Royal Navy Museums

(formerly named The National Museum of the Royal Navy)

A Company Limited by Guarantee

Trustees' Annual Report and Accounts
For the period 1 April 2025 to 31 March 2026







"Linking Navy and Nation with inspiring stories and experiences"

Company number: 06699696
Charity Number: 1126283

HC 754

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(formerly named The National Museum of the Royal Navy)

Annual report and accounts 2025-2026

For the period 1 April 2025 to 31 March 2026

Accounts presented to Parliament pursuant to **Article 6 of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009**

Report presented to Parliament by Command of His Majesty

Ordered by the House of Commons to be printed on 10 November 2026

HC 754

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Contents

Legal and administrative information 2

Foreword 3

Stories that Shape a Nation 3

Performance Report including the Strategic Report 4

Accountability Report including the Directors' Report 19

The Certificate and Report of the Comptroller and Auditor General to the Board of Trustees of the Royal Navy Museums and the Houses of Parliament 39

Consolidated Statement of financial activities (incorporating the income and expenditure account) 44

Consolidated and Company Balance Sheets as at 31 March 2026 45

Consolidated and Company Cash flow statement 46

Notes to the financial statements 47

Legal and administrative information

Charity number	1126283
Company registration number	06699696
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Royal Navy Museums (formerly The National Museum of the Royal Navy)
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Foreword

The Trustees present the annual report and the audited financial statements of Royal Navy Museums ("the Museum") for the year ended 31 March 2026. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

The charitable objectives, as defined in the Articles of Association (as amended by Special Resolution 17 November 2025), are:

The charitable objectives of the Museum, as defined within its Articles of Association are:

- The promotion and education and learning of Naval Service and Auxiliaries personnel and other members of the public about the history, deeds and traditions of those services.
- The promotion and enhancement of military efficiency by assisting recruitment and retention and fostering the esprit de corps of the men and women who are serving in the Naval Service or Auxiliaries.
- The commemoration and remembrance of those members of the Naval Service and Auxiliaries who have died while on active service and the encouragement of public recognition of the sacrifice made by such persons.

Stories that Shape a Nation

Through times of war, peace and uncertainty, across eras of expansion and exploitation, spanning moments of national jeopardy and jubilation, the Royal Navy has been ever-present. Our museums and ships bring to life the centuries-old marriage between the Royal Navy, Britain's identity as an island nation and its lasting impact on the world.

We reveal the untold adventures and unvarnished realties of the men and women who have served on, below and above the waves. The pirates, pioneers, sea soldiers and aviators, the explorers, commandos, citizen sailors, submariners and scientists who operate now from seabed to space. We capture their courage, sacrifice, humanity and fallibility - told in the very ships, aircraft, boats and places where history happened.

Guided by our commitment to excellence, authenticity and inclusion, we engage audiences with the stories that continue to shape our diverse culture - and which belong to everyone. By sharing, questioning and illuminating this ongoing history, we invite people to climb aboard and be part of it.

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Performance Report including the Strategic Report

Overview

Royal Navy Museums (previously named The National Museum of the Royal Navy from 16 Sep 2008 - 12 Dec 2025) was established in 2008 and is the holding company of the Royal Navy Museums Group ("the Group").

The Group holds nationally significant collections, historic ships and aircraft, relating to the history of the Royal Navy, which are displayed across its museums at the Royal Navy Museums: Portsmouth (including HMS Victory, HMS Warrior, Submarines, Explosion, HMS M33, and the developing Royal Marines Experience), Royal Navy Museums: Naval Aviation at Yeovilton, Royal Navy Museums: Hartlepool (including HMS Trincomalee), and Royal Navy Museums: HMS Caroline in Belfast.

During 2025-26, a rebranding programme was developed, and on 12 December 2025, the Museum formally adopted the name **Royal Navy Museums**.

Royal Navy Museums' vision is *Linking Navy and Nation with inspiring stories and experiences*. As one of the UK's few national museums based outside London, the Group enables audiences across the UK to engage with the history and stories of the Royal Navy and understand its role in shaping the modern world.

How We Work



The day-to-day operation of Royal Navy Museums is led by the Executive Directors within the Group's strategic framework and supported by a suite of policies, procedures and operating models.

The Group's heritage collections are held within its independent charitable trusts, for which Royal Navy Museums acts as the sole corporate trustee. The Warrior Preservation Trust and HMS Trincomalee Trust intend to transfer their ships and heritage assets into this governance model.

Operational activity has been consolidated within NMRN Operations, a wholly owned charitable subsidiary of Royal Navy Museums. This enables the Group to operate its museums through a single organisation, strengthening the delivery of charitable objectives while improving visitor experience, collections care and public access. Under operator agreements across the Group, NMRN Operations is responsible for delivering operational activities, including the care, presentation and management of the Group's heritage assets as museums and visitor attractions.

The Ministry of Defence (MOD) completed its Independent Public Body review of the Service Museums (the National Museum of the Royal Navy, the Royal Air Force Museum and the National Army Museum) in September 2023. The review concluded that the Service Museums continue to fulfil their purpose effectively and should remain Non-Departmental Public Bodies sponsored by the MOD. It also made recommendations to strengthen sponsorship arrangements, governance and organisational resilience, particularly in relation to financial sustainability, estate maintenance, the preservation of historic assets and digital transformation. The Group continues to implement these recommendations through its governance arrangements, policies and operational practices.

Funding Arrangements

The Museum receives Grant in Aid from its sponsor department, the Ministry of Defence (MOD). It is not, however, funded as a free museum and it generates other income through grants, sponsorship, legacies, charitable donations and commercial activities. Under the terms of the 2025 Financial Framework Agreement, the Museum is permitted to retain and carry forward charitable unrestricted funds generated from these self-generated income streams.

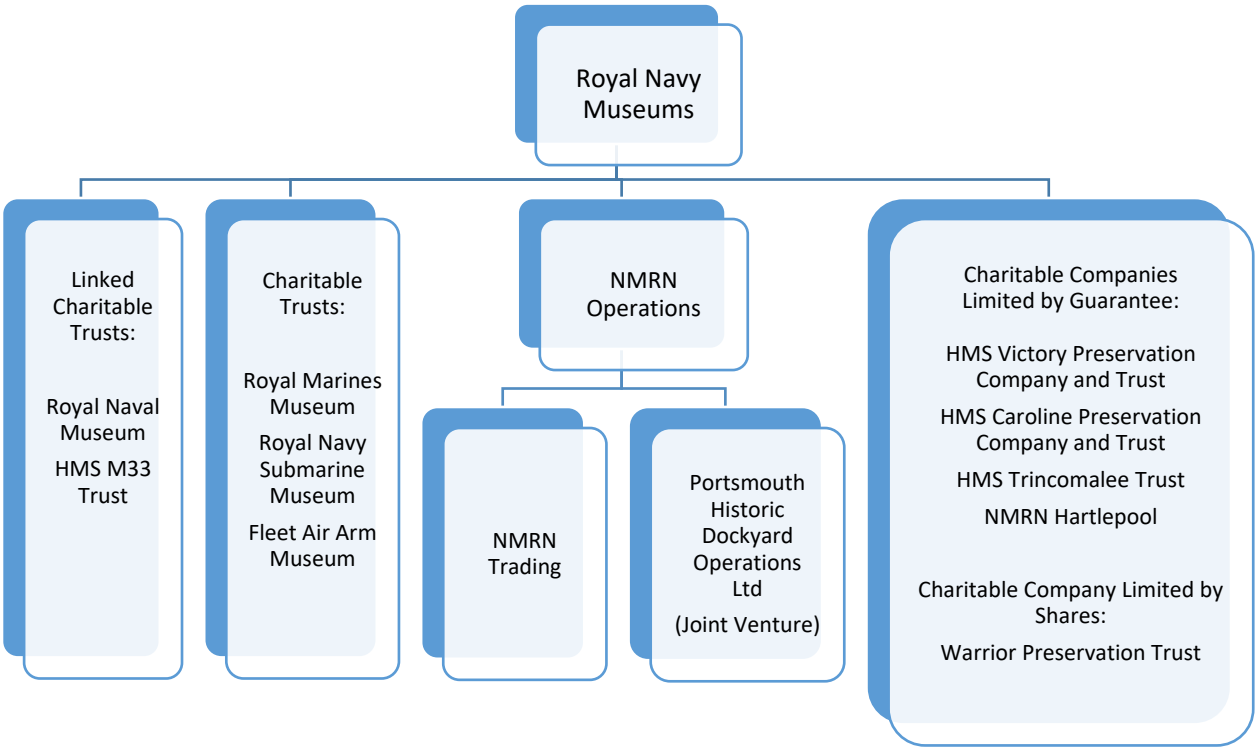
On 10 February 2026, the Museum entered into a £2,700,000 voted loan agreement with the Ministry of Defence. The facility was established to support cash flow requirements associated with the Royal Marines Experience Project and to ensure that project delivery remained on schedule for opening in 2026. At 31 March 2026, £2,000,000 million had been drawn under the facility and was recognised as a liability in the Statement of Financial Position. The remaining balance of the facility was drawn In July 2026 in accordance with the terms of the agreement.

The Museum also holds restricted funds subject to the terms of agreements with donors for specified purposes, principally to safeguard the future of its historic ships and collections. These funds are applied only in accordance with the relevant restrictions. Having reviewed these funds, the Trustees are satisfied that it would neither be appropriate nor lawful to apply them to support general revenue expenditure without the necessary authority, including, where applicable, the consent of the Charity Commission.

The conservation, maintenance and research associated with the Group's historic fleet require sustained long-term investment. In recognition of these ongoing obligations, the Trustees approved the establishment of the Royal Navy Museums Historic Fleet Endowment Fund to provide a long-term source of income for the conservation and care of the fleet. Development of the fund commenced during 2025-26, with an initial fundraising target of £10 million in pledges and income over the next three years.

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Our Group Structure



Inactive (dormant) charitable companies awaiting strike off and dissolution:

- Fleet Air Arm Museum CLG Limited
- Foudroyant Trust
- NMRN Services
- Royal Marines Museum
- Royal Navy Submarine Museum

Portsmouth Historic Dockyard Operations Ltd is a joint venture company incorporated on 7 August 2020 and owned equally (50:50) by NMRN Operations and the Mary Rose Trust.

Activities and Achievements

Strategic objective: Understanding Our Audiences

Growing and diversifying our audiences and building our communities and our senses of place

Over the past year, the Museum has used its collections, heritage assets and stories to deliver a diverse programme of activities that generated public benefit. These activities supported the wellbeing of service families and local communities, advanced education and skills development, and created opportunities for remembrance, reflection and engagement with the Royal Navy's continuing story.

This work supported delivery of our vision and strategic objective to grow and diversify audiences, strengthen communities and deepen connections with place. Throughout the year, we continued to broaden engagement both onsite and online, enabling more people to connect with the history and contemporary relevance of the Royal Navy. Our work was informed by audience research undertaken during 2024–25, ensuring that investment, programming and future development reflected audience needs and opportunities.

A New Brand

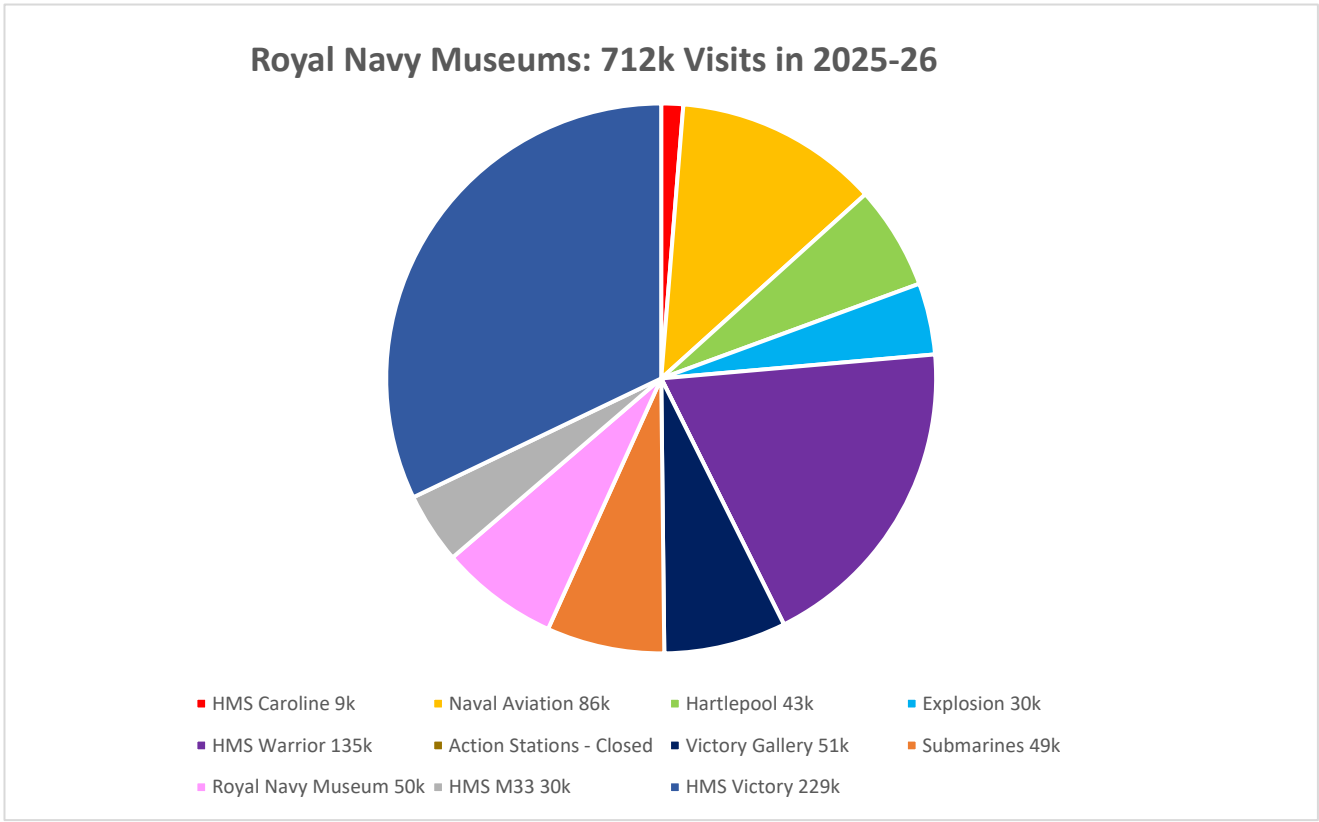
During the year we developed and launched our new organisational identity, formally becoming **Royal Navy Museums** in December 2025. The new brand reflects our evolution into a unified national museum, bringing together the collections and heritage of the Fleet Air Arm Museum, the Royal Marines Museum, the Royal Naval Museum and the Royal Navy Submarine Museum, alongside other nationally significant collections and historic ships.

Audience research played a central role in shaping our new identity and informed wider projects including the Royal Marines Experience, product development at Royal Navy Museums: Hartlepool, and future programme planning. The resulting evidence has strengthened our understanding of audience perceptions, motivations and expectations, supporting more informed decision-making across the organisation.

Alongside the new identity, we developed a shared brand narrative and organisational values to guide how we communicate, collaborate and create engaging visitor experiences. The first major public expression of our new brand will be the opening of the Royal Marines Experience in Portsmouth in autumn 2026, with implementation continuing across the Museum during the coming year.

Our Audiences

We welcomed 712,000 visits across our museums (2024–25: 736,000), a decrease of 3% on the previous year. Performance reflected wider economic conditions, with continuing cost-of-living pressures affecting discretionary spending and visitor attractions across the sector. International tourism also remained below previous levels, influenced by ongoing geopolitical uncertainty and changing travel patterns. Visitor numbers were further affected by the temporary closure of Boathouse 6 to enable construction of the Royal Marines Experience.



Digital Audiences

Our digital audiences continued to grow across our websites. The Royal Navy Museums website attracted 718,000 users, an increase of 16.6%, with average session duration increasing by 2.4%. The Portsmouth Historic Dockyard website welcomed more than 330,000 users, a 3% increase, while average time on site increased by 35%, demonstrating stronger visitor engagement.

During the year we also completed implementation of a new cloud-based ticketing system through our partnership with Fever, improving online booking, onsite sales, customer journeys, data capture and business resilience.

Media and Social Media

Media coverage remained strong, with more than 3,400 items secured across 1,300 outlets. Although year-on-year comparisons should be treated with caution following changes to media monitoring, advertising value equivalent (AVE) increased from £4.9 million to £16 million. Stories centred on people, heritage and national remembrance generated the greatest engagement, including the Royal Marines Experience fundraising campaign, Trafalgar Day commemorations and the successful Yomper statue appeal.

Organic social media performance also strengthened across Meta platforms, particularly Instagram, where improved discoverability expanded our reach to new audiences. Growth in impressions and reach demonstrates increasing awareness of Royal Navy Museums and provides a strong platform for future audience engagement and visitor conversion.

Social Media Performance (Figures provide current year reach with previous year in brackets):

Account impressions 17M (12.7M)	Account impressions 3.3M (1.1M)	Account impressions 152k (371k)	RNM Website 718k (615k) users	PHD Website 330k (321k) users
Post impressions 15M (6.8M)	Post impressions 2.1M (391k)	Post impressions 152k (362k)		
Post reach 11M (7.6M)	Post reach 1.1M (283k)	Post reach 98k (247k)		

Social Value and Learning

Community and educational programmes welcomed almost 46,000 participants (2024–25: 36,000). Activity included gallery interventions, school holiday programmes, outreach, early years provision and major public events such as Heritage Open Days, Christmas activities and Stargazing, attracting new audiences and encouraging fresh engagement with our collections.

Other social value and learning highlights included:

- **School holiday programmes**, supported by our corporate partners such as EDF UK, Manox, BAE Systems, Belfast Harbour, Harland and Wolff, Thales, NI Museum Council and from the Royal Navy STEM teams, included hands-on, creative and fun STEM activities, with topics such as science and technology used at sea, morse code communication and building camouflage crafts.
- **Figureheads** project, funded by the NHLF and completed in August 2025, enabled the physical conservation of the HMS Queen Charlotte, HMS Martin and HMS Seaflower figureheads. The community engagement activities for the project were co-created with one of the most diverse audiences we have ever hosted in Portsmouth, including LGBTQ+ and neurodiverse young people.
- **Chatterbox** project, delivered in partnership Portsmouth Hospitals University NHS Trust, was an industry leading example of how museums can demonstrate clear theory of change outcomes within a clinical setting.
- **Scout groups** in Northern Ireland were given the opportunity by our HMS Caroline team, working with the NI Museum Council, to earn a challenge badge through visiting the Museum and taking part in a range of activities and trails, object handling, and crafts inspired by dazzle camouflage and morse code.
- **Heritage Skills** course, developed in Portsmouth, partnered the women within our Historic Ships team with local secondary schools, introducing a group of Year 9 girls to skills and industries that have not traditionally been open to women.
- **Active Aviators** collaborative program between our Naval Aviation Museum and Aggie Westons, a registered charity that offers family support to Royal Navy personnel, continued to provide pastoral care and practical initiatives for families from RNAS Yeovilton and further afield. Aggies helped us engage our visitors through a Community Fun Day of STEM activities, where we were joined by Royal Navy Family and People Support and also the RNAS Yeovilton Fire Station crew.
- **Forty-six Maintenance Operations Engineering Technician (MOET) apprentices** benefited from our annual collaboration between Naval Aviation, Bridgwater College, EDF UK, and Magnox reflecting the Museum's value as a real-world learning environment, with future numbers expected to double due to the Hinkley Point development pipeline.
- **Eleven student placements from SEN Secondary schools**, Catcote Academy and Choices College in Hartlepool, expanded our work supporting employability, confidence building and workplace readiness for young people and individuals facing barriers to employment.

Volunteers

Our 250 volunteers contribute thousands of hours each year, bringing extensive experience from the Royal Navy, Royal Marines and wider Armed Forces. During the year we expanded opportunities through conservation projects, university partnerships and initiatives supporting younger and neurodivergent volunteers. We also introduced an organisation-wide Volunteer Reward and Recognition Programme, culminating in a digitally connected celebration during Volunteers' Week 2025.

Royal Navy Relationship

Our close relationship with the Royal Navy remains fundamental to delivering our charitable objects. During the year, we continued to support recruitment, commemorative events, exhibitions and community engagement, while benefitting from the Royal Navy's contribution to programming, STEM activity, interpretation and audience engagement.

Highlights included supporting recruitment and careers engagement through interactive visitor experiences; presenting contemporary Royal Navy stories through new photographic displays and exhibitions; delivering commemorative events for serving personnel, veterans and Armed Forces families, including VE Day 80 and the annual ANZAC service aboard HMS *M33*; and working with Royal Navy networks and service charities to develop inclusive interpretation and public programming.

We also strengthened relationships with serving personnel, veterans, families and community organisations across the UK, including collaboration with partners supporting the Royal Marines Experience, which will open in Portsmouth in autumn 2026. These activities enhanced public understanding of contemporary naval service while strengthening connections between the Royal Navy and the communities it serves.

Strategic objective: Celebrating Our Collections

Sharing, developing and caring for our world class collection

Our collections programme combined external grant funding, including the use of its ringfenced grant in aid for the purchase of exhibits, with support from across the Royal Navy Museums Group and strategic partnerships to conserve, develop and share our collections. During the year we continued to improve permanent displays, deliver special exhibitions and enhance access to our collections, ensuring they remain relevant, accessible and representative of the Royal Navy's past and present. Highlights included:

- **HMS Victory - Victory Live: The Big Repair:** Conservation work, supported by the HMS Victory Preservation Endowment Fund, continued to make significant progress. Work on the ship's starboard frames neared completion and replanking of the midships section commenced, supported by the extension of the conservation scaffold. By April 2026, the entire ship was under cover, enabling improved access for specialist conservation work and public engagement with this major national conservation project.
- **HMS Warrior:** Planned conservation and maintenance continued throughout the year, including repairs to the ship's gangways, fire detection systems, structural timbers and ongoing repainting. Construction of the main mast pin rail was completed and is scheduled for installation during 2026.
- **HMS Trincomalee:** A new deck-wetting system, together with a structured recaulking programme, significantly reduced water ingress and improved the long-term preservation of the ship's weather and gun decks.
- **Barracuda: The Big Rebuild:** Reconstruction of the Fairey Barracuda DP872 continued, with the aim of creating the world's only complete surviving Barracuda aircraft. Visitors engaged with the project through the public viewing gallery, while a successful recovery expedition to Norway secured additional original aircraft components for conservation and reconstruction.
- **Collections access and digitisation:** Following the December 2024 cyber incident, Collections Access and Digitisation Services resumed by September 2025. We expanded digital access through new and existing partnerships, making collections available via The National Archives Discovery catalogue, Museum Data Service, Art UK and Findmypast. Newly digitised records released during the year included the Trafalgar Prize Money Books, Submarine Movement Cards and Ship Movement Cards, with further releases planned.
- **Loans:** We facilitated 99 collections loan agreements covering 912 objects, including the loan of the nationally significant *Armada Maps* to the National Trust's Buckland Abbey exhibition.
- **Research and sector engagement:** We continued to share our expertise across the museum and heritage sector through conferences, seminars and professional networks, including the UK Maritime Heritage Forum, MuseumNext, the Hampshire Military Museum Network and the Museum Libraries and Archives Group. Staff also contributed to academic discussion on artificial intelligence in museums through presentations at the University of Glasgow and the Imperial War Museums' AI and Colonial Collections seminar.

Newly acquired collection items add depth and diversity to historical narratives from 18th-century naval history to Second World War operations and aviation heritage. The distinctiveness of these objects enables us to provide more compelling and nuanced interpretations for our audiences and include:



Image of the Silver Urn courtesy of Charles Miller

- **Naval presentation silver urn** presented by Lloyd's Coffee House to Captain Simon Miller, HMS Vanguard, who escorted the Leeward Islands fleet of 140 merchantmen and several transports with cargo valued at £7 million (about £1 billion today) safely to England from the West Indies.
- **Study of the Orlop deck, HMS Victory** drawing attributed to George Cruikshank, inscribed "The Cockpit".
- **Fairey Aviation Company Limited Papers** including original technical drawings and documents for the Barracuda, which will guide the work on rebuilding the aircraft. As far as we are aware, these are the only surviving examples.
- **Jolly Roger, HMS Severn** depicting a leopard's head and two torpedoes instead of the more commonly represented skull and crossbones. During the Second World War HMS Severn was stationed at Malta, Gibraltar, and in home waters and was assigned to track the Bismarck in the run up to her attack and sinking.



Medals of Lt. Cmdr. John Elliot Smart

- **Second World War Medals and Awards, Lieutenant Commander John Elliot Smart, DSO, OBE, VRD, Royal Navy and LOM (USA)** along with related documents. Smart was involved in various X-Craft operations, including Operation Source when he was in command of X8 and attacked the German cruiser Lutzow. During Operation Struggle he was in command of XE1, and laid charges next to the Japanese ship, Takao,for which he was made a Companion of the Distinguished Service Order (DSO), and awarded the Legion of Merit (LOM) (USA).
- **George Medal, Petty Officer James William Howell** together with photographs and documents. He was awarded the medal for disabling a 2000lb mine on SS Corduff on 11 March 1941, off Sheerness. Sadly, he was killed on 10 June 1941 when his ship, HMS Pintail, activated an acoustic mine and sank off the Humber Estuary after going to the aid of SS Royal Scot which had also detonated a mine.



Photograph of James Howell

Strategic objective: Sharing Our Stories

Sharing relevant and inspirational stories, telling the Royal Navy's contemporary story, and uncovering diverse stories that have not been told before

We continued to develop exhibitions, collections and programmes that connect audiences with the Royal Navy's history and contemporary relevance. Through new interpretation, partnerships and major capital projects, we broadened the range of stories we tell, ensuring that they reflect the diversity of naval service and the experiences of those who have shaped it. Key achievements included:

- **Royal Marines Experience:** Development of the Royal Marines Experience remained our principal capital project during 2025–26. Located within the Grade II* listed Boathouse 6 at Portsmouth Historic Dockyard, the new museum will complete the story of the Royal Navy's service branches by exploring the history, values and continuing role of the Royal Marines. During the year the project progressed to RIBA Stage 5, with multidisciplinary teams advancing both the base build and exhibition design. Although possession of the site was delayed, construction continued steadily, including completion of the mezzanine steelwork, installation of building services and development of the exhibition galleries, providing confidence that the project is on course for opening in autumn 2026.
- **Esmonde VC:** Through the generous loan of the Victoria Cross awarded to Eugene Esmonde VC by his descendants, we refreshed the Swordfish gallery at Royal Navy Museums: Naval Aviation. The medal now forms

the centrepiece of the display, strengthening interpretation of Esmonde's courage and the role of the Fairey Swordfish during the Second World War.

Charitable Fundraising

Our ability to share our stories is dependent upon the generosity of our donors, trusts, foundations and corporate partners, to support acquisitions, conservation, public engagement, learning programmes and major capital projects.

The Group's fundraising activities are overseen through the Fundraising Committee and delivered by our in-house fundraising team.

Royal Navy Museums is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice. An Ethical Fundraising Committee considers due diligence on significant donations from individuals and private foundations where appropriate. We remain committed to our Donor Charter, ensuring fundraising is conducted with transparency, integrity and accountability.

During 2025-26, the Group did not use third-party fundraisers for face-to-face fundraising or direct solicitation of donations from individuals. No complaints were received about our fundraising activities, and no complaints were referred to the Fundraising Regulator.

Legacy giving continues to be supported through our partnership with Octopus Legacy, which provides a free will-writing service and information for those wishing to leave a gift in their Will. Information about legacy giving is also available on our website. Appeals are primarily focused on major capital projects, acquisitions and conservation initiatives. While supporters may choose to receive communications by email, post, telephone or text, fundraising appeals are made only by email, with every communication providing a clear opportunity to unsubscribe.

We are grateful for the continued support of our donors, grant-makers, charitable trusts and corporate partners, whose generosity enables us to conserve the Royal Navy's heritage, develop new visitor experiences and expand our learning and community programmes.

Principal supporters during the year included:

Friends organisations and long-term supporters

- HMS *Victory* Preservation Endowment Fund
- The Princess Anne's Charities Trust
- Society of the Friends of the Fleet Air Arm Museum
- Friends of the Royal Navy Submarine Museum
- Friends of HMS *Trincomalee*
- National Heritage Memorial Fund
- National Lottery Heritage Fund
- The Gosling Foundation
- Art Fund
- Society for Nautical Research

Trusts and foundations

- Garfield Weston Foundation
- Esmée Fairbairn Collections Fund
- The National Archives
- Pilgrim Trust
- Trinity House Maritime Charity
- Belfast Harbour

Corporate partners

Corporate support continued to play an important role in delivering our national STEM programme, public events and the Royal Marines Experience. We gratefully acknowledge the support of Airbus, BAE Systems, Cammell Laird, Caterpillar, EDF UK, Magnox, Subsea Craft, Lockheed Martin, Netpark, Kier Group, Engage Marketing, ADS, BMT Land and Air, DXC and Blok N Mesh.

Cyber Incident

On 9 December 2024, Royal Navy Museums experienced a significant ransomware attack affecting its IT network. We responded immediately by implementing a comprehensive recovery programme to restore critical systems, strengthen cyber resilience and enhance our security controls.

During the year, priority systems and services were successfully restored, enhanced security monitoring was introduced, and organisation-wide cyber security training and awareness programmes were delivered. The incident also prompted a review of cyber risk management, resulting in strengthened governance, improved technical controls and enhanced business resilience.

There continues to be no evidence that personal data was compromised as a result of the incident. Protecting information and maintaining robust cyber security remain key organisational priorities.

Plans for Future Periods

Delivering Our Strategy

During the year, we approved a new five-year Strategy, establishing a clear vision, values and strategic priorities to guide the Museum through to its twentieth anniversary in 2029.

The Strategy is supported by a ten-year financial plan, recognising the importance of growing self-generated income from admissions, commercial activity, fundraising and grants, while maintaining disciplined cost management to ensure long-term financial sustainability. The Strategy will continue to be delivered through the annual corporate planning process, which sets operational priorities and investment for 2026-27 and beyond.

Sustainability

Developing environmentally and financially sustainable operations remains a strategic priority. During the year, staff participation in Carbon Literacy training increased significantly, providing a strong foundation for the development of a new Sustainability Strategy during 2026-27.

The Strategy will align with the UN Sustainable Development Goals and focus on reducing carbon emissions, improving environmental performance and ensuring investment supports the long-term resilience of the organisation.

Alongside this, we will continue to strengthen our financial resilience through careful cost management, income generation, fundraising and commercial growth. We will also continue to work closely with Navy Command to ensure that future funding arrangements support the delivery of our charitable objectives and long-term capital investment programme.

Audiences

Our immediate priority is the successful opening of the Royal Marines Experience in autumn 2026 and the continued reinterpretation of HMS *Victory*, providing compelling new reasons for audiences to visit Portsmouth Historic Dockyard.

We will continue to grow and diversify audiences across our Museum and digital platforms through insight-led marketing, improved digital customer journeys and enhanced use of audience research. Working closely with the

Royal Navy, we will also support the Global Navy initiative by presenting contemporary stories of naval service through our exhibitions, programmes and public engagement.

Implementation of the Group's Interpretation, Research, Audience Development, Digital and Sustainability strategies will continue, ensuring our exhibitions, collections and visitor experiences remain relevant, accessible and engaging for local, national and international audiences.

Collections

Investment in collections and capital projects will remain focused on activities that directly support our charitable objectives and long-term sustainability.

Priority will be given to the conservation, care and presentation of existing collections and heritage assets, alongside the delivery of major funded projects, including HMS *Victory*, the Royal Marines Experience, HMS *Warrior* and HMS *Caroline*. We will also continue to expand digital access to our collections, ensuring they remain accessible to audiences both onsite and online.

People

Our people remain central to delivering our Strategy.

During the coming year we will continue to invest in workforce development, health and wellbeing, talent management and succession planning, while maintaining our commitment to equity, diversity and inclusion. We will also continue to strengthen staff engagement through the Working Together Group and further develop our volunteering community as an integral part of Royal Navy Museums.

Future changes in accounting standards

The Trustees are preparing for the implementation of the Charities SORP 2026 and associated amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, which apply to the Museum from 1 April 2026. These changes include revised requirements for lease accounting and revenue recognition.

The new lease accounting requirements are expected to have a material impact on the Museum's balance sheet, with most leases recognised through right-of-use assets and corresponding lease liabilities. They will also affect the recognition and presentation of lease-related expenditure in the Statement of Financial Activities.

The revised revenue recognition requirements will affect the timing and presentation of certain income streams, although the overall financial impact is currently expected to be immaterial.

The Trustees are continuing to assess the financial impact of these accounting changes, and the impact has not yet been fully quantified.

Principal Risks and Uncertainty

The Board regularly reviews the strategic risks facing the Museum and monitors the effectiveness of the controls and mitigation measures in place. Our approach to risk management is set out in page 28. We have operated a robust risk management framework throughout the reporting period. The principal risks and uncertainties are outlined below. These are the most significant risks that may adversely impact our business strategy, financial position or operational performance.

Financial sustainability: The Museum remains exposed to fluctuations in self-generated income arising from economic uncertainty and changing visitor demand. Unlike many national museums, a significant proportion of our income is generated through admissions, commercial activities, fundraising and grants rather than free public admission. While we continue to receive valued support from our Sponsor, the Royal Navy, inflationary pressures have increased the importance of growing self-generated income to maintain financial resilience.

To mitigate this risk, we continue to support the delivery of the Royal Navy Museums' long-term Financial Strategy by diversifying income streams, strengthening commercial performance and fundraising, and maintaining disciplined cost management.

Delivery of major capital projects: The successful delivery of major capital and conservation projects remains a key strategic risk. Delays, cost inflation, fundraising shortfalls or increased operating costs could affect project delivery, cash flow and long-term financial sustainability.

Mitigation includes strengthened programme governance through the Programme Board, consistent application of the organisation's project management framework, enhanced financial forecasting and ongoing review of project business cases throughout both the delivery and operational phases.

Environmental sustainability: The charitable company is required to respond to evolving environmental legislation and support the transition to more sustainable operations. Failure to meet these obligations could increase operational and financial risk. We continue to mitigate this risk through the development of our Sustainability Strategy, investment in carbon literacy, integration of environmental considerations into project appraisal and decision-making, and collaboration with partners to reduce the environmental impact of our estate.

Cyber security and information management: The Museum recognises that it remains exposed to cyber threats, ransomware attacks and disruption to digital operations. Following the cyber incident of December 2024, significant investment has been made in recovery, resilience and staff awareness. Further mitigations include enhanced monitoring, security controls, disaster recovery arrangements and regular staff training.

Property and leases: The Museum is exposed to risks associated with leased premises, including non-renewal of leases, changes to access arrangements, differing interpretations of lease obligations, increasing occupancy costs and landlord financial or operational failure. These risks could adversely affect service delivery, visitor experience, operational continuity and financial sustainability. Trustees are actively managing these risks through continuing landlord engagement, strategic property planning and specialist professional advice.

Post balance sheet events

There were no material post balance sheet events requiring disclosure.

Financial Review

Statement of Financial Activities for the Year Ended 31 March 2026

Total incoming resources for the year amounted to £25,126,000 (2024-25: £19,733,000). Income comprised Grant in Aid, donations and other grants (restricted and unrestricted), admissions and associated income from charitable activities, trading subsidiary income and investments.

The overall increase in income reflects that funding from grants and donations increased by 131% to £10,768,000 (2024-25: £4,664,000) in support of increased activity on major capital and conservation projects, particularly the Royal Marines Museum and the ongoing conservation of HMS *Victory*. Admissions income and charges for services decreased by 4% to £6,289,000 (2024-25: £6,543,000). Revenue Grant in Aid received increased by 3% to £4,116,000 (2024-25: £3,995,000).

Total resources expended were £20,346,000 (2024-25: £21,680,000), a reduction of 6%. Expenditure comprised operating costs, project delivery, trading activities, marketing and fundraising. The reduction compared with the previous year primarily reflects the phasing of major project expenditure, together with the early benefits arising from the Group's financial sustainability programme, which mitigated the impact of inflation on delivery of charitable activities which saw a net reduction of 9% to £16,993,000 (2024-25: £18,641,000).

After adjustment for net gains on endowment fund investments totalling £5,047,000, and recognition of actuarial losses on defined benefit pensions schemes of £9,000, the net movement in funds for the year was an increase of

£9,818,000 (2024-25 a decrease of: £979,000). The total funds carried forward at 31 March 2026 was £229,725,000 (31 March 2025: £219,907,000).

Balance Sheet

As at 31 March 2026, total net assets amounted to £229,156,000 (2024-25: £219,907,000).

Movements in fixed assets are shown in Note 14 to the financial statements. Fixed assets acquired by either purchase or donation, with a value of £2,500 and over are capitalised in accordance with the accounting policies set out in Notes 1.8 and 1.9. The value of fixed assets increased by 14% to £49,650,000 (2024-25: £43,515,000), primarily as a result of inclusion of the Royal Marines Experience project as an asset under construction.

Heritage assets added to the collection (Note 15) are included in the accounts at acquisition cost or on the basis of internal valuations estimated by the curatorial staff and determined by their experience and judgement (Note 1.9). The value of heritage assets (over the capitalisation threshold and accessioned since 1 April 2000) represents 49% of the Royal Navy Museums' net assets at £107,073,000.

The Museum held £14,161,000 cash in bank and in hand at 31 March 2026 (31 March 2025: £11,793,000).

Of the total funds:

- £143,012,000 were restricted funds
- £25,783,000 were unrestricted and designated funds
- £60,930,000 were endowment funds

To support project cash flows and maintain delivery to the planned timetable, the Museum entered into a £2,700,000 voted loan facility with the Ministry of Defence on 10 February 2026. An initial drawdown of £2,000,000 million was received in February 2026. The facility provided working capital during the final stages of the delivery of the Royal Marines Experience project and enabled the Museum to meet funding commitments as they fell due.

Group Reserves

The Trustees review the level of reserves regularly to ensure that the charitable company and group maintain sufficient financial resilience while continuing to invest in its charitable objects.

At 31 March 2026, free reserves (defined as net current assets attributable to unrestricted funds, excluding designated funds) for the charitable company were £5,000 (31 March 2025: £5,000). This reflects the Group's funding and governance structure, under which unrestricted reserves are intentionally held within subsidiary undertakings, principally NMRN Operations, rather than the parent charity.

Under the Group’s governance structure, the charitable company's main source of funding is that provided directly by its sponsor, the Royal Navy. In this reporting period that funding comprised Grant in Aid and a Voted Loan. The Grant in Aid is used to fund the company’s own expenses before granting the balance on to its subsidiaries on the basis of need and as such, the Grant in Aid is fully expended. Under the terms of the financial framework (agreed 18 September 2025), the company is only permitted to carry over a maximum 2% of the total Grant in Aid into the next financial year and any carry forward may be taken into account in reducing the following year’s Grant in Aid. Based on the year’s revenue Grant in Aid of £4,116,000 the maximum carry forward is £82,000. Free reserves for the Group are not, therefore, built within the parent company but within the subsidiaries from charitable and self-generated income streams. As such, this free reserves balance does not represent a going concern risk to the company.

The Group’s free reserves stood at £5,412,000 (31 March 2025: £6,013,000). The decrease reflects the planned use of unrestricted funds by NMRN Operations to deliver strategic projects including the development of the new corporate brand, cyber security improvement and essential property maintenance.

Under the Group's governance arrangements, substantially all operating activity is undertaken by NMRN Operations. The reserves policy therefore provides for free reserves to be held within NMRN Operations to support operational resilience. The target is to maintain reserves equivalent to four months' operating expenditure for Portsmouth Historic Dockyard (including the Gosport sites), increasing to six months' operating expenditure across the Group by 31 March 2030 (currently estimated at £6,950,000).

There is no need to accumulate additional free reserves in either the charitable company or the subsidiary trusts and any such reserves held will be appropriately used, as approved by the Board, for the furtherance of the trusts' charitable objects.

The free reserves held by NMRN Operations (defined as net current assets attributable to unrestricted reserves excluding designated funds stood at £4,311,000 (31 March 2025: £4,851,000). The Trustees will continue to strengthen the free reserves position in NMRN Operations through income diversification, careful cost management and the delivery of sustainable annual operating surpluses.

The Group's restricted funds stood at £143,012,000 (31 March 2025: £135,242,000). This includes tangible fixed and heritage assets of £137,217,000 and net current assets of £5,861,000. The surplus on restricted funds will reduce in future years with increasing expenditure on the preservation of HMS Victory, HMS Caroline, HMS Warrior, LCT 7074, RML 497, the new Royal Marines Experience and depreciation on capital expenditure.

The Group holds £61,028,000 (31 March 2025: £57,438,000) as endowment funds within its subsidiaries for HMS Victory, HMS Caroline, HMS Warrior and HMS Trincomalee.

Investment Policy

The Royal Navy Museum's investment policy seeks to produce the best possible financial return within an acceptable level of risk. The majority of the Museum's investment activities has been undertaken by its subsidiaries, the HMS Victory Preservation Company and the HMS Caroline Preservation Company, which hold significant endowment funds. The two charitable companies each has an Investment Committee, charged with agreeing a suitable asset allocation framework with its appointed professional fund managers. The assets can be invested widely and are expected to be diversified by asset class, by manager and by security. Asset classes can include cash, bonds, equities, property funds, hedge funds, structured products, private equity, commodities and any other asset class that is deemed suitable for the companies.

HMS Victory Preservation Company aims to produce the best possible financial return on its investments within an acceptable level of risk. Returns from the investment funds are required to ensure the maintenance and presentation of HMS Victory for future generations and it is therefore essential to invest with a long-term perspective. The charitable company's approach is to seek to ensure that investment returns are sought from a combination of capital growth and income, but without specific investment targets. Both investment income and capital gains may be expended within set parameters.

HMS Caroline Preservation Company aims to preserve the long-term real value of the assets and to generate a return of CPI plus 3-4% per annum over the long-term. Returns from the investment funds are required to provide grant funding to the operator and it is essential to invest with a long-term perspective. The charitable company has full flexibility to spend its capital as long it is in the furtherance of its objectives. Investment returns are sought from a combination of capital growth and income, but without specific targets for each element. The income generated by the portfolio may be reinvested, and both investment income and capital gains may be expended within set parameters.

During 2025-26, the Trustees established a Group Treasury and Investment Committee to advise on and oversee the management of its banking operations and liquidity management, including the investment of restricted, unrestricted and designated cash balances, and endowment funds. This committee will not provide oversight of the HMS Victory Preservation Company and HMS Caroline Preservation Company investment activities, which are already well-established, but will provide and scrutiny and oversight for all other subsidiaries within the Group. The

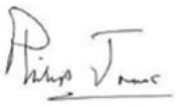
committee's initial focus has been around treasury management activities, providing advice on liquidity and short to medium-term investments. Its role and activities will be developed further in 2026-27 and will include the review and redevelopment of the museum's investment policy.

The key risks to the long-term achievement of the investment objectives are inflation and market fluctuations and the assets are invested accordingly. The Trustees understand that this will mean that investments are likely to be predominantly invested in equities, where dividends can be expected to grow, and that capital value will fluctuate. Income from the investments tracked ahead of inflation for the period. For the year ending 31 March 2026, income from investments totalled £1,074,000 with investment management fees of £181,000 and realised and unrealised net gains of £5,047,000.

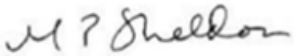
Going concern

In assessing the appropriateness of the going concern basis, the Trustees reviewed detailed cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements, together with available reserves, committed funding and other sources of liquidity. During the year, the charitable company entered into a £2,700,000 voted loan facility with the Ministry of Defence, of which £2,000,000 million had been drawn by 31 March 2026. The facility was established to support cash flow requirements associated with the Royal Marines Experience Project and to enable delivery of the project to its planned opening timetable in 2026. The Trustees have considered the availability of Grant in Aid from the Royal Navy, forecast trading performance, committed project funding and the availability of the loan facility and are satisfied that the Group has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Despite a challenging operating environment, the group has continued to make significant progress in delivering the Royal Navy Museums' strategic objectives. Through investment in audiences, collections, major capital projects and organisational resilience, we remain well placed to deliver our vision of linking Navy and Nation with inspiring stories and experiences.



Admiral Sir Philip Jones
Chair on behalf of the Board of Trustees
30 October 2026



Matthew Sheldon
Chief Executive Officer
30 October 2026

Accountability Report including the Directors' Report

Trustees' Report and Governance Statement

This report describes the governance arrangements of Royal Navy Museums, including the structure, responsibilities and accountability framework of the Board of Trustees. The Trustees, who are also the directors of the charitable company for the purposes of company law and who served during the year and up to the date of this report, are listed on page 2. The Members of the charitable company exercise the constitutional rights set out in the Articles of Association, while the Board of Trustees is responsible for the overall direction and control of the charity.

The Companies (Miscellaneous Reporting) Regulations 2018 require Royal Navy Museums to publish a statement explaining how the Trustees, in their capacity as directors, have had regard to the matters set out in section 172(1)(a)–(f) of the Companies Act 2006 in fulfilling their duty to promote the success of the company for the benefit of its members. This report includes the required section 172 statement.

The report also explains how the Board has maintained an effective system of governance, risk management and internal control throughout the year. It describes the principal risks identified by the Trustees and the arrangements established to manage and mitigate those risks. The governance, risk management and internal control framework described in this report was in place throughout the year under review and remained in operation up to the date of approval of the Annual Report and Accounts.

The Governance Framework

Royal Navy Museums is a company limited by guarantee (company number: 06699696) and a charity registered with the Charity Commission (registration number: 1126283). It is governed by its Articles of Association, adopted in September 2018, as amended by Special Resolution November 2025, which set out the charitable objects of the company, its powers and the arrangements for the appointment and reappointment of Trustees.

Royal Navy Museums is also a Non-Departmental Public body (NDPB), sponsored by the Ministry of Defence (MOD). As such, it complies with HM Treasury's guidance *Managing Public Money* and other applicable government financial reporting requirements. The Financial Framework Agreement with the MOD sets out the governance, financial and accountability arrangements between the Department and the Museum.

The Board seeks to apply good governance practice and to comply with the principles of the Charity Governance Code. During the year, work continued to implement the recommendations arising from both the 2023 Independent Public Body Review of the Service Museums and the 2023 Bayes Centre for Charity Excellence Board Effectiveness Review.

The Board's objective is to maintain a governance structure that provides clear accountability, protects the Group's heritage assets, supports the effective use of resources and is sufficiently flexible to respond to future strategic developments. During the year, the Board continued to simplify the Group's governance arrangements through a phased programme designed to clarify responsibilities, streamline decision-making and strengthen organisational effectiveness.

Each subsidiary company Board remains responsible for its own governance and for delivering its objectives within the Group's strategic and policy framework. The Board of NMRN Operations is responsible for operational delivery of the Corporate Plan priorities in support of the Group's strategic objectives. The Chair of NMRN Operations is invited to attend meetings of the Royal Navy Museums Board and reports regularly on operational performance.

Responsibility for the day-to-day management of the Group is delegated by the Board to the Chief Executive Officer, who also serves as Accounting Officer, and to the Executive Directors under a formal Scheme of Delegation.

The Board's oversight

The Board of Trustees provides strategic leadership and oversight of Royal Navy Museums. It is responsible for setting the Group's strategic direction, approving the Corporate Plan and monitoring performance against agreed objectives. The Board also ensures that appropriate governance, risk management and internal control arrangements are maintained, supported by clear reporting procedures, defined responsibilities and an established Scheme of Delegation.

The Trustees are responsible for ensuring that the charitable objectives and legal obligations of the company and the Group are fulfilled within the approved policy and strategic framework. The Board is accountable to the Members of the charitable company and other stakeholders for the stewardship of the Group's assets, the delivery of its charitable objectives and oversight of financial and operational performance.

The Board comprises up to 16 Trustees. The Chief Executive Officer, Executive Directors, the Chair of NMRN Operations and a senior representative of Navy Command attend Board meetings by invitation to support the Board's deliberations.

A Board skills audit was undertaken during early 2025 to assess the balance of knowledge, experience and diversity across the Board and to inform future recruitment and succession planning. The Board continues to strengthen its diversity through its recruitment practices and through engagement with the Youth Advisory Group, whose representatives contribute to Board and Committee discussions. With several Trustees due to complete their terms of office during 2026-27 and 2027-28, a succession plan is being implemented to ensure the continued availability of the skills and experience required by the Board. Trustees also received training during the year on charity law and Equity, Diversity and Inclusion to support the effective discharge of their responsibilities.

The Board met regularly throughout the year in accordance with the Articles of Association to:

- review progress against the Corporate Plan and strategic objectives;
- monitor financial performance and long-term financial sustainability;
- oversee operational performance;
- approve major capital investment programmes; and
- review the principal risks facing the Group and the effectiveness of mitigation measures.

Significant Decisions During the Year

The Board considered a number of significant strategic matters during 2025-26, taking account of their long-term impact on the Group's charitable objectives, financial sustainability, stakeholders and risk profile. Detailed Board papers were provided for each decision, including analysis of options, recommendations and associated risks.

The principal decisions taken during the year included:

- **Cyber resilience** – Following the cyber incident in December 2024, the Board reviewed the Group's cyber security arrangements, associated risks and investment requirements. Additional resources were approved to strengthen the Museum's IT infrastructure and cyber resilience, with implementation continuing throughout 2025-26.

- **Strategy and organisational identity** – The Board approved the Group Strategy for 2025-2030, together with a refreshed organisational vision: *Linking Navy and Nation with inspiring stories and experiences*. The Board also approved the rebranding of the organisation as Royal Navy Museums and considered the strategic implications for the Group's museums and visitor attractions, with further work continuing during 2026-27.

- **Historic Fleet Endowment Fund** – The Board approved the establishment of the Royal Navy Museums Historic Fleet Endowment Fund to strengthen the long-term financial sustainability of the Group's nationally significant historic fleet. The Fund will be overseen by the newly established Treasury and Investment Committee, with an initial fundraising target of £10 million over the next three years.

- **Royal Marines Experience** – The Board reviewed and approved the strategic direction, funding arrangements and governance for the Royal Marines Experience project, including the funding support provided by the Royal Navy. As one of the Group's largest capital projects, the Board maintained oversight of project delivery, financial management and fundraising throughout the year.

- **Financial sustainability** – The Board approved a ten-year financial plan to support delivery of the Group Strategy and strengthen the Museum's long-term financial resilience. The plan is aligned with the Corporate Plan and the Group's strategic risk management framework.

Many significant matters are considered initially by the relevant Board Committee or subsidiary Board, allowing detailed scrutiny and challenge before recommendations are made to the Board of Trustees. The Board is satisfied that the quality and timeliness of information provided enable it to discharge its responsibilities effectively.

Board Committees

The Board has established a number of committees to provide detailed oversight and assurance in key areas of governance and business activity. Each committee operates under formally approved Terms of Reference and reports regularly to the Board.

Committee	Principal Responsibilities
Audit and Governance	Oversees financial reporting, risk management, internal control, governance, internal audit and external audit.
Collections, Research, Learning and Access	Oversees collections development, conservation, research, learning, access and collections policies.
Brand and Digital	Oversees brand strategy, digital engagement and audience development.
Fundraising	Oversees fundraising strategy and compliance with the requirements of the Fundraising Regulator.
Nomination and Remuneration	Leads Board and Committee succession planning and appointments, and makes recommendations on the remuneration and performance of the Chief Executive Officer and Executive Directors.
Treasury and Investment	Established in October 2025 to oversee treasury management, investment policy, endowment development and financial resilience.
Ethical Fundraising	Established during the year to advise on ethical considerations relating to significant donations and fundraising activity, including associated reputational risks.

Membership of key meetings	Board of Trustees	Committees				
		Audit and Governance	Collections Research Learning Access	Brand and Digital	Fund-raising	Nom and Rem
Total number of meetings in the period:	**4**	**3**	**3**	**2**	**2**	**1**
	Number of key meetings attended/ Number of meetings eligible to attend					
Chairman:						
Admiral Sir Philip Jones	4/4					
Trustees:						
Rear Adm Mark Anderson	3/4					
Ms Katherine Biggs	1/4		3/3			
Dr Andrew Burnett	4/4	2/3	3/3			
Mr Philip Dolling	4/4		3/3	1/1	3/3	
Mr Colin Evans	2/4	3/3				
Ms Helen Jackson	4/4		3/3			1/2
Mrs Mary Montagu-Scott	4/4				3/3	
Rear Adm Jon Pentreath	4/4					2/2
Mr Mike Scott	4/4					2/2
Mrs Alison Start	4/4	3/3			2/3	
Mrs Sarah Whitcher	3/4					2/2
Mr Tom Wright	4/4			1/1		2/2
Mr Ged Salzano	4/4					
Non-Trustees:						
Mr Stephen Bradley					3/3	
Ms Louisa Burden			2/3			
Captain Catherine Jordan					0/3	
Prof Andrew Lambert			1/3			
Ms Tiva Montalbano			3/3			
Mr Alex Patterson			1/3			
Mr Peter Pantlin					2/3	

Maintaining high standards of business conduct

The Trustees are committed to maintaining the highest standards of governance and business conduct across Royal Navy Museums. The Group's **TIDE** values (Teamwork, Impact, Discovery, Enterprise) underpin its organisational culture, inform decision-making and are embedded within the performance management framework. During 2025-26, the values were reviewed in consultation with the employee Working Together Group and aligned with the Group's new strategy.

Trustees are recruited and appointed in accordance with the Charity Commission's guidance *Finding New Trustees* (CC30), the relevant principles of the Governance Code on Public Appointments and the Museum's Trustee Recruitment Policy. A structured induction programme is provided for all new Trustees and Committee members, including briefing on the Museum's governance framework, strategic objectives, legal responsibilities and key policies. Induction also includes visits to the Group's museums and heritage sites, enabling new Trustees to gain a broader understanding of the collections, operations and strategic priorities. Additional training is provided where appropriate, and recent appointees have continued to report positively on the effectiveness of the induction programme.

The Museum maintains a Register of Interests for Trustees, Committee members and members of the Executive Team. The Register is available on request from governance@nmrn.org.uk. Trustees and Committee members are required to declare any actual or potential conflicts of interest, whether financial or otherwise, and declarations of interest are a standing item at the beginning of every Board and Committee meeting. Any conflicts identified are managed in accordance with the Museum's Conflicts of Interest Policy to ensure that decisions are taken objectively and in the best interests of the charity.

During the year, no Trustee held a company directorship or other significant interest that was considered to conflict with their responsibilities as a Trustee of Royal Navy Museums. A number of Trustees also serve as trustees of subsidiary charities within the Group. These related party relationships are disclosed in Note 29 to the financial statements.

Having regard to the interests of our employees

The Group recognises that its employees are fundamental to the successful delivery of its charitable objects and strategic priorities. Employee engagement is supported through a range of channels, including the Working Together Group, team briefings, regular intranet updates and staff surveys.

As the principal employing entity within the Group, NMRN Operations provides the Board with regular reports on workforce matters, including recruitment, retention, wellbeing, training, equality, diversity and inclusion, and the outcomes of employee engagement surveys. These reports enable the Board to understand the views of employees and to take account of their interests when making strategic decisions. Further information on the Group's approach to its workforce is provided in the Remuneration and Staff Report (pages 31-36).

During the year, the Group introduced a staff engagement survey incorporating Employee Net Promoter Score (eNPS) measures. The results have provided valuable insight into employee engagement, organisational culture and areas for improvement. Regular staff surveys will continue during 2026-27, with progress monitored by the Executive Team and the NMRN Operations Board to support continuous improvement.

Fostering business relationships with customers and suppliers

Visitors are at the heart of Royal Navy Museums' charitable purpose. The Board receives regular reports on visitor performance, audience engagement and customer feedback to provide assurance that the Group continues to deliver high-quality visitor experiences. Feedback from visitors is used to inform the development of exhibitions, programmes and services, helping the Group to respond to changing audience needs and expectations. Further information on performance during the year is provided in the Activities and Achievements section of this report (pages 6-13).

The Group seeks to maintain constructive and collaborative relationships with its suppliers, recognising their contribution to the delivery of its strategic objectives and day-to-day operations. Procurement activity is undertaken in accordance with the Group's governance framework and public sector requirements, with an emphasis on achieving value for money, maintaining high standards of service and fostering long-term partnerships where appropriate.

Equity, Diversity and Inclusion

The Museum is committed to embedding equity, diversity and inclusion (EDI) across the organisation, ensuring that it remains an inclusive museum and workplace for visitors, trustees, employees, volunteers and wider delivery partners.

The Museum is a member of Inclusive Employers and has made a commitment under the Armed Forces Covenant, currently holding the Silver Award. Work will continue during the coming period to progress towards the Gold Award and further strengthen inclusive employment practices.

The Museum does not tolerate discrimination of any kind and is committed to ensuring equality of opportunity for all. We recognise that achieving fairness may require different approaches to meet individual needs, including

supporting working parents and carers and making reasonable adjustments for individuals with disabilities. During the year, the Museum continued to strengthen inclusive working practices and wellbeing support through staff-led initiatives, collaborative groups and organisational development activity. Recruitment practices include providing interview questions in advance to support neurodiversity, while the Museum's careers pages include accessibility tools such as adjustable colour contrast and audio descriptions.

Responsibility for progressing EDI priorities is embedded within the Museum's strategic planning and organisational development activity. Progress is supported through the EDI action group, LGBTQ+ staff network and Working Together Group, with a focus on creating an inclusive culture, improving accessibility and ensuring diverse perspectives inform the way the Museum operates.

The Museum continues to advance inclusion and diversity by embedding its EDI considerations approach through its Strategy and Corporate Plan, with actions monitored through organisational planning processes. It continues to review and develop practices to improve support for colleagues, volunteers and visitors, and seeks to diversify boards, committees, workforce and volunteers to strengthen decision-making through a wider range of perspectives, experiences and skills. It takes collective responsibility for delivering meaningful and sustainable change and recognises that creating an inclusive organisation is an ongoing commitment, requiring continuous learning and improvement.

The Board is satisfied that these arrangements provide appropriate opportunities to understand and consider the interests of employees, visitors and suppliers when exercising its responsibilities under section 172 of the Companies Act 2006.

The impact of our operations on the community and the environment

The Trustees have had due regard to the Charity Commission's guidance on public benefit. Through the Group's strategic objective to understand and engage our audiences, we seek to reduce barriers to participation and maximise the social value created through our museums, collections and learning programmes. Further information on our public benefit activities is provided within the Activities and Achievements section of this report.

The Group recognises climate change as a significant strategic challenge and is committed to embedding environmental sustainability across its operations. During the year, sustainability objectives were incorporated into the Group Strategy and Corporate Plan and aligned with the United Nations Sustainable Development Goals. Progress has included continued Carbon Literacy® training for staff, investment in renewable energy generation at Royal navy Museums: Naval Aviation, improved recycling initiatives and the integration of sustainability considerations into procurement and project management.

The Group has continued to strengthen its approach to environmental reporting by improving the quality and consistency of emissions data and establishing a revised baseline against which future performance will be measured. A sustainability review undertaken during the year identified opportunities to improve data collection and reporting, and an action plan is being implemented to support more robust carbon accounting and informed decision-making.

The Board recognises that achieving long-term environmental sustainability will require continued investment across the estate, historic fleet and collections. Sustainability considerations are now incorporated into the approval of major projects and procurement activity to ensure environmental impacts are considered alongside financial and operational objectives.

For our emissions sources, we use activity-based data and refining our data collection to ensure consistent and accurate reporting. Activity data is collected for water, operational waste, gas, electricity, fuel usage, and staff and some object travel. Our emissions 2023-24 baseline data will be updated as we gain further intelligence, as a result of our planned activities across our estate, and as we address data inaccuracy that is current outside of our control (e.g. data from landlords, suppliers and arising from local restrictions). We will seek to be transparent in our annual reports on any issues that may affect data fluctuation.

Performance against key environmental indicators, including waste, energy, travel, water consumption and carbon emissions, is reported in the following tables.

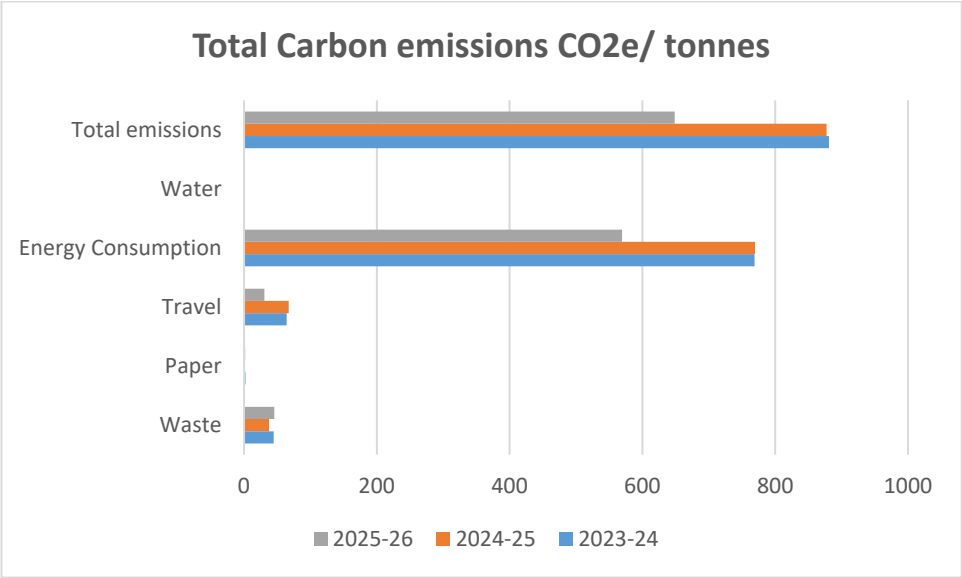
Waste Management		**2023-24**	**2024-25**	**2025-26**
Non-Financial indicators	Non-recycled waste (tonnes	85	72	88
	Recycled general waste (tonnes)	5	6	9
	Timber used for energy recovery (tonnes)	103	32	n/a
	Total waste (tonnes)	**193**	**110**	**97**
	% recycled or sent for energy recovery	56	35	9
Carbon Emissions	**CO2e produced (tonnes)**	**44.751**	**37.656**	**45.618**
Financial indicators	Total cost (£)	61,412	45,960	47,093
It was not possible to measure timber used for energy recovery for 2025-26. This will be addressed for future years reporting.				

Paper		**2023-24**	**2024-25**	**2025-26**
Non-Financial indicators	Sheets used	176,766	125,605	132,031
	Trees consumed % of a tree	21.09	15.07	15.84
	Equivalent bulb hours	139,763	99,877	104,987
Carbon Emissions	**CO2e produced (tonnes)**	**2.232**	**1.595**	**1.677**
Financial Indicators	Total cost including lease (£)	17,125	12,879	10,642
2025-26 has seen a 5% increase in paper usage. 2024-25 usage was, however, abnormally low due to the cyber-attack which disabled our printers.				

Travel		**2023-24**	**2024-25**	**2025-26**
Non-Financial indicators	Distance by train (miles)	12,012	17,952	35,513
	Distance by plane (miles)	26,097	18,266	18,739
	Distance by car (miles)	100,630	110,762	95,167
	Total distance travelled (miles)	**138,739**	**146,980**	**149,419**
	Fuel consumed by company vehicles (litres)	1,578	844	790
Carbon Emissions	**CO2e produced (tonnes)**	**64.144**	**67.217**	**30.686**
Financial indicators	Total cost (£)	45,283	67,928	74,407
We recognise that emissions from travel are a large contributor to climate change and air pollution and will continue to promote more sustainable travel options. This year, train travel replaced a number of car journeys.				

Energy Consumption		**2023-24**	**2024-25**	**2025-26**
Non-Financial indicators	Gas (kWh)	1,728,680	1,795,912	1,107,918
	Electricity (kWh)	2,556,682	2,492,315	2,071,925
	Total energy consumption (kWh)	**4,285,362**	**4,288,227**	**3,179,843**
Carbon Emissions	**CO2e produced (tonnes)**	**768.813**	**769.720**	**569.435**
Financial indicators	Total Energy Cost (£)	966,558	987,873	664,355
This year witnessed a decrease in gas and electricity consumption, mainly due to the closure of BH6 to support the creation of the new Royal Marine Experience. Our Hartlepool and Gosport sites also experienced reductions due to changes to the site opening times. Our Yeovilton site experienced a significant reduction in electricity usage mainly due to the solar panels that were installed in the prior year. We continue to try to source green electricity where possible.				

Water		**2023-24**	**2024-25**	**2025-26**
Non Financials	Water (m3)	6,251	6,463	6,839
Carbon Emissions	**CO2e produced**	**1.068**	**1.104**	**1.168**
Financial Indicators	Total Water Cost £	19,670	24,736	29,653
The apparent increase in water consumption and costs arises from new service charges from the MOD in respect of water that has previously been provided free of charge.				



System of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The review of the effectiveness of the system of internal control is undertaken through the Audit and Governance Committee. This Committee is chaired by a Trustee of the Board of Trustees and draws expertise from other Trustees and committee members, with the Chief Executive Officer and Executive Director: Finance and Resources in attendance. The Committee receives regular reports on risk, internal audit activity, external audit findings, financial performance and governance matters, and provides challenge and assurance to the Board. The Committee also has access to the independent accountants and internal and external auditors engaged for all companies within the Group, providing review and oversight of the financial control systems and the creation of company and consolidated group accounts.

Internal Audit

The Museum's independent internal audit service is provided by Azets UK, appointed from April 2024. Internal audit delivers a rolling programme of risk-based reviews, approved annually by the Accounting Officer and the Audit and Governance Committee, to provide assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control arrangements. The service operates in accordance with Government Functional Standard GovS 009 Internal Audit, the International Professional Practices Framework (IPPF) and the Global Internal Audit Standards.

Azets UK was appointed following a joint procurement exercise with the National Army Museum and the Royal Air Force Museum, enabling the Service Museums to share good practice, deliver efficiencies and undertake an annual thematic review across the three organisations.

The following internal audits were completed during the year:

Internal Audit review	Assurance Opinion Provided
Health and Safety	Substantial Assurance
Equity, Diversity and Inclusion	Reasonable Assurance
GDPR Compliance	Minor improvement required
Fundraising	Reasonable Assurance
Visitor Experience	Reasonable Assurance
Budget Management and Control	Substantial Assurance

The findings from these reviews informed the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Museum's governance, risk management and internal control framework. For 2025–26, the Head of Internal Audit concluded that the Museum's framework provides Reasonable Assurance over the effective and efficient achievement of its objectives.

External Audit

The external auditor for Royal Navy Museums was the National Audit Office, on behalf of the Comptroller and Auditor General. Price Bailey LLP were appointed as the external auditor for the subsidiary companies and trusts from January 2024 on a four-year contract period (with a two-year extension subject to satisfactory performance). The Audit and Governance Committee receives and reviews all external auditor reports.

Whistleblowing

The Museum has a whistleblowing policy and procedures in place, set in accordance with the relevant legislation and good practice, and that complies with the EU Whistleblower Protection Directive introduced in April 2019. The policy is made available on the staff intranet. An advisory review of the policy was undertaken by the internal auditor in October 2022 and concluded that the Museum has a legally compliant policy and process with governance and effective staff communication in place. Findings and subsequent actions from the report, including amendments to the policy, improved governance and document control, the requirement for additional training in investigation skills for managers and feedback from staff on the effectiveness of the policy communications, are being implemented.

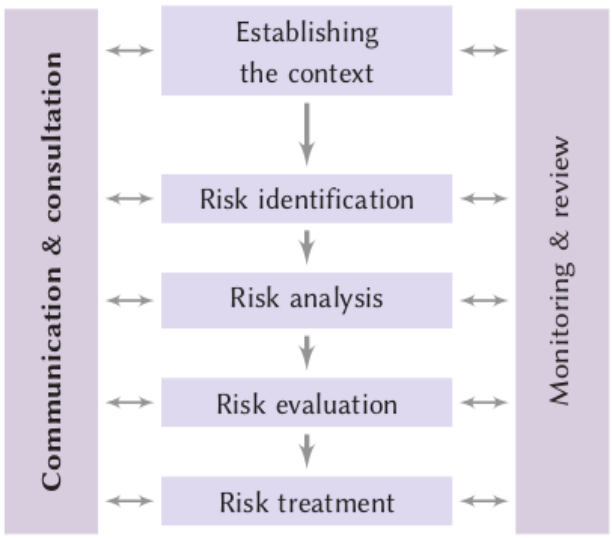
No new concerns were raised under the whistleblowing policy in this reporting period.

Personal data breaches

The Group identified no personal data breaches that required reporting to the Information Commissioner's Office (ICO) during 2025-26. A personal data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. It also means that a breach is more than just about losing personal data. A personal data breach can be broadly defined as a security incident that has affected the confidentiality, integrity or availability of personal data.

Risk Management

Our Risk Management Strategy and Policy provides a framework and process that enable the organisation to manage uncertainty in a systematic, consistent and efficient way. It supports informed decision making thereby enabling opportunities to be exploited, or action to be taken to mitigate or manage risk to an acceptable level. Effective management of risk is essential in supporting the Museum's culture of innovation and autonomy and in establishing a "risk aware" approach. Risk management is integral to the Museum's corporate planning. We have identified the strategic, operational and project risks to our charitable objects and strategic objectives.



The Audit and Governance Committee oversees the development and implementation of the Museum's risk management strategy and framework and provides assurance to the Board on its effectiveness. The day-to-day management of risk is exercised through the Executive Board, which regularly reviews the principal activities and events, with associated risks. The Audit and Governance Committee, subsidiary boards and the Board of Trustees receive reports to each meeting on the principal risks and the steps being taken to manage them effectively, including risks relating to new project proposals. Appropriate mitigating actions are identified to address the inherent risks and to enhance the control environment. All risk registers are accessible in real time by Trustees and the Executive. The Trustees are satisfied that the risk management system has operated effectively throughout the reporting period.

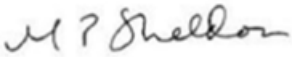
Assurance Statement by the Audit and Governance Committee

The Audit and Governance Committee is reasonably confident that:

Based on the above, the Board and Accounting Officer of the Royal Navy Museums believe that the organisation complies with the Corporate Governance in Central Government: Code of Good Practice 2017, to the extent that it is relevant to the company and as far as the Charities Act 2011 and Companies Act 2006 permit.

In our view, the information received was sufficient to enable us to review and confirm the effectiveness of the Royal Navy Museums' system of internal control in accordance with Treasury guidance and recommendations. The system of internal control has been in place in the Royal Navy Museums for the year ended 31 March 2026 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.





Colin Evans, CMG
Chair
Audit and Governance Committee
on behalf of the Board of Trustees

30 October 2026

Matthew Sheldon
Chief Executive Officer and Accounting Officer

30 October 2026

Statement of Board of Trustees' and Accounting Officer's responsibilities

The Board of Trustees of the Royal Navy Museums is required to prepare financial statements for each financial year in accordance with the Companies Act 2006 and Charities Act 2011, which give a true and fair view of the statement of affairs of the parent and the group and of the net expenditure of the group for that year.

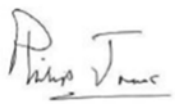
The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Navy Museums and of its income and expenditure, Balance Sheet and cash flows for the financial year.

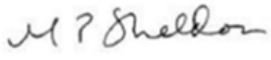
In preparing the accounts, the Trustees and Accounting Officer are required to comply with the requirements of FRS 102 and the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) and in particular to:

- 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;
- select suitable accounting policies and apply them consistently;
- prepare the financial statements on a going concern basis;
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable; and
- have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Royal Navy Museums' auditors are aware of that information. So far as they are aware, there is no relevant audit information of which the auditors are unaware.

The Principal Accounting Officer has appointed the Chief Executive Officer as Accounting Officer of the Royal Navy Museums. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Royal Navy Museums' assets, are set out in Managing Public Money published by the HM Treasury.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent and group and enable them to ensure that the financial statements comply with applicable law and the provision of the Royal Navy Museums' constitution. They are also responsible for safeguarding the assets of the parent and group and hence for taking reasonable steps for the prevention and detection of fraud and other non-compliance with laws and regulations. The Trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the Royal Navy Museums' website.





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

30 October 2026

Matthew Sheldon
Chief Executive Officer and Accounting Officer

30 October 2026

Remuneration and Staff Report

This report has been prepared in accordance with the Government Financial Reporting Manual (FReM), which requires the disclosure of certain information relating to directors' remuneration. For these purposes, "directors" are defined as those individuals in senior positions with authority or responsibility for directing or controlling the major activities of the Royal Navy Museums.

People and Culture Strategy 2025-30

In October 2025, the Museum launched its People and Culture Strategy 2025-30, *Empowered People. Inspiring Stories. Lasting Impact*. Developed through engagement with staff, volunteers, trustees and leadership, the strategy supports delivery of the Museum's wider organisational objectives by focusing on employee engagement, capability, wellbeing and organisational performance.

Employee Consultation and Engagement

Royal Navy Museums actively engages with employees through its Working Together (Staff Voice) Group, established in 2021 to strengthen two-way communication and support employee involvement in organisational development. During the year, the Group contributed to the development of the Royal Navy Museums' new brand values and the People and Culture Strategy 2025-2030.

Employee consultation and engagement also took place through project working groups, the Health and Safety Management Group, regular team meetings and staff-led initiatives, including the Carbon Literacy Group, which promotes environmental sustainability through shared learning and practical action.

Trade Union facility time report	**2025-26**	**2024-25**
Relevant union officials	Nil	Nil
Percentage of time spent on facility time	Nil	Nil
Percentage of pay bill spent on facility time	0%	0%
Paid trade union activities	Nil	Nil

Pay and Reward

Staff salaries, including those of Directors and Deputy Executive Directors, are determined within the Museum's Salary Grading Structure and Pay Progression Scheme, introduced on 1 April 2019 and reviewed annually. The framework comprises a pay spine of 58 pay points across 10 grades, providing a transparent and consistent approach to pay management.

Roles are evaluated under the Museum's job evaluation framework and assigned to a pay grade based on factors including professional knowledge and experience, responsibility for people and resources, problem solving and decision-making, planning and organisational capability, communication and influencing skills, and the level of autonomy and accountability required by the role.

An annual cost-of-living review is undertaken each November. Any proposed pay award is subject to approval by the NMRN Operations Board and the Royal Navy Museums' Board of Trustees. Since November 2022, the Museum has ensured that its lowest pay point sits above the National Living Wage.

The cost-of-living pay award approved in February 2026 was applied retrospectively to 1 November 2025 in line with our Remuneration Policy. This policy ensures that our pay rates remain aligned with the national museum sector, as well as the forthcoming UK Living Wage and National Living Wage rates. Under this award, employees on our lower to middle pay rates, representing 72% of the workforce, received the highest percentage pay increases across the workforce.

A Pay Progression Scheme enables employees to advance through the pay points within their grade where they have demonstrated sustained performance and met agreed progression criteria, while contributing to the achievement of organisational objectives. Any approved progression awards take effect from 1 November each year.

The Nomination and Remuneration Committee meets annually to review and determine the remuneration of the Chief Executive Officer and the Executive Directors in accordance with the Executive Remuneration Policy approved by the Board in March 2022 (as amended May 2026). In carrying out its responsibilities, the Committee considers remuneration arrangements across the wider workforce, and takes salary awards, pay progression and workforce remuneration trends into account when reviewing executive pay and bonus awards.

The Chief Executive Officer and Executive Directors are eligible to receive an annual non-consolidated performance-related bonus. Executive bonus awards are based on achievement of strategic and individual objectives, measured through a balanced scorecard incorporating both financial and non-financial performance measures. Performance is assessed over the financial year and monitored quarterly. Scorecards are aligned to organisational priorities and individual areas of responsibility, including common objectives relating to finance, projects, people and safety. Financial performance accounts for at least 40% of the overall assessment. Bonus payments are linked to the level of achievement against agreed objectives, with the Nomination and Remuneration Committee retaining discretion over bonus payments, taking account of overall organisational performance and exceptional circumstances.

Pension benefits are provided through a defined contribution group pension scheme, with employer contributions of either 10% or 6% of pensionable salary (see Note 1.18). Employees may choose to make additional contributions through a salary sacrifice arrangement. The remuneration disclosures that follow are presented before the effect of any salary sacrifice arrangements.

The Chief Executive Officer and Executive Directors are employed on permanent contracts with notice periods of six months. Associate Executive Directors are employed by NMRN Operations and hold permanent contracts with notice periods of three months.

Directors' remuneration

The remuneration disclosed below comprises gross salary, performance-related bonuses relating to the preceding financial year (where applicable), taxable benefits in kind, and any other taxable allowances. None of the directors is a member of a Civil Service Pension Scheme, and the Museum did not make any Civil Service pension contributions on their behalf during 2025-26.

The directors' emoluments for the year were as follows:

Directors' remuneration table (subject to audit):

	[1]2025-26 all figures £k				[1]2024-25 all figures £k			
Director	**Salary**	**[2]Bonus**	**[4]Pension benefits**	**TOTAL**	**Salary**	**[3]Bonus**	**[4]Pension benefits**	**TOTAL**
M Sheldon, Chief Executive Officer/ Interim Director General	140-145	10-15	-	150-155	[7]135-140	0-5	-	140-145
S Dennis, Executive Director: Finance and Resources	120-125	5-10	-	125-130	[8]115-120	10-15	-	125-130
A Baines, Executive Director: Museum Operations/ Associate Executive Director: Heritage and Strategic Programmes	95-100	0-5	-	95-100	[9]85-90	-	-	85-90

	[1]2025-26 all figures £k				[1]2024-25 all figures £k			
Director	**Salary**	**[2]Bonus**	**[4]Pension benefits**	**TOTAL**	**Salary**	**[3]Bonus**	**[4]Pension benefits**	**TOTAL**
B Hubbard, Associate Executive Director: Marketing	[5]95-100	n/a	-	95-100	70-75	n/a	-	70-75
H McKenna-Aspell, Associate Executive Director: Funding and Partnerships	85-90	n/a	-	85-90	80-85	n/a	-	80-85
L Andrews, Associate Executive Director: People	65-70	n/a	-	65-70	60-65	n/a	-	60-65
E Allen, Associate Executive Director: Commercial Operations	65-70	n/a	-	65-70	60-65	n/a	-	60-65
C Stone, Associate Executive Director: Content and Engagement	[6]15-20	n/a	-	15-20	n/a	n/a	n/a	n/a

[1]There were no benefits in kind
[2]Bonus payments that relate to performance in 2024-25 which were approved in July 2025
[3] Bonus payments that relate to performance in 2023-24 which were approved in April 2024
[4]The only pension benefits are in relation to defined contribution schemes and employer contributions are presented in the pensions benefits table below
[5]This amount includes a payment in lieu of notice and a redundancy payment (see Exit Packages)
[6]C Stone commenced employment on 5 January 2026. Her salary on an annualised basis at 31 March 2026 was in the banding £65k-£70k
[7]M Sheldon held the office of Interim Director General until 30 June 2024. His salary in this role on an annualised basis at 31 March 2024 was in the banding £120k-£125k. On 1 July 2024, he was appointed Chief Executive Officer. His salary in this role on an annualised basis was in the banding £140k-£145k.
[8]S Dennis salary and bonus payments were subject to a backdated review in October 2024. Her salary in this role on an annualised basis at 31 March 2025 was in the banding £115k-£120k.
[9]A Baines held the office of Deputy Executive Director of Museum Operations until 14 April 2024. On 15 April 2024, he was appointed Associate Executive Director: Heritage and Strategic Programmes. His salary in this role on an annualised basis was in the banding £80k-£85k. On 1 October 2024, he was appointed Executive Director: Museum Operations. His salary in this role at 31 March 2025 was in the banding £90k-£95k.

Pension benefits table (subject to audit):

Director	Real increase in pension and lump sum at pension age	Accrued pension at pension age at 31 March 2026 and related lump sum	[1]CETV at 31 March 2026	[1]CETV at 31March 2025	Real increase in [2]CETV	Employer contribution to Defined Contribution Group Pension Scheme
	£'000					
M Sheldon, Chief Executive Officer	-	-	-	-	-	14
S Dennis, Executive Director: Finance and Resources	-	-	-	-	-	12
A Baines, Executive Director: Museum Operations/ Associate Executive Director: Heritage and Strategic Programmes	-	-	-	-	-	10
B Hubbard, Associate Executive Director: Marketing	-	-	-	-	-	4
H McKenna-Aspell, Associate Executive Director: Funding and Partnerships	-	-	-	-	-	5
L Andrews, Associate Executive Director: People	-	-	-	-	-	4
E Allen, Associate Executive Director: Commercial Operations	-	-	-	-	-	4
C Stone, Associate Executive Director: Content and Engagement	-	-	-	-	-	1

[1]*CETV (a Cash Equivalent Transfer Value) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member of a final salary scheme, required where a pension member wishes to switch to a defined contribution scheme, and is therefore not applicable to the Museum directors.*

Fair Pay Disclosures (subject to audit)

Royal Navy Museums is required to disclose the relationship between the remuneration of its highest-paid executive director and the lower quartile, median and upper quartile remuneration of the workforce. Pay awards made in 2025-26 resulted in a higher percentage increase to the lower quartiles pay ranges than other quartiles, as shown below.

Fair pay bandings and ratios table:

	2025-26	2024-25
	£000	
Highest paid executive salary plus bonuses	[1]150-155	[1]145-150
Lowest paid staff member remuneration	25-30	20-25
	£	
Lower quartile salary	£25,506	£24,570
Lower quartile total remuneration	£25,506	£24,570
Median quartile salary	£27,612	£26,072
Median quartile total remuneration	£27,612	£26,072
Upper quartile salary	£33,579	£31,883
Upper quartile total remuneration	£33,579	£31,883
	[3]Ratio	
Lower quartile	5.98	6.00
Median quartile	5.52	5.66
Upper quartile	4.54	4.63

[1]This information is in relation to M Sheldon who was the highest paid executive director at any point during the year and represents his salary plus bonus on an annualised basis at 31 March 2026 (2024-25: 31 March 2025).
[2]Ratio between the highest-paid executive director's banded mid-point remuneration and the lower quartile, median and upper quartile of the workforce. The highest paid executive director for this purpose is the highest paid executive director in office at 31 March 2026 (and at 31 March 2025), which is M Sheldon.

Percentage change in total salary and bonuses of highest-paid director and workforce average:

	Highest-paid director	Workforce average	Highest-paid director	Workforce average
	2025-26		2024-25	
	% change		% change	
Salary and allowances	[1]3%	6%	[1]0%	5%
Bonuses	400%	[2]N/A	-67%	[2]N/A

[1]The information used to calculate this ratio is in relation to M Sheldon who was the highest paid executive director at any point during the year and represents his salary plus bonus on an annualised basis in office at 31 March 2026 (2024-25: 31 March 2025).
[2]Non-consolidated performance-related bonus payments are only payable to the Chief Executive Officer and the Executive Directors. Consolidated performance-related pay progression is payable to the rest of the workforce.

In 2025-26, no employees received remuneration in excess of the highest paid Executive Director.

Total Employees costs for the Royal Navy Museums Group totalled £9,274,000 (2024-25: £8,862,000). Further details on all Employees costs can be found in Note 10 to the financial statements.

Gender Pay Gap Reporting

The Royal Navy Museums' workforce on the reporting snapshot date of 5 April 2026 comprised 186 women (55%) and 150 men (45%).

The Museum's mean gender pay gap was -2.9% (2025: -3.9%), indicating that a narrowing in the differences in average hourly rates of pay between women and men. The median gender pay gap was 1.1% (2025: -4.1%) in favour of men, representing a difference of approximately 16 pence per hour between the median hourly rates of pay for men and women.

Women were relatively evenly represented across all four pay quartiles, accounting for 58% of employees in the lower quartile, 53% in the lower-middle quartile, 54% in the upper-middle quartile and 56% in the upper quartile. This broadly reflects the overall workforce profile, in which women represented 55% of employees.

The Museum recognises that participation in salary sacrifice arrangements may have a small impact on reported gender pay gap figures and takes this into account when analysing the results.

The Museum continues to support flexible and hybrid working arrangements and reasonable adjustments and remains committed to providing equitable opportunities for recruitment, development and career progression for all colleagues, regardless of gender.

Sickness absence

Periods of sickness absence are recorded in full days. The average number of sick days per employee (excluding long-term sickness absences) was 3.6 days (2024-25: 3.8 days per employee), a 0.2 day decrease per employee. This paragraph is not subject to audit.

Exit packages table - reporting civil service and other compensation schemes (subject to audit)

Exit package cost band	*Number of compulsory redundancies*		*[1]Number of other departures agreed*		*Total number of exit packages by cost band*	
	2025-26	**2024-25**	**2025-26**	**2024-25**	**2025-26**	**2024-25**
<£10,000	3	4	1	4	4	8
£10,000 - £25,000	2	1	Nil	Nil	2	1
£25,000 - £50,000	Nil	Nil	Nil	Nil	Nil	Nil
£50,000 - £100,000	Nil	Nil	Nil	Nil	Nil	Nil
£100,000 - £150,000	Nil	Nil	Nil	Nil	Nil	Nil
Total number of exit packages	5	5	1	4	6	9
Total resource cost/ £	57,913	18,849	5,815	7,257	63,728	26,136

[1]For 2025-26, the 'other departures agreed' relates to a single settlement agreement payment (2024-25: included a single settlement agreement payment of £4,000).

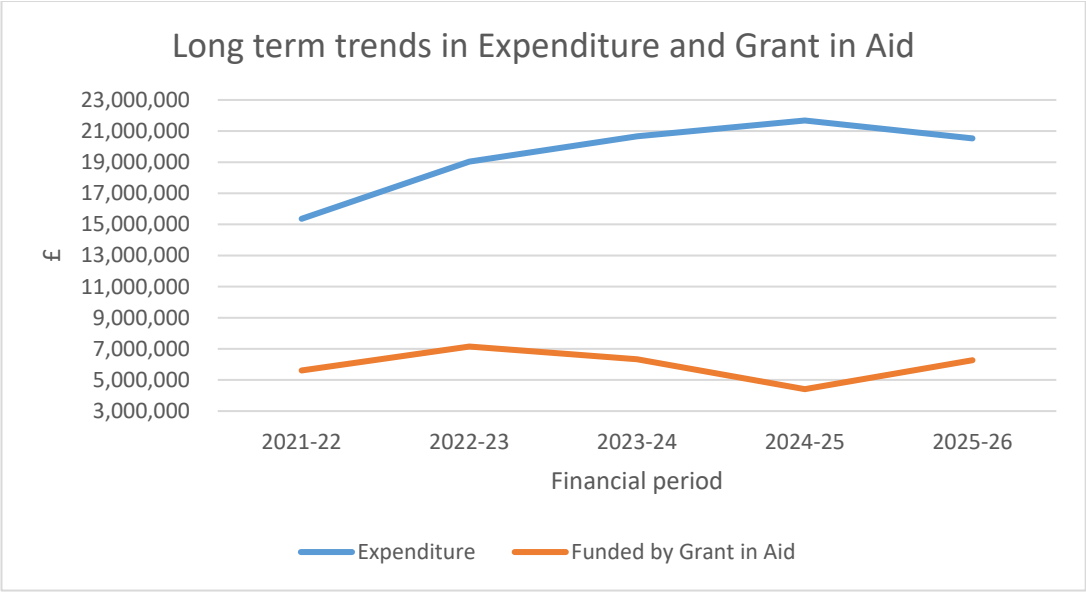
Equity, Diversity and Inclusion

The Museum continued to strengthen its commitment to equity, diversity and inclusion during the year through the work of the EDI Action Group, LGBTQ+ staff network and Working Together Group. Inclusive recruitment practices and wellbeing support were further developed, including the provision of interview questions in advance to support neurodiverse applicants and ongoing investment in accessible recruitment processes. The Museum maintained membership of Inclusive Employers and retained its Armed Forces Covenant Silver Award status.

Parliamentary accountability and audit report (subject to audit)

All expenditure was regular and applied for the purposes intended by donors and the Royal Navy Museums' sponsor body. There were no contingent liabilities, losses, special payments, gifts, fees or charges requiring disclosure in this report.

Trends in expenditure and Grant in Aid received over the past five years are shown below:



Expenditure increased between 2021-22 and 2024-25 as the Museum recovered from the impacts of the COVID-19 pandemic on visitor numbers and self-generated income, and returned to normal levels of operational activity. Expenditure in 2025-26 was 5% lower than in the previous year, reflecting the timing of major project expenditure and the early benefits of the Museum's financial sustainability programme.

The temporary uplift in revenue Grant in Aid provided between 2020-21 and 2023-24 to support recovery from the long-term impacts of the pandemic ended in 2024-25, when funding returned to pre-pandemic levels of £3,995,000. Revenue Grant in Aid increased by 3% to £4,116,000 in 2025-26. The Museum also received Capital Grant in Aid of £153,000 (2024-25: £149,000) for the acquisition of exhibits, together with £2,000,000 (2024-25: £265,000) from its sponsor body to support capital projects.

In February 2026, the Museum entered into a £2,700,000 voted loan agreement with the Ministry of Defence. The facility was established to support cash flow requirements associated with the Royal Marines Experience Project

The Museum's free reserves, generated through charitable and commercial activities, provide an important source of financial resilience and support its ability to remain a going concern while investing in future development.

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

30 October 2026

Matthew Sheldon
Chief Executive Officer and Accounting Officer

30 October 2026

The Certificate and Report of the Comptroller and Auditor General to the Board of Trustees of the Royal Navy Museums and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Royal Navy Museums and its group for the year ended 31 March 2026 under the Government Resource and Accounts Act Order 2012. The financial statements comprise the Royal Navy Museums' and its group's:

- Consolidated and Company Balance Sheet as at 31 March 2026;
- Consolidated Statement of Financial Activities for the year then ended;
- Consolidated and Company Cash Flow Statement 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 Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the Royal Navy Museums and its group's affairs as at 31 March 2026 and its net income/(expenditure);
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities Act 2011.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. 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 2024*.. I am independent of the Royal Navy Museums 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 Royal Navy Museums 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 Royal Navy Museums 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 directors with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Trustees' Annual Report but does not include the financial statements and my auditor's certificate and report thereafter. The Trustees and the 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 and report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If 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 Report and Staff Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the Performance Report including the Strategic Report and the Accountability Report including the Directors' Report, has been prepared in accordance with applicable legal requirements; and
- the information given in the Performance Report including the Strategic Report and the Accountability Report including the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Royal Navy Museums and its group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report including the Strategic Report and the Accountability Report including the Directors' 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 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 consider necessary for the purpose of the audit; or

- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- whether the Government Statements reflects compliance with HM Treasury Guidance; or
- if the directors were not entitled to prepare the financial statements in accordance with the small company's regime and take advantage of the small company's exemption in preparing the trustee's report; or
- if the Governance Statement does not properly disclose a departure from the requirements of the UK Corporate Governance Code identified through the audit procedures.

Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board of Trustees' and 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 Royal Navy Museums and its group from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as Trustees and the Accounting Officer determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing the Group financial Statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with the Companies Act 2006 and the Charities Act 2011 and
- assessing the Royal Navy Museums 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 directors either intend 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 and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs (UK))

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 report 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 can detect 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 Royal Navy Museums and its group's accounting policies.
- inquired of management, the Royal Navy Museums and its group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Royal Navy Museums 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 Royal Navy Museums and its group's controls relating to its compliance with the National Heritage Act 1983, the Companies Act 2006, the Charities Act 2011, and Managing Public Money.
- inquired of management, the Royal Navy Museums and its group's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations; and
    - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement team including significant component audit teams 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 Royal Navy Museums and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Royal Navy Museums and its group's framework of authority and other legal and regulatory frameworks in which the Royal Navy Museums and its groups operate. 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 Royal Navy Museums and its group. The key laws and regulations I considered in this context included the National Heritage Act 1983, Companies Act 2006, the Charities Act 2011, Managing Public Money, employment law, pensions legislation 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, the Audit and Governance Committee and legal counsel 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; I assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I enquired with component auditors of the Royal Navy Museums subsidiaries concerning any potential irregularities or non-compliance

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and relevant 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 evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies **2 November 2026**
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Royal Navy Museums (formerly The National Museum of the Royal Navy)
(A company limited by guarantee)
Company number: 06699696

Consolidated Statement of financial activities (incorporating the income and expenditure account)
for the year ended 31 March 2026

	Notes	Unrestricted funds £'000	Restricted funds £'000	Linked Charities £'000	Endowment funds £'000	2026 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked Charities £'000	Endowment funds £'000	2025 Total £'000
Income from:											
Grants and donations											
Grant in Aid (revenue)		4,116	-	-	-	4,116	3,995	-	-	-	3,995
Grant in Aid (capital)		-	153	-	-	153	-	149	-	-	149
Grants and donations	2	251	10,507	10	-	10,768	421	4,240	3	-	4,664
Admissions and charges for services	3	6,289	-	-	-	6,289	6,543	-	-	-	6,543
Trading subsidiary	4	2,042	-	-	-	2,042	2,188	-	-	-	2,188
Investments	5	404	-	-	670	1,074	457	-	-	1,195	1,652
Other		683	1	-	-	684	542	-	-	-	542
Total income		13,785	10,661	10	670	25,126	14,146	4,389	3	1,195	19,733
Expenditure on:											
Raising funds											
Fundraising and publicity	6	1,444	-	-	182	1,626	1,203	-	-	179	1,382
Trading subsidiary	4	1,727	-	-	-	1,727	1,657	-	-	-	1,657
Charitable activities	7/8	12,699	4,294	-	-	16,993	13,076	5,562	3	-	18,641
Total expenditure		15,870	4,294	-	182	20,346	15,936	5,562	3	179	21,680
Net gains/(losses) on investments	14/16	236	-	-	4,811	5,047	-	-	-	385	385
Tax payable		-	-	-	-	-	-	-	-	-	-
Net income/(expenditure)		(1,849)	6,367	10	5,299	9,827	(1,790)	(1,173)	-	1,401	(1,562)
Transfer between funds		414	1,366	27	(1,807)	-	(558)	1,786	47	(1,275)	-
Other recognised gains/(losses):											
Gains/(losses) on revaluations of fixed assets	14	-	-	-	-	-	286	430	-	-	716
Actuarial (losses)/gains on defined benefit pension schemes	12	(9)	-	-	-	(9)	(133)	-	-	-	(133)
Net movement in funds		(1,444)	7,733	37	3,492	9,818	(2,195)	1,043	47	126	(979)
Reconciliation of funds:											
Total funds brought forward	23	27,227	128,569	6,673	57,438	219,907	29,422	127,526	6,626	57,312	220,886
Total funds carried forward		**25,783**	**136,302**	**6,710**	**60,930**	**229,725**	**27,227**	**128,569**	**6,673**	**57,438**	**219,907**

The notes on pages 47 to 78 form an integral part of these financial statements.

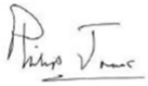
Royal Navy Museums (formerly The National Museum of the Royal Navy)
(A company limited by guarantee)
Company number: 06699696

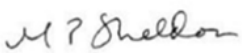
Consolidated and Company Balance Sheets as at 31 March 2026

	Notes	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Fixed assets					
Tangible assets	14	49,650	43,515	-	-
Heritage assets	15	107,073	107,036	6,686	6,649
Investments	16	60,278	56,678	-	-
		217,001	207,229	6,686	6,649
Current assets					
Stocks	17	1,284	867	-	-
Debtors	18	3,878	2,614	1,785	61
Cash at bank and in hand		14,161	11,793	752	1,658
		19,323	15,274	2,537	1,719
Current liabilities					
Creditors falling due within one year	20	(4,686)	(2,555)	(306)	(1,463)
Net current assets		14,637	12,719	2,231	256
Debtors falling due after one year	19	450	450	-	-
Total assets less current liabilities		232,088	220,398	8,917	6,905
Creditors falling due after more than one year	21	(2,446)	(586)	(2,348)	(488)
Net assets excluding pension asset/(liability)		**229,642**	**219,812**	**6,569**	**6,417**
Defined benefit pension scheme asset	12	83	95	-	-
Net assets		**229,725**	**219,907**	**6,569**	**6,417**
Funds					
Unrestricted funds		22,730	23,730	4	4
Designated funds		345	789	1	1
Revaluation reserve		2,708	2,708	-	-
Total unrestricted funds	23	25,783	27,227	5	5
Restricted funds		86,038	78,305	(146)	(261)
Revaluation reserve		50,264	50,264	-	-
Linked charities	24	6,710	6,673	6,710	6,673
Total restricted funds	23	143,012	135,242	6,564	6,412
Total endowment funds	23	60,930	57,438	-	-
Total funds		**229,725**	**219,907**	**6,569**	**6,417**

Royal Navy Museums is exempt from an audit under Part 16 of the Companies Act 2006 under section 482 (non-profit-making companies subject to public sector audit) of the Companies Act 2006, but subject to audit under the Government Resources and Accounts Act 2000.

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





Admiral Sir Philip Jones
Chair of the Board of Trustees

Matthew Sheldon
Chief Executive Officer and Accounting Officer

Date: 30 October 2026

30 October 2026

The notes on pages 47 to 78 form an integral part of these financial statements.

Royal Navy Museums (formerly The National Museum of the Royal Navy)
(A company limited by guarantee)
Company number: 06699696

Consolidated and Company Cash flow statement
for the year ended 31 March 2026

	Notes	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities		5,690	(1,375)	(2,805)	22
Cash flows from investing activities:					
Dividends and interest from investments	5	1,074	1,652	6	8
Purchase of tangible fixed assets	14	(7,319)	(900)	-	-
Purchase of heritage assets	15	(27)	(47)	(27)	(47)
Purchase of investments	16	(672)	(1,200)	-	-
Sale of investments	16	1,702	1,171	-	-
Net cash provided by/(used in) investing activities		(5,242)	676	(21)	(39)
Cash flows from financing activities:					
Cash receipts from new borrowing	20/21	2,000	-	2,000	-
Repayment of borrowing	20/21	(80)	(80)	(80)	(80)
Net cash used in financing activities		1,920	(80)	1,920	(80)
Change in cash and cash equivalents in the reporting period	33	2,368	(779)	(906)	(97)
Cash and cash equivalents at 1 April 2025		11,793	12,572	1,658	1,755
Total cash and cash equivalents at 31 March 2026	33	**14,161**	**11,793**	**752**	**1,658**
Reconciliation of net income to net cash flow from operating activities:					
Net income for the year		9,827	(1,562)	152	(843)
Depreciation	14	2,476	2,371	-	-
Loss on disposal of fixed assets	14/15	282	1,092	-	3
(Gain)/Loss on investments	14/16	(5,047)	(385)	-	-
Adjustment for non-cash fees from gains/losses	16	181	175	-	-
Dividends and interest from investments	5	(1,074)	(1,652)	(6)	(8)
Donated fixed assets	14/15	(10)	(3)	(10)	(3)
(Increase)/Decrease in stocks	17	(417)	(159)	-	-
(Increase)/Decrease in debtors	18/19	(1,259)	(301)	(1,724)	216
(Decrease)/Increase in creditors	20	722	(957)	(1,224)	655
Increase/(Decrease) in long term liabilities	21	6	2	7	2
Increase/(Decrease) in provisions for defined benefit pension scheme	12	3	4	-	-
Net cash (used in)/provided by operating activities		5,690	(1,375)	(2,805)	22

Notes to the financial statements
for the year ended 31 March 2026

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Charity information

Royal Navy Museums (formerly named The National Museum of the Royal Navy) is a private charitable company limited by guarantee and incorporated in England and Wales. The registered office is Royal Navy Museums, HM Naval Base PP66, Portsmouth, Hampshire, PO1 3NH. The members of the charitable company are the Trustees named on page 2. Every member of the charitable company undertakes to contribute such an amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while they are a member, or within one year after they cease to be a member. The company name was changed on 12 December 2025.

The charitable company meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charitable company are detailed in the Trustees report.

1.2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006.

The charitable company has made an accounting policy decision to apply the requirements of HM Treasury's Financial Reporting Manual (FReM) only so far as they relate to the following specific disclosures within the Annual Report: Governance statement; Remuneration and Staff report; and Parliamentary accountability and audit report.

The results of the charitable company include the results of its two linked charities: The Royal Naval Museum and HMS M33 Trust.

The financial statements are presented in sterling which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £000.

Consolidated financial statements have been prepared in respect of the charitable company and its wholly owned subsidiaries: NMRN Operations; The Royal Navy Submarine Museum Trust; Royal Marines Museum; The Fleet Air Arm Museum; NMRN Hartlepool; The HMS Trincomalee Trust; Warrior Preservation Trust Ltd; The HMS Victory Preservation Company and Trust; and The HMS Caroline Preservation Company and Trust. The Consolidated Statement of Financial Activities and the Consolidated Balance Sheet include the results and assets of each charity on a line-by-line basis. The individual results of the charitable company can be found in the detailed statement of financial activities (Note 34).

The results of Portsmouth Historic Dockyard Operations Ltd, a joint venture company owned equally by NMRN Operations and the Mary Rose Trust, are included in these Group accounts by virtue of the line-by-line consolidation of the NMRN Operations Group. Individual disclosures on the performance of the joint venture are not made on the grounds that the income, expenditure, and net assets of Portsmouth Historic Dockyard Operations Ltd are not material to the Group.

Future changes in accounting standards

The Trustees are assessing the impact of the Charities SORP 2026, which incorporates amendments to FRS 102 effective for accounting periods beginning on or after 1 January 2026. The revised requirements will apply to the Museum from 1 April 2026.

The initial assessment has identified that the changes to lease accounting are expected to have a material impact on the balance sheet, with most leases recognised as right-of-use assets together with corresponding lease liabilities. At 31 March 2026, the Museum had outstanding lease commitments of £33.6m in respect of leases accounted for as operating leases, for which no corresponding asset or liability was recognised on the balance sheet. The changes will also affect the recognition and presentation of lease-related expenditure in the Statement of Financial Activities.

The revised revenue recognition requirements will affect the timing and presentation of certain income streams,

including admissions, venue hire and service agreements, which totalled £6.66m in 2025-26. The overall financial impact of the changes to revenue recognition is currently expected to be immaterial.

The Trustees' assessment is ongoing and the full financial impact of adopting the revised requirements has not yet been quantified.

1.3. Going concern

The charitable company receives Grant in Aid funding from the Ministry of Defence under a Framework Document in support of the Group's museum operations and continues to engage with Navy Command to ensure that its funding framework supports core operating costs and agreed capital investment priorities. The Group also maintains a long-term financial strategy to support its financial sustainability.

In assessing the appropriateness of the going concern basis of accounting, the Trustees considered the Group's financial position, expected commitments, liquidity and cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. During the year, the charitable company entered into a £2.7 million voted loan facility with the Ministry of Defence to support cash flow requirements associated with the Royal Marines Experience Project and delivery of the project to its 2026 opening timetable. Of this facility, £2.0 million had been drawn at 31 March 2026.

Having considered forecast trading performance, anticipated Grant in Aid from the Ministry of Defence, committed project funding, available reserves and the availability of the remaining loan facility, the Trustees are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

1.4. Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for general purposes.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Endowment funds comprise funds that are required by the donor to be invested as capital. The terms of the individual endowments vary. Certain endowment funds are expendable, with the capital capable of being applied by the Trustees in accordance with the terms of the endowment. One endowment fund may only be expended after a period of 25 years from the date of receipt.

1.5. Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income, any performance conditions attached to the items of income have been met, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant. Gifts in kind are included in the accounts at their current market value where this is readily identifiable. Where current market value is unavailable then gifts in kind are included in the accounts on the basis of internal valuations estimated by relevant staff and determined by their experience and judgement, unless this is not possible without incurring a cost disproportionate to the benefit of the information reported to the readers of the accounts. Where gifts in kind are services, these are measured at the price that would ordinarily be paid for that service, which is not always equivalent to market value.

Grant in Aid funding is received from the Ministry of Defence (MoD) as a contribution towards the operating costs of the Group. The majority of the Grant in Aid is received by The Royal Navy Museums and then distributed to NMRN Operations and other charitable subsidiaries on the basis of need, with the remainder, which is specifically a contribution towards wage costs, paid direct to staff by the Defence Business Services (DBS) on behalf of the Royal Navy Museums.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charitable company is advised by the personal representative of an estate that payment

will be made, or property transferred, and the amount involved can be quantified.

Deferred income primarily relates to income received in advance for future events.

1.6. Grants receivable

Revenue grants are credited to incoming resources on the earlier of the date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of restricted fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

1.7. Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise costs incurred in encouraging people and organisations to contribute financially to the work of the charitable company, and to promote each of the individual museums as a heritage and visitor attraction.

Charitable expenditure includes expenditure associated with Operations and Collections & Research, and includes costs directly attributable to each activity. Costs not directly attributable to one activity, including the proportion of support costs relating to charitable expenditure, have been allocated on a reasonable basis of resources used.

Governance and support costs include those costs incurred in the governance of the charitable company and its assets, and central functions, and have been allocated to cost categories on a basis consistent with the use of resources.

1.8. Tangible fixed assets

Timber

In March 2012, along with the gift of HMS *Victory*, the HMS Victory Preservation Trust received approximately 527m³ of teak, plus some smaller quantities of iroko and Brazilian mahogany, that had originally been procured by MoD for use in the conservation and maintenance of the Ship and that had been valued by Timbmet.

In 2016, 93 tonnes (~39m³) of unseasoned oak and elm were donated by four Scottish Estates for potential use towards the conservation of the Ship. The logs were surveyed over winter 2016-17 and sawn into rough-hewn planks. The timber is being stored and has been seasoned by a timber specialist (W L West) with the seasoning period completing in July 2021. The timber now needs to be converted into boards appropriate for use on the Ship.

In 2022, 370 hoppus feet (~13m³) of unseasoned oak was donated by Portsmouth Water. This is presently at W L West's yard. The seasoning process has been completed; however, it has been concluded that the quality and/or the dimensions of timber are not suitable for the conservation project or that its use would not be economically viable. Timber considered saleable will be marketed during 2026-27. Also in 2022, 3000 hoppus feet (~108m³) of unseasoned oak was donated by HS2. This timber is being stored at a yard in the Midlands. The seasoning process has not yet been completed, and a decision regarding the future use or disposal of the timber will be made during 2026-27.

The seasoned timber, that may be held as logs, bulks, knees or boards, and that will probably be used in the conservation of the Ship is capitalised at the deemed cost provided at the time the asset was received. The useful economic life of the timber is considered to be >100 years and accordingly no depreciation will be recognised. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities.

The unseasoned or green timber held and that requires further processing (logging, rough sawing and seasoning) before its suitability for use in the conservation project may be approved, is considered to have a modest market value, and the costs of obtaining a reliable valuation would not be commensurate with its value or with the benefit obtained by including the additional value on the balance sheet.

Other Tangible fixed assets

Tangible fixed assets are capitalised at historic cost and depreciated over their useful lives on a straight-line basis. The Group has amended its measurement technique in the year with the use of indices being removed from the yearly calculation. This has an impact of £1,226,000 as under the previous estimation technique the year end net book value

would have been £50,660,000.

Land and buildings held by The Fleet Air Arm Museum Trust and NMRN Operations (excluding investment properties) are capitalised at cost on acquisition and depreciated over their useful lives on a straight-line basis. An independent professional valuation is obtained every 5 years. The valuations of specialised properties are derived using the depreciated replacement cost method.

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

Freehold property	over the lease term
Short leasehold property	over the lease term
Office equipment	3 - 10 years
Plant and machinery	3 - 50 years
Fixtures and fittings	3 - 25 years
Exhibitions	2 - 10 years

Land is not depreciated.
Assets under construction are not depreciated.

1.9. Heritage assets held by the Group

The heritage assets are held in trusts and have been included in the consolidated financial statements as set out below.

Background

Each trust holds artefacts comprising its collection. The main and reserve collections (other than assets acquired since 1 April 2000 - see below) have not been included in the financial statements due to their historic and inalienable nature and, due to the specific and individual nature of the artefacts held, it is not believed to be possible to obtain a reliable value of the collection without incurring a cost disproportionate to the benefit of the information reported to the readers of the accounts.

Assets acquired prior to 1 April 2000 have not been capitalised and included in the accounts but with effect from 1 April 2000, additions to the collection have been capitalised. These assets are carried at cost, or deemed cost, and not depreciated due to infinite useful economic lives. An annual review for impairment is carried out in accordance with the Charities SORP, with any impairment recognised in the Statement of Financial Activities. The exception to this is the Fleet Air Arm Museum where aircraft acquired prior to 1 April 2000 have also been capitalised. Note that this treatment is inconsistent with the accounts of The Fleet Air Arm Museum Trust where the assets acquired prior to 1 April 2000 are excluded from the balance sheet.

Heritage assets donated to the trusts are included in the accounts on the basis of internal valuations estimated by the relevant curatorial staff and determined by their experience and judgement. Where this information is not available and cannot be obtained at a cost commensurate with the benefits to users of the financial statements, the assets will not be recognised in the Balance Sheet and the disclosure required by the Charities SORP will be made.

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

A single set of Collections Management policies for the Group (updated and approved by the Board in January 2023) set out a common approach for the maintenance and management of collections at different museum sites and will be subject to regular review as directed by the Collections, Research, Learning and Access Committee (CRLA).

Acquisitions to the Group are guided by a single Collections Development Policy that sets out how the accessioned collection can be developed and expanded and the principles for rationalisation and disposal. There are two principal methods of acquisition:

- Acquisition by donation, bequest or transfer
- Acquisition by purchase through private sale or public auction

The Collections and Research Department has delegated authority from the Board to assess, approve or decline new acquisitions; however, there may be instances where the CRLA Committee may be included in the decision making in relation to a ‘major’ acquisition such as:

- in the case of a high-value (over £120,000) item, or
- where acquisition may make a material impact on revenue budgets, or
- where there may be controversy in the acquisition of an item.

Subject to the approval of the Trustees, the Group may dispose of items from the collection, undertaken in accordance with rationalisation and disposal procedures, although this will only happen in exceptional circumstances, for example:

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

Significant Historic Ships

Accounting policy for initial recognition of the Heritage Asset
The methodology of valuation of significant historic ships by the Group is total rebuild basis, discounted for the ship's current state of repair.

The values are calculated by the staff of the Group. Where the current build cost or market value of a similar ship is known and can be relied upon, this is used as the basis for establishing the value of the ship. Where this information is unavailable, the original build cost of each ship is grossed up to a modern-day value using a provider of historic economic data. This value is then discounted to take account of the ship's current state of repair, using the estimated costs to bring the ship to the final condition (being in most cases something close to 'as new'). For ships which are gifted to the Group, the discounted value becomes the 'deemed cost' of the ship.

Accounting policy for recognition of subsequent expenditure on significant ships
The Group's operating company, NMRN Operations, is responsible for the restoration, preservation, and maintenance of the ship under the terms of operator agreements with the relevant entities. Expenditure incurred by the operating company is recognised in that entity on an accruals basis as a liability is incurred. Capital expenditure on plant and machinery not integral to the fabric of the ships is capitalised on the balance sheet of the operating company.

1.10. Investment properties
Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities.

1.11. Investments
Investments held as fixed assets are recognised at fair value and revalued to their mid-market value at the balance sheet date. Realised and unrealised gains and losses arising on investments are recognised in the Statement of Financial Activities in the period in which they arise.

Investment Risk and Return
The Group relies on investments return to support the delivery of its charitable objects. In setting its investment strategy, the Trustees seek to achieve long-term growth in both capital and income, whilst maintaining an appropriate level of risk. The principal investment risk is that investment returns do not keep pace with inflation over the long term, thereby reducing the real value of the assets and their ability to support the Group's activities. To mitigate this risk, the investment portfolio is invested predominantly in equities and other growth assets, which are expected to generate income growth and capital appreciation over time, although their values may fluctuate in the short term. The Trustees therefore adopt a progressive approach to investment risk, reflecting the Group's long-term investment horizon and objectives.

Notes to the financial statements
for the year ended 31 March 2026

1.12. Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against incoming resources on a straight line basis over the life of the lease.

1.13. Taxation

The activities of the charitable company fall within the exemptions afforded by the provisions of the Corporation Tax Act 2010. Accordingly, there is no tax charge in these accounts.

All taxable activities fall within the operating subsidiary, NMRN Operations and its trading subsidiary, National Museum of the Royal Navy Trading, which are VAT registered. The activities of NMRN Operations also fall within the exemptions afforded by the provisions of the Corporation Tax Act 2010. The company's trading subsidiary is subject to corporation tax.

The tax expense represents the current tax expense. Current tax is charged or credited to the Statement of Financial Activities and is based on taxable profits for the year. Taxable profit differs from operating profit because it excludes items of income or expense that are taxable or deductible in other periods.

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and current tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

1.14. Stock

Stocks are usually stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolescence and slow-moving items.

1.15. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank, and amounts held in a short-term deposit account.

1.16. Financial Instruments

The charitable company's financial assets and liabilities consist of cash and cash equivalents, trade and other debtors, trade and other creditors, accrued expenses and loans. The fair value of the items due within one year approximates their carrying value due to their short-term value. Items due after one year are recorded at their carrying values which are deemed to be fair value. Unless otherwise noted, the charitable company is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

1.17. Judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The nature of estimation means that actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Valuation of Historic Ships

The valuations of historic ships held by the Group have been based on an estimate of the original build cost, uplifted to the current value at the time of donation or acquisition, and discounted for elements of the original build that have not been replaced and to reflect the current state of repair (Note 15). This assumes that the same materials and methods of construction would be utilised with the same cost profile as the original, and, on the same basis, adjusted proportionately for those parts of the vessel that would not be replaced (for example, guns and engines).

Valuation of Heritage Assets (not Historic Ships)

The valuations of heritage assets donated to the Group after 1 April 2000 are based on internal estimates of market value

by the relevant curatorial staff and determined by their experience and judgement. Where this information is not available and cannot be obtained at a cost commensurate with the benefits to users of the financial statements, the assets will not be recognised in the Balance Sheet.

Valuation of HMS Victory Preservation Company timber
The valuation of the seasoned timber received in 2012 was carried out by a professional valuer based on the assumption that the open market value could be achieved in the event of a sale. The valuation of the seasoned timber received in 2016 was carried out by a professional valuer and uses the estimated replacement cost as the deemed cost based on their estimation of the useable quantities and grades of the seasoned timber.

1.18. Pensions

The majority of staff of the Group are covered by the provisions of a defined contributions Group Pension Plan, the assets of which are held in an independently administered fund and which provides benefits based on the value of the fund. A small number of staff, who have transferred into the Group under the Transfer of Undertakings (Protection of Employment) Regulations, have retained membership of their former employers' pensions schemes which provide benefits based on final pensionable pay, and include the Principal Civil Service Pension Scheme and the Local Government Pension Scheme.

Group Pension Plan
The Group operates a Group Pension Plan with employer's contributions being payable at either 6% or 10%. Under this plan a "salary exchange" scheme exists whereby employees may elect to give up the right to receive part of their salary remuneration in return for an additional employer's contribution into the Group Pension Plan of the same amount. The pension cost charged to the Statement of Financial Activities represents the contributions paid.

Principal Civil Service Pension Scheme (PCSPS)
The PCSPS is an unfunded multi-employer defined benefit scheme but the Group is unable to identify its share of the underlying assets and liabilities. This scheme has therefore been accounted for as if it were a defined contribution scheme in accordance with Charity SORP (FRS102).

Local Government Pension Scheme (LGPS)
The LGPS is a multi-employer defined benefit scheme. The Group is an admitted member of the Hampshire Pension Fund and the Teesside Pension Fund and is able to identify its share of the underlying assets and liabilities. The schemes have therefore been accounted for as defined benefit schemes in accordance with Charity SORP (FRS102).

1.19. Termination benefits

The Group recognises a liability for termination benefits at the point where the Group is committed to making the payments in return for employee redundancy.

Notes to the financial statements
for the year ended 31 March 2026

2. Grants and donations (Company and Group)

	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2026 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2025 Total £'000
Grants and donations								
Ministry of Defence	-	2,000	-	2,000	-	265	-	265
Sundry donations	-	-	10	10	4	-	3	7
Received by company	-	2,000	10	2,010	4	265	3	272
Received by:								
NMRN Operations	238	8,507	-	8,745	293	3,975	-	4,268
Other subsidiaries	13	-	-	13	124	-	-	124
	251	8,507	-	8,758	417	3,975	-	4,392
Received by Group	251	10,507	10	10,768	421	4,240	3	4,664

3. Admissions (Group)

	Unrestricted funds £'000	2026 Total £'000	Unrestricted funds £'000	2025 Total £'000
Royal Navy Museums sites:				
Portsmouth Historic Dockyard	4,834	4,834	5,161	5,161
Naval Aviation	1,082	1,082	1,026	1,026
Hartlepool	296	296	292	292
HMS Caroline	77	77	64	64
	6,289	6,289	6,543	6,543

There are no equivalent balances for the charitable company. Admissions income includes amounts reclaimed from HM Revenue and Customs under the Gift Aid Scheme.

Notes to the financial statements
for the year ended 31 March 2026

4. Subsidiaries of The Royal Navy Museums

The charitable company has control of NMRN Operations (NMRNO), NMRN Hartlepool (NMRNH), The HMS Victory Preservation Company (HMSVPC), The HMS Caroline Preservation Company (HMSCPC), The HMS Trincomalee Trust (HMSTT), The Warrior Preservation Trust (WPT), The Royal Navy Submarine Museum Trust (RNSM), The Royal Marines Museum (RMM), and The Fleet Air Arm Museum Trust (FAAM). NMRN Operations also has a non-charitable trading subsidiary, National Museum of the Royal Navy Trading (Note 4.1). Dormant subsidiaries awaiting strike off are not included below (these have £Nil balances).

Note: the results for FAAM include consolidation adjustments in respect of differences in the accounting policies of the individual entity and the Royal Navy Museums Group for assets acquired before 1 April 2000. The adjustment of £2,242,000 increases the heritage assets and reserve balances.

	NMRNO £'000	NMRNH £'000	HMSVPC £'000	HMSCPC £'000	HMSTT £'000	WPT £'000	RMM £'000	RNSM £'000	FAAM £'000	2026 £'000	2025 £'000
Statement of financial activities											
Income from:											
Donations and legacies	16,088	9	-	-	65	1	-	-	11	16,174	12,574
Admissions	6,289	-	-	-	-	-	-	-	-	6,289	6,543
Trading subsidiary	2,042	-	-	-	-	-	-	-	-	2,042	2,188
Investments	16	-	755	256	-	24	8	-	9	1,068	1,644
Other	675	-	-	-	-	-	-	-	8	683	534
Total income	25,110	9	755	256	65	25	8	-	28	26,256	23,483
Expenditure on:											
Raising funds	1,444	-	130	52	-	-	-	-	-	1,626	1,382
Trading subsidiary	1,727	-	-	-	-	-	-	-	-	1,727	1,657
Charitable activities	15,616	8	1,617	635	65	30	8	7	289	18,275	21,548
Total expenditure	18,787	8	1,747	687	65	30	8	7	289	21,628	24,587
Net gain/(loss) on investments	236	-	3,986	825	-	-	-	-	-	5,047	385
Net income/ (expenditure)	6,559	1	2,994	394	-	(5)	-	(7)	(261)	9,675	(719)
Revaluation of fixed assets	-	-	-	-	-	-	-	-	-	-	716
Actuarial gains/ (losses)	(9)	-	-	-	-	-	-	-	-	(9)	(133)
Net movement in funds	6,550	1	2,994	394	-	(5)	-	(7)	(261)	9,666	(136)
Reconciliation of funds											
Total funds brought forward	42,068	1	71,052	24,025	21,394	25,892	764	18,910	9,384	213,490	213,626
Total funds carried forward	48,618	2	74,046	24,419	21,394	25,887	764	18,903	9,123	223,156	213,490

Notes to the financial statements
for the year ended 31 March 2026

	NMRNO £'000	NMRNH £'000	HMSVPC £'000	HMSCPC £'000	HMSTT £'000	WPT £'000	RMM £'000	RNSM £'000	FAAM £'000	2026 £'000	2025 £'000
Balance Sheet											
Fixed assets											
Tangible fixed assets	38,648	-	5,787	-	-	-	-	-	5,215	49,650	43,515
Heritage assets	-	-	19,375	12,560	21,008	25,040	709	18,651	3,044	100,387	100,387
Investments	-	-	48,508	11,770	-	-	-	-	-	60,278	56,678
	38,648	-	73,670	24,330	21,008	25,040	709	18,651	8,259	210,315	200,580
Current assets	15,894	9	434	118	47	862	63	259	901	18,587	16,779
Current liabilities	(6,007)	(7)	(58)	(29)	(13)	(15)	(8)	(7)	(37)	(6,181)	(4,316)
Net current assets	9,887	2	376	89	34	847	55	252	864	12,406	12,463
Debtors > one year	-	-	-	-	450	-	-	-	-	450	450
Long term liabilities	-	-	-	-	(98)	-	-	-	-	(98)	(98)
Net assets excl pension	48,535	2	74,046	24,419	21,394	25,887	764	18,903	9,123	223,073	213,395
Defined benefit pension	83	-	-	-	-	-	-	-	-	83	95
Total funds	48,618	2	74,046	24,419	21,394	25,887	764	18,903	9,123	223,156	213,490

Notes to the financial statements
for the year ended 31 March 2026

4.1. National Museum of the Royal Navy Trading

National Museum of the Royal Navy Trading (NMRNT) is a company limited by guarantee, incorporated in England & Wales, and is a fully owned subsidiary of NMRN Operations. NMRNT operates a number of retail outlets, cafes and events across the Group. At the discretion of its Directors, the company distributes its net profit to NMRN Operations (the parent). A summary of the company's trading results is shown below:

	2026 £'000	2025 £'000
Revenue	2,019	2,162
Cost of sales	(636)	(627)
Gross Profit	1,383	1,535
Administrative expenses	(1,110)	(1,048)
Other operating income	23	26
Operating profit before taxation	296	513
Tax on profit	19	18
Profit for the financial year	315	531
Amount gifted to NMRN Operations	(374)	(508)
	(59)	23)
Retained earnings brought forward	259	236
Retained earnings carried forward	200	259

5. Investment income (Group)

	Unrestricted funds £'000	Endowment funds £'000	2026 Total £'000	Unrestricted funds £'000	Endowment funds £'000	2025 Total £'000
Interest income	63	-	63	74	-	74
Dividend income	341	670	1,011	383	1,195	1,578
	404	670	1,074	457	1,195	1,652

There are no equivalent balances for the charitable company.

6. Fundraising costs (Group)

	Unrestricted funds £'000	Endowment funds £'000	2026 Total £'000	Unrestricted funds £'000	Endowment funds £'000	2025 Total £'000
Staff costs	1,047	-	1,047	836	-	836
Fundraising and publicity	397	-	397	367	-	367
Investment management costs	-	182	182	-	179	179
	1,444	182	1,626	1,203	179	1,382

There are no equivalent balances for the charitable company, with all fundraising activities undertaken elsewhere within the Group.

Notes to the financial statements
for the year ended 31 March 2026

7. Costs of charitable activities - by fund type

Company	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2026 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2025 Total £'000
Operations	496	6	-	502	455	6	3	464
Collections & research	133	5	-	138	121	13	-	134
Grant funding	3,494	2,000	-	5,494	3,439	1,238	-	4,677
	4,123	2,011	-	6,134	4,015	1,257	3	5,275

Group	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2026 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2025 Total £'000
Operations	10,070	3,891	-	13,961	9,447	5,164	3	14,614
Collections & research	2,629	403	-	3,032	3,609	398	-	4,007
Learning	-	-	-	-	20	-	-	20
	12,699	4,294	-	16,993	13,076	5,562	3	18,641

8. Costs of activities in furtherance of the objects of the charity

Company	Operations £'000	Collections & research £'000	Grant funding £'000	2026 Total £'000	2025 Total £'000
Staff costs	349	93	-	442	379
Curatorial	-	4	-	4	11
Depreciation and loss on disposal of fixed assets	-	-	-	-	3
Governance and support costs	153	41	-	194	205
	502	138	-	640	598
Grant funding:					
NMRN Operations	-	-	5,420	5,420	4,482
Other grant funding	-	-	74	74	195
	502	138	5,494	6,134	5,275

Group	Operations £'000	Collections & research £'000	Grant funding £'000	2026 Total £'000	2025 Total £'000
Staff costs	4,678	1,246	-	5,924	5,897
Operating costs	788	-	-	788	720
Marketing	725	-	-	725	694
Curatorial and exhibition	-	366	-	366	456
Depreciation and loss on disposal of fixed assets	1,970	700	-	2,670	3,377
Governance and support costs	2,775	720	-	3,495	3,808
	10,936	3,032	-	13,968	14,952
Project costs:					
HMS Victory	2,564	-	-	2,564	2,293
Other project costs	461	-	-	461	1,396
	3,025	-	-	3,025	3,689
	13,961	3,032	-	16,993	18,641

Notes to the financial statements
for the year ended 31 March 2026

9. Analysis of governance and support costs

Company	Operations £'000	Collections & research £'000	2026 Total £'000	2025 Total £'000
Governance costs				
Accountancy and payroll	13	3	16	15
Auditor remuneration – National Audit Office	73	19	92	91
Legal and professional	13	4	17	24
Support costs				
Sundry expenses	54	15	69	75
	153	41	194	205

Group	Operations £'000	Collections & research £'000	2026 Total £'000	2025 Total £'000
Governance costs				
Accountancy and payroll	58	15	73	67
Auditor remuneration	103	41	144	146
Auditor remuneration - National Audit Office	73	19	92	91
Legal and professional	157	26	183	273
Support costs				
Repairs and maintenance	321	85	406	295
Insurance	482	128	610	571
Premises expenses	1,143	294	1,437	1,859
Travelling expenses	97	24	121	135
Bank charges and interest	132	35	167	124
Depreciation	11	-	11	11
Sundry expenses	198	53	251	236
	2,775	720	3,495	3,808

10. Employees

Employment costs	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Wages and salaries	7,696	7,612	299	256
Social security costs	889	633	43	32
Defined contribution pension costs	682	580	120	84
Defined benefit pension costs	9	19	-	-
Employee benefits	18	18	-	-
	9,294	8,862	462	372

Higher paid employees
The number of employees who earned more than £60,000 during the year was as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
£60,001 to £70,000	2	2	-	-
£70,001 to £80,000	1	1	-	-
£80,001 to £90,000	1	1	-	-
£90,001 to £100,000	1	-	1	-
£120,001 to £130,000	1	1	1	1
£130,001 to £140,000	-	1	-	1
£150,001 to £160,000	1	-	1	-

Notes to the financial statements
for the year ended 31 March 2026

Number of employees

The average monthly numbers of employees during the year, was as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
Charitable expenditure	326	340	-	-
Cost of generating funds	3	3	-	-
Governance costs	9	6	3	2
	338	349	3	2

The above includes workers engaged under Casual Worker Agreements. The average full-time equivalent number of staff for the year was 206 (2025: 215).

Staff costs for the charitable company for the year include an accrual of £7,000 (2025: £2,000), and for the Group include £62,000 (2025: £39,000), for short-term compensated absences arising from employee entitlement to annual leave.

During the financial year 6 departures under redundancy or exit agreements (2025: 8) were identified within the Group and contractual/redundancy costs of £58,000 (2025: £22,000) and other exit costs of £6,000 were paid (2025: £4,000) with £50,000 (2025: £Nil) being accrued at 31 March 2026.

Key management personnel employed by the charitable company

Employee benefits received by key management personnel total £337,000 for the year to 31 March 2026 (31 March 2025: £290,000).

11. Trustees' emoluments

No Trustees received remuneration during the year (2025: Nil). Total amount of travel and subsistence expenses reimbursed to Trustees, or paid directly to third parties on the Trustees' behalf, totalled £4,000 for seven Trustees (2025: £5,000 for eight Trustees).

12. Pensions

The Group contributes to a Group Pension Plan and is a participating employer in the multi-employer plans: the Principal Civil Service Pension Scheme and the Local Government Pension Scheme (including Hampshire Pension Fund and Teesside Pension Fund). The Group cannot be held liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plans.

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme but the Group is unable to identify its share of the underlying assets and liabilities. A full actuarial quadrennial valuation was carried out at 31 March 2024. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation: (2024 Valuation - Civil Service Pension Scheme - GOV.UK)

For 2025-26, employer contributions were payable to the PCSPS at one of four rates in the range 28.7% to 28.97% of pensionable earnings, based on salary bands. The scheme actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025-26 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Local Government Pension Scheme (LGPS)

The LGPS is a multi-employer defined benefit scheme. The funded nature of the LGPS requires the Group and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Hampshire Pension Fund

The Group is an admitted member of the Hampshire Pension Fund. This fund has over 212,000 members. The actuaries of the fund are Hymans Robertson LLP. In the year ended 31 March 2026, two staff of NMRN Operations participated in the scheme. The disclosures below relate to the funded liabilities within the Hampshire Pension Fund (the 'Fund') which is part of the LGPS.

Notes to the financial statements
for the year ended 31 March 2026

Assumptions
The latest actuarial valuations were carried out at 31 March 2025. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the roll-forward approach. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes are shown below.

Teesside Pension Fund
The Group is an admitted member of the Teesside Pension Fund. This fund has over 80,000 members. The actuaries of the fund are Hymans Robertson LLP. In the year ended 31 March 2026, the scheme comprised of one active member, two deferred pensioners and four pensioners. The disclosures below relate to the funded liabilities within the Teesside Pension Fund (the 'Fund') which is part of the LGPS.

Assumptions
The latest actuarial valuations were carried out at 31 March 2025. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the roll-forward approach. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes are shown below.

Pension Fund	**Hampshire**		**Teesside**	
	2026	**2025**	**2026**	**2025**
	% p.a.	**% p.a.**	**% p.a.**	**% p.a.**
Pension Increase Rate (CPI)	3.00%	2.70%	3.00%	2.80%
Salary Increase Rate	4.00%	3.70%	4.00%	3.80%
Discount Rate	6.30%	5.85%	6.20%	5.80%
Asset allocation				
Equities	54%	52%	69%	65%
Bonds	35%	36%	0%	0%
Property	10%	10%	24%	27%
Cash	1%	2%	7%	8%
	2026	**2025**	**2026**	**2025**
	£(000)	**£(000)**	**£(000)**	**£(000)**
Reconciliation of funded status to the Balance Sheet				
Fair value of assets	538	491	704	656
Present value of funded liabilities	(337)	(309)	(473)	(455)
Asset ceiling adjustment	(129)	(87)	(220)	(201)
Pension asset recognised on the balance sheet	**72**	**95**	**11**	**-**
Amounts recognised in the Statement of Financial Activities				
Operating cost:				
Current service cost	11	17	3	5
Financing cost:				
Interest on net defined benefit liability	(5)	(4)	-	(6)
Pension expense recognised in the Statement of Financial Activities	**6**	**13**	**3**	**(1)**
Asset gains/(losses) arising during the period	10	(9)	20	(20)
Liability gains/(losses) arising during the period	7	105	(2)	79
Asset ceiling adjustment	(37)	(87)	(7)	(201)
Gains/(losses) recognised in the Statement of Financial Activities	**(20)**	**9**	**11**	**(142)**
Changes made to the present value of the defined benefit obligation during the accounting period				
Opening defined benefit obligation	396	372	656	514
Current service cost	11	17	3	5
Interest expense on defined benefit obligation	24	19	38	25
Contributions by participants	5	6	1	1
Actuarial (gains)/losses on liabilities	(7)	(105)	2	(79)
Asset ceiling adjustment	37	87	7	201
Net benefits paid out	-	-	(14)	(11)
	2026	**2025**	**2026**	**2025**

Notes to the financial statements
for the year ended 31 March 2026

	£(000)	£(000)	£(000)	£(000)
Closing defined benefit obligation	**466**	**396**	**693**	**656**
Changes to the fair value of assets during the accounting period				
Opening fair value of assets	491	468	656	650
Interest income on assets	29	23	38	31
Remeasurement gains/(losses) on assets	10	(9)	20	(20)
Contributions by the employer	3	3	3	5
Contributions by participants	5	6	1	1
Net benefits paid out	-	-	(14)	(11)
Closing fair value of assets	**538**	**491**	**704**	**656**
Actual return on assets				
Interest income of assets	29	23	38	31
Gain/(loss) on assets	10	(9)	20	(20)
Total amount recognised in the Statement of Financial Activities	**39**	**14**	**58**	**11**

Group Pension Plan

The Group operates a Group Pension Plan with employer's contributions being payable at 6% or 10%. Under this plan, a "salary exchange" scheme exists whereby employees may elect to give up the right to receive part of their salary remuneration in return for an additional employer's contribution into the Group Pension Plan of the same amount.

The cost relating to each scheme is set out below. At the balance sheet date the contributions outstanding for the charitable company were £10,000 (2025: £7,000), and for the Group were £55,000 (2025: £59,000).

Pension Schemes (Company)

	2026	2025
	£'000	£'000
Defined contribution schemes		
Group scheme	120	84

Pension Schemes (Group)

	2026	2025
	£'000	£'000
Defined contribution schemes		
Group scheme	662	561
PCSPS	20	19
Defined benefit schemes		
LGPS - Hampshire Pension Fund	6	18
LGPS - Teesside Pension Fund	3	1
	691	599

All pension costs relate to unrestricted funds.

13. Net outgoing resources for the year

	2026	2025
	£'000	£'000
Group net outgoing resources is stated after charging:		
Operating lease payments	645	658
Depreciation and other amounts written off tangible fixed assets	2,758	3,463
Auditors' remuneration - National Audit Office	92	91
Auditors' remuneration - Subsidiary Auditors	144	146

The National Audit Office fee for the year ended 31 March 2026 is £88,500 (2025: £85,000). 2026 includes an adjustment for extra audit fees of £3,000 (2025: £6,000) relating to the previous year's audit. There is no remuneration for non-audit work.

Notes to the financial statements
for the year ended 31 March 2026

14. Tangible fixed assets (Group)

	Assets under construction	Investment property	Freehold property	Short leasehold property	Office equipment	Plant & machinery	Fixtures & fittings	Exhibitions	Timber	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation										
At 1 April 2025	-	590	15,873	10,132	3,087	15,842	9,253	4,025	5,951	64,753
Additions	7,119	-	-	-	301	1,218	8	11	-	8,657
Disposals	-	-	(1,610)	(274)	(509)	(118)	(442)	(165)	(282)	(3,400)
Revaluation	-	236	-	-	-	-	-	-	-	236
At 31 March 2026	7,119	826	14,263	9,858	2,879	16,942	8,819	3,871	5,669	70,246
Depreciation										
At 1 April 2025	-	-	2,941	2,412	3,026	4,024	6,819	2,016	-	21,238
Charge for year	-	-	430	240	123	1,050	271	362	-	2,476
Transfers	-	-	-	-	-	-	-	-	-	-
On disposals	-	-	(1,610)	(274)	(509)	(118)	(442)	(165)	-	(3,118)
At 31 March 2026	-	-	1,761	2,378	2,640	4,956	6,648	2,213	-	20,596
Net book values										
At 31 March 2026	7,119	826	12,502	7,480	239	11,986	2,171	1,658	5,669	49,650
At 31 March 2025	-	590	12,932	7,720	61	11,818	2,434	2,009	5,951	43,515

Land and buildings at the Naval Aviation, owned by the Fleet Air Arm Museum Trust, and Submarines, owned by NMRN Operations were valued at 6 May 2022 by Avison Young in accordance with the stated accounting policy. The revaluation was conducted by a qualified surveyor on a depreciated replacement cost basis and in accordance with the RICS Valuation – Global Standards 2022 (the Red Book). The carrying value of the property if recognised under the historical cost model cannot be easily identified.

The Investment Property was revalued at 31 March 2026. The fair value is supported by an agreed offer subject to planning consent, and has been apportioned between the investment and non-investment property based on the proportions derived from the external valuation carried out in 2023.

15. Heritage assets

The total book value of Heritage Assets contains a historic valuation of a materially significant part of the collection, based on a mixture of cost (for purchased exhibits) and valuation at the point of donation (for donated exhibits).

Records of the basis of these historic valuations are not consistently available across the Group and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts. As such, the value relating to assets valued at cost or at valuation at the point of donation cannot be differentiated in the brought forward balance.

Notes to the financial statements
for the year ended 31 March 2026

	Group		Company	
	Heritage assets £'000	Total £'000	Heritage assets £'000	Total £'000
Cost or valuation				
At 1 April 2025	107,036	107,036	6,649	6,649
Additions	37	37	37	37
Disposals	-	-	-	-
At 31 March 2026	107,073	107,073	6,686	6,686
Depreciation				
At 1 April 2025 and 31 March 2026	-	-	-	-
Net book values				
At 31 March 2026	107,073	107,073	6,686	6,686
At 31 March 2025	107,036	107,036	6,649	6,649

The Collections

The collections are held by each trust individually and consist of artefacts (physical, written and oral) reflecting the story of the Royal Navy and its people throughout its worldwide operations. The collections cover the Royal Navy as a whole, and its particular branches (Surface Fleet, Submarine Services, Royal Marines, Fleet Air Arm and Royal Fleet Auxillary) are also well represented. As the work of digitising the collection progresses, more data is gathered and refined on the volumes of assets held within some collection categories, e.g. the number of documents in a paper archive, or the number of photographs within an album or photographic collection. The volume of assets accessioned by the Group is summarised as follows:

Categories	Description	Number
Aircraft	Airframes, engines and parts	1,500
Art	Decorative silver, paintings, drawings, miniatures, watercolours, embroidery, silk pictures	11,000
Boats and Ships	Submarines, large landing craft, small craft, boats, canoes, dinghies and ships fabric	350
Books	Rare books. This does not include publicly accessible published documents held in library collection	73,000
Commemorative items	War trophies, memorabilia, mementoes, etc. NB this category is being gradually redistributed as 'commemorative' is no longer reflective of the items contained within	2,500
Documents	Paper archives including posters, manuscripts, printed documents, maps, charts, record books, diaries, log-books, BRs, training manuals, internally published and unpublished works NB items are now being catalogued and processed into individual records (i.e. each document within an archive) as they are digitised so this number will increase year on year	93,500
Emblems and flags	Badges, figureheads, name boards, honours boards, ensigns and colours, and stern carvings from ships, air stations, shore establishments or barracks	4,000
Medals	Campaign medals, honours and foreign awards	12,500
Models	Ship models and dioramas	2,500
Photographic collections, film and sound	Collections of negatives, positives, born digital, prints, slides, transparencies, albums, oral histories, music recordings. NB items are now being catalogued and processed into individual records (i.e. each photograph within an album/ collection) as they are digitised so this number will increase year on year	267,000
Uniforms and clothing	All issued or purchased standard uniform or clothing	19,000
Vehicles	Motorbikes and vehicle parts	40
Weapons	Bladed weapons, projectile weapons, ordnance and ammunition	7,000
Other	Including communication equipment, specialist apparatus and equipment, furniture, victualling, fittings, musical instruments, navigational instruments, personal and recreational effects, tools	11,607
Total		**505,497**

Notes to the financial statements
for the year ended 31 March 2026

Royal Naval Museum

In 2011-12 the title to, and beneficial ownership of, the collection relating to HMS *Caroline* passed to the Royal Naval Museum. This collection consists of around 400 items including pictures, photographs, flags and other items. Information regarding cost or value of this collection is not readily available and the charity considers that the cost of obtaining such valuation for the collection of assets held is significant and is not commensurate with the benefit obtained by including the additional capitalised value in the financial statements.

On 28 March 2013 the title to, and beneficial ownership of, the collection belonging to the Explosion! Museum, Gosport, passed to the Royal Naval Museum. This extensive collection includes small arms, cannon and guns, shells and munitions, mines, torpedoes, modern missiles, and an atom bomb. The Trustees consider that the cost of obtaining a valuation for these collection assets is significant and is not commensurate with the benefit obtained by including the additional capitalised value in the financial statements. The collection has therefore been included within heritage asset additions at the purchase price of £145,000.

On 7 November 2014 the Second World War Landing Craft (Tank) Mk III, LCT 7074, was gifted to the Royal Navy Museums from the Mersey Docks and Harbour Company Limited. The ship was subsequently accessioned to the collection of the Royal Naval Museum. The methodology of valuation of significant ships should be consistent across the Group, using the total rebuild basis discounted for the ship's current state of repair. It has not been possible to establish the original cost of building the ship therefore no value has been attributed to this gift.

On 31 March 2017, a gift for charitable purposes was made to the Royal Naval Museum of 777 items from the Ministry of Defence Art Collection, including paintings, objects d'art, ship figureheads, engravings and furniture. Given the diverse nature of the collection and the uniqueness of some items, comparables are not readily available to the Group for valuation purposes. The collection is dispersed across Ministry of Defence buildings throughout the United Kingdom and abroad and will remain in situ for the foreseeable future. As such, there are considerable practical difficulties associated with accessing such a large volume of items to determine their quality, authenticity, condition and value. The supporting information made available to the Group by the Ministry of Defence is limited in terms of making a realistic valuation and would take significant work to generate e.g. condition reports, imagery, etc. The Trustees consider that the costs of obtaining a reliable valuation for this collection would be significant and is not commensurate with the benefit obtained by including the additional capitalised value in the accounts. Additionally, given the circumstances described, any attempt to value the collection would be considerably arbitrary, to the extent that such a valuation would be potentially misleading to a user of the financial statements.

On 13 March 2020, the Group received a gift of 12 figureheads from the Ministry of Defence. This was the first tranche of a gift for charitable purposes of The Devonport Collection. The charity considers that the cost of obtaining a valuation for this gift is significant, as such items rarely come on the market, and is not commensurate with the benefit obtained by including the capitalised value in the financial statements.

Five-year summary of heritage asset transactions

The value of accessioned heritage assets added and disposed by the Group is summarised in the table below. No value for off balance sheet transactions is included as obtaining a valuation is not commensurate with the benefit of the user of the accounts.

	2026	2025	2024	2023	2022
Additions	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Purchases					
Royal Naval Museum	27	47	5	1,128	1,312
Donations					
Royal Naval Museum	10	3	34	105	5
Total additions	37	50	39	1,233	1,317
Disposals					
Royal Naval Museum	-	3	-	-	-
Warrior Preservation Trust	-	251	-	-	-
Total disposals	-	254	-	-	-

Notes to the financial statements
for the year ended 31 March 2026

Significant historic ships

Ship	Donor	Date of gift	Original build cost uplifted for value on completion £'000	Estimated repair cost at time of gifting £'000	Value of gift £'000	Value at 1 April 2025 £'000	Increase in year £'000	Value at 31 March 2026 £'000
HMS *Alliance*	Ministry of Defence	1979	18,480	N/A	N/A	18,480	-	18,480
HMS *Caroline*	Ministry of Defence	2013	12,560	5,004	7,556	12,560	-	12,560
HMS *M33*	Hampshire County Council	2014	1,775	683	1,092	1,775	-	1,775
HMS *Trincomalee*	Purchased for £1	N/A	21,000	N/A	N/A	21,000	-	21,000
HMS *Victory*	Ministry of Defence	2012	50,000	30,625	19,375	19,375	-	19,375
HMS *Warrior 1860*	Purchased for £1	N/A	25,040	N/A	N/A	25,040	-	25,040

The Royal Navy Submarine Museum Trust – HMS Alliance
The submarine, HMS *Alliance*, was constructed in Barrow-in-Furness in 1947. She is a Royal Navy A Class submarine and is the only surviving example of the class. The ship was transferred to the Royal Navy Submarine Museum in 1979 where she has been on display since the transfer. HMS *Alliance* is valued at £18,480,000 to reflect its estimated rebuild cost. The valuation was carried out in 2015. The original build cost of the submarine is estimated to be £304,495 based on the cost of a similar T Class submarine - HMS Triumph - built in 1936. Uplifted for current value (2015), this cost was equivalent to £18,480,000. HMS *Alliance* was completely refurbished and reopened to the public in April 2014. The renovation work carried out was an extensive project costing around £7,000,000 to complete, and included repairing damage to the hull, in addition to completely restoring the interior of the submarine. As a result of these works it was not felt that any deductions to the original cost for disrepair was necessary.

HMS Caroline Preservation Trust – HMS *Caroline*
The ship, HMS *Caroline*, was constructed at the Cammell Laird shipyard in Birkenhead in 1914. She was one of eight C-Class light cruisers and is the last remaining British WW1 light cruiser still afloat and the sole survivor of the Battle of Jutland. The ship was gifted to the Trust on 18 November 2013 by the Ministry of Defence. HMS *Caroline* was initially recognised in the accounts at a value of £7,556,000, calculated on a total build basis discounted to take account of the ship's state of repair at the time of gifting. In 1914, the original build cost of HMS *Caroline* was £300,000. Uplifted for current value (2013), this cost was the equivalent of £25,120,000. The ship would be brought to sound and original condition, as far as possible, in the course of the refurbishment programme. However substantial elements of the original ship including the boilers, and armaments, would not be replaced. It was therefore the view of the project management team that 50% of the original value was a reasonable measure of the heritage asset value of the ship on completion of these works, the discounted value being £12,560,000. Based on the above, the ship was initially recognised in the accounts at a value of £7,556,000, reflecting the value on completion of £12,560,000, discounted back for the expenditure anticipated to be required to achieve that outcome. The value was then increased in the year to 31 March 2016 by £1,079,000, and in the year to 31 March 2017 by £3,925,000, to the final valuation of £12,560,000 on completion of the scheduled programme of works.

HMS M33 Trust – HMS *M33*
Monitor HMS *M33* was built by Harland and Wolff, Belfast, in 1915. She is one of only three surviving Royal Navy warships of the First World War and the only surviving ship from the Gallipoli Campaign. The ship was gifted to the Trust on 19 May 2014 by Hampshire County Council. HMS *M33* was initially recognised in the accounts at a value of £1,092,000, calculated on a total build basis discounted to take account of the ship's current state of repair. In 1915, the original build cost of HMS *M33* was £40,000. Uplifted for current value (2014), this cost was the equivalent of £2,863,000. The ship has been brought to sound and original condition, as far as possible, in the course of the conservation programme. However substantial elements of the original ship, notably the boilers and engines, were removed in the past and will not be replaced. It is therefore the view of the project management team that 62% of the original value is a reasonable measure of the heritage asset value of the ship on completion of these works, the discounted value being £1,775,000.

HMS Trincomalee Trust – HMS *Trincomalee*
The ship, HMS *Trincomalee*, is the oldest surviving Royal Navy Frigate and the oldest warship still afloat in the UK. She was acquired by the Trust for a nominal £1. HMS *Trincomalee* has been included at a valuation designed to reflect the estimated rebuild costs of the ship. The value of HMS Trincomalee, on the basis of a full renewal cost of rebuild, discounted to take account of the ship's current state of repair, has been calculated at £21,000,000. The calculation is based on the comparable cost of the Frigate Hermione project, completed in 2012. This cost was pro-rated for the relative displacement tonnages. L'Hermione's displacement tonnage was 1,166 tonnes and the rebuild cost was £16,700,000 in 2012. HMS *Trincomalee's* displacement tonnage is 1,447 tonnes (per 'Great Sailing Ships of the World' by Otmar Schauffelen) therefore the rebuild cost is approximately £21,000,000.

HMS Victory Preservation Trust – HMS *Victory*
The ship, HMS *Victory*, was floated out of the Old Single Dock in Chatham's Royal Dockyard in 1765. In 1805 she achieved lasting fame as the flagship of Vice-Admiral Nelson in Britain's greatest naval victory, the defeat of the French and Spanish at the Battle of Trafalgar. She is the oldest commissioned warship in the world and remains a commissioned warship of the Royal Navy and the Flag Ship of the First Sea Lord. The ship was gifted to the Trust on 29 March 2012 by the Ministry of Defence. HMS *Victory* has been included in the accounts at a value of £19,375,000 calculated on a total rebuild basis discounted to take account of the ship's current state of repair. This value was calculated by staff of the charitable company by reference to the costs incurred by the Association Hermione-La Fayette in their construction of the replica frigate, Hermione, on a pro-rata basis on respective tonnage displacement of the two ships.

The value of HMS *Victory*, on the basis of full renewal cost of rebuild, has been calculated as £50,000,000. The calculation is based on the comparable cost of the frigate 'Hermione' project, completed in 2012. This cost was pro-rated for the relative displacement tonnages. L'Hermione's displacement tonnage was 1,166 tonnes and the rebuild cost was £16,700,000 in 2012. HMS *Victory's* displacement tonnage is 3,500 tonnes therefore the rebuild cost is approximately £50,000,000. HMS *Victory* today is far from 'new build' condition and during the next 10-20 years, it is projected that a sum in the region of £30,625,000 (at current costs) will be expended in bringing the Ship to (something close to) new condition. Whilst HMS *Victory* will not then be literally 'as good as new', any lower value would be offset by it being, at least in perception, the original ship. Based on the above, the ship has been recognised in the accounts at a valuation of £19,375,000 reflecting an 'as new' value, discounted back for the expenditure anticipated to be required to achieve that outcome. Once the restoration project is complete a revaluation of the ship will be undertaken.

Warrior Preservation Trust – HMS *Warrior 1860*
The original hull of the ship, HMS *Warrior*, was laid down at the Thames Iron Works and Shipbuilding Company based at Blackwall, London. Completed in 1861, she was the world's first ocean-going, iron-hulled, armoured warship. The original hull of HMS *Warrior* was acquired by the Maritime Trust from the Ministry of Defence for £1 in August 1979, and transferred to the Warrior Preservation Trust in 1983. HMS *Warrior 1860* has been included at a valuation designed to reflect the estimated rebuild costs of the hull. In 1861, the original cost of the hull was £282,284. Uplifted for current value (2017) this cost was the equivalent of £25,040,000. The ship was brought to sound and original condition, as far as possible, during the restoration between 1979 and 1987 therefore it was not felt that any deductions to the original cost for disrepair was necessary.

Notes to the financial statements
for the year ended 31 March 2026

16. Investment assets

		Group Listed £'000
Valuation		
At 1 April 2025		56,678
Additions		672
Disposals		(1,702)
Gains and losses before management fees	4,811	
Less management fees deducted	(181)	
Realised and unrealised gains and losses		4,630
At 31 March 2026		60,278
Investments By fund:		
Endowment funds		60,278

	2026 £'000	2025 £'000
UK		
UK government and fixed interest securities	3,354	4,021
UK bonds	622	1,649
UK equities	4,539	5,293
Portfolio funds	8,115	887
Others	4,588	5,951
Capital account	338	355
	21,556	18,156
Overseas		
International bonds	1,512	1,125
International equities	34,036	34,123
Others	3,174	3,274
	38,722	38,522
	60,278	56,678

17. Stocks

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Held by:				
NMRN Operations	949	478	-	-
Trading subsidiaries	335	389	-	-
	1,284	867	-	-

Notes to the financial statements
for the year ended 31 March 2026

18. Debtors: amounts falling due within one year

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Trade debtors	83	270	-	8
Amounts owed by Group undertakings	-	-	1,762	24
Other debtors	2,795	1,774	3	3
Prepayments & accrued income	644	470	20	26
VAT	356	100	-	-
	3,878	2,614	1,785	61

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

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Other debtors	450	450	-	-
	450	450	-	-

20. Creditors: amounts falling due within one year

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Other loans	147	86	147	86
Trade creditors	1,796	775	1	2
Amounts owed to Group undertakings	-	-	6	1,245
Other creditors	123	145	10	8
Other taxes and social security	197	233	11	11
Accruals and deferred income	2,423	1,316	131	111
	4,686	2,555	306	1,463

Deferred income

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Balance at 1 April 2025	144	166	-	-
Amounts released to incoming resources	(627)	(181)	-	-
Amounts deferred in year	605	159	-	-
Balance as at 31 March 2026	122	144	-	-

21. Creditors: amounts falling due after more than one year

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Other loans	2,348	488	2,348	488
Other long term liabilities	98	98	-	-
	2,446	586	2,348	488

Notes to the financial statements
for the year ended 31 March 2026

22. Analysis of net assets between funds

	Tangible Fixed Assets £'000	Heritage Assets £'000	Investments £'000	Net current assets £'000	Long term assets & liabilities £'000	Pension assets & liabilities £'000	Total 2026 £'000
Restricted funds:							
Restricted funds	-	-	-	2,202	(2,348)	-	(146)
Royal Naval Museum	-	4,911	-	24	-	-	4,935
HMS M33 Trust	-	1,775	-	-	-	-	1,775
	-	6,686	-	2,226	(2,348)	-	6,564
Unrestricted funds	-	-	-	5	-	-	5
Total Company funds	-	6,686	-	2,231	(2,348)	-	6,569
Funds held by:							
NMRN Operations	38,648	-	-	9,887	-	83	48,618
NMRN Hartlepool	-	-	-	2	-	-	2
HMS Victory Preservation Company	5,787	19,375	48,508	376	-	-	74,046
HMS Caroline Preservation Company	-	12,560	11,770	89	-	-	24,419
HMS Trincomalee Trust	-	21,008	-	34	352	-	21,394
Warrior Preservation Trust Limited	-	25,040	-	847	-	-	25,887
Royal Marines Museum Charitable Trust	-	709	-	55	-	-	764
Royal Navy Submarine Museum Trust	-	18,651	-	252	-	-	18,903
Fleet Air Arm Museum	5,215	3,044	-	864	-	-	9,123
Total Group funds	49,650	107,073	60,278	14,637	(1,996)	83	229,725

	Tangible Fixed Assets £'000	Heritage Assets £'000	Investments £'000	Net current assets £'000	Long term assets & liabilities £'000	Pension assets & liabilities £'000	Total 2025 £'000
Restricted funds:							
Restricted funds	-	-	-	227	(488)	-	(261)
Royal Naval Museum	-	4,874	-	24	-	-	4,898
HMS M33 Trust	-	1,775	-	-	-	-	1,775
	-	6,649	-	251	(488)	-	6,412
Unrestricted funds	-	-	-	5	-	-	5
Total Company funds	-	6,649	-	256	(488)	-	6,417
Funds held by:							
NMRN Operations	31,970	-	-	10,003	-	95	42,068
NMRN Hartlepool	-	-	-	1	-	-	1
HMS Victory Preservation Company	6,079	19,375	45,332	266	-	-	71,052
HMS Caroline Preservation Company	-	12,560	11,346	119	-	-	24,025
HMS Trincomalee Trust	-	21,008	-	34	352	-	21,394
Warrior Preservation Trust Limited	-	25,040	-	852	-	-	25,892
Royal Marines Museum Charitable Trust	-	709	-	55	-	-	764
Royal Navy Submarine Museum Trust	-	18,651	-	259	-	-	18,910
Fleet Air Arm Museum	5,466	3,044	-	874	-	-	9,384
Total Group funds	43,515	107,036	56,678	12,719	(136)	95	219,907

Notes to the financial statements
for the year ended 31 March 2026

23. Funds

Unrestricted funds:	At 1 April 2025 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2026 £'000
Unrestricted funds	4	4,123	(4,123)	-	-	4
Designated funds	1	-	-	-	-	1
Total company unrestricted funds	5	4,123	(4,123)	-	-	5
NMRN Operations	19,199	13,296	(14,918)	227	(114)	17,690
NMRN Hartlepool	1	9	(8)	-	-	2
HMS Victory Preservation Company	341	114	(1,325)	-	1,323	453
HMS Caroline Preservation Company	128	228	(635)	-	380	101
HMS Trincomalee Trust	361	64	(65)	-	-	360
Warrior Preservation Trust Limited	39	23	(30)	-	104	136
Royal Marines Museum	723	8	(8)	-	-	723
Royal Navy Submarine Museum	320	-	(7)	-	-	313
Fleet Air Arm Museum	6,110	28	(138)	-	-	6,000
Consolidation adjustments	-	(4,108)	5,387	-	(1,279)	-
Total Group unrestricted funds	27,227	13,785	(15,870)	227	414	25,783

	At 1 April 2024 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2025 £'000
Unrestricted funds	4	4,015	(4,015)	-	-	4
Designated funds	1	-	-	-	-	1
Total company unrestricted funds	5	4,015	(4,015)	-	-	5
NMRN Operations	19,395	13,631	(16,141)	93	2,221	19,199
NMRN Hartlepool	-	10	(9)	-	-	1
HMS Victory Preservation Company	524	267	(761)	-	311	341
HMS Caroline Preservation Company	(5)	116	(843)	-	860	128
HMS Trincomalee Trust	360	185	(184)	-	-	361
Warrior Preservation Trust Limited	300	13	(378)	-	104	39
Royal Marines Museum	2,465	16	(1,758)	-	-	723
Royal Navy Submarine Museum	329	1	(10)	-	-	320
Fleet Air Arm Museum	6,049	155	(154)	60	-	6,110
Consolidation adjustments	-	(4,263)	6,847	-	(2,584)	-
Total Group unrestricted funds	29,422	14,146	(17,406)	153	912	27,227

Consolidation adjustments reflect funds received by, and paid to, other Group entities by the charitable company.

Notes to the financial statements
for the year ended 31 March 2026

Restricted funds:	At 1 April 2025 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2026 £'000
HMS Caroline fund	245	-	-	-	-	245
Purchase of exhibits fund	(562)	153	(11)	-	(27)	(447)
Kellet Sledge Flag fund	56	-	-	-	-	56
Royal Marines Experience CDEL fund	-	2,000	(2,000)	-	-	-
Linked charities:						
Royal Naval Museum	4,898	10	-	-	27	4,935
HMS M33 Trust	1,775	-	-	-	-	1,775
Total company restricted funds	6,412	2,163	(2,011)	-	-	6,564
NMRN Operations	22,867	11,812	(3,865)	-	114	30,928
HMS Victory Preservation Company	25,409	-	(292)	-	-	25,117
HMS Caroline Preservation Company	12,560	-	-	-	-	12,560
HMS Trincomalee Trust Limited	21,029	-	-	-	-	21,029
Warrior Preservation Trust	25,060	-	-	-	-	25,060
Royal Marines Museum	41	-	-	-	-	41
Royal Navy Submarine Museum	18,590	-	-	-	-	18,590
Fleet Air Arm Museum	3,274	-	(151)	-	-	3,123
Consolidation adjustments	-	(3,304)	2,025	-	1,279	-
Total Group restricted funds	135,242	10,671	(4,294)	-	1,393	143,012

	At 1 April 2024 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 March 2025 £'000
HMS Caroline fund	245	-	-	-	-	245
Royal Marines Museum relocation fund	973	-	(973)	-	-	-
Purchase of exhibits fund	(650)	149	(14)	-	(47)	(562)
Kellet Sledge Flag fund	61	-	(5)	-	-	56
FAAM CDEL fund	-	265	(265)	-	-	-
Linked charities:						
Royal Naval Museum	4,851	3	(3)	-	47	4,898
HMS M33 Trust	1,775	-	-	-	-	1,775
Total company restricted funds	7,255	417	(1,260)	-	-	6,412
NMRN Operations	20,010	7,892	(4,652)	368	(751)	22,867
HMS Victory Preservation Company	26,159	-	(752)	2	-	25,409
HMS Caroline Preservation Company	12,560	-	-	-	-	12,560
HMS Trincomalee Trust Limited	21,029	-	-	-	-	21,029
Warrior Preservation Trust	25,060	-	-	-	-	25,060
Royal Marines Museum	137	-	(96)	-	-	41
Royal Navy Submarine Museum	18,590	-	-	-	-	18,590
Fleet Air Arm Museum	3,352	-	(138)	60	-	3,274
Consolidation adjustments	-	(3,917)	1,333	-	2,584	-
Total Group restricted funds	134,152	4,392	(5,565)	430	1,833	135,242

The HMS Caroline fund is for the conservation of the ship and its development as a visitor attraction. This work has been fully funded by HLF and the Northern Ireland Tourist Board.

The Royal Marines Museum relocation fund represents funding received for the Royal Marines Museum project which will include the relocation of a new Royal Marines Museum at Portsmouth Historic Dockyard. The Royal Marines Experience CDEL fund was received from the Royal Navy as a project capital contribution.

Notes to the financial statements
for the year ended 31 March 2026

Other restricted funds represent funds received towards the purchase of exhibits.

The restricted and endowment funds of the individual museums are detailed in the accounts of the respective organisations. Consolidation adjustments reflect funds received by, and paid to, other Group entities.

Endowment funds:	**At 1 April 2025 £'000**	**Income £'000**	**Expenditure £'000**	**Gains and losses £'000**	**Transfers £'000**	**At 31 March 2026 £'000**
HMS Victory Preservation Company	45,301	642	(130)	3,986	(1,323)	48,476
HMS Caroline Preservation Company	11,337	28	(52)	825	(380)	11,758
HMS Trincomalee Trust	5	-	-	-	-	5
Warrior Preservation Trust Limited	795	-	-	-	(104)	691
Total Group endowment funds	57,438	670	(182)	4,811	(1,807)	60,930

Endowment funds:	**At 1 April 2024 £'000**	**Income £'000**	**Expenditure £'000**	**Gains and losses £'000**	**Transfers £'000**	**At 31 March 2025 £'000**
HMS Victory Preservation Company	44,321	988	(127)	429	(310)	45,301
HMS Caroline Preservation Company	12,087	207	(52)	(44)	(861)	11,337
HMS Trincomalee Trust	5	-	-	-	-	5
Warrior Preservation Trust Limited	899	-	-	-	(104)	795
Total Group endowment funds	57,312	1,195	(179)	385	(1,275)	57,438

Endowment funds include funds donated by the Gosling Foundation for the maintenance and upkeep of HMS *Victory*, and funds donated by the Department for the Economy of Northern Ireland and the National Heritage Memorial Fund for the conservation, repair, protection and interpretation of HMS *Caroline* in Belfast. Transfers to unrestricted funds reflect amounts disinvested to facilitate the grant to NMRN Operations.

Notes to the financial statements
for the year ended 31 March 2026

24. Linked charities of the charitable company

SORP FRS 102 requires the activities of linked charities to be shown separately within these accounts in a manner similar to the presentation of restricted funds. The Royal Naval Museum and HMS M33 Trust are made up of the following:

Royal Naval Museum	**At 1 April 2025 £'000**	**Incoming resources £'000**	**Outgoing resources £'000**	**Transfers £'000**	**At 31 March 2026 £'000**
Unrestricted funds	4,791	37	-	-	4,828
Restricted funds - RML 497 Fairmile (the ship)	83	-	-	-	83
Endowment funds - Johnstone Library fund	24	-	-	-	24
Total funds of the Royal Naval Museum	4,898	37		-	4,935

	At 1 April 2024 £'000	**Incoming resources £'000**	**Outgoing resources £'000**	**Transfers £'000**	**At 31 March 2025 £'000**
Unrestricted funds	4,744	50	(3)	-	4,791
Restricted funds - RML 497 Fairmile (the ship)	83	-	-	-	83
Endowment funds - Johnstone Library fund	24	-	-	-	24
Total funds of the Royal Naval Museum	4,851	50	(3)	-	4,898

Balance Sheet summary	**2026 £'000**	**2025 £'000**
Heritage assets	4,911	4,874
Current assets	24	24
Net assets and total funds of the Royal Naval Museum	4,935	4,898

HMS M33 Trust

Balance Sheet summary	**2026 £'000**	**2025 £'000**
Heritage assets	1,775	1,775
Funds		
Unrestricted reserves	1,092	1,092
Revaluation reserve	683	683
Total funds of the HMS M33 Trust	1,775	1,775

25. Transfers between funds

Royal Navy Museum

A total of £27,000 (2025: £47,000) was transferred from restricted funds to reflect the value of heritage assets transferred to the Royal Naval Museum collection.

Notes to the financial statements
for the year ended 31 March 2026

NMRN Operations

A total of £493,000 (2025: £751,000) was transferred to unrestricted funds from restricted funds to compensate for project funds initially funded by unrestricted funds and to reflect the value of tangible fixed assets which were purchased using restricted funds, but are held for general purpose, in accordance with SORP FRS 102 section 2.26.

A total of £606,000 (2025: £Nil) was transferred to restricted funds from unrestricted funds to provide funding for the Royal Marines Experience Museum.

Consolidation adjustments

The consolidation adjustments eliminate grants made between Group entities.

26. Financial commitments

At 31 March 2026 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2026 £'000	Group 2025 £'000
Within one year	669	651
Between one and five years	2,677	2,603
In over five years	30,254	30,091
	33,600	33,345

27. Capital commitments and contingent liabilities

The Group had capital commitments contracted but not provided for in the financial statements amounting to £11,003,000 (2025: £819,000). There were no contingent liabilities at 31 March 2026 (2025: £Nil).

28. Losses and special payments

Losses statement
The total value of the cases of losses occurring during the financial year was significantly less than £300,000 (2025: Significantly less than £300,000).

Special payments
There were no cases of special payments during the year (2025: No cases).

Notes to the financial statements
for the year ended 31 March 2026

29. Related party transactions

The charitable company is a Non Departmental Public Body, sponsored by the Ministry of Defence (MoD). The MoD is regarded as a related party. Grant in Aid Funding (revenue and capital) and other grants and donations received from the MoD are disclosed in the Statement of Financial Activities and Note 2. During 2025-26, the MoD also provided loan finance of £2m to be used for restricted purposes which is included in current and long-term liabilities.

Subsidiary companies and charities

Company name	Company number	Charity number	% share holding	Description
NMRN Operations	09988314	1169061	N/A	Operating company for the Group
National Museum of the Royal Navy Trading	01261270	-	N/A	Souvenir shops & corporate events
Portsmouth Historic Dockyard Operations Limited	12799836	-	50%	Ticketing company for Portsmouth Historic Dockyard
NMRN Hartlepool	09997836	1165917	N/A	Holds the NMRN Hartlepool lease
The HMS Victory Preservation Company	07935358	1146376	N/A	Holds the ship, HMS *Victory*
HMS Victory Preservation Trust				
The HMS Caroline Preservation Company	08303946	1149930	N/A	Holds the ship, HMS *Caroline*
HMS Caroline Preservation Trust				
The HMS Trincomalee Trust:	02678419	1007784	N/A	Holds the ship, HMS *Trincomalee*
The Foudroyant Trust	00628111	0306082	N/A	Dormant Charity
Warrior Preservation Trust Ltd	00936870	0256756	100%	Holds the ship, HMS *Warrior*
Royal Marines Museum	-	0259422	N/A	Holds the Royal Marines Museum collection
Royal Marines Museum	07635447	1142186	N/A	Dormant Charity
The Royal Navy Submarine Museum Trust	-	1169371	N/A	Holds the Royal Navy Submarine Museum collection
Royal Navy Submarine Museum	07637385	1142123	N/A	Dormant Charity
The Fleet Air Arm Museum	-	0250079	N/A	Holds the Royal Navy Museums: Naval Aviation collection
Fleet Air Arm Museum	07570620	1143023	N/A	Dormant Charity

The registered office of all the subsidiaries is Royal Navy Museums, HM Naval Base PP66, Portsmouth, Hampshire, PO1 3NH.

Each subsidiary is controlled by Royal Navy Museums, as the charitable company either has the right to exercise dominant influence over each corporate subsidiary by virtue of provisions contained in the charitable company's articles, or, in the cases of the unincorporated trusts, as the sole corporate Trustee.

A number of Trustees of the charitable company are also Trustees of the following charities:

Mr Mark Anderson	NMRN Hartlepool, The HMS Trincomalee Trust, The Foudroyant Trust
Mr Andrew Burnett	Warrior Preservation Trust Ltd, The Foudroyant Trust
Mr Philip Dolling	NMRN Hartlepool
Ms Helen Jackson	The HMS Victory Preservation Company
Mrs Mary-Montagu-Scott	The HMS Victory Preservation Company
Rear Adm Jonathan Pentreath	NMRN Operations
Mr Gerad Mark Salzano	Royal Marines Museum
Mr John Michael E Scott	The HMS Caroline Preservation Company
Mrs Alison Start	Royal Marines Museum, Warrior Preservation Trust Ltd
Mr Tom Wright	Warrior Preservation Trust Ltd

The following employees of the charitable company are also Trustees and/or directors of the following companies and charities:

Mr Matthew Sheldon	NMRN Operations, National Museum of the Royal Navy Trading, Portsmouth Historic Dockyard Operations Ltd
Mrs Sarah Dennis	National Museum of the Royal Navy Trading, NMRN Services, Portsmouth Historic Dockyard Operations Ltd

The related parties of the individual museums are disclosed in the accounts of those organisations.

During the year, no Trustees, key managers or other related parties have undertaken any material transactions with the charitable company.

30. Third party funds

The charitable company does not hold funds on Trust on behalf of any third parties. In 2024-25 the charitable company held funds on Trust on behalf of the Mercantile Marine Memorial Trust totaling £356,000. All funds were returned to the Trust during 2025-26.

31. Events after the Balance Sheet date

These accounts have been authorised for issue by the Accounting Officer on the same date as the Comptroller and Auditor General's audit certificate.

32. Analysis of cash and cash equivalents

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Cash at bank and in hand	14,161	11,793	752	1,658

33. Analysis of changes in net debt

Company	At 1 April 2025 £'000	Cash flows £'000	At 31 March 2026 £'000
Long-term borrowings	(488)	(1,853)	(2,341)
Short-term borrowings	(86)	(67)	(153)
Total liabilities	(574)	(1,920)	(2,494)
Cash and cash equivalents	1,658	(906)	752
Total net debt	1,084	(2,826)	(1,742)

Group	At 1 April 2025 £'000	Cash flows £'000	At 31 March 2026 £'000
Long-term borrowings	(488)	(1,853)	(2,341)
Short-term borrowings	(86)	(67)	(153)
Total liabilities	(574)	(1,920)	(2,494)
Cash and cash equivalents	11,793	2,368	14,161
Total net debt	11,219	448	11,667

Notes to the financial statements
for the year ended 31 March 2026

34. Statement of financial activities (Company only, including the Royal Naval Museum and HMS M33 Trust as linked charities) for the year ended 31 March 2026

	Notes	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2026 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Linked charities £'000	2025 Total £'000
Income from:									
Donations and legacies									
Grant in Aid (revenue)		4,116	-	-	4,116	3,995	-	-	3,995
Grant in Aid (capital)		-	153	-	153	-	149	-	149
Donations	2	-	2,000	10	2,010	4	265	3	272
Investments		6	-	-	6	8	-	-	8
Other		1	-	-	1	8	-	-	8
Total income		4,123	2,153	10	6,286	4,015	414	3	4,432
Expenditure on:									
Charitable activities	7/8	629	11	-	640	576	19	3	598
Grant funding	7/8	3,494	2,000	-	5,494	3,439	1,238	-	4,677
Total expenditure		4,123	2,011	-	6,134	4,015	1,257	3	5,275
Net income/(expenditure)		-	142	10	152	-	(843)	-	(843)
Transfer between funds		-	(27)	27	-	-	(47)	47	-
Net movement in funds		-	115	37	152	-	(890)	47	(843)
Reconciliation of funds:									
Total funds brought forward		5	(261)	6,673	6,417	5	629	6,626	7,260
Total funds carried forward		5	(146)	6,710	6,569	5	(261)	6,673	6,417

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