Reputation, reach and impact	5	4

	Direct Activities £'000	Support Cost Allocation					Total 2019 £'000	Total 2018 £'000
		Director- ate £'000	Govern- ance £'000	Finance £'000	HR £'000	IT £'000		
Expenditure on Raising Funds								
Costs of Raising Donations and Legacies	329	370	25	421	238	337	1,720	1,641
Costs of Other Trading Activities	9,207	189	12	215	122	172	9,917	9,324
Investment Management Costs	32	12	1	13	7	11	76	72
Expenditure on Charitable Activities								
Putting Visitors First	1,446	189	13	215	122	172	2,157	2,686
Valuing our Heritage	15,765	361	24	411	232	329	17,122	15,095
Extending our Reputation	2,142	53	3	61	34	48	2,341	2,062
Total Resources Expended	28,921	1,174	78	1,336	755	1,069	33,333	30,880

(a) Staff Costs

	Staff Staff	Staff on Capital Projects	2019 £'000	2018 £'000
Wages and salaries - Permanent Staff	12,712	63	12,775	12,507
Wages and salaries - Agency and Temporary Staff	153	-	153	221
Social security costs	1,181	5	1,186	1,106
Pension costs	1,204	6	1,210	1,124
Early retirement and termination costs	17	-	17	5
	15,267	74	15,341	14,963

For 2018-19 total payments to Key Management Personnel amounted to £777,926 (£726,028 in 2017-18) including bonuses and other payments. No Consultancy Staff were used during the year, therefore no tax assurances were required.

Volunteers gave the Museum 33,334 hours in 2018-19. The voluntary effort equates to around £10 per hour given, which on this basis equates to a valued contribution equivalent to £333,340

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

	Staff	Temporary Contract & Agency	Staff on Capital Projects	Total 2019	Total 2018
Expenditure on Raising Funds					
Costs of Raising Donations and Legacies	11	-	-	11	11
Costs of Other Trading Activities	229	1	-	230	213
Expenditure on Charitable Activities					
Putting Visitors First and creating inspiring experiences	27	1	-	28	35
Valuing our Heritage, caring for and developing our unique collection	162	3	3	168	171
Extending our Reputation, reach and impact	28	10	-	38	34
Administration/Support Costs					
	37	1	-	38	41
	494	16	3	513	505

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:

	2019	2018
£60,000 - £70,000	5	5
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	2	3
£100,001 - £110,000	-	-
£110,001 - £120,000	1	2
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	1	1
	12	12

Of the twelve employees with earnings over £60,000 per annum there is one 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 this individual to the PCSPS at Period 12 was £19,807 (£19,418 - 2017-18) and to the NMM Group Personal Pension Plan was £157,072 (£119,291 - 2017-18).

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 2016. 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 2018-19, employers' contributions of £74,404 were payable to the PCSPS (£78,048 - 2017-18) at one of four rates in the range 20.0% to 24.5% 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 2018-19 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.

Employer's contributions of £1,137,216 were paid in 2018-19 (£1,048,345 - 2017-18) into the Group Personal Pension scheme. This is a defined contribution scheme.

Other Personal Pension Scheme

Nil contributions were paid 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 32.

b) Trustees

The Trustees neither received nor waived any emoluments during the year (£nil - 2018). Expenses reimbursed (for travel and subsistence) to 4 Trustees amounted to £2,701 (£3,085 - four Trustees 2018).

8 Governance

	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Governance costs represent part of the meeting of the Strengthen our Organisation objective and include:				
External Audit	45	45	39	39
Internal Audit	33	33	24	24
	<u>78</u>	<u>78</u>	<u>63</u>	<u>63</u>

The Charity external audit fee of £45,000 (£39,000 - 2017-18) does not include any fees for non-audit work.

External and internal audit fees for the audit of the Museum and Trusts are included in Governance. External audit fees for the audit of NMME of £13,200 have been included within Activities for Generating Funds - Trading Costs.

9 Total Net Movement in Funds

	2019 £'000	2018 £'000
Net movement in funds	<u>1,682</u>	<u>13,061</u>
Net movement in funds includes the following charges:		
External Auditors' remuneration - for Museum and Trusts	45	51
External Auditors' remuneration - for NMME (within Activities for Generating Funds - Trading Costs)	13	12
Lease rental payments on land and buildings	147	293
Lease rental payment - other	10	10
Loss/(Gain) on Disposal of Assets	19	14
Depreciation	6,142	4,904
Amortisation	189	182

10.a Tangible Fixed Assets - Charity & Group	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:							
Balance at 1 April 2018	175,905	23,414	6,306	3,403	158	3,928	213,114
Additions	430	3,945	525	160	-	203	5,263
Disposals	-	(569)	(671)	(580)	-	-	(1,820)
Transfers Between Asset Class	28	3,360	0	-	-	(3,388)	-
Revaluation gain/impairment	(905)	-	-	-	-	-	(905)
At 31 March 2019	<u>175,458</u>	<u>30,150</u>	<u>6,160</u>	<u>2,983</u>	<u>158</u>	<u>743</u>	<u>215,652</u>
Accumulated depreciation:							
Balance at 1 April 2018	-	17,427	5,635	3,258	128	-	26,448
Depreciation Charge for the year	3,645	1,989	402	88	18	-	6,142
Disposals	-	(569)	(655)	(579)	-	-	(1,803)
Revaluation gain	(3,645)	-	-	-	-	-	(3,645)
At 31 March 2019	<u>-</u>	<u>18,847</u>	<u>5,382</u>	<u>2,767</u>	<u>146</u>	<u>-</u>	<u>27,142</u>
Net Book Value at 31 March 2019	<u>175,458</u>	<u>11,303</u>	<u>778</u>	<u>216</u>	<u>12</u>	<u>743</u>	<u>188,510</u>
Net Book Value at 31 March 2018	175,905	5,987	671	145	30	3,928	186,666

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

The Land and Buildings have been professionally valued at 31 March 2019 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 FRS102 - The Financial Reporting Standards for Tangible Fixed Assets. There was a full valuation of the Prince Philip Maritime Collections Centre (PPMCC) at Kidbrooke and the Endeavour Galleries Basebuild which were both completed in year, for all other buildings this was a review based interim valuation. The next full valuation is due to take place for the year ending 31 March 2022.

The Land and Buildings of the main Museum, the Royal Observatory, Greenwich, Prince Philip Maritime Collections Centre and the Kidbrooke Stores 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 has 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 2018-19:

	Revaluation £'000
Main site - Land and Buildings	116,928
Royal Observatory - Land and Buildings	21,089
The Brass Foundry - Land and Buildings	1,298
Prince Philip Maritime Collection Centre - Land and Buildings	20,886
Cutty Sark Canopy - Land and Buildings	15,257
	<hr/> 175,458

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.

10.b Intangible Fixed Assets - Charity & Group

	Software Licences £'000	Website £'000	Developed Software £'000	Assets under Construc- tion £'000	Total £'000
Cost or valuation:					
At 1 April 2018	393	500	48	-	941
Additions	169	-	25	2	196
Disposals	(148)	-	(3)	-	(151)
At 31 March 2019	<hr/> 414	<hr/> 500	<hr/> 70	<hr/> 2	<hr/> 986
Amortisation:					
At 1 April 2018	334	247	19	-	600
Provided during the year	50	125	14	-	189
Disposals	(148)	-	(1)	-	(149)
At 31 March 2019	<hr/> 236	<hr/> 372	<hr/> 32	<hr/> -	<hr/> 640
Net Book Value at 31 March 2019	<hr/> 178	<hr/> 128	<hr/> 38	<hr/> 2	<hr/> 346
Net Book Value at 31 March 2018	59	253	29	-	341

Historic expenditure on some in-use assets, for example the main NMM admissions systems, has not been reclassified as these assets are of insignificant net book value. All new Intangible Assets are considered to have a useful life of 4 years.

11 Capital Expenditure Commitments

	2019 £'000	2018 £'000
Contracted for but not provided in the accounts	<hr/> 837	<hr/> 2,370

The commitments relate to the Peter Harrision Planetarium refit, galleries enrichment programme and estates capital works.

12 Heritage Assets

The FRS102 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 2019 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 three departments: Collections Management; Conservation & Preservation, Research & Information.

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/sites/default/files/Collection_Development_Policy_2012-2017.pdf.

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 Digital, 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 National Maritime Museum has a large and varied collections storage estate which includes a number of offsite facilities; the Prince Philip Maritime Collections Centre, Kidbrooke and the Brass Foundry. In addition we have collections held at the No.1 Smithery, Chatham Historic Dockyard Trust (a partnership with CHDT and the Imperial War Museum), and large objects in commercial storage at the Science Museum Store at Wroughton, Gander & White and Cadoqan Tate. Onsite stores include the SOW Archive and

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. No.1 Smithery Quarterly Management Board meetings are held, chaired by the Head of Collections Management.

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. Quarterly Hazards Group Meetings are held chaired by the Head of Conservation

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.

An ongoing 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 - Charity & Group

Cost or Valuation:	2015	2016	2017	2018	2019
	£'000	£'000	£'000	£'000	£'000
As at 1 April	14,993	16,128	17,426	100,485	100,644
Collection Addition -	510	295	9,530	14	240
Collection Addition - Donated	625	1,003	73,529	145	107
As at 31 March	<u>16,128</u>	<u>17,426</u>	<u>100,485</u>	<u>100,644</u>	<u>100,991</u>

Collection additions (donated) of £107,290 included rare books, diaries and papers, ship models, marine chronometers and watches.

Cutty Sark

Cutty Sark was acquired for the National Maritime Museum Collection at nil value from the Trustees of the Cutty Sark Trust in 2015. The cost of carrying out a valuation far exceeds the benefit to the users of the accounts and the asset is therefore not recognised in the Accounts.

13 Investments

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Quoted Investments				
Market value at 1 April 2018	5,048	5,523	5,048	5,523
Additions	330	979	330	979
Disposal Proceeds	(1,176)	(1,441)	(1,176)	(1,441)
Gain/(Loss) on Disposal	63	(4)	63	(4)
Net Gain/(Loss) on revaluation	85	(9)	85	(9)
Market value at 31 March 2019	4,350	5,048	4,350	5,048
Historical cost as at 31 March 2019	1,918	2,764	1,918	2,764
Unquoted Investments:				
Cost as at 31 March 2019	-	-	500	500
Total Investments	4,350	5,048	4,850	5,548

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

FRS102, 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 £000	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 2018 - Sterling	9,195	3,635	512	5,048	0.0%	3 Months

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

Reconciliation to the Balance Sheet

		2019 £'000	2018 £'000
Cash	Floating Financial Assets	7,530	3,635
Investments (Current Assets)	Fixed Financial Assets	-	512
Investments (Fixed Assets)	Assets Earning Equity Return	4,350	5,048
Total		11,880	9,195

Liquidity Risk

The National Maritime Museum receives the majority of its operating 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 investments, designated funds and unrestricted funds to cover its current liabilities.

Credit Risk

The Museum is exposed to credit risk of £420,909 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 £2,709 (£44 - 2017-18).

The Museum is exposed to credit risk of £1,903,000 of Accrued Grant Income. The risk is not considered significant as the donors are all established foundations, charities and public bodies. The remainder of the Museum's activity is funded by self-generated income and funds given for restricted purposes such as capital projects. Projects are only progressed when income is certain.

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 low material exposure to foreign currency risk because no material transactions are carried out in foreign currencies.

Investment Income Risk

The National Maritime Museum has a Loan from DCMS repayable over 25 years and all cash deposits are for terms of up to four months.

The museum has no exposure to interest rate risk on its financial liabilities as the interest rate on the DCMS loan is fixed for the entire repayment period. Its financial assets are held in fixed term deposit accounts with maturity of one month or less, or in funds or assets that can be readily traded, and so have no fixed interest rate.

15 Stock

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Goods for resale	435	396	76	82

16 Debtors

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts falling due within one year				
Trade debtors	412	413	156	118
Amount owed by subsidiary	-	-	1,739	1,538
Prepayments	315	225	315	220
Taxation (VAT)	119	397	118	397
Accrued income	14	5	14	5
Accrued Grant income	1,577	3,806	1,577	3,806
Other debtors	52	293	43	286
Balance falling due within one year	2,489	5,139	3,962	6,370
Amounts falling due after one year				
Accrued Grant Income	326	712	326	712
Balance falling due after one year	326	712	326	712
Total	2,815	5,851	4,288	7,082

Accrued Grant income includes £1,833,000 of income due from restricted grant funding for specific projects to be undertaken by the Museum in 2019-20 and future years.

Other debtors includes £18,355 of unrepresented credit card income (£39,658 - 2017-18).

17 Creditors

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts falling due within one year				
Trade creditors	179	95	179	87
Other creditors	142	124	37	25
DCMS Loan and Interest	332	336	332	336
Taxation and social security	284	282	284	282
Accruals	2,308	1,999	2,240	1,955
Deferred income	359	322	65	73
Balance falling due within one year	3,604	3,158	3,137	2,758
Balance falling due after one year				
DCMS Loan and Interest	5,368	5,612	5,368	5,612
Balance falling due after one year	5,368	5,612	5,368	5,612
Total	8,972	8,770	8,505	8,370

During 2015-16 DCMS approved a loan to the Museum totalling £6,100,000 towards the development of the Prince Philip Maritime Collections Centre. The first repayment on the loan was due and paid in April 2017 and regular payments are made each year. Interest is being accrued at an indicative rate of 1.02%.

The movement on the deferred income account is as follows:

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Deferred income at 1 April	322	393	73	113
Released in year	(322)	(393)	(73)	(113)
Deferred in year	359	322	65	73
Deferred income at 31 March	359	322	65	73

18 Operating Leases

As at 31 March 2019 the Museum had obligations under non-cancellable operating leases which are due as follows:

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Buildings				
- Within one year	117	293	117	293
- In the second to fifth year	315	362	315	362
- After five years	820	846	820	846
Total	1,252	1,501	1,252	1,501
Other				
- Within one year	8	10	8	10
- In the second to fifth year	5	13	5	13
- After five years	-	-	-	-
Total	13	23	13	23

19.a Statement of Funds - Group	Balance 2018 £'000	Income £'000	Expendi- ture £'000	Gains/ (Losses) £'000	Transfers £'000	Balance 31 March 2019 £'000
General Funds	2,501	23,577	(22,888)	-	(149)	3,041
Designated Funds						
Tangible & Intangible Asset Fund	11,102	-	(2,706)	-	4,991	13,387
Designated Capital	-	1,725	-	-	(1,725)	-
Designated Acquisitions Fund	-	-	-	-	103	103
Cutty Sark Preservation Fund No. 2	381	-	-	-	85	466
Caird Fund	1,264	13	(53)	37	-	1,261
Development Fund	506	52	(21)	88	1,250	1,875
No. 3 Trust Fund	615	3	(1)	7	-	624
Trading Funds	59	4,675	(2,936)	-	(1,739)	59
Total Designated Funds	13,927	6,468	(5,717)	132	2,965	17,775
Total Unrestricted Funds	16,428	30,045	(28,605)	132	2,816	20,816
Restricted Funds						
Restricted Income Funds						
Acquisitions Fund	24	105	-	-	(102)	27
Special Purpose Funds	-	1,536	(367)	-	(1,169)	-
Cutty Sark Preservation Fund	638	38	(9)	-	-	667
Endeavour Galleries Fund	3,976	255	-	-	(2,591)	1,640
Altazimuth Conservation Fund	110	-	-	-	(110)	-
National Historic Ships UK Fund	433	25	(322)	-	214	350
Activities Fund	1,184	9	(322)	-	-	871
No. 3 Trust Fund - Sackler Caird Fund	78	1	(42)	2	-	39
No. 3 Trust Fund - Anderson Fund	74	-	-	-	-	74
No. 3 Trust Fund - Bosanquet Fund	5	-	-	-	-	5
	6,522	1,969	(1,062)	2	(3,758)	3,673
Restricted Asset Funds						
Land and Buildings Fund (Incl. Cutty Sark Canopy)	102,318	-	(3,645)	-	702	99,375
Revaluation Reserve	67,731	-	-	2,740	-	70,471
Collections Capital Fund, Heritage Assets	100,644	107	-	-	240	100,991
	270,693	107	(3,645)	2,740	942	270,837
Total Restricted Funds including Revaluation Reserve	277,215	2,076	(4,707)	2,742	(2,816)	274,510
Endowment Funds						
The Caird Fund	517	5	(21)	15	-	516
The Sackler Fund	163	-	-	-	-	163
Total Endowment Funds	680	5	(21)	15	-	679
Total Funds	294,323	32,126	(33,333)	2,889	-	296,005

19.b Statement of Funds - Charity	Balance 2018 £'000	Income £'000	Expendi- ture £'000	Gains/ (Losses) £'000	Transfers £'000	Balance 31 March 2019 £'000
General Funds (Group)	2,501	23,577	(22,888)	-	(149)	3,041
Total Designated Funds (Group)	13,927	6,468	(5,717)	132	2,965	17,775
Less: Trading Funds	(59)	(2,435)	2,435	-	-	(59)
Total Designated Funds (Charity)	13,868	4,033	(3,282)	132	2,965	17,716
Total Restricted Funds including Revaluation Reserve (Group)	277,215	2,076	(4,707)	2,742	(2,816)	274,510
Less: Trading Funds	-	(293)	293	-	-	-
Total Restricted Funds Revaluation Reserve (Charity)	277,215	1,783	(4,414)	2,742	(2,816)	274,510
Total Endowment Funds	680	5	(21)	15	-	679
Total Funds	294,264	29,398	(30,605)	2,889	-	295,946

General Funds - the general funds consist of the accumulated surplus or deficit on the Statement of Financial Activities. The amount available for use at the discretion of the Trustees in the furtherance of the general objectives of the museum is detailed in Note 20.

Designated Funds - a collection of Funds which have been set aside at the discretion of the Trustees for specific purposes:

The Tangible & Intangible Asset Fund represents the value of the fixed assets (excluding land and buildings) plus subsequent additions at cost. The Tangible Assets Fund movement mainly provides designated Capital reserves for spend on Fixed assets for the year.

The Designated Capital Fund represents funding received from DCMS for Capital Expenditure. The 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 Designated Acquisitions Fund, the Trustees recognise that the availability of potential new acquisitions for the collection is unpredictable. Accordingly, funds allocated to acquisitions but unspent in the year are credited to a designated fund for future purchases of collection objects when they become available.

Cutty Sark Preservation Fund No. 2, the Trustees have decided to designate £141,000 in the year to put towards the long term conservation of the ship less costs charged to the fund in year.

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 Museum's trading subsidiary. The transfer of the trading funds represent the transfer of the profit as Gift Aid to the Charity.

Restricted Funds - These funds are subject to specific restrictions imposed by the donor, by the purpose of an appeal or are received for a specific purpose. They consist mainly of the following:

The Acquisitions Fund represents grants and donations received by the museum for specific future heritage asset purchases.

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

Cutty Sark Preservation Fund includes the transfer of cash funds from the Cutty Sark Trust, the Cutty Sark 150 and Nannie restoration appeals of which is held as a restricted fund for the conservation of the ship *Cutty Sark*.

The Endeavour Galleries Fund represents donations and grants raised for the Endeavour Galleries capital works project.

The Altazimuth Conservation Fund represents donations and grants raised for the Altazimuth Pavilion capital works project.

The National Historic Ships UK Fund supports research, publications, training, recording and similar activities relating to the preservation of historic vessels. This fund includes a grant from HLF for a two year Shipshape Heritage Training Partnership programme.

The Activities Fund represents grants raised for activities based around the Endeavour Galleries, both the Armada and Stubbs acquisitions, Maritime Impacts project and the Cutty Sark Theatre.

The Sackler Caird Fund (part of the No.3 Trust Fund) was established to support a research fellowship in areas directly related to the Museum's 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 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 and net of the outstanding loan balance owed to DCMS. The Land and Buildings Fund movement provides for a transfer for additions of land and buildings paid for from the Designated General Fund.

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

The Collections Capital Fund represents assets either donated or purchased for the Museum's collection and is the value of capitalised heritage assets at the point of accession. The Collections Capital Fund movement provides for the relocation of the purchase of Heritage Assets from the General Fund.

Endowment Funds - These comprise funds donated on condition that the capital value of the donation is held in perpetuity, or in the case of expendable endowment, for the long term.

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

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.

20 Statement of fund commitments as at 31 March 2019

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Funds available for spending at Trustee's discretion:				
General Income Funds	3,041	2,501	3,041	2,501
Designated funds (excluding NMM Enterprises Ltd & Asset Funds)	4,329	2,766	4,329	2,766
	<u>7,370</u>	<u>5,267</u>	<u>7,370</u>	<u>5,267</u>
Funds raised for specific purposes:				
Restricted Income Funds	3,673	6,522	3,673	6,522
Total Funds available for spending	<u>11,043</u>	<u>11,789</u>	<u>11,043</u>	<u>11,789</u>
Funds not available for Trustee's spending				
Designated funds - share capital of NMM Enterprises Ltd	59	59	-	-
Endowment Funds	679	680	679	680
Land and Buildings Fund (Incl. Cutty Sark Canopy)	99,375	102,318	99,375	102,318
Revaluation Reserve	70,471	67,731	70,471	67,731
Collections Capital Fund, Heritage Assets	100,991	100,644	100,991	100,644
Tangible & Intangible Asset Fund	13,387	11,102	13,387	11,102
Total Funds not available for spending	<u>284,962</u>	<u>282,534</u>	<u>284,903</u>	<u>282,475</u>
Total Funds in Balance Sheet	<u>296,005</u>	<u>294,323</u>	<u>295,946</u>	<u>294,264</u>

21.a Analysis of Group Net Assets between Funds

	Unrestricted	Unrestric-	Restric-	Endow-	Total 2019 £'000
	Designated Funds £'000	ted General Funds £'000	ted Funds £'000	ment Funds £'000	
Fund balances at 31 March 2019 are represented by:					
Heritage Assets	-	-	100,991	-	100,991
Tangible Fixed assets	13,052	-	175,458	-	188,510
Intangible Assets	346	-	-	-	346
Investments	1,668	1,885	118	679	4,350
Current assets	6,313	1,156	2,985	-	10,454
Debtors: Amounts falling due after one year	-	-	326	-	326
Creditors: Amounts falling due within one year	(3,604)	-	-	-	(3,604)
Creditors: Amounts falling due after one year	-	-	(5,368)	-	(5,368)
Group Net Assets	<u>17,775</u>	<u>3,041</u>	<u>274,510</u>	<u>679</u>	<u>296,005</u>

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

	Unrestric-	Restric-	Endow-	Total 2019 £'000
	ted Funds £'000	ted Funds £'000	ment Funds £'000	
Reconciliation of movements in unrealised gains on land and buildings:				
Unrealised gains at 1 April 2018	-	67,731	-	67,731
Net gain arising on revaluation	-	2,740	-	2,740
Unrealised gains at 31 March 2019	<u>-</u>	<u>70,471</u>	<u>-</u>	<u>70,471</u>

	Unrestric-	Restric-	Endow-	Total 2019 £'000
	ted Funds £'000	ted Funds £'000	ment Funds £'000	
Reconciliation of movements in unrealised gains on investments:				
Unrealised gains at 1 April 2018	2,075	24	142	2,241
Net gains arising on revaluations	72	1	12	85
Unrealised gains at 31 March 2019	<u>2,147</u>	<u>25</u>	<u>154</u>	<u>2,326</u>

21.b Analysis of Charity Net Assets between Funds

	Unrestricted	Unrestric-	Restric-	Endow-	Total 2019 £'000
	Designated Funds £'000	ted General Funds £'000	ted Funds £'000	ment Funds £'000	
Fund balances at 31 March 2019 are represented by:					
Heritage Assets	-	-	100,991	-	100,991
Tangible Fixed assets	13,052	-	175,458	-	188,510
Intangible Assets	346	-	-	-	346
Investments	2,168	1,885	118	679	4,850
Current assets	4,961	1,156	3,311	-	9,428
Debtors: Amounts falling due after one year	326	-	-	-	326
Creditors: Amounts falling due within one year	(3,137)	-	-	-	(3,137)
Creditors: Amounts falling due after one year	-	-	(5,368)	-	(5,368)
Charity Net Assets	<u>17,716</u>	<u>3,041</u>	<u>274,510</u>	<u>679</u>	<u>295,946</u>

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

	2019	2018
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,058)	2,484
Adjustments for:		
Donated Objects	Note 2	(107)
Depreciation & amortisation charges	Note 10a & b	6,331
(Gains)/losses on investments		(149)
Investment income	Note 5	(85)
(Increase)/Decrease in stock	Note 15	(39)
(Increase)/Decrease in debtors	Note 16	3,036
Increase/(Decrease) in creditors	Note 17	202
Repayments of borrowing	Note 17	332
Loss on Disposal of Fixed Assets & Intangible Assets	Note 10	19
Net cash inflow from operating activities	8,482	10,877

Reconciliation of increase in cash to movement in net funds

	2019	2018
	£'000	£'000
Increase/(Decrease) in cash in the period	3,895	1,394
Increase/(Decrease) in liquid resources in the period	(512)	(676)
Change in net funds resulting from cash flows	3,382	718
Net funds at 1 April 2018	4,147	3,429
Net funds at 31 March 2019	7,530	4,147

23 Analysis of net funds

	NMM	Trusts	Charity	NMME	2019	2018
	£'000	£'000	£'000	£'000	Group	Group
					£'000	£'000
Held at Commercial Banks	3,285	2,091	5,376	2,138	7,514	3,620
Petty Cash	-	-	-	-	-	-
Cash in Hand	14	-	14	2	16	15
	3,299	2,091	5,390	2,140	7,530	3,635
Liquid resources - Short Term Deposit	-	-	-	-	-	512
Net funds	3,299	2,091	5,390	2,140	7,530	4,147

24 Related party transactions

The National Maritime Museum is a Non-Departmental Public Body whose parent department is the Department for Digital, Culture, Media and Sport.

a) The Department for Digital, Culture, Media and Sport

The Department for Digital, 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.

	2019	2018
	£'000	£'000
Grant in Aid received	13,795	13,795
Capital Grant in Aid received	1,725	1,725
Capital Grant in Aid received - Restricted	350	500
Total received from DCMS	Note 2	15,870
		16,020

b) The Heritage Lottery Fund

The National Maritime Museum received lottery grants from the Heritage Lottery Fund in the year of £Nil (£444,136 - 2018). The HLF shares the same parent Department (DCMS) and is therefore a related party. There was an outstanding balance of £1,278,430 (£3,753,968 - 2018) of accrued grants at the end of the year.

	2019	2018
	£'000	£'000
Restricted Grants received from the Heritage Lottery Fund	Note 2	444
Total Heritage Lottery Grants		444

c) The Arts Council England

The National Maritime Museum received grants from the Arts Council England in the year of £Nil (£48,767 - 2018). The ACE shares the same parent Department (DCMS) and is therefore a related party. There was an outstanding balance of £Nil (£4,876 - 2018) 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	Value of income received during the year £'000	Value of expenditure during the year £'000	Nature of transaction
Royal Museums Greenwich Foundation	Jeremy Penn, Trustee for the related party, served as Trustee during the year.	836	-	Grants received & supplies/services
Royal Museums Greenwich Foundation	Jeremy Penn, Trustee for the related party, served as Trustee during the year.	-	379	Grants made to the Foundation
Museums Association	C Marlow, a family member is a mentor for 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.	-	10	Conference and membership costs
University College London	H Czerski, Lecturer and Research Fellow for the related party, served as a Trustee during the year.	-	9	Costs in relation to Joseph Banks Network grant
English Heritage	K Fewster, Member of the related party, served as a Director during the year.	1	-	Income received from image rights
Society for Nautical Research	H Cunliffe, Member of the related party, served as a senior manager during the year.	1	-	Catering contribution
		<hr/>	<hr/>	
		838	398	

At the year end there is a creditor balance of £379,000 with the above related parties.

There were additional related party transactions conducted with various parties which fall below our materiality threshold (£1,000). These transactions resulted in income of £1,268 and expenditure of £4,023.

Additional information on key management remuneration is provided in the Remuneration Report on page 32.

25 Contingent Liabilities

The Museum had no contingent liabilities at the year end.

26 Post Balance Sheet Events

There were no other reportable events between 31 March 2019 and the date the accounts were authorised for issue.

The Financial Statements were authorised for issue on the date they were certified by the Comptroller and Auditor General.

27 Control of the Consolidated Entities

The charity accounts consist of the National Maritime Museum. The consolidated group accounts consist of the National Maritime Museum and the results of a trading subsidiary, National Maritime Museum Enterprises Limited. The Museum controls NMME through ownership of 100% of its issued share capital. Monitoring of the performances of NMME is undertaken by the Trustees of the National Maritime Museum through quarterly Trustee Board, and Audit 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 Digital, Culture, Media and Sport.

The Royal Museums Greenwich Foundation is separate charitable company, run by its own board of Trustees and therefore is not consolidated into the Museum's accounts.

28.a Prior Year Consolidated Statement of Financial Activities for the year ended 31 March 2018

		Unrestricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	Total 2018 £'000
Income and Endowments	Note				
Donations and Legacies					
- Grant in Aid		15,305	715	-	16,020
- Other		230	5,199	-	5,429
Total Donations and Legacies	2.a	15,535	5,914	-	21,449
Other Trading Activities					
- Trading Income	3	3,942	380	-	4,322
- Other	4	637	-	-	637
Total Other Trading Activities		4,579	380	-	4,959
Income from Investments	5	93	1	6	100
Income from Charitable Activities					
Putting Visitors First and creating inspiring experiences		6,295	-	-	6,295
Valuing our Heritage, caring for and developing our unique collection		274	-	-	274
Extending our Reputation, reach and impact		300	-	-	300
Total Income from Charitable Activities	6	6,869	-	-	6,869
Total Income and Endowments		27,076	6,295	6	33,377
Expenditure					
Expenditure on Raising Funds					
Costs of Raising Donations and Legacies		1,641	-	-	1,641
Costs of Other Trading Activities					
- Trading Costs	3	2,234	400	-	2,634
- Other		6,690	-	-	6,690
Total Cost of Other Trading Activities	7	8,924	400	-	9,324
Investment Management Costs		72	-	-	72
Expenditure on Charitable Activities					
Putting Visitors First and creating inspiring experiences		2,428	258	-	2,686
Valuing our Heritage, caring for and developing our unique collection		11,482	3,613	-	15,095
Extending our Reputation, reach and impact		1,830	214	18	2,062
Total Expenditure	7	26,377	4,485	18	30,880
Net Gains/(Losses) on Investments		(10)	(1)	(2)	(13)
Net Income/(Expenditure)		689	1,809	(14)	2,484
Transfers					
Transfers between funds	19.a	(3,465)	3,465	-	-
Net Income/(Expenditure) before other Recognised Gains and Losses		(2,776)	5,274	(14)	2,484
Other Recognised Gains and Losses					
Gains/(Losses) on Revaluation of Fixed Assets	10.a	-	10,577	-	10,577
Total Net Movement in Funds	9	(2,776)	15,851	(14)	13,061
Reconciliation of Funds					
Funds balance brought forward at 1 April		19,204	261,364	694	281,262
Funds balance at 31 March	19.a	16,428	277,215	680	294,323

28.b Prior Year Charity Statement of Financial Activities for the year ended 31 March 2018

		Unrestricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	Total 2018 £'000
Income and Endowments	Note				
Donations and Legacies					
- Grant in Aid		15,305	715	-	16,020
- Other		230	5,199	-	5,429
- Gift Aid donation from NMME	3	1,538	-	-	1,538
- Recharges NMME		154	-	-	154
Total Donations and Legacies	2.a	17,227	5,914	-	23,141
Other Trading Activities					
- Trading Income	3	-	-	-	-
- Other	4	698	-	-	698
Total Other Trading Activities		698	-	-	698
Income from Investments	5	89	1	6	96
Income from Charitable Activities					
Putting Visitors First and creating inspiring experiences		6,295	-	-	6,295
Valuing our Heritage, caring for and developing our unique collection		274	-	-	274
Extending our Reputation, reach and impact		300	-	-	300
Total Income from Charitable Activities	6	6,869	-	-	6,869
Total Income and Endowments		24,883	5,915	6	30,804
Expenditure					
Expenditure on Raising Funds					
Costs of Raising Donations and Legacies		1,641	-	-	1,641
Costs of Other Trading Activities					
- Trading Costs	3	-	-	-	-
- Other		6,751	-	-	6,751
Total Cost of Other Trading Activities	7	6,751	-	-	6,751
Investment Management Costs		72	-	-	72
Expenditure on Charitable Activities					
Putting Visitors First and creating inspiring experiences		2,428	258	-	2,686
Valuing our Heritage, caring for and developing our unique collection		11,482	3,613	-	15,095
Extending our Reputation, reach and impact		1,830	214	18	2,062
Total Expenditure	7	24,204	4,085	18	28,307
Net Gains/(Losses) on Investments		(10)	(1)	(2)	(13)
Net Income/(Expenditure)		669	1,829	(14)	2,484
Transfers					
Transfers between funds	19.b	(3,465)	3,465	-	-
Net Income/(Expenditure) before other Recognised Gains and Losses		(2,796)	5,294	(14)	2,484
Other Recognised Gains and Losses					
Gains/(Losses) on Revaluation of Fixed Assets	10.a	-	10,577	-	10,577
Total Net Movement in Funds	9	(2,796)	15,871	(14)	13,061
Reconciliation of Funds					
Funds balance brought forward at 1 April		19,145	261,364	694	281,203
Funds balance at 31 March	19.b	16,349	277,235	680	294,264