

**Charity number: 266563**

**Royal Naval Museum**  
**Trustees' report and financial statements**  
**for the year ended 31 March 2009**



## Royal Naval Museum

### Contents

	<b>Page</b>
Trustees' report	1 - 11
Remuneration report	12 - 14
Statement of Board of Trustee's and Director's responsibilities	15
Statement on Internal Control	16- 17
Auditors' report	18 -19
Statement of financial activities	20 - 21
Balance sheet – Consolidated	22
Balance sheet – Charity only	23
Cashflow statement	24
Notes to the financial statements	25 - 43



## **Royal Naval Museum**

### **ANNUAL REPORT TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Address of the charity	Royal Naval Museum HM Naval Base (PP66) Portsmouth Hampshire PO1 3NH
Charity number	266563
Accountants	Compass Accountants Limited Venture House The Tanneries East Street Titchfield Hampshire PO14 4AR
Auditors	Comptroller & Auditor General National Audit Office 151 Buckingham Palace Road Victoria London SW1W 9SS
Bankers	National Westminster Plc 130 Commercial Road Portsmouth Hampshire PO1 1ES
Investment Portfolio	Brown Shipley & Co Ltd Founders Court Lothbury London EC2R 7HE
Solicitors	Blake Laphorn Harbour Court Compass Road North Harbour Portsmouth PO6 4ST

## Royal Naval Museum

### Trustees

A Board of Trustees under the chairmanship of Admiral Sir Peter Abbott GBE KCB governs the Royal Naval Museum. The Museum is a registered charity within the meaning of the Charities Act 2006, which places on Trustees the responsibility for the effective and economical management of the Trust and the stewardship and care of the collections.

Trustees are appointed to the Board in strict accordance with the guidance laid down by the Office of the Commissioner for Public Appointments. This procedure includes the obtaining of nominations from a variety of sources, including advertising and liaison with the Public Appointments Unit, the vetting of nominations by a panel normally comprising the Chairman of Trustees, a senior civil servant from the sponsoring Department (MoD) and an independent member. A panel of the Trustee body normally interviews prospective Trustees. The sponsor branch for the Naval Museums, CNS-Heritage is closely involved in all stages of the selection process. Other than those appointed as ex-officio members of the Board, Trustees are normally appointed for a period of five years. Trustees, at the discretion of the Board, and in consultation with the MoD sponsor, however may be reappointed for a second and final five-year term.

The following people served as the Museum's Trustees during 2008-09:

#### Chairman

Admiral Sir Peter Abbott GBE KCB

#### Ex-officio Trustees

*Naval Secretary*  
Rear Admiral Charles Montgomery  
*Naval Base Commander*  
Commodore D Steele RN  
Commodore Rob Thompson RN (from 14.01.09)

#### Representative Trustees

*The Society for Nautical Research*  
Professor R Harding  
*City Council of Portsmouth*  
Mr S Baily (from 30.10.08)  
*National Maritime Museum*  
Dr R Blyth  
*Society of Friends of the Royal Naval Museum*  
Rear Admiral R Irwin CB  
Commodore P Wykeham-Martin (from 14.01.09)

## Royal Naval Museum

Other Trustees	Captain W Alexander RN Miss A Dixon (from 11.07.08) Mr M Gambazzi Miss V Hardman Brigadier S P Hill OBE (stood down 11.04.08) Captain P G Hore RN (stood down 11.04.08) Mr B Miller Commodore T Morton RN Mr Clive Richards OBE (stood down 11.07.08) Mr K Robinson Mrs J B Royle (stood down 11.04.08) Mr C M Wilson (stood down 11.04.09)
Director and Accounting Officer	Dr C S White (until 25.12.08) Mr G Dobbin (from 21.01.09)

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### History

The consolidated accounts for the Royal Naval Museum, Portsmouth are presented for the financial year ended 31 March 2009. The Group comprises the main charity and its subsidiary undertakings, the Royal Naval Museum Trading Company Limited and RNM Functions Limited. These accounts, which also incorporate the results of the Museum's interest in Flagship Portsmouth Trust, the site services management company for the Historic Dockyard, are prepared in accordance with a direction given by the Secretary of State for Defence under Section 30(3) of the National Heritage Act 1983 and law applicable to charities in England and Wales and the Statement of Recommended Practice: Accounting for Charities issued in 2005.

The Royal Naval Museum, Portsmouth is a charity registered with the Charity Commission (reference no. 266563). The governing document of the body is the Trust Deed of 4 October 1973 as varied by schemes of the Commissioners of 8 December 1987 and 4 July 1996, varied by order of 31 July 2002, by resolutions 18 October 2002, 23 March 2004, 2 July 2004 and 17 July 2006; the Museum's Trustees are incorporated as a body.

The Royal Naval Museum Portsmouth has its origins in the Dockyard Museum founded in 1911, which was later subsumed within the Victory Museum when that opened in 1938 under the auspices of the Society for Nautical Research. In 1972, on the occasion of the gift of a collection of Nelson memorabilia to the Royal Navy, for display on the ground floor of No. 11 Storehouse, one of three distinguished Georgian structures built between 1760 and 1790, the collections came under the administrative ownership of the Ministry of Defence (Navy) and the new establishment became known as the Portsmouth Royal Naval Museum. Between 1972 and 1985, the Portsmouth Royal Naval Museum was an integral part of the Ministry of Defence (MoD), and the small number of permanent staff were employed under terms of engagement identical to those of civil servants employed elsewhere in the Dockyard. In 1985, under the terms of the National Heritage Act 1983, the Museum was devolved from the MoD to become an Executive Non-Departmental Public Body, supported by a Grant-in-Aid, originally calculated to reflect the level of financial support and general assistance formerly provided by the Department. At this juncture, the name was changed again to become the Royal Naval Museum, Portsmouth.

## **Royal Naval Museum**

### **Organisational structure**

The Board of Trustees which meets three times a year governs the Museum. There are five Trustee working parties in existence:

- Curatorial and Interpretation
- Development
- Finance and Personnel
- Income
- National Museum of the Royal Navy

As their titles suggest, they each have certain areas of responsibility devolved to them – these bodies usually meet in advance of Trustee meetings and will report to the full board with specific proposals for endorsement.

Following the untimely death of the Director, Dr Colin White, on Christmas Day 2008, Trustees took the view that given developments surrounding the National Museum of the Royal Navy (referred to elsewhere) it would be inappropriate to recruit a replacement director and therefore confirmed the Head of Internal Resources as Acting Director until integration with the National Museum is completed. The day to day management of the Museum is therefore currently headed by the Acting Director (Chief Executive) who also acts as Head of Internal Resources and supported by the Senior Management Group (Head of External Affairs, Head of Research Collections and Head of Gallery Operations and Functions) who follow a collegiate method of management.

Trustees are responsible for a wide body of matters, such as endorsing the annual budgets, agreeing the annual accounts, endorsing the variety of Museum policies such as the collecting policy, the disaster plan and the H & S policy which are in existence and reviewing matters contained within these policies at least on an annual basis, endorsing the long- term developmental plans for the Museum and setting the policy for the museum's relationships with external bodies such as the other three naval museums, Portsmouth Historic Dockyard Limited and the National Museum of the Royal Navy. Once Trustees have reached a decision on such issues, management is then delegated to the Museum staff who will act on these instructions and will continually report back to Trustees on developments – if a significant change is required to what Trustees have agreed these will be returned to the full board for further discussion and endorsement.

### **Trustee induction and training procedures**

A formal induction process for Trustees has now been introduced which combines a large pack of background reading material including items such as the Trust Deed, copies of minutes of recent meetings, a copy of the Charity Commission publication "The Essential Trustee": what you need to know", a copy of the Museum's corporate plan and a copy of the Museum Association publication "Code of Ethics for Trustees" with a day visit to the Museum to meet key members of staff and to discuss current issues. Recent appointees have confirmed their satisfaction with this process.

### **Related Parties**

The related parties of the Royal Naval Museum are disclosed in notes 4 and 25 to the accounts.

## **Royal Naval Museum**

### **OBJECTIVES AND ACTIVITIES**

Following a strategic review involving Trustees and all staff, the Museum's Mission was redefined succinctly as: *To make accessible to all the story of the Royal Navy and its people from earliest times to the present.*

In pursuit of this Mission, the Aims of the Museum are to provide an effective and accessible repository both now and in the future for the heritage of the Royal Navy and to raise public awareness of the history of the Service, whilst encouraging scholarship and research into naval history. These aims have been defined as relating primarily to the surface ships and personnel of the Royal Navy, although the Museum also provides overall coverage of the Navy's story – and works closely with the three 'branch' naval museums to promote a unified approach to naval history. So, for example, in 2007/8, the four naval museums collaborated in a major joint special exhibition to commemorate the 25<sup>th</sup> anniversary of the Falklands war (see 'Exhibitions' below) and they also worked closely together on the *Sea Your History* project.

In July 2007, the Trustees and staff together formulated and agreed a Five Year Plan for the Museum, which outlines in detail the activities that will be undertaken in order to achieve these aims. This plan will be reviewed and updated annually.

### **ACHIEVEMENT AND PERFORMANCE**

#### **Visitors**

The new counting system established last year, which enables an accurate total of visitors to be derived from the visits made to each of the Museum's buildings, is now working well. The total number of visitors to the Museum in 2008/9 was 182,635 (185,000, 2007/8) and initial figures for the current Financial Year (2009/10) indicate that despite earlier pessimism visitor numbers remain in line with 2008/09 and marginally increased for the peak periods such as Easter and Spring school holidays.

#### **Curatorial Department 2008-2009**

The routine work of the department giving talks, receiving visiting groups, research and collection management has continued as usual. Particular developments of note have been:

#### **Exhibitions and Projects:**

The Interpretation Team prepared a Design Brief for the new 20<sup>th</sup> Century Wing which will form part of the Museum's Centenary Project, October 2008. Further progress on this awaits HLF and Trustees' decisions on capital development. (Page 7 – "the Centenary Project" – provides more detail.)

The new special exhibition 'Sea Your History: 20<sup>th</sup> Century Navy' opened to the public in the Museum's Lewin Gallery on 26<sup>th</sup> April 2008, with the official opening by HRH the Princess Royal on 21<sup>st</sup> May.

The remaining part of the Lewin Gallery benefitted from a redesign by Defence Public Relations (Navy) of the Modern Navy display which opened to the public on April 9<sup>th</sup> 2009.

The special exhibition in the Victory Gallery 'Chasing Freedom: the Royal Navy and the suppression of the Trans-Atlantic slave trade' has been permanent. New text panels reflecting a re-configuration are about to be installed.

## Royal Naval Museum

The digitisation and web project 'Sea Your History' was formally completed at the end of November 2008. The project benefitted from £664,000 of HLF funding between 2006 and 2009 and has helped in completion of a new website [www.seayourhistory.org.uk](http://www.seayourhistory.org.uk) which has welcomed just under 200,000 visitors who have viewed nearly 1,000,000 pages. In addition it has:

- provided access to collections catalogues through [www.royalnavalmuseum.org](http://www.royalnavalmuseum.org),
- funded 4 new oral history recording projects
- funded 3 learning projects. In 2008 this included work with the Friday Club in production of the 'Senior Service' magazine and with MAST on a travelling exhibition.
- increased volunteer engagement, with 54 individual volunteers provided 442.7 days of effort

Between October 2008 and March 2009 the curatorial department gave advice to staff from HMS Raleigh wishing to set up a Heritage Centre to train all new naval entrants in naval history and ethos. The Centre is scheduled to open in December 2009

### Collections and Access:

Public access has been increased through the provision of collection catalogues on line. The catalogue of the manuscript collections held at the Museum went live in September 2007, but for first time access is now available through the Museum's website also to:

- The oral history collection
- Photographic records – including the Wright and Logan collection
- Selected records from the Art Collection
- Manuscripts and photographs from the Women's Royal Naval Service collection

Preparatory work has been completed on c.18,000 ACCESS database catalogue records for conversion to CALM. These records cover the artefacts from the WRNS collection and the general artefacts collections. This will complete the process of conversion begun c.5 years ago and will mean all Museum collections are now held on a single relational database.

### Volunteers

The volunteer scheme, established last year in collaboration with the Friends of the Museum, has bedded down well. 15 volunteers worked regularly with Museum staff on specific projects, while a further 25 – 30 were on call for events and one-off tasks. Furthermore, the Museum's 1911 steam pinnace was run entirely from a pool of twenty-four volunteers.

### Learning & Audience Development 2008-2009

Over the last year, the number of formal learning workshops delivered to schools was 110. This is a drop compared to 2007/8 (203 workshops) but considering that the 2007/8 figure included African Legacy Week (125 workshops), and that World Discovery Week (125 workshops planned) was cancelled, the deficit was not as big as predicted.

Other achievements include:

- ✓ 3,300 pupils participated in the formal workshops taking the total since 2005 to 13,000
- ✓ 405 children took part in the Sea Your World Early Years Week activities
- ✓ 2,500 participants took part in Informal Learning Activities taking the total since 2005 to 13,000
- ✓ Holiday Activities attracted 1315 participants

## Royal Naval Museum

In addition, 8 new trails linked to the National Curriculum have been produced for key stages 1 to 3 to enhance gallery-based Discovery Visits. A Teachers Pack to accompany the *Chasing Freedom* exhibition with a short film produced by DPR(N) has also been written and will be sent out to schools in the Summer Term. The Learning Manager has also supplied materials, and helped produce lesson plans for the MoD-funded *Defence Dynamics* website for schools.

In winter 2008/9 the Learning Manager secured funding from the Museums Libraries and Archives Council (Strategic Commissioning) for a work-related learning diploma project with Felpham Community College. This project was delivered by HMS Victory's Learning Officer, Claire Jordan and Victoria Ingles from the Curatorial Department.

Links with universities and colleges continue, with the Learning Manager delivering sessions to Portsmouth University (Initial Teacher Training course) and Chichester University (MA in Tourism Interpretation course as well as Initial Teacher Training depts). The Learning Manager also delivered a paper on the Chasing Freedom project for the *1807 Commemorated Conference* at York University and managed a MLA Strategic Commissioning-funded Initial Teacher Training project.

Activities for adult and community learners include 8 outreach lectures to local history societies and libraries, 4 Object-handling sessions for Black History Month and the International Day for the Remembrance of the Slave trade as well as *behind the scenes* sessions for community groups.

The department also ran the *Sea your History Community Curators* project and Veterans Day event in conjunction with the Curatorial Department. It continues to run sessions with the African Women's Forum, Friday Club, MAST and Friendship House community groups.

## Conferences and lectures

Museum's Month in May was marked by the latest in a series of in-gallery talks given by naval veterans that the Museum has run successfully for a number of years. 'From Teletype to Satellite', 'Plotting the Future', and 'Valves, Spanners and Ladies Tights' picked up on themes in the new *Sea Your History* exhibition. In July, the Museum hosted a one-day conference in honour of the late Naval historian Tom Pocock. Members of staff gave a number of lectures and hosted visits from organisations such as the University of the Third Age.

## The Centenary Project

Plans to progress the Centenary Project received two potential setbacks in the year. First, in September, the project failed to get the backing of the Heritage Lottery Fund. It was made clear, however, that this was due, largely, to pressure on funding, rather than any weakness in the project, and the Museum was therefore encouraged to submit a revised bid, which was done in February 2009. This bid focused on the exhibition element of the project, under which the space devoted to the 20th Century Navy will be increased fivefold. The revised project cost is £4.58 million. Clearly, the illness and tragic death of the Director also had an impact on the momentum of the project. But if anything, this untimely event has strengthened the Museum's determination to deliver the new exhibitions, as evidenced by the re-submission of the HLF bid and the fact that, by the end of the year, some £500,000 had been raised or pledged towards the project, including the first donation from the newly-formed American Friends of the Royal Naval Museum. Given the slippage in the timetable, it is considered that a new name should be found for the project and this is under consideration.

Disappointingly, the Museum found out in May 2009 that it had not been successful with this second application to HLF and Trustees will be discussing the way forward when they meet in July.

## Royal Naval Museum

### National Museum of the Royal Navy

The National Museum of the Royal Navy legally came into being on 14 October 2008, and its first Director General (Dr Dominic Tweddle) took up post on 5<sup>th</sup> January 2009. The work plan for the NMRN envisaged the creation of a strategic plan together with a business plan in the first half of 2009. This would allow the four constituent Service museums to take their individual decisions whether or not to join the new structure towards the end of 2009. The shape of the NMRN would thus be set by early 2010, thereby meeting the head mark set by the Naval Heritage Strategy. This work plan envisaged that whatever the final structure decided upon, it would allow the individual museums to be part of the NMRN while still retaining their individual identities.

The tragic death of Dr Colin White, Director of the RNM, impacted on this work plan and in January 2009 Trustees of the RNM decided not to immediately advertise for a successor, instead appointing Mr. Graham Dobbin as Acting Director. At the same time they asked Dr. Tweddle, to report to them with the brief:

*“To consider the most effective way forward for the RNM to achieve its declared objectives and evaluate the development and ongoing needs of the RNM, consulting with the Acting Director, management team, Trustees and others as deemed appropriate and to report to the RNM Trustees in April 2009.”*

The Trustees' NMRN Working Party met on 3 April 2009 and considered the Report prepared by Dr Tweddle, Captain John Rees and Mr Graham Dobbin. The working party recommended to the full Board of Trustees that the best option for the Royal Naval Museum at this time is integration with the National Museum of the Royal Navy and that this should be achieved as quickly as possible. The recommendation was further endorsed by the Trustees Finance and personnel Working Party.

When the full Board of Trustees met on 10 April 2009, they discussed and reviewed the papers prepared by Dr Tweddle and the recommendations coming from the two Working Parties described above.

After full discussion, Trustees endorsed the recommendation that integration with the NMRN was the best option for the Royal Naval Museum at this time and that this should be achieved as quickly as possible although subject to the usual Due Diligence exercise. The agreed route for this was “Dissolution and Transfer”. Dr Tweddle and Mr Dobbin were asked to report back to the July meeting of Trustees with a clear timetable detailing how this could be achieved – no deadline was placed on the dissolution but it was hoped that this could be achieved by 31 March 2010 at the latest.

As a result these are the final accounts that will be presented to Parliament. It is anticipated that the 2009-10 financial results of the Museum will be reported in the accounts of the NMRN, and that the closing net assets at 31 March 2009 will be included within the opening balance sheet for the NMRN.

