



National Museums and Galleries on Merseyside Annual Report and Accounts 2023-24



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Presented to Parliament pursuant to paragraph 8(7) of the Schedule to The Merseyside Museums and Galleries Order 1986 (SI 1986/226).

Ordered by the House of Commons to be printed on 17 July 2025



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ISBN 978-1-5286-5573-6

E03327261 07/25

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

National Museums and Galleries on Merseyside Annual Report and Accounts 2023-24

Directors Statement.....	6
Trustees Report.....	8
Reference and Administrative Details	8
Structure, Governance and Management	11
Objectives and Activities.....	13
Achievements and Performance.....	16
Financial Review.....	28
Sustainability Report.....	33
Remuneration and Staff Report.....	35
Statement of Trustees’ and Director’s responsibilities	42
Governance Statement.....	43
The Certificate of The Comptroller and Auditor General to The Houses of Parliament	51
Report of The Comptroller and Auditor General to The Houses of Parliament	57
Consolidated Statement of Financial Activities	59
Consolidated Balance Sheet	61
Consolidated Cash Flow Statement	62
Notes to the Accounts	63



Directors Statement

Looking Back at an Exciting Year for National Museums Liverpool

As we moved out of Covid into what we hope is the first year of real recovery, 2023/24 has been quite the year for National Museums Liverpool! While we didn't quite bounce back to pre-pandemic visitor numbers as hoped, we still welcomed 2.3 million people through our doors, and I'm delighted to report that over 90% of them left with smiles on their faces.

The Eurovision Song Contest was undoubtedly one of our highlights. When Liverpool stepped up to host on behalf of Ukraine, our waterfront venues found themselves right in the heart of the action. We embraced this unexpected opportunity with open arms, creating everything from live performances and interactive piano keys to 3D projections and Eurovision-themed activities for families. The result? An additional 30,000 visitors and a "Highly Commended" recognition at the Liverpool City Region Tourism Awards.

Exhibition Excitement

Our exhibitions program continued to draw crowds despite the challenging economic climate. "Return of the Gods" at World Museum captivated 42,000 visitors with its stunning collection of sculptures and objects. Meanwhile, photography enthusiasts flocked to see "Photie Man: 50 Years of Tom Wood" at Walker Art Gallery, celebrating the internationally acclaimed Irish artist's iconic images of Liverpool.

We're particularly proud of "Happiness!" at Museum of Liverpool, which celebrated the life of our beloved local comedian Sir Ken Dodd. And who could forget the magical "Flower Fairies" exhibition at Lady Lever Art Gallery, which transported over 30,000 visitors into the enchanting world of Cicely Mary Barker's illustrations.

Building a More Representative Team

We're making real progress in our mission to become the UK's most representative museum! Our workforce now includes 9.89% of colleagues who identify as Global Ethnic Majority – up from 8.13% last year. We've enhanced our recruitment processes, expanded where we advertise opportunities, and introduced new policies to make NML a more inclusive place to work.

Our RESPECT group continues to guide us on race equality issues, while recognizing the importance of addressing other equality challenges too. There's still plenty more to do, but we're moving in the right direction!

Digital Engagement

While our website visits dipped slightly to 4.1 million, our social media presence grew by 7.7% to 373,000 followers. We're particularly excited about our TikTok debut in November 2023, which has already attracted 2,300 followers! Our YouTube channel now boasts over 104,000 subscribers who viewed our videos 1.6 million times last year.

Transformation Continues

We've made significant progress on our three pillars of transformation. The Walker Art Gallery Renaissance Rediscovered galleries opened in July 2023, we completed reconfiguration works at the Museum of Liverpool using Levelling Up Funding, and we advanced plans for the International Slavery Museum expansion.

Our House of Memories dementia awareness program continues to earn accolades, winning the Innovation category at the Liverpool City Region Culture & Creativity Awards for its 'On The Road' mobile immersive museums.



Looking Ahead

Despite the continued economic challenges, we're approaching the future with optimism and determination. We'll be focusing on strategic changes to drive efficiency, continuing our transformation projects, developing exciting new exhibitions, and strengthening our fundraising efforts.

While inflation, energy costs, and recruitment challenges remain concerns, our team's creativity, resilience, and commitment give us confidence that National Museums Liverpool will continue to thrive and inspire in the years ahead.

Laura Pye
Director and Accounting Officer
Date: 07/07/2025



Trustees Report

Reference and Administrative Details

Status

National Museums & Galleries on Merseyside (NMGM) was established as an incorporated Trustee Body by the Merseyside Museums and Galleries Order 1986. This was laid before Parliament on the 13 February 1986 by the Chancellor of the Duchy of Lancaster, following a recommendation to Her Majesty in Council, under section 46 of the Local Government Act 1986 (amended by the Museums and Galleries Act 1992).

NMGM is an exempt charity by virtue of Schedule 3 to the Charities Act 2011.

In 2003 the Board of Trustees adopted the operating name “National Museums Liverpool” (NML). NML has status as a Non-Departmental Public Body (NDPB), sponsored by the Department for Culture, Media, and Sport (DCMS). DCMS became the principal regulator of NML on 1 June 2010 and provides most of its revenue funding.

In February 2023 the Department for Digital, Culture, Media and Sport was subject to Machinery of Government changes which resulted in the Department being renamed back to the Department for Culture, Media and Sport (DCMS) and the responsibility of digital moving to the new Department for Science, Innovation and Technology (DSIT).

Government reporting protocols require that the statutory name be used to identify the account on the cover and sheet headers. However, where possible, the operating name, or its abbreviated form, has been used throughout the Annual Report and Accounts (ARA).

The ARA has been prepared in accordance with the accounting policies set out in Note 1 to the accounts, and complies with the Charities SORP (FRS102), HM Treasury Financial Reporting Manual (FReM), and the applicable standards as modified by the Accounts Direction, produced by the Secretary of State for Culture, Media, and Sport. All financial values are stated in £ Sterling.

The ARA consolidates the ARA for the museum and the wholly owned trading company, NML Trading Ltd (NMLT). Together these form the NML Group.

The Board of Trustees during the year comprised:

Sir David Henshaw (Chair)
John Belchem
Dinah Birch
Heather Blyth
Isabel Chadwick
Jim Chapman
Lynn Collins
Sarah Dean

Paul Eccleson
Anna Farthing
David Fleming
Philip Lloyd
Rita McLean
Ian Rosenblatt
Virginia Tandy
Tony Wilson

**Associate Trustees:**

Michelle Charters
Andy McCluskey

Until 31/12/23
Until 31/03/24

Rebecca Ihiekwe

From 07/12/23

Register of Interests

A register of interests disclosed by individual Trustees is available on request for inspection at the Principal Office along with minute book entries of disclosures made at Trustee meetings. Related party transactions are shown in note 20.

Open Government

NML complies with the requirements of the *Freedom of Information Act 2000*.

Copies of the proceedings of the Board of Trustees, subject to exemption where appropriate under the Freedom of Information Act 2000, are also available on our website.

Principal and Registered Office of NML

World Museum
William Brown Street
Liverpool
L3 8EN

Investment Managers

Rathbones Group Plc
Port of Liverpool Building
Pier Head, Liverpool
L3 1NW

Bankers

National Westminster Bank Plc
2-8 Church Street
Liverpool
L1 3BG

Lloyds Bank Plc
Faryners House, 25 Monument Street
London
EC3R 8BQ

Auditors**Consolidated Account**

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

Trading Company

BWMacFarlane & Co
Tempest, Suite 5.1
12 Tithebarn Street
Liverpool
L2 9SH

Solicitors

DWF LLP
1 Scott Place
2 Hardman St
Manchester
M3 3AA

Weightmans
100 Old Hall Street
Liverpool
L3 9QJ
(employment law)



Management

During the year, the senior management of NML was:

Laura Pye	Director and Accounting Officer
Sandra Penketh	Executive Director of Art Galleries and Collections Care
David Watson	Executive Director of Audiences & Media
Stephanie Donaldson	Executive Director of Business Resources
Jamiejohn Anderson	Executive Director of Visitor Experience, Commercial & Operations
Janet Dugdale	Executive Director of Museums & Participation

Note: Stephanie Donaldson left NML on 1 March 2024 and Natalie Gilmore joined NML as Executive Director of Business Resources on 25 March 2024.

Public Venues

On 31 March 2024, there were seven public museums within the NML Group. These were:

- World Museum - William Brown Street, Liverpool
- Walker Art Gallery - William Brown Street, Liverpool
- Merseyside Maritime Museum – Royal Albert Dock, Liverpool
- International Slavery Museum – Royal Albert Dock, Liverpool
- Lady Lever Art Gallery - Port Sunlight Village, Bebington, Wirral
- Sudley House - Mossley Hill Road, Liverpool
- Museum of Liverpool – Mann Island

Structure, Governance and Management

Trustees

NML is governed by a Board of Trustees appointed by the Secretary of State for Culture, Media & Sport. The appointment process aims to ensure that appointees reflect a wide range of experience and expertise.

New Trustees receive training via an approved induction process, managed by both NML and DCMS. This includes a full NML briefing with the Chairman, current Trustees, and senior staff. The new Trustees are appraised of the current issues being faced by the organisation in each Directorate. Prior to the briefing, Trustees are provided with the documents; Trustee Code of Practice, Managing Public Money, and the Charity Commission Guidance for Charitable Museums and Galleries. Individual meetings with senior staff, and tours of venues, are provided on an ongoing basis following formal induction.

The Board of Trustees is responsible for the overall strategy of NML and has due regard to the guidance published by the Charity Commission, including guidance on public benefit. The Trustees monitor the risks facing NML, by receiving and considering reports on specific risks, in specific projects, identified within the papers submitted to the Board and Trustee Committees during the year.

Trustee Committees

The following Trustee Committees met during the year:

Audit & Risk Committee	Paul Eccleson (Chair), Jim Chapman, Sarah Dean, David Fleming, Phil Lloyd
Commercial Committee	Isabel Chadwick (Chair), Heather Blyth, Dinah Birch, Sarah Dean, Paul Eccleson, Anna Farthing, Andy McCluskey (Associate Trustee), Virginia Tandy
Finance & Resources Committee	Sarah Dean (Chair), Dinah Birch, Jim Chapman, Lynn Collins
Remuneration Committee	Paul Eccleson (Chair), Sir David Henshaw, Sarah Dean, Virginia Tandy

Senior Management

As Accounting Officer, the Director is personally responsible for safeguarding NML's public funds and for the day-to-day operations and management of NML. The Director is supported by an Executive Leadership Team who are responsible for collections, the museum's cultural programme and for coordinating the overall delivery of organisational goals.

Human Resources

NML places great importance upon people being at the heart of the organisation, ensuring staff are engaged, enabled, and empowered to fulfil their potential. NML recruits staff through fair and open competition and is committed to selection on merit.

**Involvement of employees in the affairs, policymaking, and performance of NML**

Staff are encouraged to become involved in the formation and delivery of policies, and to contribute towards the assessment of performance effectiveness within NML. There is a Joint Consultative Committee, and NML formally recognises two trade unions: Prospect, and the Public and Commercial Services Union (PCS). A weekly e-newsletter is issued covering current events and activities.

Volunteer Programme

Volunteers make a significant and diverse contribution to the success of NML. They support us in all areas of the organisation, in roles ranging from administrative, curatorial, and conservation assistance, to assisting with visitor services, education, and communities.

NML engaged 100 volunteers in 2023/24 (2022/23: 100).

Exemptions from Disclosure

There have been no exemptions from disclosure.

Funds Held as a Custodian Trustee on Behalf of Others

NML do not hold funds on behalf of others as Custodian Trustee.



Objectives and Activities

The primary purposes of National Museums and Galleries on Merseyside (NMGM) are defined by the Merseyside Museums and Galleries Order 1986. They are to:

- Care for, preserve and add to the collections of NMGM
- Secure that the collections are exhibited to the public
- Secure that the collections are available to persons seeking to inspect them in connection with study or research
- Promote generally the public enjoyment and understanding of art, history and science both by means of the collections and by such other means as are considered appropriate

NMGM operates under the title National Museums Liverpool (NML) as is referred as such throughout this document. Our ten-year strategic plan was introduced in 2019/20 which responded to the changing external environment and set out NML's strategic objectives and delivery plan. In developing these objectives, and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit.

Our world-class collections sit at the core of NML and act as the key driver for us in achieving our objectives. It is fundamental that we care for our collections, ensure the public has access to them and that we use these exceptional items to stimulate discussion, learning and enjoyment. We will see further change to what we do and how we do it, but the collections will remain at the core of our efforts.

By 2030 we want to be the best museum 'league' in the world. A league recognised as the best of the best, like the Champions League or the Premier League, we want our museums and galleries to be places that everyone wants to see and that all stakeholders want to be associated with.

In our buildings, and online, we will have world-class displays and engagement programmes that make everyone feel welcome. 'Off the pitch' our world-class collections and colleagues will be supported to be their best and given great facilities. We will embrace the fact that each 'team' in our league is unique with its own fan base and individual stars; but together we want to be a league that all museums will aspire to be part of, and which is recognised across the world as being the ultimate champion.

As an organisation we are *Welcoming, Honest* and *Educational*, and as a team we are *Trustworthy, Respectful* and *Inclusive*.

We must continue to focus efforts on augmenting our income and pursuing productive creative and strategic partnerships; at the same time as doing all we can to ensure our staff and volunteers thrive.



In addition to our core collections imperatives above, by 2030 we will:

- Have the most representative audience and colleagues' profiles in the UK's museums sector.
- Engage with more than ten million people each year, welcoming more than four million visitors to our museums and galleries and a further six million through digital engagement, touring exhibitions and outreach.
- Be a place where people want to work, are happy to work and proud to work.
- Generate more than £50,000 a day - more than half of our turnover - through commercial business, grants, individual giving and gifts.
- Provide great sustainable facilities for the care of our valuable collections and colleagues, with accommodation fit for the next 30 years.
- Ensure all schools in Liverpool City Region will visit at least one of our museums and galleries each year.
- Celebrate our museums and galleries unique identities and collections, play to their strengths, delight their different audiences and continue to make us proud.
- Ensure people will recognise us as a valued leader of cultural and economic growth for Liverpool, the city region and the north of England, and as one of the world's finest museum groups.

To realise our vision, we will focus on six strategic aims:

Be More Representative

NML prides itself on being for everyone, but for this to be true our colleagues, audiences and displays need to be representative of the communities we are here to serve.

Be More Self-Sufficient

We will transform our business model and embrace the digital revolution, to ensure we generate more income and offer the greatest value for money of any national museum. We will focus on our commercial business, grants and gifts to ethically generate more income which can be invested in our public offer.

Be More Sustainable

We recognise the threat of the climate and ecological emergency and commit to reducing our own impact on the environment and becoming more sustainable. We will take action to reduce our impact through far-reaching interventions across the organisation as well as engage with our audiences, funders, partners, and stakeholders to inspire change in their own lives and businesses. We understand that as an organisation which represents education, curiosity and wonder for our surroundings, we have an important role in 'being the change'.

Provide Memorable Experiences

Across our museums and galleries, and digitally, we have hugely diverse collections, each of which offers different things to different audiences. By allowing our museums and galleries to shine we improve the whole organisation and NML becomes unbeatable. We will ensure each of our museums and galleries has the highest standard of offer; that as well as wonderful exhibitions and displays our cafes, shops, community programmes and other public spaces are also exceptional and that our collections and colleagues have all the facilities they need.



Partner & Influence

We will work with a wide range of partners to maximise the impact of NML in our region, nation and across the world. We will contribute to our city region through growing the visitor economy, place making and impacting education, health and social care. We will be the partner of choice for businesses and will continue to use our collections for social impact. We will represent the best of the UK museum sector around the world.

Engage & Empower

We will build an organisational culture which embeds trust, respect and inclusion. People will remain at the heart of our organisation. Supported by our THRIVE programme, people will be engaged and empowered to drive and enable NML to continually change and evolve.

Three Pillars of Physical Transformation

We know that we must become sustainable across all our activities and so have devised an ambitious 10-year masterplan to achieve just that, and we have defined three pillars of physical transformation, that we are already making great progress towards. This master plan will help us to transform our venues, ensuring that all our facilities are contributing to that sustainability goal, while enabling us to revitalise our public offer. Our vision will bring a vibrant and exciting new dimension to our already popular and highly successful museums and galleries.

Waterfront Transformation

Liverpool's iconic waterfront is home to three National Museums Liverpool venues that welcome millions of visitors each year. We are working with strategic partners on an ambitious ten-year plan to create vibrant, welcoming and relevant public spaces for everyone to share, enjoy and explore Liverpool's rich heritage. We will link storytelling, history, community, connectivity, and commercial income to create a cohesive visitor experience and catalyst for social and environmental improvements in the area. Our landmark project will be the transformation of the area between the Royal Albert Dock and Mann Island, as well as the revitalisation of all of our waterfront facilities. Central to this will be the expansion of our International Slavery Museum into the iconic Dr Martin Luther King Jr Building and the revamp and reconfiguration of the adjoining Maritime Museum. Together they will present a bold, confident welcome to visitors to the waterfront area, and embody our plans to reveal the hidden stories of our collections and historic surroundings.

City Centre Transformation

Our staff are vital to our success, whether they work with our visitors or behind-the-scenes. We want them to be happy in their work and to look forward to coming to work each day. This means providing them with engaging spaces and facilities in which to work, develop and grow. These spaces need to be adaptive to enable our new hybrid way of working. To this end we are creating new staff facilities in our city centre locations. We will also look at ways to utilise buildings and assets that are currently underused through commercial partnerships and redevelopment.

Collections Store

Our long-term aim is to transform collections care and storage by creating a new collections facility in or close to our city centre museums. This will be in addition to a publicly accessible large object store for our transport collections in collaboration with local partners. These new facilities will keep our collections in appropriate conditions,



while enabling our staff, research partners and the public to have far greater access to our amazing objects.

Achievements and Performance

2023/24 was a year of excitement due to a strong programme of exhibitions, events and activities. There was also a very special, unexpected opportunity afforded to the city, and us as an organisation, when Liverpool was awarded the hosting duties of the Eurovision Song Contest 2023 on behalf of Ukraine. With such a strong programme, and after several challenging years, like many in our industry, we anticipated the year to be a near complete return to pre-pandemic levels of performance across visitor numbers and income generation, but this has not been the case. While we have seen some areas of our business achieve their forecast target, the pace of recovery has remained slow, with other areas experiencing performance levels below projections.

Some of the challenges we've faced aren't new, they are continuations of challenges from previous years including the cost-of-living crisis and unprecedented energy crisis which not only impact our visitors and communities but also exaggerate this pressure on our operations overall. This has been particularly challenging to navigate throughout the year.

We have continued to work diligently to adapt our programmes and commitments, frequently reforecasting performance, maximising efficiency across services and revising budgets where possible to ensure we were in the strongest position possible to respond to the constantly evolving landscape. Our focus has been on building resilience albeit with some trepidation as instability remained throughout 2023/24, and in some instances, intensified.

By 2030, engage over ten million people each year: more than four million visitors to our museums and galleries and a further six million through digital engagement, touring exhibitions and outreach.

Visitors

In 2023/24, our venues saw approximately 2.3 million visitors, a notable figure but still short of pre-pandemic benchmarks (3.1 million visitors 2019/20), and this has had continued to have a considerable impact across performance. Visitor figures are tightly interlinked with our income generation from paid-for exhibitions, memberships and donations through to secondary spend areas such as our cafes and shops, which have all struggled. Positive customer satisfaction, whilst is lower than the previous year, remains above 90%, and we're truly grateful for the hard-work and dedication of our teams that are continuing to strive to provide welcoming, high-quality and memorable experiences for all visitors through these difficult times.

We've been delighted that young people taking part in events and activities grew to 127,000, which was slightly above target. Charitable giving through fundraising, including visitor donations, purchase of donations or subscribing as patron were down on forecast.

Liverpool City Region has seen continued growth in international visitors to the region, which has been helped by Eurovision 2023, and overall is a positive step forward as overseas visitors play a significant role in our overall visitor profile. In 2023/24 19% of our visitors were from overseas which was a 4% growth on 2022/23.



Exhibitions, Displays & Festivals

In 2023/24 we staged several major exhibitions and displays, which play an important part of our offer and secondary activity.

Under a Hot Sun: Kathryne Maple opened at Walker Art Gallery which celebrated the previous winner of the prestigious John Moores Painting Prize. A new display by the late Leroy Cooper, *Liverpool through the Lens*, opened in our new skylight gallery space at Museum of Liverpool which received outstanding media coverage and community engagement.

Lady Lever Art Gallery played host to the magical *Flower Fairies™* exhibition which visitors could immerse themselves in the enchanting world of illustrations from the Flower Fairies books by Cicely Mary Barker (1895 - 1973) and welcomed over 30,000 visitors during its run.

Two major blockbuster exhibitions were also staged across our William Brown Street venues including *Return of the Gods* at World Museum featuring a stunning collection of over 100 sculptures and objects, displayed together for the first time and welcomed over 42,000 visitors. Walker Art Gallery staged *Photie Man: 50 Years of Tom Wood*, showcasing the celebrated and internationally acclaimed Irish artist Tom Wood and his iconic images of Liverpool and welcomed over 19,000 visitors. *John Moores Painting Prize* returned with the support of the John Moores Painting Prize Trust, and achieved a record breaking 3,000 entries, with 70 artists shortlisted by an esteemed panel of judges to feature in the exhibition which welcomed 12,000 with the winner announced as Graham Crowley.

In September 2023, *Happiness!* the exhibition opened at Museum of Liverpool which celebrated one of Liverpool's iconic comedians, Sir Ken Dodd, charting his life and career of and his connection to today's comedic stars welcoming over 14,000 visitors by March 2024.

Our jam-packed season finished with *Into the Light*, an intervention at Walker Art Gallery which saw six of Nahem Shoa's paintings displayed beside famous artworks from the Walker's permanent collections – including artists such as Joseph Wright of Derby, David Hockney, Lucien Freud and James Tissot.

We once again marked *Slavery Remembrance Day* (SRD) in August which took place online and in-person featuring a wide-ranging programme including talks, workshops, a maker's market plus tours plus an array of digital activity. Central to the programme is the *Dorothy Kuya Slavery Remembrance Memorial Lecture* and for 2023/24, was delivered by Professor Hakim Adi (Professor of the History of Africa and the African Diaspora at the University of Chichester).

We once again partnered with Culture Liverpool for their annual *River of Light* festival and hosted *Night Whisper* which was located near Museum of Liverpool, and we saw thousands of visitors decent upon the waterfront to witness this visually impressive and interactive light installation.

2023 marked a special occasion as we hosted the Eurovision Song Contest on behalf of Ukraine. We developed a specially curated programme that took place across all our seven



venues, and our outdoor spaces. We had a particular vantage point, as our waterfront venues are located in between the official Eurovision Village, and main-show Arena, and we wanted to maximise this opportunity.

Our Eurovision programme was designed specifically to showcase Liverpool and Ukraine and included a diverse array of events, activities and experiences. Highlights included a series of live performances in our venue atriums called *Museums Sessions Live* which saw over 800 artists performing across 5 venues, ranging from solo artists to large choirs and school groups. We produced a large-scale 3D anamorphic projection experience on Museum of Liverpool called *Vikna v Novi Svity' [Windows to New Worlds]* in partnership with Crucial FX Studios, alongside the very popular installation of large-scale interactive piano keys adorning the stairs of Museum of Liverpool. We collaborated with Ukrainian technology company ADVIN, and Spotify, to produce a *Eurovision Walk of Fame* which allowed visitors to interact with the top 20 most streamed Eurovision songs through their mobile phone using augmented reality technology to bring the performers and their songs to life.

After-hours at Museum of Liverpool saw the live streaming of the Eurovision semi-finals, and programme of entertainment such as live musical performances from classical singing sensations Denise & Stefan from Britain's Got Talent, specially curated interventions from Liverpool's House of Suarez, JLEE Productions' LED Ballerinas, a Ukrainian Techno silent disco and even a speed art competition called *Eurovision ArtSlam* by the Manchester ArtSlam collective. A full special take-over of Museum of Liverpool for the finale of the song contest welcomed guests to experience a cinematic live broadcast of the final, with premium food and drink, followed by an opportunity celebrate the closing of the contest by witnessing the Eurovision Village fireworks.

On 13 May 2023, Museum of Liverpool was central to the global #HelpUkraineSong mass musical protest. We co-produced this powerful event in partnership with the award-winning Liverpool creative agency Aurora. #HelpUkraineSong featured 150 singers from PopVox Choir and welcomed hundreds of other organisations across the country to simultaneously join in this truly magical musical moment that was broadcast across the world on television and online. Our learning and participation team programme delivered a wide range of events and activities for families and young people including *Babies do Eurovision*, *Walker Art Gallery Big Art Party*, *Youth Engagement Forum Song Competition* and *After Hours: Song Writing Contest* to name but to create opportunities for all communities to be involved such a special moment in the cultural calendar.

We were thrilled that in agreement with BBC and EBU, Museum of Liverpool became the official collector of key objects and artefacts associated with Eurovision in Liverpool that will not only become part of our core collection but will also serve as the country's official repository of such a memorable major event and be accessible to other museums and galleries across the country and world in the future.

We saw an uplift of 30,000 visitors across venues, predominantly at the Museum of Liverpool due to its location as well as strong secondary spend. We're also thrilled that we were nominated for 'Eurovision Experience' at the Liverpool City Region Tourism Awards and were awarded 'Highly Commended' which is a testament to the hard work from all of those involved, and their commitment to delivering on our mission to create memorable experiences, and challenge expectations. We're sincerely grateful to all the artists, hosts, collaborators and staff that helped to make Eurovision such a memorable experience.



House of Memories, our dementia awareness programme, continues to diversify its range of resources to support people living with dementia and their carers. New additions to the *My House of Memories app* included content co-created with LGBTQ+ support network, Switchboard, and a package created with the world-famous Chelsea Pensioners from Royal Hospital Chelsea to explore veterans' memories. We also created our first Premier League football package working with Liverpool FC Foundation and the ex-players group Forever Reds, as well as others. At the Senedd in Wales, we launched House of Memories Cymru, and app content created from more than 400 objects from across 14 Welsh collections, and a bi-lingual training programme.

Our 'On The Road' mobile immersive museums won in the Innovation category at the Liverpool City Region Culture & Creativity Awards, acknowledging the impact it is having for older people in care and in the community. Highlights in 23/24 included a Eurovision programme, sharing music and songs from BBC Archives such as Cliff Richard and Abba, and more than 1,000 people have engaged with 'On The Road' this year. This year we also extended our partnerships with academic institutions, including University of Liverpool, Edge Hill University, Hope University and Hugh Baird College. Notably, we completed a pilot of our online training with 600 nursing cadets at Liverpool John Moores University, which produced an extremely positive evaluation report.

Digital Activity

We've continued to refine and improve our offer and approach to digital and we're delighted to see it continue to engage audiences near and far. We achieved over 4.1m visits to our website in 2023/24 which is lower than the previous years, in part due to a change in analytics and measuring methodology as a result as well as a significant increase in content published directly to social media platforms, which do not require users to visit our website as they can engage direct. Our social media presence has also continued to grow across our channels, with over 373,000 followers, an increase of 7.7% on the previous year with. We also launched our official TikTok account in November 2023 achieving 2,300 followers. We published over 55 videos on YouTube which received over 1.6m views, over 21m impressions and 61,000 watch time (hours). Our subscribers grew to just over 104k subscribers, an increase of 4%.

By 2030, we aim to have the most representative audience and colleagues' profiles within the museums sector in the UK.

Alongside our own internal visitor counting, audience surveys and analysis we also conduct large-scale annual visitor profiling supported by an external agency to help attain a greater understanding about our visitors, identify changes to those visitor profiles across each of our venues, and capture supplementary information around the impact of and response to our programming and wider societal issues. In 2023/24 we rolled out our previous Audience Segmentation model and strategy, that allows us to gain a more sophisticated understanding of our audiences, and critically, learn more about their motivations which we can then use to improve our targeting of publicity, communications as well as respond programmatically.

In 2023/24 we saw 6% of visitors from a BAME background which was a 3% decrease on the previous year. Visitors with a disability in 2023/24 was 8.8% which was an increase on 2022/23 of 2.7%. Visitor satisfaction remains high at 90% although down by 5.2% on 2022/23.



We have much more work to do and are committed to making further improvements next year.

Other initiatives in 2023/24 include an Educator's Network steering group made up of representation from local, national and international education stakeholders to inform the development and delivery of the National Centre for Teaching Black History. We've established A Young Trailblazers group have been brought together to harness young people's voices as part of the redevelopment of the International Slavery Museum. Working with 16–19-year-olds to ensure young people are represented in the content and programming of the new museum. 2023 saw the creation of the Accessibility Taskforce improving access for colleagues but also for diversifying freelancers and providers for public activities.

In the past twelve months we've continued at pace introducing improvements around recruitment and retention. This includes further enhancements to our recruitment process, upgrading our infrastructure, expanding where we promote and advertising opportunities, revising and introducing new policies as well as strengthening and expanding training for all our managers. We have also led recruitment fairs, in partnership with other cultural organisations in the region, which aims to expand awareness and access to, opportunities within NML, and wider cultural organisations.

We continued to ensure we sustain our momentum around diverse recruitment panels and have expanded our programme of online insight sessions giving candidates an opportunity to meet the recruiting teams, discover more about our organisation and the roles available. We also continue see growth in diversifying our workforce with 9.89% of colleagues identifying as Global Ethnic Majority (GEM) in 2023/24 compared to 8.13% in 2022/23.

We continue to work with the RESPECT group that was established following the opening of the International Slavery Museum and is an important vehicle and guiding consultative body to support the changes we're trying to make – focusing on race equality issues, whilst recognising the intersectionality of other equality issues that also need tackling.

NML continues to support the development of staff committees and groups, as well as enhance the effectiveness of our THRIVE programme established to support cultural transformation. THRIVE delivers an annual programme of activities and during 2023/24 their work continued to be critical in ensuring effective engagement and connectivity as we are now established into a hybrid working approach across many areas of the business.

Our Equality, Diversity and Inclusion Group and Ethics Group each meet monthly and report to Leadership Team quarterly, and to our Board of Trustees. The Environmental & Sustainability Task Force continues to lead our work to improve our impact on the planet and becoming the most sustainable organisation possible. In addition to their on-going work to reduce our impact on the planet, they also completed the estate-wide decarbonisation plan with support from ARUP which is key in NML being able to deliver a radical approach to improving our environmental impactful.



By 2030, be a place where people want to work, are happy to work and proud to work.

We've seen consecutive years making improvements to how we assess and monitor where we are as an organisation, where we want to be and to enable the People Team, as well as the wider organisation, to build on our strengths, identifying improvements and opportunities to achieve our goals into the future. The mid-year and annual engagement surveys continue to be our key measure of the health of the organisation, and is the platform used by the THRIVE engagement champions to develop and update a cultural change action plan, help the Leadership Team and Senior Managers to tackle any areas of for improvement.

Our online e-learning platform continues to evolve with more targeted courses for colleagues as well as a regular requirement for colleagues to ensure they're up to date with the latest guidance and regulations. This improvement of personal development continues to be supported by our dedicated allocation of time for all colleagues enabling them to complete training without other daily work activities causing disruption. We have also improved training specifically for management and strengthened our Business Partnering model. We also continue creating new opportunities for knowledge exchange and learning with partners from across the sector and beyond, through online talks, workshops and insight events.

By 2030, together we will generate over £50,000 a day, more than half our turnover, through commercial business, grants, individual giving and gifts.

Whilst some of our areas of income have underperformed, we have seen good performance from across commercial income streams (retail, café, and events) and in 2023/24 we achieved £4.8m turnover (£4.5m 2022/23). The commercial events team delivered a major programme of events, and this element of our business is responsible for delivering high-quality events spanning private parties, conferences, awards and dinners as well our ensuring our venues can play home to filming locations and the destination of choice for weddings and continues to growth from strength to strength.

Our commercial team operates the central box office service which supports the wider organisation to deliver both free and paid for events to the public as well as our bookable schools' activities and group visits.

The Strategy & Planning Team continue work on evolving our approach to setting, sharing, and monitoring KPIs to ensure that together we all take responsibility in furthering our efforts to become the most representative museum in the UK, and achieve our visitor and income targets each year. The Project Management Office also continues its work of embedding best practice across all our work ensure strengthened governance, accountability, quality and cost control as well as on-time delivery.



Performance Indicator	2023/24 Outturn	2022/23 Outturn
Core Targets		
KPI (1) Total number of visits	2,372,670	2,350,722
KPI (2) Charitable giving - fundraising including donated assets;	£5,901,460	£10,541,167
Donated Assets included above:	£135,982	£4,655,223
OPI (1) Number of unique website visits	4,126,401	4,795,370
OPI (2) Number of visits by children under 16	450,807	432,533
OPI (3) Number of overseas visits	450,807	354,959
OPI (4) Number of facilitated & self-directed visits to the museum/gallery by visitors under 18 in formal education	131,741	134,701
OPI (5) Number of instances of visitors under 18 participating in on-site organised activities	127,244	125,854
OPI (6) Percentage (%) of visitors who would recommend a visit	96%	97%
OPI (7) Admissions income (gross income)	£663,894	£849,493
OPI (8) Trading income (net income)	£1,378,881	£626,553
OPI (9) Number of UK loan venues	77	73

Fundraising is led by the Leadership Team, Senior Management, and the Development team, supported by Board of Trustees. The Development team supports the fundraising function across the organisation and raises income from the public sector, trusts and foundations, companies and individuals (including major donors, public appeals, donation boxes, online donations, legacies and NML's Patrons' and Membership Schemes).

NML continued to raise unrestricted funds to support activity from Trusts & Foundations, Members, Individual Donors and Corporate Partners achieving over £497,000 income. In 2023/24 memberships were steady, although our visitor donations underperformed significantly against forecast, and this is mainly in part due to the lower visitor figure achieved vs forecast.

We would like to acknowledge and thank all our committed corporate partners, members and patrons who were unwavering in their support throughout 2023/24.

NML follows the Fundraising Regulator's Code of Fundraising Practice and all current UK and EU data protection law. We do not make unreasonably persistent approaches for donations or apply undue pressure to give to the organisation. We record contact we have had with individuals so that we can assess this before making further contact, thereby ensuring there is no intrusion on a person's privacy. If we have perceived that a person may be vulnerable, we do not approach them for any fundraising activities. We use a sensitive and common-sense approach to fundraising, treating our donors fairly and making sure they can make informed decisions about donations. There was no failure to comply with the Fundraising Regulator's Code of Fundraising Practice in 2023/24. In addition, neither NML, nor anyone acting on our behalf, has received any complaints regarding fundraising.



By 2030, ensure that we provide great facilities to look after our valuable collections and colleagues, with accommodation fit for the next 30 years.

In the last year NML have continued with our capital projects programme linked to our three pillars of transformation. The Walker Art Gallery Renaissance Rediscovered galleries opened to the public in July 2023. The exhibition was delivered as part of the DCMS Infrastructure Fund refurbishment of the Walker Art Gallery roof and M&E services. The Walker Art Gallery Stonework (Big Repairs) PBIF funded project to repair masonry exterior, and upgrade roof protection and access, the main contract awarded in August 2023 and are scheduled December 2024. In February 2024 we completed the delivery of a hybrid working suite at Walker Art Gallery.

We have progressed the Security Infrastructure Upgrade which will allow us to adopt a 'Lock & Leave' security process. PBIF funded the project design and procurement throughout 2023/24, and the main contract was awarded in March 2024.

We vacated the Dale St office building in 2023, and the building was transferred to void status in December 2023. Property consultants have been appointed to undertake delivery of market testing and production of marketing package for development of the Dale St site.

We employed consultants to deliver a Spatial Analysis Study of our existing Collections Storage encompassing Juniper St, County Sessions House, and North St Warehouse, to inform the brief and development of a new Collections Centre.

The transformation on the Waterfront continues and we have passed many milestones. In January 2024 we completed the reconfiguration works at the Museum of Liverpool: including cafe, shop and a temporary exhibition space with round 1 Levelling Up Funding. The schooner De Wadden was deaccessioned, deconstructed and recycled in preparation of the wider development of Canning Quaysides and Dry Docks. The project achieved RIBA Stages 2 – 4 included public planning consultation, community events, planning application and approval, Outline Business Case approval from DCMS and we completed early market testing and initial procurement for stop wall and main construction contractors. The International Slavery Museum / Maritime Museum project delivered RIBA Stages 2 - 3, including pre-planning consultation, schools and community events. In January 2024 we had re-procure the lead architect and subsequently revisit the design of the project.

By 2030, ensure all schools in the Liverpool City Region will visit at least one of our museums and galleries each year.

The Learning & Participation team continues to make great progress against its key priority areas for development and engagement with schools, albeit against a similar tough backdrop. Whilst slightly lower than forecast, we saw over 130,000 school children visiting us as part of school trips in 2023/24 and we've also continued to see wider engagement with the extensive digital resources now available online. The team continue to work with data in an improve manner to help track engagement with schools as well as identify those schools who we need to prioritise working with to improvement engagement. Our recently formed Educators' Network continues to expand – designed to optimise our output to ensure it is relevant and impactful for educators across the region.



Generously supported by donations, our school bursaries programme enables schools across the Liverpool City Region to access our learning workshops without financial barriers, and this continues to grow from strength to strength. The non-visiting schools outreach programme at Walker Art Gallery has secured additional funding from the Eridge Foundation to create cultural education experiences for secondary school students who have never visited our world class art gallery.

Our participation team lead hundreds of events and activities, free and paid, from courses to workshops and talks that entertain, inspire and delight audiences right across our venues and online. This academic year, the Learning team delivered more than 1,400 led sessions to almost 40,000 children and young people across our museums and galleries. Our work has also continued with Autism Together, Autism in Museums, Kids in Museums and MBED to develop our own expertise and skills to help us make our all our venues more welcoming to visiting schools and audiences.

By 2030, ensure our museums and galleries will celebrate their unique identities and collections, play to their strengths, delight their different audiences and make us proud.

We recognise and celebrate each venue in their own right with their unique collections and personalities. Our brand values of being curious and imaginative, brave, approachable, responsible and essential, act as the lifeblood of our strategic decisions, creative programming of exhibitions, displays and the types of partnership we secure and deliver for each of our venues. Our brand tone, which is that of being inspirational, encyclopaedic and dramatic, indicates our in-built thinking and approach day to day and it ensures we play to our venue individual strengths as well as showcase the best of our venues and the objects they possess. We're focused on delighting our audiences, providing value for money experiences, offering inspiration and opportunity to learn as well as entrainment but continuing to create memorable experiences and challenge their expectations each time they interact with one of our seven incredible museums and galleries in-venue, on the road or through digital experiences.

Each year we develop bespoke campaigns to raise awareness of our unique venues and their locations, showcase the incredible breath of things to do and see contribute to raising the profile of Liverpool and its incredible arts, heritage, and entertainment offer for all. Our teams work in partnership with individuals and organisations to elevate the reach of our collections, and to create opportunities for our expertise to support impactful projects throughout the year.

Our investment continues in developing major new exhibitions, displays and experiences – either featuring our own collections of incredible objects or showcasing any one of the themes and subjects our venues uniquely offer.

Each year we loan our collections to other museums and galleries – right around the Globe, and in 2023/24 we loaned over 70 objects. We continue to make more of our collections accessible across our own and third-party platforms through digitisation – offering unique access to thousands of items not on display and enabling a global audience to discover the extraordinary. Additionally, we produce touring exhibitions that take our collections to new locations, and to new audiences, around the world. We began our tour of *Art in the Age of*



Victoria in China in 2022 which has continued and in 2023/24 has welcomed over 295,000 visitors. The exhibitions touring team continue to develop opportunities for touring nationally and internationally, and have secured ahead of its premiere, a four-country tour for our blockbuster *Bees: A Story of Survival* exhibition which opens in 2024 at World Museum. The tour will visit Scotland, Canada, United States of America and New Zealand following its year-long run in Liverpool at World Museum in 2024/25.

By 2030, ensure people will recognise us as a valued leader of cultural and economic growth for the city, city region and north of England and as one of the world's finest museum groups.

NML is proud of its work with creative, academic and strategic partners locally, nationally, and internationally, and during 2023/24 we continued to work with an extraordinary array of partners including University of Liverpool, Liverpool John Moores University, Liverpool Hope University, Edge Hill University, University of Manchester, University of Leicester and Hugh Baird College, meeting regularly to collaborate and scope new projects and opportunities for the future. During the year we worked closely with city partners again such as Liverpool Arts Regeneration Consortium (LARC), Cultural Organisations of Liverpool (CoOL) Liverpool Business Improvement District, Liverpool City Council, Liverpool City Region Combined Authority, Culture Liverpool, BBC, EBU, ACC Liverpool, Liverpool Film Office, Port Sunlight Village Trust, Wirral Council, Knowsley Council, Liverpool Growth Platform, VisitLiverpool, Liverpool ONE, Royal Albert Dock and St George's Quarter. We also embarked on new creative ventures with Draw & Code, Wolfgang Buttress Studios, The Business Creative, Crucial FX Studios, ADVIN Ukraine, as well as collaborated with celebrated organisations such as Dot Art, JLEE Productions, House of Suarez and hundreds of creative artists and practitioners.

We continue to play an active and important role in the city and wider region to deliver and contribute to the economic growth, job creation, skills development and tackling health and educational inequalities. Employees from right across the organisation sit on external steering groups, working groups and committees including Director Laura Pye who is a member of Liverpool Cultural & Commerce District BID, the Liverpool City Region Culture Steering Group, Chair of the Collections Trust and is on the executive for the National Museums Directors Council.

The Transatlantic Slavery and Legacies in Museums Forum initiative received funding from Arts Council England and enables us to realise our ambitious business plan. The Transatlantic Slavery and Legacies in Museums Forum initiative has been led by NML in partnership with Museum of London, Black Cultural Archives, Bristol Culture, Hull Museums and Glasgow Museums, and is a great example of how we continue to be forward-thinking and pioneering as a national museums service - leading the way on such important topics. We continue to be committed to contributing to cultural and economic growth of the city, region and north of England, and the wider sector.



Exhibitions: held during the year

Under a Hot Sun: Kathryn Maple	<i>Walker Art Gallery</i>	<i>Exhibition</i>	<i>11 Feb 2023 to 8 May 2023</i>
Liverpool Through the Lens by Leroy Cooper	<i>Museum of Liverpool</i>	<i>Display</i>	<i>1 Apr 2023 to 16 Jun 2024</i>
Flower Fairies™	<i>Lady Lever Art Gallery</i>	<i>Exhibition</i>	<i>15 Apr 2023 to 5 Nov 2023</i>
Return of the Gods	<i>World Museum</i>	<i>Exhibition</i>	<i>28 Apr 2023 to 25 Feb 2024</i>
Photie Man: 50 years of Tom Wood	<i>Walker Art Gallery</i>	<i>Exhibition</i>	<i>20 May 2023 to 7 Jan 2024</i>
Happiness!	<i>Museum of Liverpool</i>	<i>Exhibition</i>	<i>14 Ju 2023 to 3 Mar 2024</i>
John Moores Painting Prize 2023	<i>Walker Art Gallery</i>	<i>Exhibition</i>	<i>16 Sep 2023 to 25 Feb 2024</i>
Into the Light	<i>Walker Art Gallery</i>	<i>Display</i>	<i>6 Oct 2023 to 1 Apr 2024</i>

Awards & Recognition

NML has continued to be recognised for outstanding contributions, experiences and services right across our organisation throughout 2023/24.

AIA Community Engagement Award [Winner]	Piermasters' Dig
Dementia Hero Awards [winner]	Community: Abdul Wase (House of Memories, Yemini Project)
Museum and Heritage Awards [Winner]	Team of the Year: NML Housekeeping Team
Conference & Events Awards ([Bronze, Winner])	Best Event Team: Hosted by National Museums Liverpool
Sandford Awards	World Museum: Learning Programme Maritime Museum: Learning Programme
Kids in Museums Family Friendly Awards [Winner]	Large Museum: Museum of Liverpool
Liverpool City Region Tourism Awards [Highly Commended]	Eurovision Experience: National Museums Liverpool
Liverpool City Culture & Creativity Awards	Innovation Award: House of Memories, On the Road



Plans for Future

We will continue to take sensible steps to manage risk across our business but continue with our plans to transform NML and ensure we deliver greater social and economic impact, improving access, inclusion and diversity as well as protecting our collections and buildings for generations to come. Some of our key projects over the next twelve months are:

- Review and improve our core business functions, operations and infrastructure to ensure best practice, drive efficiency through strategic change and increasing income to support the delivery of a long-term sustainable future.
- Build on our success to date around the work to towards our 10-year masterplan with the International Slavery Museum at the heart of this ambition, alongside realising changes within the Maritime Museum, the adjacent Canning Docks and the surrounding smaller buildings.
- Continue to invest in research and development for new exhibitions and digital experiences that augment our offer, encourage audiences to return to explore our offer as well as fulfilling our touring exhibition plans to increase partnership working and generate further income.
- Deliver our capital works programme of repairs across our estate, with prioritising the development of masterplans for our William Brown Street venues.
- Continue to improve and strengthen our collections management policies and procedures to reflect best practice and better support organisation wide developments including plans to improve our collections digitisation approach.
- Prioritise the decommissioning of Dale Street and explore its future potential use as part of our estate and its ability to generate additional income.
- Continue to implement our fundraising strategy to strengthen and diversify our income streams which will enable us to build on our unrestricted income at the same time as generating capital funding to realise our major transformation ambitions across the estate.
- Further develop and deliver our offer for young people and families, schools and adults to ensure retention and improve our ability to attract new audiences. Our public programming will maximise opportunities connected with core exhibition programming and audience development objectives as well as deliver an increased proportion of paid-for programming. This work will be enhanced by an intensified focus around creating new and exciting creative partnerships - underpinned with a fresh, bold and innovative growth strategy, with audience development at its heart, and which pioneers' new income streams for NML Group.
- Continue our work improving inclusivity and representation of Black, Asian and Minority Ethnic people in all our activity, ensuring we use our influence as a national museum service to do more to drive anti-racism within our sector and wider society.
- Continue our work to reduce and improve our impact on the environment and becoming a more sustainable organisation for the long-term through enhanced training for colleagues as well secure funding to implement our decarbonations strategy.
- Raise NML's profile with visitors, politicians, public sector providers, businesses, and strategic agencies by demonstrating our impact, value, and significance.



Financial Review

NML reports its income and expenditure against restricted and unrestricted activity. Unrestricted activity includes the day-to-day running of the charity funded through Grant in Aid (GiA) and other unrestricted funding sources including that generated through its commercial trading subsidiary NML Trading Limited (NMLT). Restricted activity is that funded through specific grants and donations to deliver the purposes specified by the donor or funder.

Unrestricted Outturn for the Year

NML concluded the financial year with a £2.2m unrestricted operating surplus (22/23: £1.5m deficit) bringing closing General funds to £7.1m (22/23: £4.9m).

Consolidated free funds I&E 2023/24	2023/24	2022/23
	£000	£000
Income and endowments		
Grant in aid DCMS	21,359	21,918
Donations and legacies	497	1,915
Charitable activities	1,905	2,022
Other trading activities	4,758	4,465
Investment income	118	50
Total	28,637	30,370
Expenditure		
Raising funds	580	662
Operating expenditure (excl depreciation)	22,204	25,017
Trading activities	4,948	5,043
Total	27,732	30,722
Net gains/ (losses) on investments	-	-
Net income / (expenditure)	906	(352)
Transfers between funds	1,295	(1,137)
Net movement in funds	2,200	(1,489)
Fund balances brought forward at 1 April	4,885	6,374
Balances carried forward at 31 March	7,085	4,885

Income

The majority of NML income is Grant in Aid (GiA) through Department for Culture, Media and Sport (DCMS) for both capital and revenue funding streams. The GiA revenue for the 23/24 financial year was £21.4m (22/23 £21.9m) and included non-recurrent support of £1.3m. In addition to DCMS grant funding, NML also received grants and donations from visitors and members of £0.5m (22/23 £1.9m).

Income from charitable activities fell slightly in the year from £2.0m in 22/23 to £1.9m in 23/24. This source of income covers admission to special exhibitions, charged for participation activities and receipts received under the Museum & Gallery Exhibition Tax Relief scheme.



Income from trading activities by NMLT was up by £0.3m from £4.5m in 22/23 to £4.8m in 23/24, with growth across commercial events and catering.

Expenditure

Operating Expenditure decreased by £2.8m in 23/24 to £22.2m from £25.0m in 22/23. Included within the 23/24 outturn is a reduction in expenditure due to a rebate against the NML's rateable property of £1.2m. In line with reduced income on exhibitions, expenditure also fell by £0.5m within 23/24.

Capital Programme

The GiA capital income for 2023/24 was £8.2m (2022/23 £4.0m) and consisted of recurrent core capital funding £1.5m and Public Body Infrastructure Funding (PBIF) of £6.7m. NML also received £4.3m of capital grants including £1.7m from Heritage Lottery Fund in respect of the waterfront transformation programme.

Going Concern

On the basis that DCMS continue to support the business at existing levels, the Board considers that the following disclosure, which has been included under the accounting policies heading in the financial statements for the year ended 31 March 2024 sufficiently explains the reasons why the going concern assumption is applicable.

As outlined above, we concluded the 2023/24 with an unrestricted operating surplus of £2.2m, however 2024/25 has been a challenging financial year, yet despite that NML have delivered a range programmed activity at all public venues. We are confident that through a continued focus on financial efficiency and cost control, we will remain sustainable in the long term. Looking forward to the 2025/26 financial year and beyond, we have developed a prudent financial plan and balanced budget along with an underpinning sensitivity analysis to support delivery of our strategic aims to 2030.

In light of the uncertainty presented by the current economic climate, the Trustees have carefully considered the financial projections to March 2027 to satisfy themselves of the financial resilience of the organisation. The Trustees have considered ongoing support from DCMS, together with the level of funds held, the expected level of income, expenditure and projected cash flows over this period. The Trustees have considered these matters and have concluded that the level of reserves and liquidity for the Group and Charity are sufficient to enable the organisation to continue trading for a period of at least 12 months from the date of approving the financial statements. The Trustees do not believe there is a material uncertainty in regards of going concern, therefore the financial statements have been prepared on a going concern basis.



Reserves Policy

On 31 March 2024 NML's fund balances were as follows:

Consolidated Position on Reserves	At 1 April	At 31 March
	2023	2024
Unrestricted General Funds	4,885	7,085
Board Share Reserve	610	610
Investment Market Revaluation Reserve	387	499
Capital Funds	5,779	5,779
Total Unrestricted Funds	11,661	13,973
Restricted Revenue / Special Funds	5,289	4,952
Collection Funds	26,257	26,393
Capital Funds	117,235	120,010
Revaluation Reserve	139,580	156,698
Total Restricted Funds	288,361	308,053
Endowment Funds	3,093	3,148
Total Funds	303,115	325,174

The Trustees consider it prudent to maintain reserves to ensure the NML can plan effectively, ensure the sustainability of the organisation and offset the impact of any unforeseen events which may have a detrimental effect on operating cash flows. The Trustees have considered it desirable to maintain unrestricted operating funds should cover the difference between the resource departmental expenditure limits (RDEL) grant-in-aid income and the monthly resource expenditure for six months. The Trustees do not have a specific policy for restricted funds, which are held and utilised in line with the restrictions placed upon them.

The consolidated unrestricted revenue funds available on 31 March 2024 was £7.1m (2022/23: £4.9m). This includes £7k (2022/23: £42k) which is held by the subsidiary trading company. Restricted funds held total £308.1m (2022/23: £288.4m).

Investments

Investments listed on a recognised stock exchange are re-valued at year-end mid-market price, excluding any applicable accrued interest. The investment manager, Rathbones, provides quarterly reports which include a statement confirming adherence to the investment policy statement or details of exceptions.

NML's Investment Policy ensures undue risk is avoided and investments remain low risk. The Trustees have oversight of the investment portfolio through the Finance & Resources Committee. They consider the level of risk of the portfolio, the social and ethical policy for investments, the portfolio performance, and the balance of investments in the light of liquidity requirements. Annually the investment manager, Rathbones, present a report to the committee demonstrating the performance of the investments against the market, recommendations for review and market conditions. NML's Investment Policy and Ethical Investment/Socially Responsible Investing Preferences Statement are reviewed, updated, and approved by the Board of Trustees during the year.



Regularity of expenditure (audited)

NML is required to report on the regularity of expenditure including losses and special payments in line with Managing Public Money requirements. No special payments were made in 2023/24 (2022/23: Nil).

For the financial year 2023/24, NML has no reportable amounts in line with the Financial Reporting Manual (FReM) in respect of the following:

- losses
- remote contingent liabilities.

Principal Risks and Uncertainties

NML's system of internal control, including financial, operational and risk management, which is designed to protect the organisation's assets and reputation, has been undergoing continuous review and improvement over the recent years and this continued during the year ended 31 March 2024.

NML maintains a Strategic Risk Register and during the year the following principal strategic risks relating to business objectives were identified in it:

Risk Ref	Strategic Risk	March 2024	
		Residual Risk Impact	Residual Risk likelihood
SR01	NML does not protect and effectively manage the collections	3	C
SR02	The financial plan is not achieved	5	E
SR03	The NML estate (land, buildings and infrastructure) is not managed and utilised in a safe and sustainable way	4	C
SR04	NML does not provide a safe and positive visitor experience for a growing and more diverse audience	3	C
SR05	NML cannot attract, develop and retain a diverse, sufficient and positive workforce	3	C
SR06	NML's reputation is damaged or lost	3	B
SR07	NML cannot develop, maintain or maximise effective strategic partnerships and engagement	3	A
SR08	NML does not protect and effectively manage its information assets	4	C
SR09	NML does not deliver its transformation programme	4	C
SR10	Non-compliance with legal, regulatory and statutory obligations	4	C
SR11	Major incidents or events are not effectively managed and / or adequate continuity of service maintained	4	B
SR12	There are material changes to the intervention or support NML receives from Central Government	5	C



	Highly Unlikely	Unlikely	Possible	Likely	Happening
5	5A	5B	5C	5D	5E
4	4A	4B	4C	4D	4E
3	3A	3B	3C	3D	3E
2	2A	2B	2C	2D	2E
1	1A	1B	1C	1D	1E

The inflationary growth in both pay and non-pay (particularly utilities) experienced by NML in recent years has meant our existing levels of funding are insufficient to enable us to set a balanced budget for 2024/25. It also leaves us less resource to invest in our assets and maintain our estate effectively. In order to remain financially sustainable in the long term, NML is currently undergoing a review of expenditure with a view to reducing its fixed cost base, in addition to making the business case to its major funder to leverage additional GiA.

The risk in retention and recruitment of staff remains, particularly in relation to the current rising cost of living and roles with transferable skills, such as finance, digital, IT and hospitality. There has, in recent years, been more of a turnover of staff in senior management roles across the organisation, and turnover of staff is one way to help encourage change within the organisation.

Cyber security risk remains high and is being monitored by the Director of Information Services, Data Protection Officer and Head of Security. The Audit & Risk Committee have been pivotal in ensuring NML has sufficient controls in place to manage the threat of Cyber Crime, particularly in light of the published lessons learnt from the British Library Cyber-Attack.

The cost energy prices continue to be a significant risk requiring ongoing monitoring. This sits alongside NMLs commitment to become “greener”. Both of these concerns are actively monitored through the Environmental and Sustainability Group and the Operating Steering Group. Leadership Team ensure that the Board of Trustees are kept apprised of the situation.

Reputational risk relating to media coverage about the collections is carefully managed by the curatorial and communications teams, in addition to coverage of the industrial action at the end of the financial year.

There are no material uncertainties within the annual report and accounts.



Sustainability Report

National Museums Liverpool recognise the threat of the climate emergency and the significant impact this will have on nature, the planet, communities and future generations. As such, we are committed to becoming a sustainable organisation and deliver positive change across the business in line with the strategic aim, **Be More Sustainable**.

We have strengthened our ability to test our thinking, challenge our planning and deliver outputs that improve how we operate to reduce our environmental impact. We are also looking at ways to adapt and improve our resilience to the impacts of climate change, to preserve our collections and venues for future visitors, staff and our communities.

The Environmental & Sustainability Task Force (E&S Task Force) continues to spearhead our efforts in this critical area of change. With representation and expertise across key areas of the business, the task force provides expert guidance, facilitates informed conversations, oversees the development and delivery of business-function specific annual action plans, and works collaboratively at all levels to ensure it is embedded. The task force sub-groups work across four key areas - People, Buildings, Operations and Programming and deliver against key commitments:

- To raise awareness with our colleagues on the impact of our actions, and the changes we can put in place to minimise our collective and individual impact on the environment.
- To create organisation-wide behavioural change, embedding climate and environmental decision making in everything we do, ensuring this is based on evidence and impact.
- To engage and collaborate with our audiences, funders, stakeholders and partners on how changing our behaviours can ensure a sustainable future.
- To undertake a climate change risk assessment establishing the risks posed by climate change to our organisation and in particular, our collections.
- To deliver prioritised action plans focusing on climate impact mitigation across our people, buildings, operations and programming.
- To measure and monitor our impact on our carbon footprint, sharing and reporting our progress towards net zero.
- To research and evaluate innovative solutions to reduce our use of energy and resources.
- To continue to review the things we procure to source goods and services with reduced environmental impact, and work with our suppliers to consider the entire lifecycle of the product.
- To undertake a review of our waste management, to monitor waste generation and recycling rates, to reduce our carbon emissions and impact on air, land and water quality.
- To commit to a reduction in energy usage and transition away from fossil fuels.
- To set targets and sustainability standards for projects and capital developments to reduce the carbon and environmental impact of that venture and its future operations.



Governance & Management

The challenges posed by the Global Climate and Ecological Emergency are being considered and managed at Board level, with the Audit and Risk Committee (ARC) having reviewed NML's risk profile with specific consideration given to Climate Change risk, which impacts a number of the strategic risks. A detailed decarbonisation report, produced with sustainability consultants Ove Arup, has produced a strategic action plan, components of which are being implemented across the organisation and within large-scale strategic projects such as the Waterfront Transformation. Members of the Board have been certified by the Carbon Literacy Project, including the Chair of ARC. The Board has delegated day-to-day oversight of their environmental responsibilities to a multi-functional executive team to which the Environmental and Sustainability Taskforce reports. This is composed of representatives from all key functions across NML.

To support informed decision making, NML have signed up to Climate Essentials carbon calculator tool and are improving data capture to more accurately report on our carbon emissions across scopes 1, 2 & 3.

As part of NML's Project Management Framework there is a clear commitment to reducing our environmental impact with all project teams required to assess the environmental impact of the projects being proposed. This is undertaken initially when defining the project scope, embedding sustainability criteria in the procurement process and ensuring this is measured throughout project delivery. The environmental impact on the operational model once the project is complete is also a key consideration. How the project has considered this is then detailed in gateway documents for review and approval by the extended leadership team before progression to the next stage.

NML continue to be part of important initiatives such as SHIFT Liverpool, ALVA Heads of Sustainability forum and Museums 2030 – a peer support network for greener exhibitions, to support our ability to collectively respond to sustainability, expand knowledge, share skills.



Remuneration and Staff Report

NML has prepared this Remuneration Report in accordance with the Government Financial Reporting Manual, which requires disclosure of information about directors' remuneration where "director" is interpreted to mean those having authority or responsibility for directing, or controlling, the major activities of NML. In NML's opinion it is the Trustees, and the Directorships described below, who are responsible for directing and controlling the major activities of NML.

Single Total Figure of Remuneration of Chief Executive and Directors Team (subject to audit)

	Salary 2023/24 £000's	Salary 2022/23 £000's	Pension Benefit 2023/24 £000's	Pension Benefit 2022/23 £000's	Total 2023/24 £000's	Total 2022/23 £000's
Laura Pye Director and Accounting Officer	130-135	125-130	39	49	165 - 170	170-175
Sandra Penketh Executive Director of Art Galleries and Collections Care	80-85	80-85	25	33	105 - 110	115-120
David Watson Executive Director of Audiences and Media	80-85	80-85	25	33	105 - 110	115-120
Stephanie Donaldson Executive Director of Business Resources ⁽¹⁾	75-80	80-85	23	33	95 - 100	115-120
Janet Dugdale Executive Director of Museums and Participation	80-85	80-85	25	33	105 - 110	115-120
JamieJohn Anderson Executive Director of Visitor Experience, Commercial & Operations ⁽²⁾	80-85	80-85	25	4	105 - 110	85-95

Notes:

(1) Left 01/03/24. Full Year Effect 2023/24 Pay: Salary £80-£85k, Pension Benefit £25k, Total £105-£110k

(2) Paid by subsidiary company

All staff - NML does not pay bonus or performance payments



Remuneration Committee

During the year, the role of the Remuneration Committee is to:

- Determine the pay and conditions of the Director.
- Review the performance of the Leadership Team.
- Provide, through a panel selected by the chairman; an appellant recourse in disciplinary and grievance cases concerning senior staff for whom the Director is the reporting officer.
- Ensure accountability and transparency about NML's general remuneration policy.

All staff, other than the Director, are recruited to job levels graded for seniority, and approved by the Trustees within the context of the pay remits negotiated with DCMS/HM Treasury. The remuneration of senior managers, except for the Director, is determined by the agreed pay remit.

In addition to the negotiated salary, the Director can benefit from a performance related annual pay award of £5,000 which would be consolidated and pensionable if awarded. The performance of the Director is assessed annually by the Trustees to determine the pay award. The reporting period for this performance review is 1 April 2023 to 31 March 2024.

The Chair and Board of Trustees neither received nor waived any remuneration or other benefits for their services during the year 2023/24 (2022/23: nil). The emoluments of the NML Directorships are shown in the table above, which has been audited. There were no benefits in kind received by the Directors. Further details on staff costs can be found in Note 5 of the financial statements.

Fair Pay Disclosures (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation, and the lower quartile, median and upper quartile remuneration of the organisation's workforce. These figures are audited.

The banded remuneration of the highest-paid director in the organisation in the financial year 2023/24 was £130k-£135k (2022/23: £125-130k) a 4% increase.

Pay disclosure comparison with the band of the highest paid Director's remuneration:



	2023/24	2022/23	Change
	£000's	£000's	%
Band of highest paid director's total remuneration	130 - 135	125 - 130	4%
Lower quartile (25%)			
Total Remuneration	£23,150	£21,028	10%
Ratio	5.62	5.94	-5%
Median (50%)			
Total Remuneration	£26,703	£25,142	6%
Ratio	4.87	4.97	-2%
Upper quartile (75%)			
Total Remuneration	£31,225	£31,355	0%
Ratio	4.16	3.98	5%

In 2023/24 NML applied a flat increase of 2% to all salaries from 1 April 2023 excluding those paid the Real Living Wage. Those colleagues affected by the Real Living Wage received an additional increase from 1 November 2023, from £10.90 per hour to £12.00 (10% increase). First line managers also received an increase from this date, maintaining a 7.5% differential to those colleagues on Real Living Wage.

Overall salary differential for employees for 2023/24:

	2023/24	2022/23	Change
	£000's	£000's	%
Overall salary range including highest paid director			
Highest	£130,000	£125,000	4%
Lowest	£22,891	£21,028	9%
Average salary range excluding highest paid director	£30,045	£28,300	6%

In 2023/24 (2022/23: Nil) no employees received remuneration higher in excess of the highest paid director. Total remuneration includes salary only. It does not include severance payments, employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

Chief Executive and Directors Team Pension Entitlements (subject to audit)

	Accrued pension at pension age as at 31/03/24	Real increase in pension and related lump sum at pension age	CETV at the period ended 31/03/24	CETV at the period ended 31/03/23	Real increase in CETV	Contributions to Defined Contribution Scheme at the period ended 31/03/24	Contributions to Defined Contribution Scheme at the period ended 31/03/23
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Laura Pye Director and Accounting Officer	15 - 20	2.5 - 5	205	123	26	n/a	n/a
Sandra Penketh Executive Director of Art Galleries and Collections Care	35 - 40 plus a lump sum of 95 - 100	0 plus a lump sum of 0	842	703	-29	n/a	n/a
David Watson Executive Director of Audiences and Media	5 - 10	0 - 2.5	108	60	16	n/a	n/a
Stephanie Donaldson Executive Director of Business Resources (1)	10 - 15	0 - 2.5	175	114	19	n/a	n/a
Janet Dugdale Executive Director of Museums and Participation	35 - 40 plus a lump sum of 95 - 100	0 plus a lump sum of 0	871	739	-30	n/a	n/a
JamieJohn Anderson Executive Director of Visitor Experience Commercial & Operations (2)	n/a	n/a	n/a	n/a	n/a	25 - 30	0 - 5

Notes:

(1) Left 01/03/24

(2) Paid by subsidiary company

The CETV figure may be different from the closing figure in last year's account. This is due to the CETV factors being updated to comply with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance was used in the calculation of 2024-25 CETV figures.

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



Exit Packages (subject to audit)

The audited table below represents actual exits in year and the respective cost of those exits.

Exit package cost band	Number of compulsory redundancies		Number of other departures		Total number of exit packages by cost band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
< £10,000	nil	nil	2	nil	2	nil
£10,000 - £25,000	nil	nil	2	2	2	2
£25,000 - £50,000	nil	nil	1	3	1	3
£50,000 - £100,000	nil	nil	nil	nil	nil	nil
Total number of exit packages	nil	nil	5	5	5	5
Total resource cost / £000's	nil	nil	75	126	75	126

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full, in the year in which the departure has been formally approved, irrespective of the leave date and fully funded from existing reserves. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Other Staffing Information

The analysis of Staff Members with annual salaries over £60,000 is as follows:

Annual Salary Band	2023/24	2022/23
	Number of FTE's	Number of FTE's
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	5	5
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1



Average Number of Staff Full Time Equivalent (subject to audit)

The average number of 'Full-Time Equivalent' employees analysed by directorate were:

Employee Configuration	As at 31 March 2024	As at 31 March 2023
	<i>FTE</i>	<i>FTE</i>
Art Galleries and Collection Care	43	46
Audiences and Media	107	68
Business Resources	36	35
Directors Office (inc. HoM, MP and S&P)	17	18
Museums and Participation	61	108
Visitor Experience	144	142
NML Trading Ltd	76	74
	<u>484</u>	<u>491</u>

The average number of "Full-Time Equivalent" employees analysed by category of staff were:

Employee Configuration	As at 31 March 2024	As at 31 March 2023
	<i>FTE</i>	<i>FTE</i>
Staff on permanent contract	441	452
Staff on fixed term contracts	43	39
Total	<u>484</u>	<u>491</u>

A further audited analysis of the composition of 'Full-Time Equivalent' employees as of 31 March 2024 is as follows:

	2023/24			2022/23		
	Female	Male	Total	Female	Male	Total
Directors	4	2	6	4	1	5
Employees	302	176	478	290	196	486
Total	306	178	484	294	197	491



Trade Union Facility Time

Facility time is paid time off for union representatives to carry out trade union activities.

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	9	Full-time equivalent employee number	8.6
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Table 2: Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	5
1-50%	4
51-99%	0
100%	0

Table 3: Percentage of pay bill spent on facility time

	£000's
Total cost of facility time	6
Total pay bill	261
Percentage of the total pay bill spent on facility time, calculated as:	
	2.27%

Table 4: Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time 100%
(total hours spent on paid trade union activities by relevant union official during the relevant period ÷ total paid facility time hours) x 100



Statement of Trustees' and Director's responsibilities

Under paragraph 8(2) of the Schedule to the Merseyside Museums and Galleries Order 1986 the Board of Trustees of the National Museums & Galleries on Merseyside is required to prepare a statement of account for each financial year in the form and on the basis determined by the Secretary of State for Culture, Media, and Sport, with the consent of the Treasury. The account is prepared to show a true and fair view of the National Museums Liverpool's financial activities during the year and of its financial position at the end of the year.

In preparing the accounts the Trustees are required to:

- Observe the accounts direction issued by the Secretary of State, 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 have been followed, and disclose and explain any material departures in the financial statements
- Prepare the accounts on the going concern basis, unless it is inappropriate to presume that NML will continue in operation
- Confirm that so far as they are aware, there is no relevant audit information of which NML's auditors are unaware
- Confirm that the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that NML's auditors are aware of that information.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Director of the National Museums Liverpool as the Accounting Officer. Their relevant responsibilities as Accounting Officer, including their responsibility for the propriety and regularity of the public finances for which they are answerable and for the keeping of proper records, are set out by the Treasury in Managing Public Money.

The Accounting Officer confirms that the annual report and accounts is fair, balanced, and understandable and 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 of Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Accounting Officer and the Board of Trustees have taken all the steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditors are aware of that information.

Laura Pye
Director & Accounting Officer
Date: 07/07/2025

Sir David Henshaw
Chairman of Trustees
Date: 07/07/2025



Governance Statement

Governance Framework

NML is governed by the Board of Trustees who are accountable for the overall direction and strategy of NML, have due regard for the guidance published by the Charity Commission and the Merseyside Museums and Galleries Order 1986. The Trustees monitor the risks facing NML, as identified in papers submitted to the Board and Trustee Committees during the year.

The Principal Accounting Officer of DCMS appointed Laura Pye as Director and Accounting Officer for the organisation in 2018. The relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for the safeguarding of NML's assets and for the keeping of proper records, are set out by the Treasury in Managing Public Money. The Director is responsible for the day to day running of the organisation, ensuring that a sound system of Governance and Internal Control are in place, and aims to secure continuous improvement in the way in which NML's functions are exercised having regard to a combination of economy, efficiency, and effectiveness.

The Comptroller & Auditor General (C&AG), is the statutory auditor of NML and has full rights of inspection to NML's records. The Accounting Officer of NML can be called upon to give evidence to the Public Accounts Committee and may also be called to give evidence before any of Parliament's Select Committees.

Accountability to NML's sponsoring department DCMS is exercised through a framework document issued by DCMS which lays out the regulatory and accounting framework, along with details of the delegations of responsibility and the accountabilities of NML.

The Merseyside Museums and Galleries Order 1986 sets out the statutory framework for NML and lays out the general functions of the Board.

The Board of Trustees

During the year the Trustees have approved the Annual Budget, Strategic Plan, and the Annual Report and Accounts for 2022/23.

The Board met four times during the year for formal board meetings and three times for informal board sessions and received reports including, but not limited to, the following:

- Management overview summary of key activities and highlights, in line with strategic objectives.
- Minutes of activity, and reports, from Committees of the Board.
- Financial performance, budget and financial plan.
- Reserves Policy, Investment Policy and ethical investment preferences.
- Business development plans.
- Approval of strategy and policy, including:
 - Fraud, Bribery & Corruption Strategy.
 - Fraud Bribery & Corruption Policy & Fraud Response Plan.
 - Risk Management Strategy.
 - Risk Management Policy & Procedures.
 - Safeguarding Policy.
 - Emergency Preparedness Policy.



- Items accessioned.
- Loans agreed.
- Performance metrics.
- Risk management.
- Legal and fraud registers.
- Health and safety and estates compliance.
- Safeguarding.
- Scheme of Delegation.
- DCMS Framework Document.

Although the Director is responsible for the day to day running of the organisation certain matters are reserved to Trustees for consideration and decision. The Trustees are consulted on major strategic issues, or where it is foreseeable that a decision, or action, could damage the reputation of NML as designated within the Schedule of Matters Reserved to Trustees. To carry out some of its responsibilities, the Board delegates to three committees.

The Finance & Resources Committee met three times during the year. The meetings review issues such as the forward financial plan, performance against budget, the capital project budget, accounting policy, and the Annual Report and Accounts.

The Audit & Risk Committee (ARC) met three times during the year to fulfil its remit as defined in its Terms of Reference and oversee NML's control environment. This included regular review of NML's strategic and intermediate risk register and consideration of the Risk Management Strategy (2024/27) and Risk Management Policy and Procedures. The Committee also considered the work of the internal and external auditors, including follow-up of internal audit recommendations.

The Committee received regular updates on NML's work on Counter Fraud, Bribery & Corruption and considered NML's Fraud Risk Register, along with review of the Confidential Reporting (Whistleblowing) Policy. The Committee also considered the effectiveness of NML's information management arrangements, including review of the Information Management Strategy and regular updates in this area. The Committee also considered, the Head of Internal Audit's Annual Report, and the Annual Report and Accounts, including NAO's audit planning process and Audit Completion Report. The Chair of ARC meets regularly with the External and Internal Auditors without the presence of management, to enable frank discussions on any issues to take place prior to and aside from formal meeting proceedings.

The Commercial Committee met three times during the year. The meetings provide oversight and challenge to NML Group commercial activity and income streams including the exhibitions programme and commercial opportunities. The Committee also review the procurement pipeline.

The Remuneration Committee met three times during the year to review the performance of the Director (and to consider any performance-related pay), other members of the Leadership Team, the Chair, and the Board.

The Chairman of the Board is an ex-officio member of all Committees but is not expected to attend the ARC. The Chairman may attend ARC meetings if he judges it appropriate. The



Board and Committees consist of Trustees, and in some cases Associate Trustees to ensure that the appropriate skills are in place.

The Development Committee was established to support the delivery of NML's Combined Fundraising Strategy. This Group held its first meeting in March 2022 and is chaired by Ian Rosenblatt OBE (NML Trustee).

Compliance with the Corporate Governance Code

The 'Corporate governance in central government departments: Code of good practice 2017' was developed specifically to support corporate governance in ministerial departments. NML has adopted the practices set out in this code where applicable. In line with the code of good practice, the Board supports the Director in leading NML through strategic direction, monitoring activity, achievement of objectives, and ensuring good governance is in place. The work of the Board is well supported by strong management at Committee level. Board of Trustee minutes are available on NML's website.

Quality of information presented to the Board

A standard reporting format is used, and feedback is considered regarding on-going changes to requirements. Financial reporting is scrutinised by the Finance & Resources Committee prior to submission to the Board. Risk and Audit information is reviewed in detail by ARC before reporting to the Board. The Chair of each Committee is invited to provide an update at every Board meeting.



Board and Committee Attendance

Attendance records for the Board and Committees are set out below. Where Trustees have joined/left the Board, or a Committee, during the year, their attendance has been adjusted to account for the total number of meetings that they were eligible to attend.

	Formal Board Meetings			Board Sessions		
	Eligible	Attended	%	Eligible	Attended	%
Sir David Henshaw (Chair)	4	3	75%	3	3	100%
John Belchem	4	4	100%	3	3	100%
Dinah Birch	4	4	100%	3	2	67%
Heather Blyth	4	3	75%	3	3	100%
Isabel Chadwick	4	3	75%	3	2	67%
Jim Chapman	4	3	75%	3	1	33%
Lynn Collins	4	3	75%	3	1	33%
Sarah Dean	4	2	50%	3	2	67%
Paul Eccleson	4	4	100%	3	2	67%
Anna Farthing	4	3	75%	3	1	33%
David Fleming	4	3	75%	3	2	67%
Philip Lloyd	4	4	100%	3	0	0%
Rita McLean	4	3	75%	3	2	67%
Ian Rosenblatt	4	0	0%	3	1	33%
Virginia Tandy	4	4	100%	3	3	100%
Tony Wilson	4	4	100%	3	2	67%
Associate Trustees:						
Michelle Charters (ended 31.12.23)	3	2	67%	1	1	100%
Andy McCluskey	4	0	0%	3	2	67%
Rebecca Ihiekwe (started 07.12.23)	2	2	100%	2	0	0%

Board and Committee Attendance Continued

	Audit and Risk Committee				Remuneration Committee		
	Eligible	Attended	%		Eligible	Attended	%
Paul Eccleson (Chair)	3	3	100%	Paul Eccleson (Chair)	3	3	100%
Jim Chapman	3	2	67%	Sir David Henshaw	3	2	67%
Sarah Dean	3	3	100%	Sarah Dean	3	2	67%
David Fleming	3	3	100%	Virginia Tandy	3	3	100%
Phil Lloyd	3	2	67%				

	Finance and Risk Committee				Commercial Committee		
	Eligible	Attended	%		Eligible	Attended	%
Sarah Dean (Chair)	3	3	100%	Isabel Chadwick (Chair)	3	3	100%
Dinah Birch	3	1	33%	Heather Blyth	3	3	100%
Jim Chapman	3	2	67%	Dinah Birch	3	1	33%
Lynn Collins	3	1	33%	Sarah Dean	3	1	33%
Paul Eccleson (1)	3	0	0%	Paul Eccleson	3	2	67%
Isabel Chadwick (1)	3	1	33%	Anna Farthing	3	2	67%
(1) Not a formal members				Virginia Tandy	3	2	67%

Control Environment

All aspects of the control environment are covered by the Governance Framework, from the culture and values of the organisation to the systems and processes that are in place to ensure that the activities, and business, of NML are properly controlled. This includes counter-fraud, anti-corruption, and anti-bribery arrangements. It is in place to ensure that NML can deliver its strategic plan through agreed objectives, and that this is achieved through the consideration and delivery of cost effective, and appropriate, decision making, as is required by the “Managing Public Money” guidance, issued by HM Treasury.

The system of internal control is a significant part of the Governance Framework and is designed to manage risk to a tolerable level. It cannot eliminate all risk of failure to achieve policies, aims, and objectives, and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based upon an on-going process designed to identify, and prioritise, the risks to the delivery of NML’s policies, aims, and objectives, being realised, and the impact should they be realised, and to manage them efficiently, effectively, and economically.

No data breaches occurred during the year which required reporting to the Information Commissioner’s Office.

Registers of Interests are maintained for Trustees and the Leadership Team, and potential conflicts of interest are an agenda item at every Trustee meeting.



Each year the Internal Audit Plan for the upcoming financial year is approved by ARC. The Internal Audit Plan reviews governance, risk management and internal controls in key areas, determined through a risk-based assessment undertaken by our Internal Auditors and in consultation with the Leadership Team and ARC. The findings of the reviews undertaken during the year inform an assessment on the adequacy and effectiveness of the control environment and where appropriate identify areas for improvement.

Governance of Trading Subsidiary

During the year, the governance and monitoring arrangements of NML's trading subsidiary, NML Trading Limited (NMLT) were overseen by NML's Commercial Committee. The Committee is chaired by Isabel Chadwick (Trustee) who previously chaired the NMLT Board, the membership of which was also restructured as part of this exercise.

Review of the Effectiveness of Governance

The Board believes that it is effective. A self-assessment of Board effectiveness is carried out on an annual basis and the outcomes reviewed at the March meeting of the Board. Appraisals of the Chair and Trustees are undertaken, with the Chair's appraisal being conducted by DCMS, in consultation with Trustees and the Director.

The level of assurance in the process of internal control and risk management is informed by the work of internal audit, the Leadership Team, and other senior managers within NML. In addition, assurance is also informed by External Audit, in the form of specific reports, and their management letter.

Internal Audit and Head of Internal Audit's opinion

The Government Internal Audit Agency was appointed as the NML group's Internal Audit service provider on 1 April 2021.

ARC approved the internal audit plan for the 2023/24 year. ARC is regularly informed of, and challenge, progress against the Internal Audit programme of work. This, in turn, has enabled the appropriate level of prioritisation to be given to the completion of Internal Audit reports, and the implementation of recommendations. During the year internal audit reviews have been carried out in the following areas, in accordance with the internal audit plan:

- Internal Communications
- Payroll Transfer
- Waterfront Transformation Programme
- Safeguarding
- Procurement Function

Based on their work undertaken in year, GIAA have provided a moderate opinion in respect of the adequacy of the framework of governance, risk management and control within NML for 2023/24.

The individual reviews highlighted some areas for improvement and have provided three moderate opinions and two limited opinions. The opinion was also informed by meetings with senior management, observations during attendance at Audit and Risk Committee (ARC), attendance at quarterly directorate risk review meetings, completion of recommended actions, together with consideration of the wider control environment.



Recognition was given to the significant challenges faced by NML this year, including industrial action, a challenging financial position, and capacity issues. However, the opinion still considers overall governance, risk management and control to be adequate.

Risk Management

To evaluate and monitor the level of risk in the organisation a strategic risk register is maintained which documents the way identified risks are being managed. The strategic risk register is underpinned by intermediate risks managed at Directorate level and is considered on a monthly basis by the Extended Leadership Team. ARC consider changes to strategic risk scores, intermediate risk scores and key risk areas at each meeting.

The Accounting Officer is ultimately responsible for the Risk Management process, ensuring that responsibilities are discharged as follows:

- Providing leadership and direction to the Risk Management process, ensuring that the Risk Management Strategy is understood, and is applied consistently.
- Regular review of the risk register, and the actions agreed to manage identified risk.
- Ensuring that an appropriate level of review is in place to provide assurance that NML is operating an effective internal control environment.
- Ensuring that each risk is assigned to a member of the Leadership Team who is responsible for the implementation and monitoring of actions identified to manage the risk. The Leadership Team member delegates risk management to their senior managers.

During the year NML has updated its strategic risks to the organisation and managed accordingly the relevant controls in place, and detailed reviews presented to, and discussed, with ARC. In terms of risk profile, the Board consider that the organisation works in a relatively stable environment where the main risks to the organisation have been identified, mitigated, and managed.

In March 2024 the NML Risk Management Strategy and Risk Management Policy & Procedures were reviewed and approved by the Board of Trustees. This assured the Board on the ongoing maturing of risk management at NML.

Significant rises in the cost of living and energy costs have had an impact on finances during 2023/24. These have been reflected in the increasing score of NMLs Strategic Risk – The Financial Plan is not achieved.

The cost of living has also played a part in the increase in industrial action during 2023/24. Members of the Public and Commercial Services Union (PCS) at NML were involved in strike action from February to May 2024. This resulted in the temporary closures of some venues, but with reallocation of resources NML were able to keep at least one venue open to the public during this period.



The NML Environmental & Sustainability (E&S) Task Force was established during 2021/22 to focus on achieving positive change across the entire NML group to ensure NML is as environmentally friendly and sustainable as possible and taking appropriate steps to mitigate and address E&S risk. Nine sub-groups each have a designated area of focus developing a baseline, engaging, collaborating and communicating both internally and externally and developing action plans.

All other risks are considered to have been managed to tolerable levels or are subject to current improvement actions to ensure sustainable management at this level.

Qualification of the C&AG's regularity audit opinion

The Comptroller & Auditor General has qualified his regularity audit opinion on the Museum's 2023-24 financial statements because, in his view, the Museum made a grant payment of £3 million to the National Museum Liverpool Foundation in March 2024 that was not for capital purposes, despite this being financed from capital grant-in-aid funding from the Department for Culture, Media and Sport restricted for use on capital projects. This was due to the Museum not fully appreciating the application of the museums freedoms regime to grant-in-aid funding received from the Department. The Museum will work with the Department to ensure that there is clarity on the application of this guidance to avoid a recurrence in future years.

Laura Pye
Director & Accounting Officer
Date: 07/07/2025

Sir David Henshaw
Chairman of Trustees
Date: 07/07/2025



The Certificate 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 Museums Liverpool and its Group for the year ended 31 March 2024 under the Merseyside Museums and Galleries Order 1986.

The financial statements comprise the National Museums Liverpool and its Group's:

- Consolidated and Museum balance sheet as at 31 March 2024;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the National Museum Liverpool and its Group's affairs as at 31 March 2024 and their net expenditure for the year then ended;
- have been properly prepared in accordance with the Merseyside Museums and Galleries Order 1986 and Secretary of State for Culture Media and Sports directions issued thereunder.

Qualified opinion on regularity

In my opinion, except for the matters described in the *basis for the qualified opinion on regularity* section within this certificate, 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 for qualified opinion on regularity

The National Museums Liverpool receives an annual grant-in-aid from its sponsor and parent Department, the Department for Culture Media and Sport. Where the Department provides the Museum with funding for specific purposes, the Museum is required to use this for the purposes authorised by the Department. These restrictions form part of the National Museums Liverpool's framework of authorities. They are approved by Parliament in the Department's annual supply estimate and are subject to Parliamentary control.

In 2023-24, the Department provided the Museum with £8.2 million to be spent specifically on capital projects. The National Museums Liverpool used part of this funding to make a grant of £3.0 million to a separate but linked charity which was not for capital purposes. As a result, I concluded that the monies had not been spent in line with the intention of the Department, and by extension Parliament, and that the provision of the £3.0m grant to the linked charity was therefore irregular.



Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 2019*. I am independent of the National Museums Liverpool and its Group in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the National Museums Liverpool and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Museums Liverpool and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate thereafter. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 issued under the Secretary of State directions issued under the Merseyside Museums and Galleries Order 1986.

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

- the parts of the Annual Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Merseyside Museums and Galleries Order 1986;
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Museums Liverpool and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

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 by the National Museums Liverpool and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Annual Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees/Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Museums Liverpool from whom the auditor determines it necessary to obtain audit evidence;



- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the applicable financial reporting framework;
- preparing the Annual Report which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the National Museums Liverpool and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer anticipates that the services provided by the National Museums Liverpool and its Group will not continue to be provided in the future or either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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 Merseyside Museums and Galleries Order 1986.

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud I:

- considered the nature of the sector, control environment and operational performance including the design of the National Museums Liverpool and its Group's accounting policies.
- inquired of management, the National Museums Liverpool's internal audit provider and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Museums Liverpool and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and



- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Museums Liverpool and its Group's controls relating to the National Museums Liverpool's compliance with the Merseyside Museums and Galleries Order 1986, Charities Act 2011, and Managing Public Money;
- inquired of management, the National Museums Liverpool's internal audit provider and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant internal and external specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Museums Liverpool and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the National Museums Liverpool and its Group's framework of authority and other legal and regulatory frameworks in which the National Museums Liverpool and Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Museums Liverpool and its Group. The key laws and regulations I considered in this context included the Merseyside Museums and Galleries Order 1986, The Charities Act 2011, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud through revenue recognition by evaluating the design and implementation of controls; testing income to corroborating evidence; assessing the



completeness of revenue streams; and testing the appropriateness of significant estimates made at year-end; and

- I addressed the risk of misstatement in land and building valuation by evaluating the design and implementation of controls; assessing the competence, objectivity, and independence of valuers; testing the inputs and methodology used in the valuation; and evaluating the outputs of the valuation
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

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 I identify during my audit.

Gareth Davies
Comptroller and Auditor General

08/07/2025

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



Report of The Comptroller and Auditor General to The Houses of Parliament

Introduction

The National Museums Liverpool (“the Museum”) is a non-departmental public body and charity sponsored by the Department for Culture, Media and Sport (the Department). Its purposes include the care, preservation and exhibition of the Museum’s collection and ensuring that the collection is available to people seeking to inspect it as part of their research or study.

This Report sets out why I have qualified my regularity opinion due to the Museum failing to comply with the restrictions imposed on its use of capital funding provided by the Department.

Explanation for Qualified Regularity Audit Opinion

The Museum’s operations are funded primarily from central government grants; it also generates income from sources such as its trading activities, special exhibition admission/fees and gifts and donations. In 2023-24 the Museum received £21.4 million in grants from the Department to finance its operational activities and a further £8.2 million to spend on capital projects.

The Museum’s framework of authorities includes its management agreement with the Department. This allows for the provision of grant-in-aid funding to the Museum as a form of financial sponsorship and assistance provided by the Department. The management agreement explicitly states that grant-in-aid provided by the Department to the Museum, which is approved by Parliament in the Department’s annual supply estimate, is subject to Parliamentary control. Where the Department provides the Museum with funding for specific purposes, the Museum is required to use this for the purposes authorised by the Department.

In March 2023, the Museum received its delegation letter outlining the annual provision of grant-in-aid from the Department for 2023-24. The annual funding letter prepared by the Department outlined the restrictions which applied to the grant-in-aid funding received by the Museum. Specifically, £8.2m of the annual funding was restricted for expenditure by the Museum on capital projects.

In March 2024, the Museum drew down £3 million of its restricted capital grant in aid from the Department. It then made a payment to the National Museums of Liverpool Foundation - a separate but linked charity - of £3 million. This payment is accounted for in the Museum’s financial statements as a payment made from the restricted capital grant in aid reserve. The terms of this grant were broadly capital in nature, with a stipulation that the funds be expended on capital projects. However, my review of the Foundation’s financial position and activity identified no evidence of a need for this payment; the Foundation had sufficient reserves to meet its operational requirements, with no ongoing or planned capital projects against which to utilise the grant. The monies were instead held by the Foundation, rather than being committed to capital purposes.

As the grant has been paid out of a restricted capital reserve, but not spent on capital purposes, I concluded that the monies had not been spent in line with the intention of the Department and by extension Parliament and was therefore irregular. The purpose of this



funding is set by the Department under the relevant framework of authority. Therefore, the Department's Chief Financial Officer considered whether the Department should remove the restriction retrospectively, which would have had the effect of regularising the expenditure. In April 2025, having consulted with its Permanent Secretary- its Principal Accounting Officer- the Department declined to give this retrospective approval. It concluded that doing so would set an unhelpful precedent among other arm's length bodies in receipt of grant-in-aid in terms of the need for adherence to budgetary management disciplines.

As the Department has refused to give retrospective approval for the Museum making a grant payment not capital in nature of £3 million from funds restricted for use on capital projects, I have therefore qualified my regularity opinion on the Museum's 2023-24 accounts in this respect.

Following discussions with the Museum, the Department concluded that the Museum, which had an interim Finance Director at the time of the payment to the Foundation, had misapplied the financial freedoms that museums have regarding the use of their own self-generated income, to the grant-in-aid funding received from the Department. As noted in the Governance Statement, the Department and the Museum will work together to prevent future reoccurrence through specific training on the matter. The Department will also circulate updated and refreshed guidance to bodies receiving capital grant in aid as part of its 2025-26 funding allocation and delegation letters.

Gareth Davies
Comptroller and Auditor General

08/07/2025

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

Consolidated Statement of Financial Activities

For the year ended 31 March 2024

		Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023/24	Total funds 2022/23
	Notes	£000's	£000's	£000's	£000's	£000's
Income						
Donations, grants and legacies	2	21,856	13,614	0	35,470	36,818
Charitable activities	2	1,905	755	0	2,660	2,208
Trading activities	8	4,758	0	0	4,758	4,465
Investments	2	118	48	78	244	167
Total income		28,637	14,417	78	43,132	43,658
Expenditure						
Raising funds		580	0	0	580	832
Charitable activities		21,837	10,840	0	32,677	33,057
Trading activities		4,948	0	0	4,948	5,112
Governance		367	0	0	367	447
Total expenditure	4	27,732	10,840	0	38,572	39,448
Net gain/(loss) on Investments		112	88	181	381	(338)
Net income / (expenditure)		1,017	3,665	259	4,941	3,872
Net gain/(loss) on Revaluation of Fixed Assets		0	17,118	0	17,118	30,209
Transfers between funds		1,295	(1,091)	(204)	0	0
Net Movement in Funds		2,312	19,692	55	22,059	34,081
Brought forward at 1 April		11,661	288,361	3,093	303,115	269,034
Carried forward at 31 March		13,973	308,053	3,148	325,174	303,115

All operations of NML continued throughout 2023/24 and 2022/23 and none were discontinued in either period.

NML has no recognised gains and losses other than those above.

The accompanying notes on pages 61 to 81 form part of these accounts.



Comparative Data: For the year ended 31 March 2023


	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	2022/23 £000's	2022/23 £000's	2022/23 £000's	2022/23 £000's
Income				
Donations, grants and legacies	24,204	12,614	0	36,818
Charitable activities	2,022	186	0	2,208
Trading activities	4,465	0	0	4,465
Investments	50	34	83	167
Total income	30,741	12,834	83	43,658
Expenditure				
Raising funds	724	108	0	832
Charitable activities	27,065	5,992	0	33,057
Trading activities	5,069	43	0	5,112
Governance	390	57	0	447
Total expenses	33,248	6,200	0	39,448
Net gain/(loss) on Investments	(86)	(49)	(203)	(338)
Net (expenditure)/income	(2,593)	6,585	(120)	3,872
Net gain/(loss) on Revaluation of Fixed Assets	0	30,209	0	30,209
Transfers between funds	(1,137)	1,137	0	0
Net Movement in Funds	(3,730)	37,931	(120)	34,081
Brought forward at 1 April	15,391	250,430	3,213	269,034
Carried forward at 31 March	11,661	288,361	3,093	303,115

Consolidated Balance Sheet

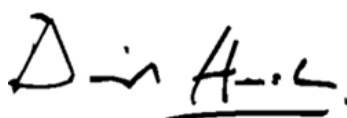
Balance Sheet as at 31 March 2024

	Notes	Group		Museum	
		2023/24	2022/23	2023/24	2022/23
		£000's	£000's	£000's	£000's
ASSETS					
Fixed Assets					
Tangible assets	6	282,525	262,727	282,486	262,640
Heritage assets	6	26,231	26,071	26,231	26,071
Intangible assets	6	11	33	11	32
Investment in subsidiary company		-	-	610	610
Total Fixed Assets		308,767	288,831	309,338	289,353
Current Assets					
Stock		279	298	-	-
Investments	7	6,379	5,989	6,378	5,989
Debtors	9	6,359	2,732	6,818	5,953
Cash at bank and in hand		12,430	9,014	11,321	6,502
Total Current Assets		25,447	18,033	24,517	18,444
Total Assets		334,214	306,864	333,854	307,797
LIABILITIES					
Current Liabilities					
Creditors: falling due within one year	10	8,103	3,280	7,752	4,256
Total Current Liabilities		8,103	3,280	7,752	4,256
Non-Current Liabilities					
Creditors: falling due after one year	10	94	132	94	132
Provisions for liabilities and charges	11	843	337	843	337
Total Non-Current Liabilities		937	469	937	469
Total Liabilities		9,040	3,748	8,690	4,725
Net Assets		325,174	303,115	325,165	303,072
Represented by:					
Endowment Funds	14	3,148	3,093	3,149	3,093
Restricted Funds	14	151,356	148,781	151,352	148,780
Unrestricted Funds	14	13,973	11,661	13,966	11,619
Revaluation Reserve	14	156,698	139,580	156,698	139,580
Total Funds		325,174	303,115	325,165	303,072

The accompanying notes on pages 61 to 81 form part of these accounts.



Laura Pye
Director and Accounting Officer
Date: 07/07/2025



Sir David Henshaw
Chairman of Trustees
Date: 07/07/2025



Consolidated Cash Flow Statement

For the year ended 31 March 2024

	Notes	2023/24 £000's	2022/23 £000's
Cash flows from operating activities:			
Net cash provided by operating activities		12,692	9,463
Cash flows from investing activities:			
Dividends and interest received		244	166
Purchase of tangible, intangible and heritage assets	6	(9,531)	(6,763)
Proceeds from sale of investments	7	109	180
Purchase of investments	7	0	(81)
Net cash used in investing activities:		(9,178)	(6,497)
Change in cash and cash equivalents in the reporting period		3,514	2,966
Cash and cash equivalents at the beginning of the reporting period		9,295	6,329
Cash and cash equivalents at the end of the reporting period		12,809	9,295
	Notes	2023/24 £000's	2022/23 £000's
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		4,941	3,872
Adjustments for:			
Depreciation and impairment charges	6	6,849	8,243
(Gains)/losses on investments	7	(400)	296
Dividends and interest received from investments	2	(244)	(167)
Gifts	2	(136)	(4,655)
Decrease/(increase) in stocks		19	(69)
(Increase)/decrease in debtors	9	(3,335)	1,361
Increase/(decrease) in creditors	10	4,493	593
(Increase)/decrease in provisions	11	506	(11)
Net cash provided by operating activities		12,692	9,463
Analysis of cash and cash equivalents	Notes	2023/24 £000's	2022/23 £000's
Cash in hand		12,430	9,014
Short-term cash deposits (investments)	8	379	281
		12,809	9,295

The accompanying notes on pages 61 to 81 form part of these accounts.

Laura Pye
Director and Accounting Officer
Date: 07/07/2025

Sir David Henshaw
Chairman of Trustees
Date: 07/07/2025



Notes to the Accounts

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in a form directed by the Secretary of State with the consent of the Treasury in accordance with Sections 8(1) and 8(8) of the Schedule to the Merseyside Museums and Galleries Order 1986 and in accordance with:

- Financial Reporting Manual (FReM).
- Other guidance which Treasury may issue from time to time in respect of accounts which are required to give a true and fair view.
- Any other specific disclosures required by the Secretary of State.
- The provisions of the Charities SORP 2019 (FRS102).

The financial statements are prepared on a going concern basis, and under the historical cost convention as modified by the revaluation of land and buildings and current asset investments. They have also been prepared in accordance with applicable accounting standards and generally accepted accounting practice in the United Kingdom. The charity is a public benefit entity.

There are no material uncertainties related to events or conditions that cast significant doubt on the ability of NML to continue as a going concern for a period of at least 12 months from the date the financial statements are signed. NML is principally funded by UK Government grant and has received formal funding confirmation for 2024/25 and 2025/26. Although this level of funding may alter in the future, there is no evidence that it will end.

Consolidated financial statements have been prepared for NML and its subsidiary company NMLT. In addition, a separate Balance Sheet, and Statement of Financial Activities (SoFA) at Note 19, has been prepared for NML alone. NML's investment in NMLT is shown at book value, less any provision for material impairment.

The income and expenditure lines of the Profit & Loss account of the subsidiary trading company are taken to the Consolidated SoFA and the NMLT P&L reserve is included within unrestricted funds. The SoFA, adjusted for intra-group transactions, and the Balance Sheets of NML and NMLT are consolidated on a line-by-line basis.

b) Income and Endowments

In line with the Charities SORP 2019 (FRS102), other income is recognised in the SOFA when the following criteria are met: -

- There is entitlement to the income
- It is probable that it will be received
- The income and associated costs can be measured reliably

Grant-in-Aid from DCMS is taken to the SoFA in the year in which it is received. It is recognised under the performance model underpinned by a Framework Document with the sponsor Department.



Capital grants with a restricted application, for example, The National Lottery Heritage Fund income is recognised as and when the conditions for their receipt have been met.

Endowment capital is maintained intact and any change in capital value is reinvested in the capital portfolio. Income arising from investments is transferred to restricted funds in accordance with the wishes of the donor.

Income from charitable activities primarily includes exhibitions, special projects and fees and charges under commercial contracts.

Incoming resources of a similar nature are grouped together in line with Charities SORP 2019 (FRS102) requirements.

c) Expenditure

Resources expended of a similar nature are also grouped together in line with the Charities SORP 2019 (FRS102). The charitable activity groupings are care of collections, estate management, visitor services, exhibitions, and education. Expenditure has been allocated on a direct basis where applicable and by apportionment for administration and other costs. The apportionment method is based upon a pro-rata relationship of indirect costs to total direct costs. Liabilities are recognised on an accruals basis.

Depreciation costs are also allocated on a direct basis, based on the cost of the charitable activity groups. NMLT Ltd depreciation is allocated directly to the costs of the subsidiary company.

Expenditure also includes fundraising, seeking contributions, charitable donations, and grant income and, fees and charges activities. It also includes the costs of the wholly owned subsidiary trading company.

Governance costs are external audit fees, corporate governance (including internal audit) and legal advice on governance issues.

Support costs are management, marketing, finance, information systems and human resources. These costs are apportioned over the activities being supported within the SOFA as per FRS102. Apportionment is calculated on the same basis as administration costs.

d) Heritage assets

NML's collections are among the most diverse of the national collections, encompassing fine and decorative art, ethnology, antiquities, physical sciences, urban history, maritime history, military history, international slavery, regional archaeology, maritime archives, botany, geology, and the zoology collections. Overall, the collection includes over four million items.

The collection is included in the consolidated balance sheet to comply with current accounting standards. However, unlike other assets, these cannot be sold to support the finances of the organisation. The collection is intended to be held in perpetuity and should any item no longer be required in support of the objectives of the Trustees, any disposal proceeds must be used to acquire further items for the collection. This makes the inclusion of these assets and their valuation primarily a matter of technical accounting compliance. In accordance with accounting standards, heritage assets acquired by NML have been reported in the balance sheet since 1 April 2001 where cost or valuation information is available.



In relation to collections acquired by NML prior to the requirement to capitalise collections, given the purpose for which the collection is held NML has assessed that this information cannot be obtained at a cost that would be commensurate with the benefit to users of the financial statements. In addition to the number of assets involved, this assessment reflects that any valuation would be complicated by the quantity and nature of such assets, that they are rarely sold, they often have a value enhanced above the intrinsic through their association with a person, event, or collection, that there are a very limited number of buyers, with no homogeneous population of assets on the market and there is often imperfect information about the items.

Since 2001, acquisitions are recorded at either purchase cost or at a value determined by NML's curatorial staff, based on their specialist knowledge of the area in which they are collecting and of recent auction and sale prices of similar items.

Donated assets are valued by internal experts within the museum at an estimate of fair market value. Items allocated by HM Treasury under the acceptance in lieu of inheritance tax scheme are included in the accounts at their current valuation. The threshold for capitalisation of donated items is £500.

For impairment – the heritage assets are the items in the collection which the registrars keep track of and the conservators preserve; repair; protect so that intrinsic value remains; the registrars are aware of the need to notify of damage or other concerns over assets and are contacted for information on impairment indicators in the same way as other departments; No impairment cases were notified for 23/24. Cut off/accruals reviews for purchased heritage assets (auction) – same as any other assets. For donated items – the trigger would be the documentation from the registrar and management accounting reviews with budget managers; this again ensures assets known to have been accessioned get into the books in right period

e) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of NML. Restricted funds are funds subject to specific restriction imposed by donors, by the purpose of a fundraising appeal or by their use to fund an asset which is itself restricted. Transfers between unrestricted funds arise for several reasons, including:

- to transfer assets from unrestricted funds to finance a deficit on a restricted fund.
- to transfer the value of tangible fixed assets from restricted to unrestricted funds when the asset has been purchased from a restricted fund donation but is held for a general and not a restricted purpose.
- where restricted funds have been lawfully released and transferred to unrestricted funds.
- where the trustees have exercised a power to declare a special trust over a gift initially recognised as unrestricted.
- where charity law permits the proceeds of restricted funds to be spent for an alternative purpose (for example the alternative use of the proceeds of a failed appeal, or the alternative use of excess of funds raised from an appeal).

**f) Tangible and Intangible fixed assets**

Fixed assets are stated at cost or valuation. Depreciation is provided on all fixed assets, except land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	50 years
Long leasehold buildings	over the lease term up to a maximum of 50 years
Intangible assets	4 years
Furniture and fittings	4 years (museum) 8 years (subsidiary)
Permanent Galleries	10-15 years
Motor vehicles	4 years

The capitalisation threshold for all categories of depreciated fixed assets is £2,000 (subsidiary £500).

Building assets during construction are stated at cost in tangible fixed assets but are not depreciated until the asset becomes operational. The asset will then become subject to valuation, impairment review and depreciation. Impairment reviews are undertaken when necessary to ensure that the service potential of assets remains undiminished. Any excess of the carrying value over the recoverable value is written off, either within depreciation in the Statement of Financial Activities, or to the revaluation reserve to the extent that it relates to a previously revalued asset.

In compliance with the Charities SORP (FRS102), land and buildings are professionally re-valued every five years. The last full external valuation of all NML's land and buildings was undertaken as of 31 March 2022 by Gerald Eve LLP (Previously as of 31 March 2017 by Deloitte). In the intervening years including the current financial year, an external desktop valuation is undertaken, where the independent valuers undertake their work using a methodology which they consider most appropriate to the circumstances, including the use of any index which they deem appropriate. This led to the revaluation of land and building assets shown in the accounts.

Within the subsidiary trading company, the depreciation policy and financial threshold for asset recognition is different to that of NML and therefore there is an inconsistency within the Group. This is not material within the context of these statements.

Where NML becomes aware that the carrying value of its tangible fixed assets has suffered from impairment, the value of the asset is reduced, and the impairment disclosed in the accounts.

g) Stock

Stock is valued at the lower of cost and net realisable value and comprises goods for resale.

**h) Leases**

Costs in relation to operating leases are charged to the Statement of Financial Activities over the life of the lease. NML has one significant operating lease associated with the Combined Heat and Power plant. NML continues to treat this transaction as off-balance sheet because it does not meet the definition of a service concession in that it is not explicit in the areas of control and regulation (substance over form). Also, NML does not have a significant interest in the asset at the expiry date.

NML holds several finance leases at nil cost which are valued within fixed assets (land and buildings leaseholds) on the balance sheet. These finance leases are on a peppercorn rent basis.

i) Pensions

NML's employees are employed on terms, conditions and rates of pay determined by the Trustees. Employees who meet the eligibility requirements are entitled to membership of the Civil Servants and Others Pension Scheme (CSOPS) and the conditions of the Superannuation Acts, 1965 and 1972 apply.

Liability for payment of future Scheme benefits is a charge on CSOPS. The Museum contributes towards the costs of the Scheme over the period during which it benefits from employees' services by payments to the CSOPS of the amounts which they calculate as being required to meet their long-term liabilities. In respect of the defined contribution elements of the scheme, the Museum recognises the contribution payable for the year.

The full cost of the accrued liability for annual compensation payments under early retirement arrangements are recognised in the year of departure or where applicable in the year of the obligating event.

The subsidiary trading company operates a defined contribution scheme. The cost of the scheme to the company is limited to the employer's contributions payable.

j) Taxation

NML is an exempt charity by virtue of schedule 3 to the Charities Act 2011 and therefore is not registered with the Charity Commission.

NML's primary purpose activity is exempt from Corporation Tax under the Income Tax Act 2007. The profits of the trading company are usually passed annually to the charity in such a way that any tax liability is mitigated in line with HMRC guidance.

By virtue of section 33A of the Value Added Tax Act 1994 NML receives refunds of VAT incurred on the purchase of goods and services, or on the acquisition or importation of goods used in connection with the free right of admission to the public. Ordinarily this VAT cannot be recovered because it is attributable to the non-business activity of free admission.

k) Provisions

Where a voluntary severance constructive obligation exists on 31 March, a provision is made in line with the accounting standard FRS102. The estimates are quantified by MyCSP who administer the Civil Service Pension Scheme.



Other provisions are made when constructive obligations arising from past events are identified as existing on 31 March. The value of untaken employee leave on 31 March has been estimated and accounted for as a provision as the value and timing of any payment that may arise associated with such leave is unknown.

l) Investments

The investment manager (Rathbone Investment Management) is required to avoid exposure to investments, which, are deemed to be unsuitable in the context of the trustees' objectives, when considering the portfolio.

Investment income from securities includes dividends and distributions declared as payable during the year. Investments listed on a recognised stock exchange are re-valued at year-end market value price, excluding any applicable accrued interest. Unrealised and realised gains and/or losses are recognised in the Statement of Financial Activities. No investments are held as foreign currencies.

The Museum investment in NMLT is shown at book value, less any provision for material impairment.

m) Cash and Cash Equivalents

Cash and Cash Equivalents include cash in hand and deposits held at commercial banks.

n) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Long-term: The Museum received a payment from the operator of the Combined Heat and Power scheme in relation to the Museum of Liverpool, prior to the operation of this equipment, as a contribution towards the Museum's necessary start-up costs. The amount received has been accrued for and will be released to the Statement of Financial Activities over the duration of the contract; 17 years. The first year was 2010/11.

o) Significant Judgements and Estimates

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The areas where key judgements/estimations have been made are listed below:

- Land and Buildings represents a significant proportion of the asset base and therefore estimates, and assumptions made to determine their carrying value and depreciation are critical to the financial statements. Full revaluation of land and buildings are undertaken every five years, and an independent professional desktop exercise is undertaken in the intervening years, with the valuers using whatever methodology including indices which they deem appropriate to the circumstances. Carrying values are shown in note 6 to the financial statements.



- The National Museum Liverpool Foundation “NMLF” is a separate charity with objectives aligned with those of NML. Under its articles of association, NML has a right to appoint a trustee (of a minimum of three trustees). Further trustees are appointed by the board of trustees. NMLF currently has seven trustees, two of which are in common with NML and one of which was appointed by NML. The directors have considered whether NMLF should be accounted for as an associate under the charities SORP (i.e. whether NML has ‘significant influence’ over NMLF). The directors have concluded this is not appropriate as NML has only the right to appoint one trustee out of a current seven trustees, and as NMLF is a charity there is no share of NMLF’s profit or loss attributable to NML.

There have been no other significant judgement or estimates.



2. Income

Unrestricted Grant-in-Aid is received from DCMS and is our principal source of funds. This money is available to support employee and running costs, capital improvement and collection purchases. In addition, we receive some unrestricted donations from visitors, members, and the public.

Unrestricted donations, grants and legacies	2023/24	2022/23
	£000's	£000's
Government grant revenue allocation	21,359	21,918
Government grant capital allocation	0	371
Total GiA	21,359	22,289
Donations from visitors, members and the public	497	1,915
	21,856	24,204

Restricted Grant-in-Aid is also received from DCMS to support core capital projects, asset replacement and investment into estate.

Restricted donations, grants and legacies	2023/24	2022/23
	£000's	£000's
Government grant capital allocation	8,210	3,988
Other revenue and capital grants and donations	5,268	3,979
Gifts	136	4,647
	13,614	12,614

Income from charitable activities has grown by £452k:

Income from charitable activities	2023/24	2022/23
	£000's	£000's
Admissions (excl Vol Donations)	664	849
Exhibitions (excl admission)	193	46
Fees and charges activities	677	825
Photography	16	17
Exhibitions Tax Relief	761	275
Projects	349	196
	2,660	2,208

Investment income derives from returns on fixed interest placement with National Westminster Bank plc, Lloyd's Bank plc, and from the investments managed by Rathbone Investment Management Ltd.

Investment income	2023/24	2022/23
	£000's	£000's
Interest receivable	118	50
Trust Funds	48	34
Endowment Funds	78	83
	244	167



3. Net expenditure

In the SoFA, net expenditure before transfers is stated after charging for:

	2023/24 £000's	2022/23 £000's
Travel and subsistence (including trustees)	176	102
Hospitality	18	207
Operating lease payments (Ener-G CHP scheme)	3	682
Operating lease payments (Other)	54	54
Group audit fee	125	78
Internal audit fee	54	54
Energy audit fee	7	7
Trading company audit fee	25	8
Trading company accountancy fee	9	9
Depreciation and amortisation	7,361	6,888

4. Analysis of expenditure

Expenditure of a similar nature has been grouped together according to SoFA activities and allocated on a direct basis where applicable and by apportionment for administration and other costs.

Depreciation of £7,360k has been allocated across all SoFA activities including fundraising and governance. Impairments were £512k and have been allocated against charitable activities within estate management.

	Employee costs £000's	Other costs £000's	Support Costs £000's	Depreciation £000's	Impairments £000's	2023/24 Total £000's	2022/23 Total £000's
Raising funds	386	65	130	0	0	581	833
Charitable activities							
Care of Collections	4,022	373	1,271	1,601	0	7,266	7,164
Estate Management	933	7,071	2,314	2,915	-512	12,721	14,093
Visitor services	3,741	148	1,124	1,417	0	6,430	5,838
Exhibitions	925	655	457	575	0	2,612	3,080
Education	1,785	420	637	803	0	3,645	2,881
Total	11,406	8,667	5,803	7,311	-512	32,675	33,056
Trading activities							
Shops, cafes & events	2,798	2,101	0	49	0	4,948	4,774
Fees & charges activities	0	0	0	0	0	0	338
Total	2,798	2,101	0	49	0	4,948	5,112
Governance							
External audit fees	0	126	0	0	0	126	75
Corporate Governance	98	0	86	0	0	184	291
Internal audit fees	0	57	0	0	0	57	58
Legal advice	0	0	0	0	0	0	23
Total	98	183	86	0	0	367	446
Total expenditure	14,688	11,016	6,019	7,360	-512	38,572	39,448

Further analysis of support costs

	Management £000's	Marketing £000's	Finance £000's	Information Systems £000's	Human Resources £000's	Voluntary Exits £000's	2023/24 Total £000's	2022/23 Total £000's
Raising funds	17	13	1	9	3	-	43	53
Care of Collections	168	124	7	89	31	-	419	455
Estate Management	306	225	13	161	57	-	763	810
Visitor services	149	109	7	78	28	-	371	371
Exhibitions	60	44	3	32	11	-	151	195
Education	84	62	4	44	16	-	210	183
Fees & charges activities	-	-	-	-	-	-	-	21
Governance	11	8	0	6	2	-	27	28
Total	794	585	35	420	149	-	1,983	2,116
Employee Costs	1,240	1,207	510	576	428	75	4,036	3,404
Total	2,035	1,792	545	996	577	75	6,019	5,520

5. Staff Costs

	NML	NML Trading Ltd	2023/24 Total	2022/23 Total
	£000's	£000's	£000's	£000's
Wages and salaries	11,826	2,417	14,243	13,449
Social security costs	998	174	1,172	1,176
Pension costs	2,982	111	3,093	3,016
Agency staff costs	120	96	216	106
Total within expenditure	15,926	2,798	18,724	17,747
Capitalised staff costs	302	0	302	983
Total	16,228	2,798	19,026	18,730

Note: The above table does not include costs of staff exits during the financial year; these were £75k (2022/23: £114k).

During the year a small amount of staff costs directly associated with the delivery of NML's major capital projects were capitalised.

Under the subsidiary trading company pension arrangements, the pensionable employees of the subsidiary company are in direct contract with the pension provider. NMLT contributes 5% of basic salary to the pension plans of those staff who are members of the Group Plan, and the liability of the subsidiary is limited to this contribution. The employers' contribution amounted to £111k (2022/23: £85k).

6. Fixed Assets

Tangible and Intangible Assets

The note below reflects the consolidated position of NML and its subsidiary trading company NMLT. All the tangible fixed assets of the trading company are shown within furniture and fittings.

	Land £000's	Buildings £000's	Furniture & Fittings £000's	Permanent Galleries £000's	Motor Vehicles £000's	Assets under construction £000's	Total £000's	Intangible Assets £000's
Asset Value								
Value at 1 April	15,535	238,775	16,187	32,510	291	0	303,299	216
Additions in year	0	1,926	276	673	0	6,633	9,508	0
Disposals	0	0	0	0	0	0	0	0
Impairment	0	512	0	0	0	0	512	0
Revaluation	5	17,113	0	0	0	0	17,118	0
Value at 31 March	15,540	258,327	16,463	33,183	291	6,633	330,437	216
Depreciation								
Value at 1 April	0	0	15,523	24,818	231	0	40,572	184
Base charge for year	0	4,819	420	2,042	60	0	7,340	21
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Value at 31 March	0	4,819	15,942	26,860	291	0	47,912	205
Net book value:								
At 31 March 2024	15,540	253,508	521	6,323	(0)	6,633	282,525	11
At 31 March 2023	15,535	238,775	664	7,692	60	0	262,727	31

Properties regarded by NML as operational are valued based on Existing Use Value (EUV) or, where this could not be assessed because there was no market for the asset, on the basis of the Depreciated Replacement Cost (DRC). The only exception to this is the valuation basis for North St Car Park which is at Fair Value. Thus, the valuation figures in the financial statements are the aggregate value of separate valuations.

The reported impairment was the result of a desktop valuation exercise carried out by Gerald Eve LLP.

There were no disposals made during the year.

Heritage Assets

Collections Management

The approach of the Board of Trustees to the management of the collections in its care is articulated in the Collections Policy (approved by the Board of Trustees 2014). This is supported by more detailed policies and procedures where appropriate. All acquisitions and disposals are made in line with the Policy and are approved by the appropriate head of collection and reported to the Board of Trustees as a standing agenda item at their meetings (4 times per year). The policy was accepted and approved by Arts Council England as part of the institution's application under the Accreditation Scheme.

Both digital and paper-based records are held about the items in the collection and associated information. At any point in time, a small proportion of the collection is on public display. Controlled access to the remainder is usually available on request.



Preservation

Our Environmental Guidelines for Collections sets out our approach to environmental monitoring, climate control, pollution (internal and external), display cases, floor loadings, light and UV radiation, vibration, and pests. The Integrated Pest Management Policy and Procedure is a more detailed explanation of NML's approach to identifying and dealing with pests that present a risk to collections.

NML also holds archives, including photographs and printed ephemera in line with the Code of Practice on Archives for Museums and Galleries in the United Kingdom (3rd edition, 2002). As an appointed place of deposit for public records, NML also aims to meet the standards for archives outlined in The National Archives Standard for Records Repositories (2004).

Valuation

As detailed in (d) above and in accordance with accounting standards, heritage assets acquired by NML have been reported in the balance sheet since 1 April 2001 where cost or valuation information is available.

	2023/24	2022/23	2021/22	2020/21	2019/20
	£000's	£000's	£000's	£000's	£000's
Value at 1 April	26,071	21,416	21,042	20,880	20,581
Additions	159	4,655	374	162	299
Value at 31 March	26,231	26,071	21,416	21,042	20,880
Additions analysis					
Purchases	23	-	237	85	38
Donations	136	4,655	137	77	261
	159	4,655	374	162	299

7. Financial instruments

The Museum does not hold any complex financial instruments. The only financial instruments included in the accounts are debtors and creditors, cash and provisions as itemised below and in in Notes 9, 10 and 11. Trade debtors are recognised at fair value less a provision for impairment (bad debt). The provision is made when the Museum is of the view that the debt may not be collectable in full, or in part, in accordance with the terms. The organisation has no borrowings and relies primarily on government grants for its cash requirements. No material price or credit risk exists.

In 2023/24 NML's total unrestricted income was £28.6m of which £21.4m (75%) was made up of Grant-in-Aid from DCMS. The remaining operating expenditure was therefore financed from self-generated income which tends to be volatile in nature. NML is therefore exposed to some liquidity risk due to uncertainty of the total reserves. However, this risk is mitigated by the regular review of NML's reserves. There is a liquidity risk for any on-going capital programme, to the extent that the funding is dependent upon the successful generation of grant and donations, and the receipt of these funds.

*Financial assets by category*

		2023/24	2022/23
	Note	£000's	£000's
Trade debtors	9	235	287
Other debtors	9	3,228	1,465
Cash at bank and in hand		12,430	9,014
		15,893	10,767

The above excludes statutory debtors and prepayments including VAT due from HM Revenue and Customs: £616k (2022/23 £454k).

The age of the NML trade debtors is shown below:

	Less than 30 days £000's	30-60 days £000's	60-90 days £000's	More than 90 days £000's
As at March 2024	75	24	29	107
As at March 2023	204	35	5	34

Financial liabilities by category

		2023/24	2022/23
	Note	£000's	£000's
Trade creditors	10	3,113	2,086
Other creditors	10	0	0
Accruals	10	4,380	786
Provisions	11	843	337
		8,336	3,208

The above excludes statutory creditors and deferred income, including tax and social security payments due to HM Revenue and Customs: £246k (2022/23 £302k). All liabilities are non-interest bearing.

Investments

NML has £6.0m (2022/23 £5.7m) invested in fixed interest and equity stocks as shown below. The investment manager (Rathbone Investment Management) works to a low risk profile instruction.

	2023/24	2022/23
	£000's	£000's
Market value at 1 April	5,708	6,102
Purchases at cost	0	81
Sales at market value	(109)	(174)
Net Loss on sales	0	(6)
Net Gain/(Loss) on market revaluation	400	(296)
Market investment value at 31 March	5,999	5,708
Short-term cash deposits	379	281
	379	281
Market value at 31 March	6,378	5,989



The market value of the assets changed during the year as shown below:

	2023/24	2022/23
	£000's	£000's
Fixed Interest	370	356
UK Equities	3,433	3,325
Overseas Equities	2,074	1,877
Alternatives (infrastructure funds)	122	150
	<u>5,999</u>	<u>5,708</u>
Short-term cash deposits	379	281
	<u>379</u>	<u>281</u>
Market value at 31 March	<u>6,378</u>	<u>5,989</u>

The Trustees recognise the risk associated with investment in mainstream financial markets and accept the risk in return for the prospect of additional returns over longer periods of time. As such, they always wish to remain largely invested, subject to cash reserves being held as part of the investment management process and to cover liabilities.

8. Trading subsidiary

NML owns the whole of the issued share capital of NML Trading Limited (NMLT). NMLT is a company registered in England and Wales, Company Registration No.02676330. The registered office of the company is World Museum, William Brown St, Liverpool.

The company's principal activities consist of:

- Catering and retailing for NML and its visitors.
- Provision of hospitality and corporate events to third party companies and clients.
- Facilitating the needs of the NML visitor by assisting to deliver other services such as events, commercial filming, publishing, and membership; and
- Assisting the parent body to realise commercial and income generation opportunities.



The trading performance for the year ended 31 March 2024 is set out below:

	2023/24 £000's	2022/23 £000's
Incoming Resources		
Sales	5,281	5,173
Less intragroup sales	(523)	(708)
Trading Activities Income in SoFA	<u>4,758</u>	<u>4,465</u>
Outgoing Resources		
Cost of Sales	1,429	1,516
Administrative Expenses	3,569	3,384
External audit fee	34	(9)
Taxation	-	-
Distribution to parent charity under gift aid	328	286
Interest payable and similar charges	4	5
Total Costs	<u>5,363</u>	<u>5,182</u>
Less intragroup costs	(415)	(408)
Shops, cafes & events costs in Note 4	<u>4,948</u>	<u>4,774</u>

The gift aiding of NMLT's annual surplus to NML was £328k (2022/23 £286k).

The intra-group debtor/creditor position is shown below:

	2023/24 £000	2022/23 £000
Amount owed by the parent company to the subsidiary	-	1,300
Amount owed by the subsidiary to the parent company	<u>505</u>	<u>3,211</u>
Net Position	<u>505</u>	<u>1,911</u>

9. Debtors

	2023/24		2022/23	
	Group £000's	Museum £000's	Group £000's	Museum £000's
Amounts due from subsidiary	0	505	-	3,211
Trade debtors	235	82	287	152
Other debtors	3,520	3,386	1,465	1,476
Work in Progress	1,752	1,752	-	-
Prepayments	236	223	526	521
Taxation (VAT) recoverable	616	870	454	593
	<u>6,359</u>	<u>6,818</u>	<u>2,732</u>	<u>5,953</u>



10. Creditors

	2023/24		2022/23	
	Group £000's	Museum £000's	Group £000's	Museum £000's
Amounts falling due within one year:				
Amounts due to subsidiary	0	0	-	1,300
Trade creditors	3,113	2,983	2,086	1,998
Other creditors	-	-	-	1
Accruals	4,673	4,542	786	695
Deferred income	71	21	106	-
Taxation and social security	246	207	302	262
	8,103	7,752	3,280	4,256
Amounts falling due after one year:				
Accrual for CHP and finance lease	94	94	132	132

11. Provisions

	2023/24		2022/23	
	Group £000's	Museum £000's	Group £000's	Museum £000's
Balance brought forward	337	337	348	348
Provision in year	506	506	337	337
Payments in year	-	-	-	-
Releases in year	-	-	(348)	(348)
Balance carried forward	843	843	337	337

Provisions are made when a liability is known to exist but the value and/or timing of the payment of the liability is not precisely known and must be estimated.

Provision has been made for the anticipated cost of:

- Non-consolidated payment to staff in settlement of the 2023/24 pay dispute £506k (2022/23 £0k)
- Employee leave which is due by 31 March but has not been taken - £315k (2022/23 £315k)
- Employee compensation claims which fall outside of our insurance arrangements - £22k (2022/2 £22k)



12. Financial commitments

	2023/24		2022/23	
	Land & Buildings	Other	Land & Buildings	Other
	£000's	£000's	£000's	£000's
Operating leases which expire:				
Within one year	54	717	54	699
In the second to fifth year	63	1,111	117	1,827
More than five years	-	-	-	-
	<u>117</u>	<u>1,828</u>	<u>171</u>	<u>2,526</u>

Payments under operating leases of £754k were made in 2023/24 (2022/23 £736k).

The Land & Buildings commitment is an operating lease for Juniper Street 2 building.

NML entered a contractual arrangement with Ener-G Limited (now part of Centrica Plc) for the provision of a Combined Heat and Power ('CHP') plant. The equipment was designed, manufactured, supplied, and installed by Ener-G Limited, and NML make quarterly unitary payments for the provision of energy services over the 17-year period of the Agreement. Ener-G Limited has agreed energy savings targets with NML which are designed to be at least the value of the Unitary Payment, and the Agreement provides for "service credits" to be granted to NML should the guaranteed savings not be realised. Compensation will also be payable should there be periods of service failure. The Agreement is based on the standard form of PFI contract, and the CHP assets came into use in October 2010.

Total payments over the remaining period of the contract, assuming an inflation rate of 2.5% are expected to be:

	Within 1 year	2nd to 5th year	6th to 10th year
	£000's	£000's	£000's
Payment commitments	<u>717</u>	<u>1,111</u>	<u>-</u>

The estimated capital value is £3.0m and the contract end date is 29 June 2026.

The Museum has performed an analysis of the risks and rewards of the contract and has determined, after obtaining third party professional advice that the equipment should not be accounted for on the Museum's balance sheet.

The supplier of the equipment made a payment of £605k which is being released as deferred income against the annual unitary payment due over the duration of the contract.



13. Statement of Funds

The following unrestricted funds were held in 2023/24:

- General Fund: for general use in furtherance of the objectives of NML.
- Board Share Reserve: fund representing the share capital invested into the subsidiary company NMLT.
- Investment Market Valuation Reserve: unrealised gains or (losses) arising in the market valuation of investments on 31 March compared to their purchase cost.
- Government GiA Reserve: this fund represents funding for the acquisition of fixed assets which have no restriction on use. This fund was merged in-year with the restricted GiA Reserve to recognise that indeed all capital allocations of GiA are restricted to capital in nature.
- NMLT P&L Reserve: retained earnings of the trading subsidiary.

Restricted Funds comprise funds subject to specific restriction imposed on them by donors, by the purpose of the appeal or using funds to fund an asset which is itself restricted. The following funds were held:

- Special Funds: the balance of unspent restricted donations or grants from funders with conditions attached to ensure that they are used for a specified purpose.
- Collections Purchase Fund and Collections Purchase Reserve: funds representing the value of heritage assets funded by restricted donations and grant-in-aid.
- Government GiA Fund and Government GiA Reserve: GiA received for a capital purpose and carried forward to finance future asset additions.
- Board Capital Reserve: fund representing the proceeds of sale of assets to re-invest in capital projects approved by the Trustees.
- Restricted Capital Reserve: These funds represent funding for expenditure which has been capitalised as Tangible Assets in the balance sheet where either the funds received were subject to restrictions or the funds were used to create assets the use of which are themselves subject to restrictions. These will fund the future depreciation costs arising from those assets. These funds are not supported by cash and are not available for use.
- Revaluation reserve: The Revaluation Reserve represents the difference between the current and historic value of the Tangible Assets subject to disposal restrictions. Current valuations are subject to a full independent review every five years the most recent of which was 31 March 2020. The fund will be used to offset part of future depreciation costs or future reductions in valuation arising from reviews. These funds are not supported by cash and are not available for use.



14. Analysis of group net assets between funds

	At 1 April 2023 £000's	Income £000's	Expenditure £000's	Revaluation £000's	Transfers £000's	At 31 March 2024 £000's
Unrestricted funds						
General Fund	4,843	23,831	(22,784)	0	1,187	7,078
Board Share Reserve	610	0	0	0	0	610
Investment Market Revaluation Reserve	387	0	0	112	0	499
Government GiA Reserve	5,779	0	0	0	0	5,779
Total Museum	11,619	23,831	(22,784)	112	1,187	13,966
NMLT P&L Reserve	42	4,806	(4,948)	0	107	7
Total Unrestricted Funds	11,661	28,637	(27,732)	112	1,295	13,973
Restricted funds						
Special Funds	5,289	1,814	(1,041)	88	(1,198)	4,952
Collections Purchase Fund	194	0	0	0	0	194
Collections Purchase Reserve	26,063	136	0	0	0	26,199
Board Capital Reserve	33,940	0	(1,538)	0	0	32,402
Government GiA Reserve	12,145	8,210	(6,437)	0	130	14,048
Restricted Capital Reserve	71,150	4,257	(1,824)	0	(23)	73,560
Revaluation Reserve	139,580	0	0	17,118	0	156,698
Total Restricted Funds	288,361	14,417	(10,840)	17,206	(1,091)	308,053
Endowment Funds	3,093	78	0	181	(204)	3,148
Total Funds	303,115	43,132	(38,572)	17,499	(0)	325,174

Transfers into general funds included a release of £639k grant received in 2022/23 from NML Foundation to support the 2023/24 exhibition programme and £250k income relating to the Border force 'Seized' gallery at the Maritime Museum that was received in 2021/22 but related to 2023/24.

15. Capital Commitments

There are several capital projects that are committed beyond 2023/24. The aggregate value of capital commitments in future years, based on contracts in place as of 31 March 2024 was £1243k (2022/23: £250k). The Waterfront Transformation project is a major redevelopment of the area scheduled to be undertaken between 2023/24 and 2026/27.

16. Related Party Transactions

National Museums Liverpool is a Non-Departmental Public Body sponsored by DCMS. DCMS is regarded as a related party with which during the year NML conducted several material transactions.

NML receives a donation without conditions from NMLT, a 100% owned subsidiary company of NML. The purpose of the company is to support the charity in the delivery of its objectives, and NMLT usually donates any profit generated as part of achieving that to NML after retaining a small balance for cash management purposes.

Key management personnel

These are the Directors described in the Remuneration Report. They took no part in any discussion which concerned organisations or bodies that they have connections with as reported in the Register of Members Interests.

During the year none of the key management personnel undertook any material related party transactions. The following transactions took place between NML and organisations with which key management personnel have a relationship.

Related Party	Relationship	Transactions	Income for the year 2023/24 £000's	Expenditure for the year 2023/24 £000's	Creditor at 31 March 2023/24 £000's	Debtor at 31 March 2023/24 £000's
Museums Association	Laura Pye - Member; Chair of Taskforce Carol Rogers - Member	Institutional memberships and training	-	6	-	-
National Museums Cardiff	Laura Pye - Panel member tailored review	Fees	0	-	-	-
CIPFA Ltd	Stephanie Donaldson - CIPFA Member Natalie Gilmore - CIPFA Member	Professional services / training	-	8	1	-
University of Leicester	Sandra Penketh - External examiner	Capital Expenditure - International Slavery Museum	-	10	-	-
St George's Quarter Community Interest Company	David Watson - Director	Membership fees	-	1	-	-

All these transactions were on normal terms between NML and the other organisation.

Trustees

During the year no Trustees undertook any material related party transaction. The following transactions took place between NML and organisations with which Trustees have a relationship.

Related Party	Relationship	Transactions	Income for the year 2023/24 £000's	Expenditure for the year 2023/24 £000's	Creditor at 31 March 2023/24 £000's	Debtor at 31 March 2023/24 £000's
University of Liverpool	Sir David Henshaw - Fellow John Belchem - Emeritus Professor Dinah Birch - Emeritus Professor	Sponsorship / professional fees	25	18	-	5
Museums Association	Rita McLean - Member Virginia Tandy - Member	Institutional memberships and training	-	6	3	-
Liverpool Hope University	Anthony Wilson - Regent	Sponsorship - House of memories	0	-	-	-

All these transactions were on normal terms between NML and the other organisation.

17. Contingent Assets and Liabilities

There are no contingent assets or liabilities (2022/23 Nil).



18. Post Balance Sheet Events

There are no post balance sheet events.

The financial statements were authorised for issue by the Accounting Officer and the Board of Trustees on the date the Comptroller and Auditor General certified the accounts.

19. Statement of Financial Activities (Museum)

For the year ended 31 March 2024

Notes	2023/24				2022/23			
	Unrestricted funds £000's	Restricted funds £000's	Endowment Funds £000's	Total Funds £000's	Unrestricted funds £000's	Restricted funds £000's	Endowment Funds £000's	Total Funds £000's
Statement of Financial Activities								
Income								
Donations, grants and legacies	22,149	13,614	0	35,763	24,204	12,614	0	36,818
Charitable activities	2,028	755	0	2,783	2,430	186	0	2,616
Trading activities	0	0	0	0	0	0	0	0
Investments	70	48	78	196	40	34	82	156
Total income	24,248	14,417	78	38,742	26,674	12,834	82	39,590
Expenditure								
Raising funds	594	0	0	594	743	108	0	851
Charitable activities	22,337	10,840	0	33,176	27,747	5,992	0	33,739
Trading activities	0	0	0	0	294	43	0	337
Governance	376	0	0	376	396	57	0	453
Total expenses	23,307	10,840	0	34,146	29,180	6,200	0	35,380
Net gains/(losses) on Investments	112	88	181	381	(87)	(49)	(203)	(339)
Net (expenditure)/income	1,053	3,665	259	4,977	(2,593)	6,585	(121)	3,871
Transfers between funds	1,295	(1,091)	(204)	0	(1,137)	1,137	0	0
Gains/(Losses) on Revaluation of Fixed Assets	0	17,118	0	17,118	0	30,209	0	30,209
Net Movement in Funds	2,348	19,691	55	22,094	(3,730)	37,931	(121)	34,080
Brought forward at 1 April	11,619	288,361	3,092	303,072	15,349	250,430	3,213	268,992
Carried forward at 31 March	13,967	308,052	3,147	325,166	11,619	288,361	3,092	303,072

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978-1-5286-5573-6