

Annual Report and Accounts For the year ended 31 March 2025

Charity Number: SC011130

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TRUSTEES' ANNUAL REPORT

1. Our objectives and activities

Summary

National Museums Scotland is one of the leading museum groups in Europe. Our activities in 2024/25 focused on working towards the strategic aims set out in our Strategic Plan 2022-27 – Inspiring People: Addressing the challenges of our age.

Specific achievements and details of performance against our strategic aims are included at section 2 of this report, with the following being a brief summary of the key highlights.

Our audiences will be more diverse, and more people will connect with our collections and their stories.

- We welcomed over 3.2 million visitors to our museums, an increase of 0.1 million from the previous year, with the National Museum of Scotland once again the most visited tourist attraction in Scotland and the most visited museum in the UK outside London
- Our website was relaunched to be more user-oriented and accessible with a lower carbon footprint
- Our schools' programme reached 60,000 pupils from diverse communities across all 32 Local Authorities in Scotland with a focus on schools in areas of multiple deprivation
- Our outreach programme encouraged diverse communities to engage with the National Collection

We will be recognised as the world leader and preferred national partner for the interpretation of and engagement with Scotland's material heritage.

- We continued to enhance our collections, acquiring significant objects that help us to tell Scotland's stories through the world's most significant collection of Scottish artefacts
- We collaborated with 63 organisations on loans of objects from our collection in 21 different local authorities in Scotland and in institutions throughout the world with recent international loans to Venice, Madrid and Paris

We will be well advanced on the path to a carbon neutral footprint and a respected resource for understanding climate and biodiversity challenges.

- We developed a Climate Change Risk Register and Adaptation Plan 2025-2030 to better understand climatic changes in Scotland and their potential to affect our operations
- Our public programmes included content focused on sustainability, including exhibition *Wildlife Photographer of the Year* and *Rising Tide: Art and Environment in Oceania* in the early part of the year

The unique potential of our collections, expertise and programmes will be shared and valued internationally.

- Our touring exhibitions reached new international audiences with *Audubon's Birds of America* opening in the USA, *Treasures of the Viking-Age: The Galloway Hoard* opening in Australia and *Monkeys! A Primate Story* ending its international tour in Finland.
- Every curatorial department was involved in international collaborative work with other museums or museum professionals

We will be financially secure, supported by diverse income streams and confident in continuing to invest in our people, places and collection.

- Our commercial income grew and will continue to support our activities in 2025/26
- We invested in new air source heat pumps to make the National Museum of Flight fully heated and powered by renewable energy sources

While we are proud of these successes, the financial climate in which we are operating remains one of the toughest the culture and heritage sector has faced, leading to significant concerns for the future. We are operating under continued financial uncertainty, our revenue Grant-in-Aid was cut by £220k in cash terms in 2024/25 and this resulted in a £1.4m real terms cut when Scottish Government-agreed pay awards are taken into account. As a result, the services we offer were reduced, a recruitment freeze was put in place, expenditure budgets were cut and in we undertook a Voluntary Exit scheme

to reduce our staffing costs. As we look towards 2025/26, we see further uncertainty over our ability to meet cost rises which are outwith our control. In order to provide the level of services our visitors and stakeholders expect we will continue to seek a level of funding from Scottish Government adequate for the needs of a National Institution.

Once again, the Trustees would like to record their thanks to our staff, volunteers and supporters, without whom we could not achieve all that we do.

Public Benefit

National Museums Scotland is a unique combination of world-class collections, programmes, places and people. Our multi-disciplinary collection is an important resource, historically, culturally and scientifically, which we seek to share as widely as possible through our mission to preserve, interpret and make accessible for all, the past and present of Scotland, other nations and cultures, and the natural world.

We care for internationally significant collections of natural sciences, decorative arts, design and fashion, world cultures, science and technology, and Scottish history and archaeology. These collections span thousands of years and we use them to engage the public in exploring and celebrating the world through our displays and exhibitions, our online presence, national and international engagement programmes, schools' programmes and resources.

We make the collections available and promote public awareness through our four museums: the National Museum of Scotland in Edinburgh, the National War Museum within Edinburgh Castle, the National Museum of Flight in East Lothian and the National Museum of Rural Life near East Kilbride.

The National Museum of Scotland's galleries are available online via Google Arts and Culture's Museum View experience with users able to move through the permanent galleries at the click of a button, viewing around 20,000 objects on display. We make some of the most significant objects in our collections available digitally via our website, with over 840,000 objects accessible at 31 March 2025.

We reach out across Scotland, the rest of the UK and internationally in many ways. Loans and touring exhibitions help ensure our collections reach as many people as possible. We work closely with other Scottish museums on partnership projects that can raise their profile and enable wider public access to the collections, and offer advice and support to museums across Scotland, enhancing and developing collections expertise through training, targeted projects and partnerships. Our work has an impact across the world. Our international programme and partnerships aim to widen engagement and knowledge of the national collection.

The National Museums Collection Centre in Granton, north Edinburgh is our international hub for collections research, access and storage. It is the home of our conservation studios and a centre of expertise, providing a platform for cutting-edge research and innovation, interdisciplinary study, specialist training and advanced teaching. It provides vital support for our national and international activities.

As one of the leading museum groups in Europe, the cultural, social, educational and economic impact of our work is wide-reaching. We are proud of our contribution to the creation and promotion of world-class culture in Scotland which makes it a more attractive place to live and work and brings pleasure to residents and visitors.

Status

We are a Scottish Charity and a Non-Departmental Public Body (NDPB) sponsored and supported through Grant-in-Aid by the Scottish Government, governed by an independent Board of Trustees. The principal functions of the organisation are set out in Section 2(1) of the National Heritage (Scotland) Act 1985, being to:

- a) Care for, preserve and add to the objects in our collections
- b) Secure that the objects are exhibited to and interpreted for the public
- c) Secure that the objects are available to persons seeking to inspect them in connection with study or research
- d) Generally promote the public's awareness, appreciation and understanding of matters agricultural, archaeological, architectural, artistic, cultural, environmental, historical, industrial,

- military, scientific and social, both by means of the collections and by such other means, including collaboration with other institutions, as we consider appropriate
- e) Provide education, instruction and advice, and carry out research.

National Museums Scotland wholly owns a limited company, NMS Enterprises Limited, the aims of which are to:

- Manage commercial facility hire and catering activities
- Operate the shops in our museums
- Develop commercially our intellectual property.

All profits are distributed to National Museums Scotland. The activities of National Museums Scotland and NMS Enterprises are consolidated in the accounting statements and together are referred to as the Group.

2. Achievement and performance

The National Museum of Scotland retained its title as the most visited museum in the UK outside of London and the most popular visitor attraction in Scotland. It is 28th in the Art Newspaper listing of the 100 most popular museums and galleries in the world. We continued to connect with our audiences through digital engagement and launched a new website in August 2024. Our collections continued to grow and we acquired objects that will enhance our programmes long into the future. We benefited from the continued support of the Scottish Government, and from our Members, Patrons and other funding partners. Our commercial income grew strongly and will continue to support our activities in 2025/26.

Performance and Exhibitions

In total in the year to 31 March 2025, we welcomed 3,220,496 visitors (prior year: 3,127,600) across our sites, 8% above forecast and 3% up on the prior year.

We held a number of programmed exhibitions during the year. At the National Museum of Scotland:

- *Rising Tide: Art and Environment in Oceania* (12 August 2023 – 14 April 2024) explored the impact of rising sea levels and plastic waste in Australia and the Pacific Islands.
- *Theravāda Buddhism* (16 September 2023 – 9 March 2025) charted the history and influence of the Theravāda Buddhist tradition across the world, including its role in Scotland today.
- *Wildlife Photographer of the Year* (20 January – 6 May 2024), a world-renowned exhibition on loan from the Natural History Museum in London, showed exceptional images which capture fascinating animal behaviour, spectacular species and the breathtaking diversity of the natural world.
- *Game On* (29 June – 3 November 2024), conceived and curated by Barbican Immersive, the exhibition examined the history and culture of video games.
- *Cold War Scotland* (13 July 2024 – 4 January 2026), explores Scotland's critical position on the frontline of the Cold War and tells the stories of the Scots at the centre of this global conflict.
- *Injecting Hope: The Race for a COVID-19 Vaccine* (25 January – 27 April 2025), a free exhibition that presented the science behind the COVID-19 vaccine.

At the National War Museum:

- *Maps: Memories from the Second World War* (9 March 2024 – 25 January 2026) charts the creation and use of maps during the Second World War through personal stories, photography and memorabilia.

Our exhibition touring programme continued throughout the year. *Audubon Birds of America* toured to Museum of Fine Arts St Petersburg, Florida, USA between 12 October 2024 and 16 February 2025 before moving to Houston Museum of Natural Science, Texas, USA between 8 March and 1 September 2025. *Treasures of the Viking-Age: The Galloway Hoard* toured to South Australian Museum, Adelaide, Australia between 8 February and 27 July 2025.

Digital Performance

This period saw significant renewal across our digital channels, while continuing with core work – cultivating museum visits, supporting the public programme, creating digital content that engages online audiences with the breadth and depth of the organisation's collections, and communicating key messages to online audiences and supporting the work of teams across the organisation.

- On 12 August 2024, a fully redeveloped nms.ac.uk was launched. Built on a new Content Management System, the new website features improved, user-friendly architecture, a refreshed design system and digital brand expression, improved accessibility, and fully audited and enhanced content.
- The redeveloped website includes modern images and lighter page weights with improved navigation which all helped to deliver significant website carbon reduction, decreasing the carbon footprint of website pageviews by 73%
- The website was visited over 3m times in 2024/25, achieving over 5.9m views. We engaged non-UK audiences located in North America, Europe, Australia and India.
- Social media continued to be an important communication tool for the organisation, with our audiences growing by 14% year-on-year, reaching a combined follower count of 214,000 across the main platforms (Facebook, Instagram, and LinkedIn)
- Across our managed social channels, we achieved 17,349,630 impressions throughout 2024/25, and within this volume, we garnered 4,758,886 video views cross-channel - a 250% increase year on year.

Nationally

In 2024/25, our National Programme activity, extending to all 32 local authority areas in Scotland, included the following:

- 2,509 objects from the national collection were on loan to 63 organisations across 21 Local Authority areas in Scotland.
- 355 learning experiences delivered in 17 National Training Programme events to staff and volunteers from 92 museums in 29 local authority areas in Scotland.
- The project *Reveal and Connect: African and Caribbean Collections in Scottish Museums* published a national review of African and Caribbean collections which identified over 24,000 objects from at least 70 countries in the collections of 32 museum partners across Scotland. The project established a network of interests to encourage engagement with these collections.
- Over 70 partners and 125 public events featured in *Maths Week Scotland 2024* with over £45,000 in grants to support projects, events and resources across the country. The programme reached 106,378 pupils from 590 schools in every local authority in Scotland.
- 58 grants worth £187,702 were made from the National Fund for Acquisitions, supporting acquisitions worth £451,700 and helping to develop and enhance 25 museum collections across Scotland.

Significant Acquisitions and Disposals

We continued to enhance our collections throughout the year. A number of significant acquisitions were made, supported by Scottish Government, Art Fund, NMS Charitable Trust and private donors. Highlights include:

- The *Peebles Hoard*, a group of items of historical importance, which contains internationally significant bronze and organic materials that will re-shape how we understand Bronze Age communities in the Scottish Borders and their international connections.
- *Standing Stone, Gumbi Gumbi, Stone Tool*, a mixed media piece by Judy Watson. The canvas explores connections of significance between Watson's Waanyi (Indigenous Australian) heritage on her mother's side and her Scottish, English and Irish ancestry on her father's side and aligns with our work to reflect Scotland's natural and cultural heritage in its international context, including post-colonial independence and national identity.
- A collection of *Traprain Reproduction Silver*, comprising almost the full range of pieces known to have been made by Brook & Son between 1920 and 1940 as well as others previously unrecorded in the literature. The collection provides invaluable insights into early 20th century Scottish silverworking practices and social customs and was supported by the Row Fogo Charitable Trust.

There were no significant disposals from the collection during the year.

Learning and Programmes

Learning and Engagement activity reached 206,000 visitors and participants through in person and online engagement programmes, across sites and in communities, each connecting to our exhibition themes, strategic aims and community engagement within research projects.

Partnership remains a key strength and includes continuing relationships with *Imagine* for Edinburgh International Children's festival and with Edinburgh Science, with the National Museum of Scotland a key host for *Edinburgh Science Festival* and *Careers Hive*. We forged a new relationship with Scottish Government's Domestic Climate Change Division securing a Climate Engagement Fund grant to deliver the *Climate Change for All* project. This comprised two public programmes: *Sewing Hope* and *Agency for World Change Agreements* focusing on new methods of public engagement on climate emergency themes and promotion of positive action.

Game On exhibition programming included a range of activities for children and families, in the National Museum of Scotland as well as several community-focused partner projects. We partnered with Royal National Institute for the Blind Scotland and Triple Tap Tech exploring accessible technology and with Hyper Luminal Games and Rebellion Games delivering a panel discussion on accessible gaming. Young people from ScoreScotland took part in a workshop facilitated by the Tinderbox Collective. *Game On: Night Mode* offered access after-hours to delve deeper into the stories behind the games through mini-curator tours and conversations with the indie developers behind some of the Scottish games on display. And *Museum Late: Game On* engaged over 1,000 people enjoying live music, expert talks, drop-in educational activities, vintage consoles, a silent disco and more.

Scottish themes featured across the year including programmes for families such as Gaelic Week, *Gaelic Footprints* partnership with Capital Gaelic and National Library of Scotland, a spotlight talk on the Galloway Hoard, spotlight talk and curator tours for *Cold War Scotland*, and a sensory tour across the Scotland galleries designed by dance artist Aleena Ageeva, as part of Scottish History and Archaeology week and the UK Arts History Festival.

Other larger events included our winter Ceilidh, Scottish Ensemble's Concert for a Summer's Night and the UK premiere of *Faovale Imperium*, a performance featuring history and Pacific poetry which was also part of Edinburgh Art Festival.

At the National Museum of Rural Life, programmes with sustainability themes were popular, including *Woolly Weekend*, *Spring Explorers*, *Tractor Tots*, *Moofest*, Nature Track Packs and eco workshops, alongside sold-out schools' workshops. Programmes at the National Museum of Flight were similarly sustainability-themed with Edinburgh Science Festival satellite programming, *Awesome Bricks*, *Insect Week*, trails and a schools focused partnership with the Royal Air Force. A new family-focused event at National Museum of Flight launched this year: *360 Fest* included stunt shows, STEM science sessions, pedal powered activities, bike parkour, the Extreme Mountain Bike Show and circular circus workshops from Think Circus.

Schools' engagement reached 60,000 pupils from across all 32 local authorities, with a focus on schools in areas of multiple deprivation. We continued to grow engagement with the Scottish Government funded schools' partnership project, *Maths Week Scotland*. Edinburgh Fine Art Society supported *Discover the Museum* which brought 500 primary age children from schools in areas of multiple deprivation to the National Museum of Scotland.

Equality Diversity and Inclusion programmes included *Winter Wellbeing*, *Relaxed Mornings*, *Friday Friends*, a range of exhibition access events, community bespoke tours, and Museum Socials for people living with dementia and their families.

Fundraising and income generation

During the year to 31 March 2025, individuals, grant makers and businesses continued to generously support our work, providing essential funding to both high-profile projects and our day-to-day activities. Notable projects supported during the year included:

- Conservation of the Peebles Hoard: gifts made by many generous donors will help to preserve the organic material that has survived, as well as undertaking essential analyses that will shape how we understand the Hoard, contributing to our understanding of Bronze Age communities in the Scottish Borders and their international connections.
- Baillie Gifford supported a broad programme of research, conservation and care of our collections at the National Museums Collection Centre.
- Edinburgh Decorative and Fine Arts Society supported our popular *Discover the Museum* project to engage school communities who have not visited the National Museum of Scotland for several years. For many pupils this is the first time that they have visited the Museum.
- Edinburgh Airport Community Fund funded a cargo bike allowing us to take museum experiences into communities across Edinburgh in a sustainable way. The bike will be ready in summer 2025.
- Scottish Government Climate Action Fund supported our *Climate Change for All Project*. This project included hundreds of people creating quilt squares sharing their hopes for the future around climate change and supported seven Scottish museums (1000+ people) to make their own quilts.
- The Negaunee Foundation (through the American Foundation for National Museums Scotland) funded a new biobank curator post, to accelerate and develop our Biobank work, supporting global understanding of biodiversity.
- Leslie B. Durst and The Clothworkers' Company continued their generous support of our Textile Conservation Internship programme, helping us to safeguard the future of textile conservation as a profession and preserve Scotland's irreplaceable textile heritage.
- Bord Na Gaidhlig supported the *Tha sgeul ri innse: there's a story for the telling* project, to review key objects in our collection from the Gàidhealtach to ensure that Gaelic knowledge and language is reintegrated into our records and ensure that our collections are representative of Gaelic culture and communities.

Thanks to the Players of the People's Postcode Lottery, National Museums Scotland received a grant of £800,000. This grant supported family activities at the National Museum of Scotland, the National Museum of Flight and the National Museum of Rural Life including Woolly Weekend and MooFest which attracted thousands of visitors; relaxed mornings at National Museum of Flight and National Museum of Rural Life; and the popular *Wildlife Photographer of the Year* exhibition, visited by 37,608 people.

The collective generosity of Patrons, Members and Corporate Members; National Museums Scotland Charitable Trust and the American Foundation for National Museums Scotland continues to support

the breadth of National Museums Scotland's work through unrestricted gifts and grants. We have also received support from generous individuals through gifts in wills, including support for the National Museum of Flight.

Our Team

Voluntary Exit

During the year we implemented a Voluntary Exit Scheme to reduce our staffing costs and nine employees left National Museums Scotland on 31 October 2024. Further details are provided in the Remuneration and Staff Report on pages 22 – 26.

Health and Safety

We recorded 79 Health and Safety incidents in the year, down from 87 in the previous year with the total number remaining considerably below pre-Covid levels. Of the 79 incidents, 74 (84 in 2023-24) were classed as minor, 4 (2 in 2023-24) were classed as major not requiring notification and 1 (1 in 2023-24) was notified to the Health & Safety Executive.

Volunteers

We engaged 160 (167 in 2023-24) regular volunteers over the year at four of our five sites. In addition 60 one-time volunteers helped facilitate events for families and adults. Volunteers have enhanced the visitor experience, upgraded the physical storage of our collections, made cataloguing more accurate, digitised records and texts, made our library more accessible and helped deliver aspects of our learning and engagement programme. Regular volunteers contributed approximately 25,000 hours of their time (10,000 in 2023-24) equivalent to approximately 14 full-time staff (5.5 in 2023-24) which represents a return to pre-pandemic levels for the first time since March 2020.

We have started to implement recommendations from 2024's review of the volunteering programme with better systems and support for our employees working with volunteers, streamlining the onboarding process, raising the profile of National Museums Scotland volunteers within and outwith the organisation, and improving the volunteer experience.

Sustainability

As a public body, National Museums Scotland has a legal duty under the Climate Change Act (Scotland) 2009 to reach targets and act in the most sustainable way. Meeting the requirements of this Act requires a broad and complex response. We continued to focus our attention on activities organised by the five Strategic Actions in the Strategic Plan 2022-2027. Our progress has been shared quarterly with the Trustees' Estates Committee, discussing progress and challenges.

Sustainability Governance

Climate-related issues are reviewed and monitored by our Sustainable Development Group ("SDG") on a quarterly basis. The SDG is made up of members of the Executive Team and Leadership Team and reports into the Estates Committee of the Board of Trustees. The SDG has developed our Organisational Strategy for Sustainability 2023-2030 and key performance indicators as set out in this strategy are monitored and reported to the Board of Trustees. In addition the SDG has developed a Climate Change Risk Register which is reviewed by the group on an annual basis. Climate related risks are factored into estates planning and organisational development work and are a feature of key strategic risks related to buildings, plant and equipment disclosed on page 14 of this report.

Organisational Strategy for Sustainability 2023-2030

Our Organisational Strategy for Sustainability 2023-2030 evidences the work done to date on addressing climate and biodiversity challenges and looks forward to 2030 to describe our objectives and outcomes. We have already exceeded the Scottish Government's Interim Target for 2030 due to the last decade of resource investment. Our strategic aims and outcomes to 2030 are:

- Objective 1 Achieve whole organisation culture change and connect all colleagues to their role in effective sustainability performance.
- Objective 2 Develop the National Collection to represent the material culture of sustainability and biodiversity, and share our collections knowledge on a

global scale.

- Objective 3 Develop a public programme to engage and inform the broadest audience reach enabling understanding and behaviour change.
- Objective 4 Ensure the enhancement of biodiversity at our museum sites through responsible caretaking and regular survey work.
- Objective 5 Meet all compliance obligations including carbon emissions targets with suitable risk-based systems in place underpinned by evidenced, reliable and transparent data.
- Objective 6 Develop funding-ready projects that meet the demands of future construction standards, prepare our buildings and infrastructure for climate change, and address carbon mitigation of our estate and its operations.
- Objective 7 Ensure we develop our own practice through continual improvement and sharing our work for museum sector benefit.

Our key numerical compliance targets are an organisational carbon emissions total of no more than: 3,075 tonnes of carbon dioxide emissions (tCO₂e) by 2030; 1,230 tCO₂e by 2040; and net zero by 2045. This target is included as an organisational KPI in the table below.

We have made good progress in our actions to deliver the strategy and each year work to an annual action plan which is approved by the executive team. In the current year we undertook actions against each aim above, including:

- We continued to enhance and improve our calculation of our organisational carbon emissions. The *Public Body Climate Change Duty* report for 2023-24 was submitted to Sustainable Scotland Network ahead of the deadline of 30 November 2024 and we received no follow-up questions indicating a satisfactory submission.
- A *Climate Change Risk Register and Adaptation Plan 2025-2030* has been developed in collaboration with colleagues across the organisation, the register helps us better understand the potential effect of climatic changes in Scotland on our operations and the adaption plan sets out how we will act to mitigate the risks.
- Our Public Programmes included content focused on sustainability with exhibitions including *Rising Tide: Art and Environment in Oceania* and *Wildlife Photographer of the Year* open during the year. At the National Museums Collection Centre we are collaborating with local community groups, schools, and partner organisations to increase awareness of urban biodiversity through talks and demonstrations.

Organisational KPIs

Our Key Performance Indicators are reported at each Trustee meeting and to the Scottish Government on a quarterly basis.

	2023/24	2024/25	2024/25
	Results	Target	Results
Key Performance Indicators			
Total onsite physical visits	3.13m	2.98m	3.22m
Online Audiences	3.69m	3.60m	3.32m
Learning and engagement participations	270k	186k	206k
Visitor satisfaction	85%	86%	87%
Accumulated total number of collections records online	816k	835k	841k
% Collections storage meeting appropriate standards	74%	75%	72%
Organisational carbon emissions (tCO ₂)	1,736	1,795	1,638
Total value of revenue income	£4.08m	£4.42m	£5.10m
Total value of capital income	£295k	£nil	£223k

Total visits for 2024-25 were 3,220,496 for all sites, 3% up on 2023-24 and 8% up against forecast. NMoS and NMRL had record years.

Our total online audience was 8% below target. 3 factors contributed to this: the website became fully cookie compliant following its relaunch in August 2024, which resulted in a short period where full website traffic was not observable; a drop in website traffic was observed in line with the run of an unticketed SEG1 exhibition between January and March 2025; and there is an industry-wide reduction in traffic to informational webpages due to increased public adoption of generative search results that appear in browser.

Participation in learning and engagement activity was 11% ahead of target. Sensory Sundays and Wellbeing Week at National Museum of Scotland reached double their targeted KPIs and events and schools' programmes across sites exceeded targets and were responsible for half of the overall figure.

Across our four museums, visitor satisfaction (the number of visitors rating their visit 8-10 out of 10) was 87%, slightly ahead of the target of 86%. Our External Relations and Visitor Experience teams review scores and verbatim feedback quarterly to monitor for, and respond to, concerns.

The annual target for accumulated total number of collections records available online was surpassed through the addition of an additional 25k records, 62% of which were from Scottish History & Archaeology and Natural Sciences.

The 2% reduction in the percentage of collections storage meeting appropriate standards was due to: a decline in standards in two National Museums Collection Centre buildings where floods and vermin have decreased building fabric scores, and movement of collections associated with these issues have resulted in housekeeping and accessibility decreasing; and areas that are yet to be updated to LED lighting have been given lower scores this year.

Carbon emissions for 2022/23 had been understated due to a faulty meter at one of our sites. This was corrected in 2023-24 resulting in unusually high emissions in that year. Going forward Carbon Emissions from Scope 1 activities will be monitored with a targeted annual reduction of 5%.

Our revenue income for 2024/25 was higher than 2023/24 and the annual target due to the increased commercial income arising from higher visits at National Museum of Rural Life and to our Special Exhibitions. Philanthropic income was also ahead of target due to additional grants, primarily from People's Postcode Lottery.

No annual target was set for Capital Income, however capital grants were received to support the installation of Air Source Heat Pumps and refurbishment of blast and air raid shelters at the National Museum of Flight and for Human Remains Store and Biobank projects at the National Museums Collection Centre.

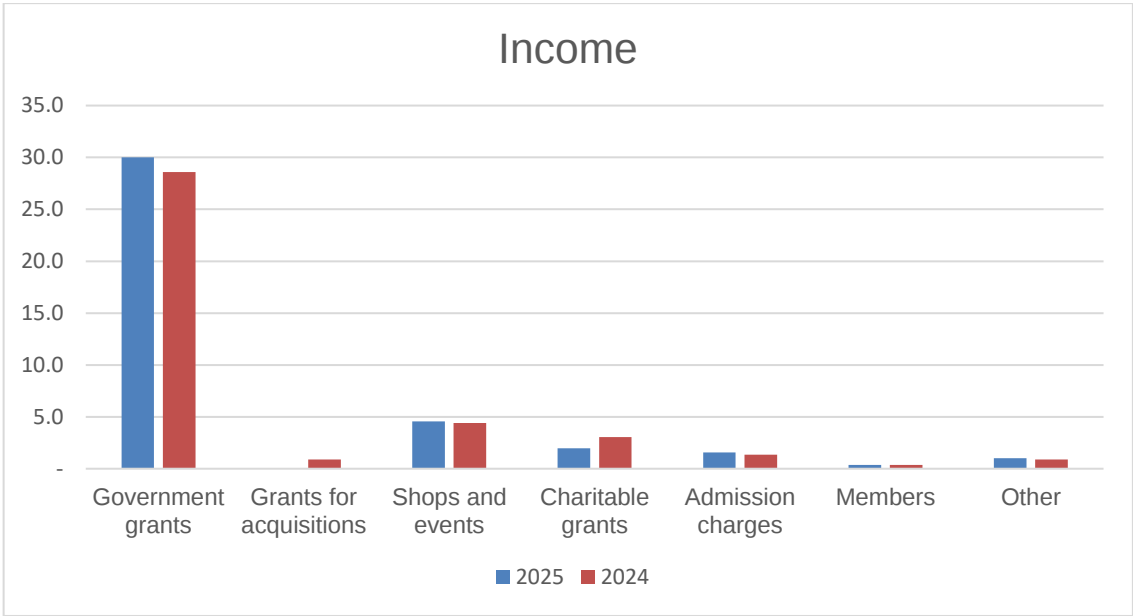
3. Financial review

National Museums Scotland is required to operate within the financial limits prescribed in the Framework Document laid down by the Scottish Government and to follow the Scottish Public Finance Manual unless it conflicts with the Charity SORP. We are not permitted to borrow funds and our ability to retain unrestricted reserves is heavily curtailed. Our operational financial strategy is to break even as we continue through a period of major investment in our displays, facilities and estate.

We continue to face challenges meeting the cost of Scottish Government Pay Policy and general cost inflation impacting on our cost base.

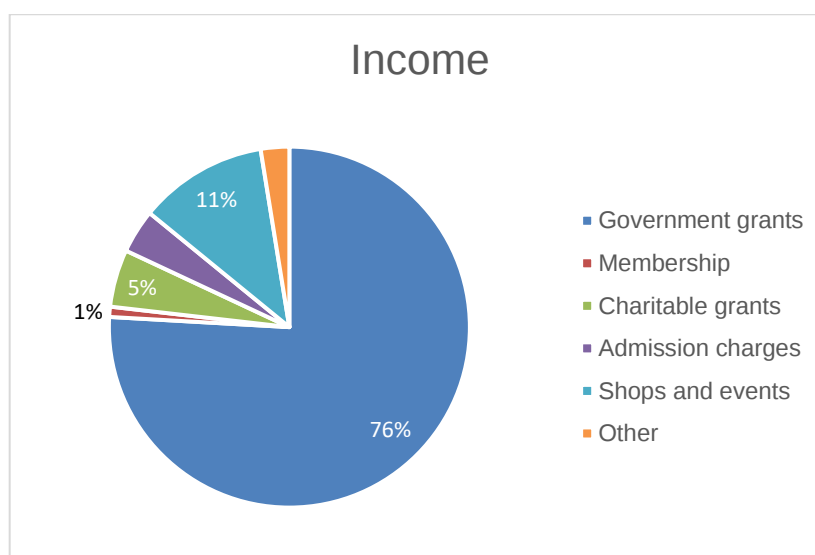
Income

Our total income for the year was £39.5m of which £30.0m (76%) was Grant-in-Aid from the Scottish Government to fund running costs. In the prior year total income was £39.6m of which £28.6m was Grant-In-Aid. We received grants totalling £0.1m to fund acquisitions but no donated heritage assets under HMRC’s Cultural Gifts Scheme. In the prior year we received £1.0m to fund acquisitions and £1.2m of assets under the Cultural Gifts Scheme. Commercial income from admission charges, shops and events income totalled £6.2m, up from £5.8m in the prior year. We also received £1.1m in restricted grants to support specific projects (£1.7m in 2023-24), £0.4 m of donations (£0.4m in 2023-24), and £1.0m from other activities, an increase from £0.9m in 2023-24.



We charge for admission at the National Museums of Flight and Rural Life. We do not charge for admission at the National War Museum, although visitors cannot access the Museum unless they pay Historic Environment Scotland for admission to Edinburgh Castle. Admission to the National Museum of Scotland is free apart from the main Special Exhibition Gallery, where three charged exhibitions were held during the year. Our admissions income increased by £198k to £1,554k, due to changes in our Special Exhibition programming.

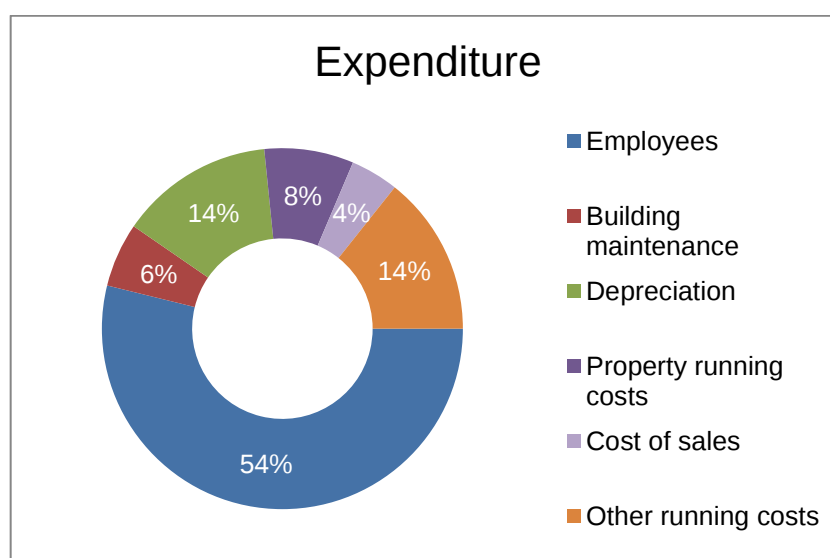
Donations received were in-line with the previous year on a group basis. Significantly the donation from our trading subsidiary NMS Enterprises Limited increased from £588k to £713k as it continued to grow. It is anticipated that this will further increase in 2025/26. Our Shop and Event income comes from NMS Enterprises which manages retail and venue hires. In the year to 31 March 2025 NMS Enterprises income was £4.6m compared to £4.4m in the previous year.



We received £8.4m in unrestricted income, excluding government grants, during the year compared to £7.6m in 2023-24. We increasingly rely on this income to invest in our museum displays and facilities, and to bring events and experiences to visitors who would otherwise miss out. It is vital in enabling us to build our reputation, reach and revenue in the short, medium and long-term. This income is susceptible to cost of living pressures faced by visitors and donors and, with rising costs, we face an increasing challenge for funding these areas in the future.

Expenditure

The most significant category of expenditure is employee costs which accounted for 54% of our total costs (53% in 2023-24) and increased by £1.1m (5.0%) compared to 2023-24. The primary driver of this increase was the implementation of the Scottish Government Pay Policy.

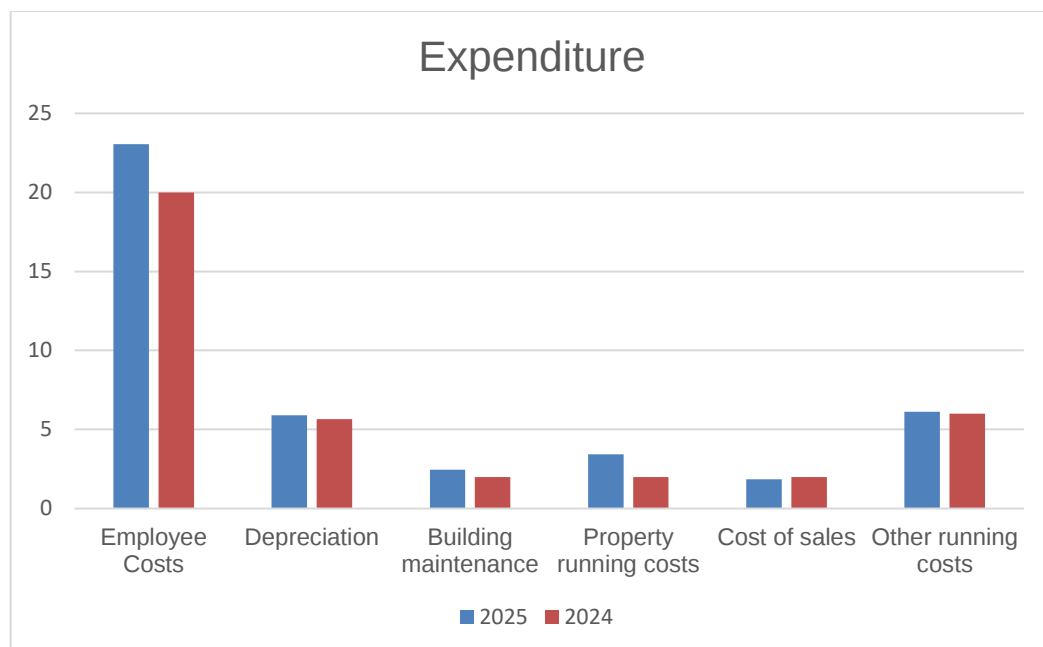


Depreciation is the cost of using our capital assets gradually over many years. We continually invest to maintain and renew our capital base of buildings, facilities and displays. These costs were slightly lower (£5.9m in 2024-25 and £6.4m in 2023-24) than the previous year due to the effect of revaluations and accounted for 14% of total expenditure compared to 15% in the previous year.

Operating our buildings (maintenance, heat and light) requires another large part of our budget. Investment to reduce energy consumption and our carbon footprint has been successful but has been offset by energy and materials price increases. Our building maintenance costs increased from 5% to 6% of our total expenditure.

Cost of sales is principally the value of stock sold in our shops and the cost of commercial events, and moved in line with our commercial income.

Other running costs include a wide range of collections care and conservation costs, exhibition and display costs and the administrative costs of running the organisation. Other running costs accounted for 14% of total expenditure compared with 16% 2023-24.



Directly incurred expenditure, when depreciation costs are excluded, totalled £36.9m (2023-24: £35.6m) of which 62% (2023-24: 62%) was employee costs and a further 16% (2023-24: 14%) property maintenance / running costs.

Major Investment Projects

In the period, the Group acquired tangible assets at a cost of £3.0m (2023-24 £1.9m), including £2.6m (2023-24: £1.0m) on buildings, £0.1m on leasehold improvements (2023-24: £0.6m), £nil on galleries (2023-24: £4k) and £0.3m (2023-24: £0.4m) on equipment purchases.

During this financial year our capital spend focused on replacing operational assets which are essential to our activities. This included £1,507k to replace heating systems and £135k to restore air raid and blast shelters at the National Museum of Flight. We were also able to address some of the backlog of property improvement works although more needs to be done in this area. The level of backlog maintenance has been flagged as a continuing significant risk by our Audit and Risk Committee. The level of budget available for planned maintenance and periodic renewal remains insufficient given the size and complexity of the Estate.

Reserves

Reserves are reviewed regularly by the Board of Trustees and appropriate levels agreed based on current requirements and forward plans. As our most significant funder, the Scottish Government requires us to spend all the Grant-in-Aid received and not to hold material unrestricted reserves.

Restricted reserves principally represent the capital value of our assets, which will be written down in future years as that value is consumed. These resources are restricted to this purpose and cannot be used in any other way.

The Board Reserve held in both the charity and its subsidiary (NMS Enterprises) is available for use and is held at not less than £250,000. During the year our unrestricted reserves decreased by £216k to £2.1m. Most of this reserve is the Board Capital Reserve (£1.4m) which will be spent in depreciation.

The remaining unrestricted Board Reserve (£0.6m) is higher than the minimum level and is held as a financial cushion during this period of financial uncertainty.
Full details of our reserves can be found in Note 17 of the Accounts.

Planning ahead

The Board of Trustees approved the final budget for 2025-26 on 26 March 2025. The 2025-26 budget takes account of an increase to our Grant in Aid, together with a pay award which has not yet been approved and also includes a number of efficiency savings to achieve a breakeven position in 2025-26.

The cash budget and updated forecast for the charity is shown in the table below:

	2024/25	2025/26	2026/27	2027/28
	Actual	Budget	Plan	Plan
	£000	£000	£000	£000
Revenue				
Income				
Grant-in-Aid	27,459	28,716	28,716	28,716
Other income	5,332	4,497	2,894	2,898
NMSE Profit	888	1,000	1,050	1,100
Total Income	33,679	34,213	32,660	32,714
Operational Expenditure				
Salaries	21,644	23,277	23,453	24,156
Operational Costs	11,785	10,936	10,818	10,818
Total	33,429	34,213	34,271	34,974
Revenue Surplus/(Deficit)	250	-	(1,611)	(2,260)
Capital				
Grant-in-Aid	2,550	1,500	1,000	1,000
Other capital income	75	-	-	-
Total Capital Income	2,625	1,500	1,000	1,000
Major Projects Expenditure	3,183	1,500	1,000	1,000
Surplus/(Deficit)	(308)	-	(1,611)	(2,260)

The plan for 2026-27 in the table above assumes that our Grant-in-Aid will be held at the 2025-26 cash amount, that our operating costs will remain in line with 2025-26, and that salary costs will increase due to continued implementation of Scottish Government Pay Policy. We forecast that we will require £1.6m additional Scottish Government funding to meet the increased costs and achieve a balanced budget.

Our Trading company has returned a significant profit in 2024-25 and is forecast to be profitable in 2025-26. However, we remain cautious over how the generally high cost of living will impact consumer spending at our venues.

The financial challenge for future years remains significant and we operate within considerable constraints. We are required to implement Scottish Government Pay Policy and did so for 2024-25. Pay awards for 2025-26 have not yet been agreed or approved and any award in excess of that included in the budget will require either additional funding or cost saving. It is vital that future

year Grant-in-aid allocations consider the pressures on our financial position from Scottish Government priorities, given that there is no policy position to reduce our scale of operations.

Our operational budgets remain under strain from a cut to our Grant in Aid in 2024-25 and additional funding budgeted for 2025-26 will not be sufficient to address the full effect of the real terms reductions in funding for over a decade. We have continued to address maintenance work during 2024-25 but the current position regarding estate maintenance and renewal is that our level of backlog maintenance is increasing, and looks set to continue to rise, as a growing proportion of the estates budget is required to cover utilities costs.

There are continuing significant challenges because we operate with a very large proportion of fixed costs for maintaining our estate, collections care and paying our staff, alongside unavoidable operational costs which are being heavily impacted by continuing high market prices. Without adequate future funding we will have to make material changes to our operations, which are likely to have a negative effect on the impact we are able to create through our stewardship of the National Collection.

Risk and uncertainty

Our biggest risk remains the uncertainty around our funding and the medium to long-term effects of high inflation and constrained resources throughout the organisation.

In support of delivering our operations and plans for the future we carry out a regular review of the Strategic Risk Register of major risks. At the year end the register identifies the following as the key risks:

Risk	Risk Detail
Real terms decrease in Grant-In-Aid	Scottish Government resources or priorities change leading to a greater cut in grant in aid than anticipated. Pressure from the Public Service Reform agenda continues to give concern as in practice this is another cost cutting exercise. Potential consequences on staff numbers, sites and opening times as a result.
Buildings not fit for purpose	Buildings not meeting appropriate legislative standard, or uneconomic to repair, or not fit to be occupied by staff or collections. Risk/impact: H&S; ability to achieve strategic objectives; reputational impact.
Recruitment/Retention in business critical posts	Failure to recruit or retain staff in business critical posts. Low attractiveness in the market for staff and contractors, leading to a reduction in expertise; higher staff turnover; poor quality outputs; and incomplete project teams. Effects of external factors resulting in a scarcity of particular skills in the marketplace and high competition for them that renders us unable to compete on salary. Insufficient People team resource to support recruitment into business critical posts.
Failure of plant, equipment and systems impacting on health and safety, care of collections and security	Disaster resulting from failure of plant, equipment or systems due to age and obsolescence. Risk/impact: downtime; damage to buildings and collections.
Cyber attack	Major disaster occurring from a cyber attack. Risk/impact: increased risk due to external environment and also as we move more towards reliance on networked and cloud based systems. Impacts: physical and systems security

	risk, downtime (systems, buildings), loss of national collections, and reputational impact. Opportunistic crime from those who want to exploit the current remote working practices.
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Each Strategic Risk is assigned an owner from the Executive Team who puts in place plans or control mechanisms to reduce, or mitigate the impact of, the risk. Even with controls in place these risks remain high as they are associated with our constrained financial position.

The risks which are deemed high largely result from external factors, over which we have little or no control, and are mainly in relation to our funding, particularly with regards to the impact of macro-economic factors and increased costs in both maintenance and pay.

Our existing level of funding is insufficient to enable us to maintain our estate effectively. Government Grant-in-Aid was cut for 2024-25 and had been at a standstill for over 10 years during which time visitor numbers increased significantly and inflation has exceeded 30%. In practical terms this means that in many cases we are reactive to priority maintenance issues instead of proactively dealing with potential issues before problems arise. This year we received a capital grant of £1m to assist with our backlog maintenance (2023-24 £1m) which enabled us to address some of the estates issues, however significant challenges remain and the estimated total value of backlog maintenance identified by our latest Quinquennial Review is in excess of £20m. The Scottish Government Pay Policy, which we are required to implement, and additional Employers' Pension costs are further strains on our financial resources. Without full funding for future Pay Policy changes, some of our activities and the services we offer would require to be curtailed.

4. Plans for the future

Our plans are dependent on sufficient grant-in-aid being made available to fund our work and programmes.

Our work will continue to be guided by the five interconnected Strategic Aims included in our Strategic Plan 2022-27: our audiences will be more diverse, and more people will connect with our collections and their stories; we will be recognised as the world leader and preferred national partner for the interpretation of and engagement with Scotland's material heritage; we will be well advanced on the path to a carbon neutral footprint and a respected resource for understanding climate and biodiversity challenges; the unique potential of our collections, expertise and programmes will be shared and valued internationally; and we will be financially secure, supported by diverse income streams and confident in continuing to invest in our people, places and collection.

We will continue to develop a wide-ranging programme of exhibitions and events in the coming years. A full exhibition programme running until 2029 is now planned. Highlights include: *Monkeys: Our Primate Family*, one of the most comprehensive exhibitions on primates ever staged; *Giants* showcases the colossal prehistoric creatures that lived after the extinction of the dinosaurs 66 million years ago; and *Cold War Scotland* will continue to explore Scotland's critical position on the frontline of the Cold War, all at the National Museum of Scotland. *Awesome Bricks*, an interactive LEGO display, will return at the National Museum of Flight. *Maps: Memories from the Second World War* will continue at the National War Museum.

Touring exhibitions will continue with *Audubon's Birds of America* continuing at Houston Museum of Natural Science in Texas and *Treasures of the Viking-Age: The Galloway Hoard* will continue at South Australian Museum, Adelaide before moving to Museums Victoria, Melbourne.

We will continue to invest in our buildings and estate with work to reduce our carbon emissions and make our buildings more cost efficient.

5. Structure, governance and management

Our Trustees are appointed by Scottish Ministers for a single four-year term, with the possibility of reappointment for a second term. An induction programme is provided to new Trustees, with ongoing support and formal training as required. All Board members are appraised annually by the Chairman, in accordance with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland.

The Board of Trustees delegates some authority to various sub-committees. The following were members of the Board who served during the year and up to the date of approval of these financial statements:

- Ann Allen MBE (resigned 31 March 2025)
- Professor Mary Bownes OBE (resigned 30 September 24)
- Mimi Brophy
- Adam Bruce (resigned 30 September 24)
- Professor Monojit Chatterji (resigned 6 June 24)
- Dr Hermione Cockburn OBE (appointed 1 October 2024)
- Judith Cruickshank (appointed 1 October 2024)
- Professor Manuel Fernández-Götz
- Graeme Gibson
- Stephen Gordon-Dando
- Professor Alistair Hetherington (appointed 1 April 2025)
- Sally Mackay
- Dr Bridget McConnell CBE
- Niki McKenzie (appointed 1 April 2025)
- Elizabeth McKillop
- Professor Richard Oram
- Ian Russell CBE (Chairman)
- Janet Stevenson (resigned 31 March 2025)
- Professor Ian Wall
- Dr Laura Young MBE

The Board meets 5 times a year and the committees meet on a regular basis reporting to the Board of Trustees. Terms of Reference clearly define the remit and responsibilities of each committee:

- **Audit & Risk** – ensures there is an effective framework of audit, risk management and internal control.
- **Acquisitions** – reviews collections development activity and makes decisions regarding the purchase of significant acquisitions.
- **Estates** – approves and oversees the implementation of the National Museums Scotland Estate Strategy and also approves the acquisition and disposal of land and property (with consent of the Scottish Government).
- **Finance** – provides an oversight of, and assurance on, financial matters across the organisation and significant projects.
- **Nominations and Governance** – reviews the effectiveness and efficiency of the Board of Trustees and its Committees.
- **People & Remuneration** – reviews the pay remit for National Museums Scotland staff, approves the implementation of the National Museums Scotland People Strategy and ensures the general well-being of staff and maintenance of human resources and performance.

National Museums Scotland maintains a Board Members' Register of Interests, which complies with the requirements of the Ethical Standards in Public Life (Scotland) Act 2002. Trustees are required to update the Register within 28 days of a change to their registered interests and they review their

details annually. This information is available on our website (www.nms.ac.uk) and for inspection at the National Museum of Scotland on application to the Head of Corporate Policy and Performance.

Trustees are responsible for setting National Museums Scotland's overall strategic direction and for monitoring progress towards this. A range of decisions are reserved for the Board, such as approval of major projects (£1 million and over). The Director (Chief Executive and Accountable Officer) and the Executive Team are responsible for advising on the development of strategy and its implementation through operational management.

The National Museums of Scotland Charitable Trust is wholly independent of National Museums Scotland, with its own Board of Trustees. Its purpose is to aid any Objects deemed legally charitable, giving preference to those which are directly or indirectly of benefit or assistance to National Museums Scotland. The Trust manages income received from donations, grants and bequests. Most of these funds are restricted and may only be applied to the purposes for which they were established. There is also a General Fund from which the Trustees may make discretionary grants.

National Museums Scotland works closely with the Scottish Government as a principal funder and collaborates on government initiatives with the other National Collections Institutions.

6. Reference and administrative details

The organisation's operational name is National Museums Scotland. Our statutory name, 'Board of Trustees of the National Museums of Scotland', is retained for use on legal and contractual documents. Our registered address and principal place of business is Chambers Street, Edinburgh EH1 1JF.

National Museums Scotland has been granted charitable status: the charity number is SC011130.

The organisation's banker is The Royal Bank of Scotland, 30 Nicolson Street, Edinburgh EH8 9DL.

Legal advice is provided primarily by CMS, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN.

The external auditor as appointed by the Auditor General for Scotland for the period of five years from 2022-23 is Audit Scotland, 4th Floor, South Suite, The Athenaeum Building, 8 Nelson Mandela Place, Glasgow G2 1BT.

So far as the Board of Trustees of the National Museums of Scotland is aware, there is no relevant audit information of which the auditors are unaware. The Board of Trustees has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that auditors are aware of that information.

Ian Russell

CHAIRMAN
Ian Russell CBE

DATE 24 September 2025

ACCOUNTABILITY REPORT

GOVERNANCE STATEMENT

Introduction

National Museums Scotland is committed to best practice in all aspects of corporate governance and this statement describes the principal governance provisions which presently apply. The Board of Trustees keeps these provisions under review to take into account developing practice.

Legislation / Governing Body

The legislation that governs the Board of Trustees of the National Museums of Scotland is the National Museums (Scotland) Act 1985 as amended by the Museums and Galleries Act 1992:

<http://www.legislation.gov.uk/ukpga/1985/16>. The Board is statutorily responsible for the care of the collections, and for the overall performance of National Museums Scotland. So far as practicable and subject to the provisions of the Act, the Board's general functions are to:

- Care for, preserve and add to the objects in their collections;
- Secure that the objects are exhibited to and interpreted for the public;
- Secure that the objects are available to persons seeking to inspect them in connection with study or research;
- Generally promote the public's awareness, appreciation and understanding of matters agricultural, archaeological, architectural, artistic, cultural, environmental, historical, industrial, military, scientific and social both by means of the Board's collections and by such other means, including collaboration with other institutions, as they consider appropriate; and
- Provide education, instruction and advice and carry out research.

The responsibilities of the Board cover the following main areas:

- Strategy, Planning and Performance Review;
- Commitment and Deployment of financial, human and other resources;
- Acquisitions for and Disposals from the Collections;
- Ensuring operation within the limits of statutory authority, complying with delegated authority agreed with the Scottish Government and set out in the Management Statement and Financial Memorandum, and adherence to conditions relating to the use of public funds;
- Representing the interests of stakeholders and furthering relationships with them;
- Ensuring that appropriate standards of corporate governance and personal conduct on the part of Trustees and staff are maintained; and
- Preparation of the Annual Report and Accounts.

These responsibilities are detailed in the *Board of Trustees of National Museums Scotland: Roles and Responsibilities* guidance document which is provided to all Trustees on appointment.

To discharge these responsibilities:

- The Board meets formally five times per annum. At each meeting, the Board of Trustees receives a written report on: key operational matters from the Director; a financial report; minutes of sub-committees of the Board; an update of relevant issues relating to National Museums Scotland Enterprises; a collections and research report; and reports on specific topics as necessary. Risk-related issues are highlighted as necessary within these agenda items. The Board may also meet outside the normal Board meeting cycle to consider specific matters such as the development of strategy.
- The Board maintains six sub-committees, whose terms of reference and members are agreed by the Board.
- The Audit & Risk Committee meets at least four times per annum. It considers and approves the Internal Audit plan for each year. At each meeting, it receives: an update on key business issues; a report on progress on the key risks in the organisation's risk register and any significant issues

affecting the other risks identified in the risk register; and reports from Internal and External Auditors. It also reviews the draft Annual Accounts on behalf of the Board.

Further details of the structure of the Board and its work are included in section 5 of the Trustees Annual Report.

Risk Management and Internal Controls

Scope of Responsibility

The Accountable Officer and Trustees have joint responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's strategies and intended outcomes, whilst safeguarding the public funds and assets for which the Accountable Officer is personally responsible, in accordance with the responsibilities assigned to the organisation.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote value for money and high standards of propriety and secure effective accountability and sound systems of internal control.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk rather than eliminate the risk of failure to achieve the organisation's 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 on-going process designed to identify the risks to the achievement of the organisation's strategies and intended outcomes; evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

The system within the organisation accords with the SPFM and has been in place for the year ended 31 March 2025 and up to the date of approval of the financial statements and accords with guidance from the Scottish Ministers.

Risk and Control Framework

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

The National Museums Scotland Executive Team reviews the Risk Register formally every six months by reassessing risk through a process of probability and impact assessment. The key risks are reported upon at each Audit & Risk Committee meeting in detail as to current status, with any significant changes in these risks reported to the Board of Trustees. Control mechanisms to minimise or mitigate risks are identified and reviewed for effectiveness, and "ownership" of the risks is assigned to the relevant Executive Team member. Any training required is identified and taken forward as relevant.

More generally, the organisation is committed to a process of continuous development and improvement, developing systems in response to any relevant reviews and developments in best practice in this area.

Review of Effectiveness

The Accountable Officer and Trustees have responsibility for reviewing the effectiveness of the system of internal control. Their review is informed by:

- The Executive Team, who have responsibility for the development and maintenance of the internal control framework
- The work of the Internal Auditors, who submit regular reports to the Audit & Risk Committee which include the Internal Auditors' independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement
- Comments made by the External Auditors in their management letters and other reports.

As noted above, the Executive Team formally reviews the Risk Register twice a year, with any significant issues being reported on and discussed at its fortnightly meetings as required. Quarterly updates on progress towards the achievement of Performance Indicators and the Strategic Actions in our Operational

Plan are also both reviewed at these meetings to ensure they are in line with targets prior to communication to the Board and the Scottish Government. Any matters of significance affecting the business, such as Human Resources (recruitment, attendance, training), project assurance (key projects meeting targets), monthly management accounts (budget/actual review and revised forecasts), Operational Plan progress, are reviewed and discussed, with appropriate action taken forward.

In the year 2024-25 the Internal Auditors examined: Environmental Sustainability, Strategic Review of NMSE, Collections Documentation, Customer Relationship Management and Research. The Internal Auditor reported no issues identifying major internal control weaknesses and that procedures were operating well in the areas reviewed. The Internal Auditor expressed an opinion that National Museums Scotland has adequate and effective arrangements for risk management, control and governance and that proper arrangements are in place to promote and secure Value for Money.

In the year 2024-25 a former employee took National Museums Scotland to an employment tribunal, claiming unfair dismissal. The tribunal found in favour of National Museums Scotland in all but one issue raised and awarded the claimant a sum of £22,000 which was subsequently paid by National Museums Scotland.

National Museums Scotland maintains a record of data breaches as required by Article 33(5) of the UK General Data Protection Regulation ('GDPR'). All data breaches must be reported to the ICO unless a breach or incident is unlikely to result in a risk to the rights and freedoms of individuals. Such reporting is undertaken in accordance with Data Protection Legislation, in particular Article 33 of the UK GDPR and following our Personal Data Breach procedure. No reportable breaches or incidents occurred in the year.

As outlined in section 3 of the Trustees Annual Report, the organisation continues to manage significant levels of risk, particularly in the following areas:

- A real-terms or cash reduction in Grant-in-Aid income from the Scottish Government;
- Buildings not meeting appropriate legislative standards; not fit to be occupied by the public, staff or collections; or uneconomic to refurbish and requiring replacement;
- Difficulties in recruiting and retaining staff in vital posts;
- Failure of plant, equipment and systems impacting on health and safety, care of collections and security; and
- Cyber attack

The Accountable Officer and Trustees consider that these risks have increased over the last year. If such growth continues, this may compromise our ability to fulfil our statutory and charitable obligations, and our ability to sustain an effective system of internal control.

Ian Russell

**CHAIRMAN
IAN RUSSELL CBE**

Date 24 September 2025

Dr Christopher Breward

**DIRECTOR
DR CHRISTOPHER BREWARD**

Date 24 September 2025

STATEMENT OF THE ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under the National Heritage (Scotland) Act 1985, paragraph 9(3) schedule 7, Scottish Ministers have directed National Museums Scotland to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction appended to these accounts.

Section 2 of the Direction requires that we must account in accordance with the Government Financial Reporting Manual (FReM). The FReM is updated each year and section 4.4.14 of the 2024/25 FReM requires that as a charity we *"should follow the requirements of the Charities' SORP and regulations made under charities legislation"*.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of both National Museums Scotland ('the Charity') and National Museums Scotland consolidated with NMS Enterprises Limited ('the Group') and of our financial activities, balance sheet and cash flows for the financial year.

In preparing the Accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- a) Observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- b) Make judgements and estimates on a reasonable basis;
- c) State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- d) Prepare the accounts on a going concern basis; and
- e) 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.

The Principal Accountable Officer for the Scottish Government has appointed the Director of National Museums Scotland as Accountable Officer. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding National Museums Scotland's and the Group's assets, are set out in the Accountable Officer's Memorandum published by the Scottish Ministers.

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that National Museums Scotland's and the Group's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Dr Christopher Breward

DIRECTOR
Dr Christopher Breward

Date 24 September 2025

REMUNERATION AND STAFF REPORT

The sections on trustee remuneration; remuneration of key management personnel; staff costs and employee benefits on pages 22 – 26 have been subject to audit. The other sections in the Remuneration and Staff Report are reviewed by the External Auditor to ensure they are consistent with the accounts.

Remuneration Policy (unaudited)

The People and Remuneration Committee reviews the pay remit for National Museums Scotland employees including senior management, approves the implementation of the National Museums Scotland People Strategy and ensures the general well-being of staff and maintenance of human resources and performance.

The remuneration of the Director is set by the Board of Trustees but requires the agreement of the Scottish Government.

A formal annual performance review process is in place for all employees, including senior management.

In the year to 31 March 2025 National Museums Scotland pay increases were approved in line with Scottish Government pay policy with an outcome that individual pay steps increase by £1,500, for team members earning less than £30,000 and 3% for all other team members on the values at 31 March 2024.

Trustee remuneration (audited)

No remuneration or benefit in kind was paid to members of the Board of Trustees during 2024-25 (2023-24: nil).

During 2024-25 National Museums Scotland paid a total of £1,638 reimbursement of travel expenses to 6 Trustees, while in 2023-24 a total of £2,093 was reimbursed to 6 Trustees.

Remuneration of key management personnel (audited)

The Government Financial Reporting Manual requires disclosure of information about directors’ remuneration, where ‘directors’ is interpreted to mean those who influence the decisions of National Museums Scotland as a whole. In National Museums Scotland’s opinion this means the Board of Trustees and the Director, Dr Chris Breward. Total remuneration paid to the key management personnel was as follows:

Group	Pension			Pension		
	Salary	Benefits	Total	Salary	Benefits	Total
	2025	2025	2025	2024	2024	2024
	£000	£000	£000	£000	£000	£000
Christopher Breward	125 - 130	50	175 - 180	115-120	46	160-165

The total cost of remuneration (excluding pensions) to key management personnel in the year was £126k (2023-24: £119k), which is included in the table above.

Pension benefits for the Director were provided through Civil Service pension arrangements. The pension entitlements earned by the Director for 2024-25 were:

Group	Accrued pension			Cash Equivalent	
	Real increase in pension and related lump sum at pension age	at pension age at 31 March 2025 and related lump sum	Cash Equivalent Transfer Value (CETV) at 31 March 2025	CETV at 31 March 2024	Real increase in CETV
	£000	£000	£000	£000	£000
Christopher Breward	2.5 - 5	20 - 25	351	282	38

Fair pay disclosures are included in the following table:

	2025	2024	Change
Range of employee remuneration*	£101,759	£95,774	6.2%
Employee average	£38,154	£36,876	3.5%
Highest earning employee's total remuneration mid point	£127,500	£117,500	8.5%
* range of employee remuneration is the difference between the lowest and highest FTE remuneration			
<i>Explanation of change</i>			
The highest paid employee's total remuneration increased by 6.3% year on year due to the 2024-25 pay award of 5.0% and pay grade progression of 1.3%. The 5% pay award in 2024/25 was made in the context of the award in 2023/24 being only 1.3% when other pay grades received 5% in that year.			
Median salary	£30,419	£28,920	5.2%
Ratio between highest earning employee's total remuneration mid-point and the median	4.19	4.06	
<i>Explanation of Change</i>			
The median salary increased by 5.2% whereas the salary of the highest paid employee increased by 6.3% in the year. The highest paid employee's salary increased by more than the average in the context of the award in 2023/24 being only 1.3% when other pay grades received 5% in that year.			
25th Percentile salary	£24,973	£23,473	6.4%
Ratio between highest earning employee's total remuneration mid-point and the 25th percentile	5.11	5.01	
<i>Explanation of change</i>			
The salary of the employee on the 25th percentile increased by 6.4% which was marginally higher than the increase in the highest paid employee's salary.			
75th Percentile salary	£40,123	£38,954	3.0%
Ratio between highest earning employee's total remuneration mid-point and the 75th percentile	3.18	3.02	
<i>Explanation of change</i>			
The salary of the employee on the 75th percentile increased by 3.0% whereas the salary of the highest paid employee increased by 6.3% in the year. The highest paid employee's salary increased by more than the average in the context of the award in 2023/24 being only 1.3% when other pay grades received 5% in that year.			

Staff costs and employee benefits

Further detail on staff costs and employee benefits can be found at note 5 to the accounts.

Numbers of employees (audited)

In the year the average staff headcount was 484 employees (2023-24: 499), which includes many part-time employees. The full-time equivalent employee numbers are shown below analysed by the activity categories shown in note 6 to the accounts, gender and type of employment contract.

	Permanent		Other Contract		Total
	Female	Male	Female	Male	FTE
Charity 2025					
Curatorial	45	28	5	3	81
Conservation & Collections Management	29	7	5	2	43
Public displays & events	99	63	7	3	172
Security and Support Services	38	72	-	-	110
Marketing	8	4	-	-	12
Estates and Buildings	2	5	-	-	7
Governance	3	2	-	-	5
Development	8	1	-	-	9
	232	182	17	8	439
Group 2025					
NMSE	34	20	-	-	54
Total	266	202	17	8	493

Number of FTE Staff at 31st March

FTE staff numbers by grade and gender are included below (unaudited).

	Executive Team	Heads of Departments	Other Employees	Total
Group 2025				
Female	2	8	274	284
Male	3	8	198	209
Total	5	16	472	493
Group 2024				
Female	2	9	271	282
Male	4	8	191	203
Total	6	17	462	485

Staff turnover in the year was 15% of headcount (2023-24: 18%).

Staff Costs during the Year (audited)

Total staff costs in the year to 31 March 2025 were as follows:

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Salaries				
- Permanent staff	16,040	14,868	14,850	13,661
- Other staff	896	1,346	896	1,346
	16,936	16,214	15,746	15,007
National Insurance Costs	1,630	1,526	1,528	1,419
Pension Costs	4,519	4,062	4,396	3,938
Early Retirement	(26)	162	(26)	162
Total	23,059	21,964	21,644	20,526

In the year 16 employees were paid more than £60,000 (2023-24: 19), as shown in the table below:

Group	Number of staff	
	2025	2024
£60,000 to £69,999	8	11
£70,000 to £79,999	3	2
£80,000 to £89,999	-	1
£90,000 to £99,999	4	4
£100,000 to £109,999	-	-
£110,000 to £119,999	-	1
£120,000 to £129,999	1	-
Total	16	19

Pension Costs (audited)

National Museums Scotland operates a range of pension provision for our employees, including both defined benefit and defined contribution schemes.

Defined Benefit (audited)

Most staff are members of the Principal Civil Service Pension Scheme (PCSPS), which is an unfunded multi-employer defined benefit scheme run by the UK Government. Our share of the underlying assets and liabilities has not been identified, which means we have to account for this scheme as if it is a defined contribution scheme. You can find further information in the resource accounts of the Cabinet Office (<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>).

Retirement benefits accrued under the defined benefit schemes to 484 staff in the year (2023-24: 481 staff). For 2024-25, employers' contributions of £4,368k were payable to the PCSPS (2023-24: £3,917k) at 28.97% of pensionable pay for all salary bands (the rates in 2023-24 were between 26.6% and 30.3%). The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. The rates are periodically reviewed by the UK Government and we are liable to pay whatever contribution rate is set. Due to demographic factors, we are therefore exposed to the risk of regular cost increases that we cannot reduce other than by employing fewer staff. There is no liability for any other employer's obligations arising from this scheme.

Defined Contribution (audited)

Charity employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £19k (2023-24: £21k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay.

Defined contribution scheme pension contributions were not paid in respect of staff earning more than £50,000. Benefits accrued under defined contribution schemes to 3 staff during 2024-25 (2023-24: 5 staff).

NMS Enterprises operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are self-administered in funds independent from those of the Company. The total employer's contribution to this scheme during the year was £118k (2023-24: £119k).

Compensation for loss of office (audited)

During the year, due to our Grant-in-Aid being cut, we took the decision to launch a Voluntary Exit Scheme ("VES" or "the scheme") to reduce our staffing costs. The scheme was not designed to achieve any specific departmental restructuring but was implemented in order to achieve future year staff cost savings. The VES opened to all employees of National Museums Scotland on 23 May 2024 inviting applicants to leave their employment on a voluntary basis and with a monetary package to support them to make this change. The scheme closed on 20 June 2024. In total 32 employees applied and 9 of these exited NMS on 31 October 2024. Exit costs are accounted for in full in the year of departure. In addition one ex-gratia payment was made in the year to 31 March 2025.

Exit package cost band	Number of compulsory redundancies	Number of other agreed departures	Number of exit packages by cost band	Total cost of exit packages by cost band
£0 - £24,999	0 (0)	4 (2)	4 (2)	£61,886 (£10,600)
£25,000 - £49,999	0 (0)	2 (0)	2 (0)	£80,061 (£nil)
£50,000 - £74,999	0 (0)	1 (0)	1 (0)	£68,719 (£nil)
£75,000 - £99,999	0 (0)	2 (0)	2 (0)	£185,410 (£nil)
Total number of exit packages	0 (0)	9 (2)	9 (2)	£396,076 (£10,600)

Figures in brackets represent 2023/24 comparison

Expenditure on consultancy and off-payroll engagements (audited)

National Museums Scotland did not enter into any off-payroll engagements or consultancy contracts in the years to 31 March 2024 or 31 March 2025.

Equality, Diversity and Inclusion (unaudited)

National Museums Scotland strongly believes in equality of opportunity. We fully recognise our legal responsibilities, particularly in respect of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity. We have a range of policies, procedures and guidance in place to promote and ensure continuous improvement to support our employees. We continue to foster new flexible ways of working; a variety of flexible options are on offer to support our diverse workforce in ensuring a good work and home life balance. As required, we adhere to Scottish Government's Pay Policy.

Trade Unions (unaudited)

National Museums Scotland acknowledges its obligations in respect of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

NMS recognises three trade unions as follows: FDA, Prospect, Public & Commercial Services Union (PCS).

There were 14 employees (FTE 14) who were relevant union officials during the period. The % of time spent on union activities can be split as follows:

Percentage of time	Number of employees
0 - 1% *	8
1 - 50%	6
51 - 99%	-
100%	-

The total cost of Facility Time was £9,029 (2023-24: £10,444) from a total pay bill of £21.6m = 0.04%.

Out of the total paid Facility Time, 100% was spent by employees who were relevant union officials on paid trade union activities.

Sickness Absence (unaudited)

The absence rate for 2024-25 is 3.6% (2023-24: 3.8%) which is slightly lower than the Scottish Government workforce total of 3.8% (2023-24: 3.6%). The calculation is based on actual FTE and takes into account all working time and sickness absence for employees who left during the financial year. It also accounts for working time for employees who joined during the year.

Health, Safety and Wellbeing (unaudited)

National Museums Scotland remains committed to continually improving our performance in relation to health, safety, and wellbeing. The health and safety management policy was reviewed and updated during the year following consultation with colleagues including Trade Union representatives. Through an extensive programme of ongoing safety briefings and training, awareness of health and safety continues to be supported and embedded among employees and is reported to the Board of Trustees on a regular basis.

Independent auditor's report to the members of National Museums Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the Annual Report and Accounts of National Museums Scotland and its group for the year ended 31 March 2025 under the National Heritage (Scotland) Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the consolidated Statement of Financial Activities, NMS Charity Statement of Financial Activities, Consolidated & Charity Balance Sheets, Consolidated & Charity Cash Flow Statements and notes to the accounts, including material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the 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).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body and its group affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 23 July 2025. My period of appointment is one year, covering 2024/25. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. 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 basis of accounting

I have concluded that the 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 ability of the body and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the body and its group. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer and trustees for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer and Trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer and Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer and Trustees are responsible for assessing the ability of the body and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers, the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the body;
- inquiring of the Accountable Officer and Chairman as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer and Chairman concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer and Trustees are responsible for the other information in the Annual Report and Accounts. The other information comprises the Trustees' Annual Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all 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 course of 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.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Trustees' Annual Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Trustees' Annual Report and Governance Statement

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Heritage (Scotland) Act 1985 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by The Charities Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the Annual Report and Accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Kerry Tonner

24 September 2025

Kerry Tonner CA
Audit Scotland
4th Floor, South Suite, The Athenaeum Building
8 Nelson Mandela Place,
Glasgow
G2 1BT

Kerry Tonner is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000.

NATIONAL MUSEUMS SCOTLAND

ACCOUNTING STATEMENTS

Consolidated Statement of Financial Activities for the Year Ended 31 March 2025

Group		2025 Unrestricted Funds Notes £000	2025 Restricted Funds £000	2025 Total £000	2024 Total £000
Income from:					
Government grants	3/4	30,009	-	30,009	28,600
Other donations and legacies	4	1,280	1,178	2,458	4,301
Total donations and legacies		31,289	1,178	32,467	32,901
Charitable activities	4	2,392	-	2,392	2,092
Other trading activities	4	4,566	-	4,566	4,475
Investments	4	112	-	112	86
Other	4	-	-	-	-
Total		38,359	1,178	39,537	39,554
Expenditure on:					
Charitable activities	6	32,026	6,603	38,629	37,560
Raising funds (including Cost of Sales)	6	4,266	-	4,266	4,415
Other	6	-	-	-	-
Total		36,292	6,603	42,895	41,975
Net income/(expenditure)		2,067	(5,425)	(3,358)	(2,421)
Tax reclaimable	20	266	-	266	251
Net Income (Expenditure) After Tax		2,333	(5,425)	(3,092)	(2,170)
Transfers between funds	17	(2,549)	2,549	-	-
Gains/(losses) on revaluation of fixed assets	17	-	2,810	2,810	(2,883)
Net movement in funds		(216)	(66)	(282)	(5,053)
Reconciliation of funds:					
Total funds brought forward	17	2,280	194,401	196,681	201,734
Total funds carried forward	17	2,064	194,335	196,399	196,681

The notes on Pages 34 to 50 form part of these accounts.

NATIONAL MUSEUMS SCOTLAND

ACCOUNTING STATEMENTS

NMS Charity Statement of Financial Activities for the Year Ended 31 March 2025

National Museums Scotland	Notes	2025	2025	2025	2024
		Unrestricted	Restricted	Total	Total
		Funds	Funds		
		£000	£000	£000	£000
Income from:					
Government grants	3/4	30,009	-	30,009	28,600
Other donations and legacies	4	1,993	1,178	3,171	4,889
Total donations and legacies		32,002	1,178	33,180	33,489
Charitable activities	4	2,590	-	2,590	2,275
Other trading activities	4	-	-	-	80
Investments	4	93	-	93	75
Other	4	-	-	-	-
Total		34,685	1,178	35,863	35,919
Expenditure on:					
Charitable activities	6	32,026	6,603	38,629	37,560
Raising funds	6	767	-	767	916
Other	6	-	-	-	-
Total		32,793	6,603	39,396	38,476
Net income/(expenditure)		1,892	(5,425)	(3,533)	(2,557)
Tax reclaimable	20	266	-	266	251
Net Income (Expenditure) After Tax		2,158	(5,425)	(3,267)	(2,306)
Transfers between funds	17	(2,549)	2,549	-	-
Gains/(losses) on revaluation of fixed assets	17	-	2,810	2,810	(2,883)
Net movement in funds		(391)	(66)	(457)	(5,189)
Reconciliation of funds:					
Total funds brought forward	17	1,516	194,401	195,917	201,106
Total funds carried forward	17	1,125	194,335	195,460	195,917

The notes on Pages 34 to 50 form part of these accounts.

NATIONAL MUSEUMS SCOTLAND

ACCOUNTING STATEMENTS

Consolidated & Charity Balance Sheets as at 31 March 2025

		Group		Charity	
		2025	2024	2025	2024
	Notes	£000	£000	£000	£000
Fixed Assets					
Tangible assets	7	175,474	175,648	175,428	175,598
Heritage assets	9	18,578	18,382	18,578	18,382
Investments	12	1	1	200	200
Total Fixed Assets		194,053	194,031	194,206	194,180
Current Assets					
Stocks	13	855	890	-	-
Debtors	14	1,385	1,637	1,343	1,571
Cash at bank and in hand		3,285	4,381	2,621	3,895
Total Current Assets		5,525	6,908	3,964	5,466
Current Liabilities					
Creditors: amounts falling due within one year	15	(3,179)	(4,078)	(2,710)	(3,549)
Net current assets		2,346	2,830	1,254	1,917
Total assets less current liabilities		196,399	196,861	195,460	196,097
Provisions	16	-	(180)	-	(180)
Net assets		196,399	196,681	195,460	195,917
Financed by:					
Restricted funds:	17	194,335	194,401	194,335	194,401
Unrestricted Funds:	17	2,064	2,280	1,125	1,516
Total Funds		196,399	196,681	195,460	195,917

The Board approved the Annual Report and Accounts on 24 September 2025 and the Accountable Officer authorised them for issue on the same date.

Ian Russell

CHAIRMAN
IAN RUSSELL CBE

Date 24 September 2025

Dr Christopher Breward

DIRECTOR
DR CHRISTOPHER BREWARD

Date 24 September 2025

The notes on Pages 34 to 50 form part of these accounts.

NATIONAL MUSEUMS SCOTLAND

ACCOUNTING STATEMENTS

Consolidated & Charity Cash Flow Statements for the Year Ended 31 March 2025

		Group		Charity	
		2025	2024	2025	2024
	<i>Notes</i>	£000	£000	£000	£000
Cash flows from operating activities					
Net cash generated by operating activities		1,983	3,435	1,816	3,282
Cash flows from investing activities					
Purchase of property, plant & equipment	7	(2,996)	(1,931)	(2,987)	(1,906)
Proceeds from the sale of property, plant & equipment		-	-	-	-
Purchase of heritage assets	9	(196)	(2,239)	(196)	(2,239)
Interest Received		112	86	93	75
Net cash used in investing activities		(3,080)	(4,084)	(3,090)	(4,070)
Cash flows from financing activities					
		-	-	-	-
Change in cash in the year		(1,096)	(649)	(1,274)	(788)
Cash at the beginning of the year		4,381	5,030	3,895	4,683
Cash at the end of the year		3,285	4,381	2,621	3,895
Reconciliation of net income/(expenditure) to net cash flow from operating activities					
		2025	2024	2025	2024
	<i>Notes</i>	£000	£000	£000	£000
Net income/(expenditure) for the reporting period (as per the Statements of Financial Activities)		(3,092)	(2,170)	(3,267)	(2,306)
Adjustments for:					
Depreciation charges	7	5,980	6,355	5,967	6,338
Interest received		(112)	(86)	(93)	(75)
Loss/(profit) on the sale of property, plant & equipment		-	-	-	-
(Increase)/decrease in stocks	13	35	(117)	-	-
(Increase)/decrease in debtors	14	252	(63)	228	6
(Decrease)/(increase) in creditors	15	(899)	(623)	(839)	(820)
Increase/(decrease) in provisions	16	(180)	139	(180)	139
Net cash provided by (used in) operating activities		1,983	3,435	1,816	3,282

National Museums Scotland has no current asset investment and no net borrowing or finance lease obligations, and accordingly no cash flows from financing activities.

The notes on Pages 34 to 50 form part of these accounts.

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies

a) Basis of Accounting

The accounts have been prepared under the historical cost convention modified by the revaluation of fixed assets and by the inclusion of notional costs and are in accordance with directions given by Scottish Ministers in accordance with the National Heritage (Scotland) Act 1985. The Accounts Direction is reproduced as an appendix to the accounts.

Without limiting the information given, the accounts meet the requirements of the Charities Accounts (Scotland) Regulations 2006, the Charities and Trustee Investment (Scotland) Act 2005 and accounting standards issued or adopted by the Accounting Standards Board so far as they are appropriate. They also comply with SORP 2019, the Statement of Recommended Practice on the preparation of accounts of charitable organisations based upon FRS102, and with the accounting principles and disclosure requirements of the government Financial Reporting Manual (FRM).

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom and accounting policies have been consistently applied from year to year.

b) Basis of Consolidation

The accounts consolidate those of National Museums Scotland and its subsidiary company, NMS Enterprises Limited. The accounts are consolidated on a line by line basis for assets and liabilities. Uniform accounting policies are used across the group, and intra-group transactions are eliminated upon consolidation.

The National Museums Scotland Charitable Trust ("The Charitable Trust") exists to assist National Museums Scotland and other bodies or persons in the furtherance of museum-related activities. National Museums Scotland cannot exercise control over the Charitable Trust, and the accounts of the Charitable Trust are not consolidated with those of National Museums Scotland.

c) Statement of Financial Activities

Within the Statement of Financial Activities the development activity and the work of NMS Enterprises have been separated from the other categories as they are deemed to be activities intended to raise funds. The other categories of expenditure are deemed to be activities in the furtherance of our objectives.

Support costs are allocated between activities on the basis of gross expenditure in each category.

Costs of raising funds are defined as the salaries, operating costs and overheads of the Development department and of NMS Enterprises Limited.

d) Income

Income is recognised on an accruals basis.

Donations are recognised in the financial statements only when received. Donations received for the general purposes of the charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding, except that any amounts required to be retained as capital in accordance with the donor's wishes would be accounted for instead as endowments.

Income may be received associated with an activity or event in a future financial year. This will be carried forward as part of creditors.

Annual membership income is accounted for over the period of membership.

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies *continued*

e) Government Grants

Government Grant-in-aid is unrestricted and accounted for in the year that it is received. Grant-in-aid relating to the acquisition of tangible fixed assets, intangible fixed assets or investments is ultimately credited to the Government Capital Reserve, which funds depreciation over the expected useful lives of the assets acquired. Grant-in-aid received for collections purchases is ultimately credited to the Heritage Assets Fund.

There is no indication that government funding is likely to be withdrawn and the Scottish Government has confirmed that it will continue to work with National Museums Scotland to achieve balanced budgets in future years therefore the accounts are prepared on a going concern basis.

f) Pension Contributions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is an unfunded multi-employer defined benefit scheme. National Museums Scotland recognises the expected cost of providing pensions on a systematic and rational basis over the period during which the organisation benefits from employees' services by payment to the PCSPS of amounts calculated on an accruals basis. Liability for payment of future benefits is a charge on the PCSPS. Further information about the pension schemes is disclosed in Note 5.

g) Grants to Outside Bodies

National Museums Scotland may make grants available to outside bodies whose objectives coincide with ours, or if the work will result in additions to our collections. These would be recognised on payment.

h) Non-Recoverable VAT

Non-recoverable VAT is recorded as an expense as it is incurred and is attributed to the activity on which it was incurred.

i) Tangible Fixed Assets and Depreciation

Land and buildings are valued every five years by a professional valuer. The last formal valuation was in 2024.

The method of valuation for specialised properties, that is land and buildings for which there is effectively no market, is depreciated replacement cost. In years when no professional valuation has taken place specialised buildings are re-valued using indices supplied by the Building Cost Information Service (BCIS) of Royal Institution of Chartered Surveyors (RICS) to estimate their value.

Other properties are valued at fair value for existing use. In years when no professional valuation has taken place non-specialised buildings are re-valued with reference to market movements using available market data and indices.

Equipment is valued at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs of bringing the asset to its working condition for its intended use.

Depreciation is not provided on land or on buildings under construction, while depreciation is provided in equal annual instalments on the current cost of all other tangible fixed assets over their estimated useful lives, or the expected remaining useful lives of revalued assets. These are principally:

Land & Buildings	up to 60 years
Permanent Galleries	15 years
Leasehold improvements	up to 50 years
Plant & Equipment	3 to 7 years

1. Accounting Policies *continued*

In accordance with FRS 102, National Museums Scotland continues to utilise certain assets that have been fully depreciated but remain operational. As of 31 March 2025, the gross carrying amount of these assets is £23.595m. These assets are carried at a nil net book value and are not subject to further depreciation. Management annually reviews the condition and expected useful lives of such assets to ensure compliance with FRS 102 requirements. Management's view is that the remaining economic value of these assets is not material to the financial statements.

Items costing less than £5,000 are written off in the year of purchase. Where assets are sold or written off they are shown as disposals in the accounts. Impairment reviews are undertaken when necessary to ensure that the service potential of assets remains undiminished.

Further information about capitalisation and valuation is included in Note 7.

j) *Heritage Assets*

A Heritage Asset is defined as a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Artefacts forming part of the National Museums Scotland collections as at 1 April 2001 are not included in the balance sheet due to valuation data not being available.

Objects purchased since 1 April 2001 are included in the balance sheet at cost. Depreciation is not charged and the objects are not revalued. Objects donated since 1 April 2001 are included at valuation where it is practicable to obtain this. Where obtaining a value is not practicable, donated heritage assets are not recognised in the accounts.

The Trustees believe that the collection of National Museums Scotland is unusual as an asset in many ways. It is inalienable, unique, irreplaceable, ancient, fragile and very valuable. It is truly "priceless" in that it cannot be valued meaningfully. This view has been reached due to the number of items, lack of comparative market values and the diverse nature of the collection, so that reliable cost or valuation information cannot be obtained.

Our policies for the acquisition, preservation, management and disposal of heritage assets are available on our website www.nms.ac.uk.

Our collections are on display in public museums or can be accessed by request.

Access to the stores is facilitated by the relevant member of staff, so that visitors are accompanied, to maintain security, ensure health and safety rules are met, and to provide wider context and knowledge about the collection.

k) *Investments*

Investments in subsidiary companies represent the value at cost of assets transferred to the company.

l) *Subsidiary companies*

The Board of Trustees of the National Museums Scotland owns the share capital of one subsidiary company, NMS Enterprises Limited.

m) *Finance Leases and Operating Leases*

Operating leases are charged directly to the Income and Expenditure Account as incurred and are payable on a straight line basis over the lease term.

Where material, finance leases are capitalised in the Balance Sheet along with the corresponding liability for future lease payments.

**NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025**

1. Accounting Policies *continued*

n) Stocks

Stocks are stated at the lower of cost or net realisable value, based on the first-in-first-out (FIFO) method of valuation, after making due allowance for obsolete or slow moving stock.

o) Financial Instruments

Cash is made up by balances held with the Royal Bank of Scotland which are available on demand and petty cash and float balances at our sites. Trade debtors are made up by balances due from customers at the year end, less any specific doubtful debt provided for. Trade Creditors are disclosed in line with the Liabilities and Provisions policy.

p) Foreign Exchange Gains and Losses

Any funds held in foreign currency would be translated to the Sterling equivalent at the Balance Sheet date. Gains and losses on translation would be taken to the Income and Expenditure Account.

q) Liabilities and Provisions

Liabilities and provisions are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

r) Board Reserve Fund

The net proceeds derived from revenue-earning activities, donations and other sources, excluding Grant-in-Aid, are taken to the Board Reserve Fund. The Board Reserve includes the accumulated profits retained by NMS Enterprises Limited. These funds are available for use at the Board's discretion.

s) Revaluation Capital Reserve

The revaluation reserve records changes in the value of the land and buildings occupied. A full revaluation is undertaken every five years, most recently as at 31 March 2024, with indexation applied each intervening year based on the policy at 1i) above. These funds are not supported by cash and are not available for use.

t) Designated Funds

The operation of the accounting policies for tangible assets necessitates the creation of designated capital reserves, which are not supported by cash and are not available for use.

u) Agency Arrangements

National Museums Scotland administers on behalf of Scottish Ministers the National Fund for Acquisitions (NFA). Funds, income and expenditure associated with the NFA are excluded from the consolidated accounts.

v) Amendments to FRS102 issued but not yet effective

At 31 March 2025 the following amendments to FRS102, none of which will be material to National Museums Scotland accounts, have been issued but are not effective:

- A new model of revenue recognition based on IFRS 15
- A new model of lease accounting based on IFRS 16

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

2. Critical accounting judgements and key sources of estimates

In the application of the above accounting policies, the Board and Accountable Officer are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimation in the valuation of land and buildings and donated assets

In the years between formal valuations, NMS's specialised buildings are revalued using the BCIS All-in Tender Price Index information obtain from a Royal Institution of Chartered Surveyors. Non-specialised buildings are valued with reference to market movements using available market data and indices. Donated Heritage Assets are valued on receipt by staff who have relevant skills knowledge and experience, or by a similarly qualified external valuation expert.

3. Government Grant-In-Aid (See Notes 1.e & 3)

Our largest source of funding is government Grant-In-Aid. In Charity Accounting this is accounted for as part of donations and legacies income.

Group and Charity	2025	2024
	£000	£000
Grant-in-aid received:		
Revenue	27,459	27,600
Capital	2,550	1,000
	30,009	28,600
Purchase Grant	-	-
Total received during year	30,009	28,600

The table below shows the outturn for the year against our Grant-In-Aid offer letter.

Current year	Outturn	Offer Letter	Sub Note
	£000	£000	
Cash Items			
Running Costs	27,459	27,451	A
Purchase Grant	-	-	
Capital Grant	2,550	2,550	
	30,009	30,001	
National Fund for Acquisitions (Note 23)	150	150	
	30,159	30,151	
Non-cash Items (Notional)			
Depreciation incl. permanent diminution in value	3,706	3,990	B
	33,865	34,141	

A: Fiscal resource budget included on the offer letter includes £150k for Maths Week Scotland. In total £159k was spent on Maths Week Scotland including £8k released from previously deferred funds.

B: For the purposes of the above comparison to the Grant-In-Aid Offer letter the Depreciation figure is shown adjusted for those assets not funded by the Scottish Government (i.e. excluding depreciation funded from the Board Capital Reserve).

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

4. Income (See Note 1.d)

Our main sources of income are grants from government and other bodies which support charitable activity. Entry to the National Museum of Scotland in Chambers Street is free, which is made possible by Grant-in-Aid provided by the Scottish Government. Entry to the National War Museum is also free, although an entrance fee is charged by Historic Environment Scotland for entry to Edinburgh Castle. Entrance charges are retained at other museums.

Significant trading income is generated by our subsidiary NMS Enterprises Limited.

Group	2025				2024	
	Unrestricted £000	Restricted £000	Group Total £000	NMS Total £000	Total Group £000	NMS Total £000
Donations and legacies						
Government grants	30,009	-	30,009	30,009	28,600	28,600
Charitable grants	859	1,178	2,037	2,037	3,936	3,936
Donations	421	-	421	1,134	365	953
Total	31,289	1,178	32,467	33,180	32,901	33,489
Charitable activities						
Admission charges	1,554	-	1,554	1,554	1,356	1,356
Memberships	361	-	361	361	367	367
Provision of services	154	-	154	154	141	141
Other	323	-	323	521	228	411
Total	2,392	-	2,392	2,590	2,092	2,275
Other trading activities						
Shops and events	4,566	-	4,566	-	4,395	-
Sponsorship	-	-	-	-	80	80
Total	4,566	-	4,566	-	4,475	80
Investments	112	-	112	93	86	75
Other	-	-	-	-	-	-
Total Income	38,359	1,178	39,537	35,863	39,554	35,919

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

5. Staff costs (See Note 1.f)

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Salaries	16,936	16,214	15,746	15,007
National Insurance Costs	1,630	1,526	1,528	1,419
Pension Costs	4,519	4,062	4,396	3,938
Early Retirement	(26)	162	(26)	162
Total	23,059	21,964	21,644	20,526

Additional details of staff costs are provided in the Remuneration Report.

6. Expenditure

Group - Unrestricted	2025				2024	
	Direct Cost	Support Cost	Group Total	NMS Total	Total Group	NMS Total
	£000	£000	£000	£000	£000	£000
Charitable activities						
Curatorial	5,254	537	5,791	5,791	5,719	5,719
Conservation & Collections Management	2,405	246	2,651	2,651	3,289	3,289
Public displays & events	9,295	951	10,246	10,246	9,884	9,884
Security and Support Services	3,446	352	3,798	3,798	3,471	3,471
Marketing	1,398	143	1,541	1,541	1,577	1,577
Estates and Buildings	6,124	626	6,750	6,750	6,273	6,273
Governance costs	1,133	116	1,249	1,249	332	332
Total	29,055	2,971	32,026	32,026	30,545	30,545
Raising funds (including Cost of Sales)						
Development	696	71	767	767	916	916
Trading: cost of goods sold and other costs	3,499	-	3,499	-	3,499	-
Total	4,195	71	4,266	767	4,415	916
Total Expenditure	33,250	3,042	36,292	32,793	34,960	31,461
Group - Restricted	2025				2024	
	Direct Cost	Support Cost	Group Total	NMS Total	Total Group	NMS Total
	£000	£000	£000	£000	£000	£000
Charitable activities						
Curatorial	713	-	713	713	806	806
Conservation & Collections Management	89	-	89	89	14	14
Public displays & events	1,646	-	1,646	1,646	1,695	1,695
Estates and Buildings	4,155	-	4,155	4,155	4,500	4,500
Total	6,603	-	6,603	6,603	7,015	7,015
Other	-	-	-	-	-	-
Total Expenditure	6,603	-	6,603	6,603	7,015	7,015

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

7. Tangible Assets (See Note 1.i)

National Museums Scotland holds title to the National Museum of Scotland main building on Chambers Street with the exception of the extension, which is still held in the name of the Scottish Ministers. It also holds title to the National Museums Collection Centre at Granton in north Edinburgh and the National Museum of Flight in East Lothian. Buildings at the National Museum of Rural Life are owned by the National Trust for Scotland, and the premises of the National War Museum at Edinburgh Castle are in the care of Historic Environment Scotland. National Museums Scotland owns the museum displays and other fittings and facilities at each site. We have full operational use of these assets and are responsible for their upkeep and maintenance.

To comply with the requirements of the Government Financial Reporting Manual (FReM) National Museums Scotland includes its fixed assets at their value to the business by reference to current costs, indexed to the Royal Institution of Chartered Surveyors (RICS) BICS indexation. Every 5 years properties are valued by External Valuers. All the properties were valued by District Valuer Services (DVS) of the Valuation Office Agency in the capacity of External Valuers as at 31 March 2024. As at 31 March 2025, specialised buildings were re-valued using indices supplied by the Building Cost Information Service (BCIS) of Royal Institution of Chartered Surveyors (RICS) to estimate their value. Non-specialised buildings have been revalued using an index of 0% based on available market information.

The valuations have been undertaken on the undernoted bases in accordance with the RICS and RICS UK National Supplement. Properties regarded by National Museums Scotland as operational are valued on the basis of Existing Use Value or, where this could not be assessed because there was no market for the asset, on the basis of the Depreciated Replacement Cost subject to the prospect and viability of the occupation and use.

Group					
Cost or valuation £000	Land & Buildings	Leasehold Imprvmnts	Permanent Galleries	Plant & Equipment	Total
1 April	263,178	6,737	42,550	6,031	318,496
Additions	2,622	107	-	267	2,996
Transfers	-	-	-	-	-
Disposals	-	-	-	(156)	(156)
Revaluations	5,160	-	-	-	5,160
31 March	270,960	6,844	42,550	6,142	326,496
Accumulated Depreciation					
1 April	101,726	2,030	34,586	4,506	142,848
Charge for year	4,032	123	1,494	331	5,980
Disposals	-	-	-	(156)	(156)
Revaluations	2,350	-	-	-	2,350
31 March	108,108	2,153	36,080	4,681	151,022
Net Book Value					
31 March	162,852	4,691	6,470	1,461	175,474
1 April	161,452	4,707	7,964	1,525	175,648

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

7. Tangible Assets *continued* (See Note 1.i)

Charity					
Cost or valuation £000	Land & Buildings	Leasehold Imprvmnts	Permanent Galleries	Plant & Equipment	Total -
1 April	263,178	6,737	42,550	5,520	317,985
Additions	2,622	107	-	258	2,987
Transfers	-	-	-	-	-
Disposals	-	-	-	(123)	(123)
Revaluations	5,160	-	-	-	5,160
31 March	270,960	6,844	42,550	5,655	326,009
Accumulated Depreciation					
1 April	101,726	2,030	34,586	4,045	142,387
Charge for year	4,032	123	1,494	318	5,967
Disposals	-	-	-	(123)	(123)
Revaluations	2,350	-	-	-	2,350
31 March	108,108	2,153	36,080	4,240	150,581
Net Book Value					
31 March	162,852	4,691	6,470	1,415	175,428
1 April	161,452	4,707	7,964	1,475	175,598

Prior year comparative information is included in the following tables:

Group - Prior Year Comparatives					
Cost or valuation £000	Land & Buildings	Leasehold Imprvmnts	Permanent Galleries	Plant & Equipment	Total
1 April	262,479	5,969	42,546	5,735	316,729
Additions	965	596	4	366	1,931
Transfers	-	-	-	-	-
Disposals	-	-	-	(70)	(70)
Revaluations	(266)	172	-	-	(94)
31 March	263,178	6,737	42,550	6,031	318,496
Accumulated Depreciation					
1 April	94,614	1,853	33,041	4,266	133,774
Charge for year	4,377	123	1,545	310	6,355
Disposals	-	-	-	(70)	(70)
Revaluations	2,735	54	-	-	2,789
31 March	101,726	2,030	34,586	4,506	142,848
Net Book Value					
31 March	161,452	4,707	7,964	1,525	175,648
1 April	167,865	4,116	9,505	1,469	182,955

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

7. Tangible Assets *continued* (See Note 1.i)

Charity - Prior Year Comparatives					
Cost or valuation £000	Land & Buildings	Leasehold Imprvmnts	Permanent Galleries	Plant & Equipment	Total -
1 April	262,479	5,969	42,546	5,227	316,221
Additions	965	596	4	341	1,906
Transfers	-	-	-	-	-
Disposals	-	-	-	(48)	(48)
Revaluations	(266)	172	-	-	(94)
31 March	263,178	6,737	42,550	5,520	317,985
Accumulated Depreciation					
1 April	94,614	1,853	33,041	3,800	133,308
Charge for year	4,377	123	1,545	293	6,338
Disposals	-	-	-	(48)	(48)
Revaluations	2,735	54	-	-	2,789
31 March	101,726	2,030	34,586	4,045	142,387
Net Book Value					
31 March	161,452	4,707	7,964	1,475	175,598
1 April	167,865	4,116	9,505	1,427	182,913

The charge for depreciation and diminution in value comprises:

Group and Charity	2025 £000	2024 £000
Charity tangible assets depreciation	5,967	6,338
NMS Enterprises tangible assets depreciation	13	17
	5,980	6,355

8. Commitments

Committed but not provided for in the Accounts	Group	
	2025 £000	2024 £000
Capital expenditure:		
Capital projects	103	143
Total Commitments	103	143

Capital commitments at the year end relate to the project to upgrade and develop the Human Remains Store at the National Museums Collections Centre.

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

9. Heritage Assets (See Note 1.j)

National Museums Scotland and its predecessor bodies have acquired objects for the collections over the previous two centuries. The collections cover geological, archaeological, scientific, engineering, artistic, historic and cultural subjects and are used for the purposes outlined in the Trustees' Annual Report.

National Museums Scotland has been required to capitalise the cost of artefacts acquired since 1 April 2001. Artefacts acquired in the centuries prior to 1 April 2001 are excluded because reliable cost information is not available. As the collection is held and cared for in perpetuity depreciation and impairment does not arise.

National Museums Scotland considers that valuation of the 12 million objects in the collections would be impracticable and would have no beneficial purpose commensurate with the cost of valuation.

The cost of acquisitions and the source of funding over the last five years are summarised below. No assets have been disposed of, depreciated or impaired.

Group and Charity	2025	2024	2023	2022	2021
	£000	£000	£000	£000	£000
Opening balance	18,382	16,143	15,589	11,198	11,071
Government Grant	121	331	112	247	87
NMS Charitable Trust	73	260	45	345	24
Art Fund	-	250	23	324	16
National Heritage Memorial Fund	-	135	-	810	-
Others	2	1,263	374	2,665	-
Closing balance	18,578	18,382	16,143	15,589	11,198

10. Intangible Assets

No intangible assets are held by National Museums Scotland.

11. Leases (See Note 1.m)

National Museums Scotland has one finance lease. The Exhibition Building at National Museum of Rural Life is leased from the National Trust for £1 per annum on a 99 year lease. The present value of future lease payments is less than £100 and has not been recognised in these accounts.

The farm buildings and land at National Museum of Rural Life are held under an operating lease. Payments under this are shown as rent of £26k in the accounts (2023-24: £26k). Future rental commitments at 31 March were as follows:

	Group and NMS	
Land & Buildings	2025	2024
	£000	£000
Not later than one year	26	26
Later than one year and not later than five years	105	105
Later than five years	1,843	1,869

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

12. Investments (See Notes 1.k & 1.l)

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Opening & Closing Balance	1	1	200	200

NMS Enterprises Limited, a wholly-owned subsidiary of National Museums Scotland, holds 600 ordinary shares of £1 each in the Scottish Book Source Ltd. The trustees believe that the carrying value of the investments is supported by their underlying assets.

The Board of Trustees of the National Museums Scotland owns 200,000 £1 shares in NMS Enterprises Limited.

13. Stocks (See Note 1.n)

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Stocks Held for Resale	855	890	-	-

The current cost value of stocks is not materially different from historical cost and, accordingly, no adjustment has been made to reflect current cost.

14. Debtors (See Note 1.o)

Receivable Within 1 Year:	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade Debtors	321	389	112	91
Less: Provision for Amounts not recoverable	-	-	-	-
Charitable grant debtors	146	443	146	443
Subsidiary Company	-	-	230	212
VAT Recoverable	500	431	581	530
Prepayments	418	374	274	295
	1,385	1,637	1,343	1,571

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

15. Creditors: amounts falling due within one year (See Note 1.q)

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade creditors	(665)	(1,194)	(596)	(1,178)
Accrued expenditure	(1,180)	(1,493)	(1,090)	(1,333)
Taxation and social security	(363)	(362)	(341)	(337)
Income received in advance	(971)	(1,029)	(683)	(701)
	(3,179)	(4,078)	(2,710)	(3,549)

	Membership income received in advance		Other income received in advance	
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Balance at 1 April 2024	(175)	(175)	(854)	(527)
Income received and deferred in year	(175)	(175)	(796)	(507)
Released in year	175	175	855	527
	(175)	(175)	(795)	(507)

16. Provisions (See Note 1.q)

These costs have been incurred before the balance sheet date but the precise value and timing of payment is not known at that date. The provision at 31 March 2024 related to injury benefit costs due to one individual for life. The provision was based on the prevailing rates payable and average life expectancy data available from the Office for National Statistics. The individual died during the year to 31 March 2025 and consequently the remaining provision was released during the year.

Group and Charity			
	Injury Benefit	2025 Total	2024 Total
	£000	£000	£000
Opening balance 1 April	(180)	(180)	(41)
Add: Provisions During Year	-	-	(162)
Less: Released During Year	164	164	-
Less: Paid During Year	16	16	23
Closing Balance 31 March	-	-	(180)

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

17. Reserves – Restricted and Unrestricted (See Notes 1.r, 1.s & 1.t)

	Fund brought forward £000	Income £000	Expenditure £000	Transfers between funds £000	Gains and losses (Note 7) £000	Fund carried forward £000
Restricted						
Board Capital Reserve	33,595	223	(1,943)	198	-	32,073
Government Capital Reserve	64,112	-	(3,706)	2,550	-	62,956
Revaluation Capital Reserve	77,328	-	-	-	2,810	80,138
Heritage Assets Fund	18,665	75	-	-	-	18,740
Other Restricted Funds	701	880	(954)	(199)	-	428
Total	194,401	1,178	(6,603)	2,549	2,810	194,335
Unrestricted						
<i>Designated</i>						
Board Capital Reserve	1,475	-	(318)	258	-	1,415
<i>Available</i>						
Board Reserve - NMS	39	31,489	(31,563)	(257)	-	(292)
General Fund	-	2,550	-	(2,550)	-	-
Total - Charity	1,514	34,039	(31,881)	(2,549)	-	1,123
Board Reserve - NMSE	766	4,586	(4,411)	-	-	941
Total - Group	2,280	38,625	(36,292)	(2,549)	-	2,064

There are three types of restricted fund:

a) Capital Reserves

These funds represent funding for expenditure which has been capitalised as Tangible Assets in the balance sheet where either the funds received were subject to restrictions (e.g. Heritage Lottery Fund receipts held in the Board Capital Reserve) or the funds were used to create assets the uses of which are themselves subject to restrictions (e.g. capital Grant-in-Aid held in the Government Capital Reserve). These will fund the future depreciation costs arising from those assets.

The Revaluation Capital Reserve represents the difference between the current and historic value of the Tangible Assets subject to disposal restrictions. Current valuations are subject to annual indexation with a full independent review every five years. The fund will be used to offset part of future depreciation costs or future reductions in valuation arising from reviews.

b) Heritage Asset Fund

The Heritage Assets Fund represents funding for capitalised expenditure on the items added to the Collection since 2001, the disposal of which is subject to legal restriction. These funds come from various sources (e.g. Heritage Lottery Fund, Art Fund) and may be subject to further restrictions tied to the funding received.

c) Other Restricted Funds

Other restricted funds are maintained when funding is being held for a donor specified future purpose. These funds have not yet been used and are available to meet future restricted expenditure.

There are three types of unrestricted fund:

a) Designated Funds – Board Capital Reserve

The designated Board Capital Reserve represents expenditure which has been capitalised as Tangible Assets in the balance sheet where there are no funding or disposal restrictions. It will fund future depreciation costs arising from those assets.

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

17. Reserves – Restricted and Unrestricted *continued* (See Notes 1.r, 1.s & 1.t)

b) Available Funds

The only reserves which are directly available to support the future delivery of charitable activities are the General Fund, which is now held at zero, and the Board Reserve - NMS, which holds the accumulated surplus or deficit through the non-government revenue raising activities of the charity. These are maintained at a low level as part of operating within the government financial framework.

c) Board Reserve - NMS Enterprises Limited

This represents the accumulated profits of the subsidiary company which either support the ongoing operations of the company or will be distributed to NMS as the parent organisation. In effect these are part of the Board Reserve and should be considered as available funds alongside the Board Reserve – NMS.

18. Net Assets held in Reserves

Group and NMS	Restricted Funds	Designated Capital Reserves	Board Reserve	Total	NMS Enterprises Limited	Group Total
	£000	£000	£000	£000	£000	£000
Tangible assets	174,013	1,415	-	175,428	46	175,474
Heritage assets	18,578	-	-	18,578	-	18,578
Investments	-	-	200	200	(199)	1
Current Assets	1,744	-	2,220	3,964	1,561	5,525
Current Liabilities	-	-	(2,710)	(2,710)	(469)	(3,179)
Long-term liabilities	-	-	-	-	-	-
Balance at 31 March 25	194,335	1,415	(290)	195,460	939	196,399

The Board Reserve held in both the charity and its subsidiary (NMS Enterprises) is available for use and is held at not less than £250,000 in totality. Profits from NMS Enterprises are gifted to NMS one year in arrears. The negative Board Reserve within NMS does not reflect a cash shortfall but rather the impact of accounting treatments under the accruals basis. The reserve is positive when combined with NMS Enterprises.

19. Related Party Transactions

National Museums Scotland is a Non-Departmental Public Body (NDPB) sponsored by the Scottish Government (Constitution, External Affairs and Culture division). During the year National Museums Scotland received material levels of income from the Scottish Government as disclosed in Note 3.

The National Museums of Scotland Charitable Trust (“NMSCT”) exists to advance education in matters agricultural, archaeological, architectural, cultural, environmental, historical, industrial, military, scientific and social. During the year Ian Russell and Laura Young, Trustees of National Museums Scotland, were also Trustees of NMSCT. National Museums Scotland received £270k in grants from NMSCT during the year (2023-24: £426k). Funds totalling £800k (2023-24: £nil) were transferred to NMSCT as funding to be drawn down for future use. Transfers were made with the approval of the Scottish Government and related to donations which were not able to be spent in the year in which they were received.

The following Trustees were also members of the NMS Enterprises Limited Board of Directors during 2024-25: Adam Bruce (resigned from NMS Enterprises Limited Board on 30 September 2024), Janet Stevenson (resigned from NMS Enterprises Limited Board on 31 March 2025), Mimi Brophy, Bridget McConnell and Hermione Cockburn.

No Trustees, members of key management personnel or related parties entered into any material transaction with National Museums Scotland during the year.

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

20. Taxation

National Museums Scotland has been granted charitable status by the Scottish Charity Regulator (OSCR) and is entitled to tax exemptions on income and profits from investments and surpluses on any trading activities carried out in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

In the year National Museums Scotland has made an Exhibition Tax Relief claim of £266k (2023-24: £251k).

National Museums Scotland receives a distribution of profits from NMS Enterprises one year in arrears. For 2024-25 NMS Enterprises Limited will distribute profit of £888k (2023-24: £726k) via Gift Aid. Payment of gift aid eliminates any liability of the subsidiary to Corporation Tax in that year.

21. Subsidiary Company (Note 1.I)

NMS Enterprises Limited, a company registered in Scotland (Company number SC171820), is a wholly owned subsidiary of National Museums Scotland set up to promote and develop our commercial activities by:

- Managing commercial facility hire and catering activities,
- Operating the shops in our museums,
- Publishing books, and
- Developing our intellectual property.

The results for the year to 31 March 2025 are summarised in the following table:

	2025	2024
	£000	£000
Turnover	4,566	4,395
Cost of goods sold	(1,840)	(1,814)
Administrative costs	(1,858)	(1,869)
Trading profits/(losses) from continuing operations	868	712
Interest Income/(Cost)	20	14
Corporation Tax on Profits	-	-
Profit reported in Consolidated I&E Account	888	726
Reserves at 1 April	766	628
Profit for the year	888	726
Profit distributed in year	(713)	(588)
Reserves at 31 March	941	766

NMS Enterprises Limited has retained profits of £941k and total shareholders' funds of £1,141k as at 31 March 2025.

22. Contingent Liabilities

There are no contingent liabilities as at the 31 March 2025. NMS has received intimation of an application to the Court of Session in relation to an accident at work which has now been scheduled for April 2026. NMS is unable to comment beyond acknowledging that the case is proceeding as any comment made at this stage could be viewed as prejudicing the legal process.

NATIONAL MUSEUMS SCOTLAND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

23. National Fund for Acquisitions (See Note 1.u)

	2025	2024
	£000	£000
Balance at 1 April	95	154
Grant Received	150	150
Disbursements	(188)	(209)
Balance at 31 March	57	95

As agents of Scottish Ministers, National Museums Scotland administers the National Fund for Acquisitions (NFA). As an agency arrangement, the Fund and its income and expenditure are not included in the consolidated accounts.

The allocation from Ministers for the financial year 2024-25 was £150k (2023-24: £150k). During the year 58 (2023-24: 54) payments totalling 188k (2023-24 £209k) were made to 25(2023-24: 29) organisations, supporting acquisitions worth £452k (2023-24: £530k).

Further information on the Fund is available on our website at <https://www.nms.ac.uk/our-impact/national-work/national-fund-for-acquisitions>.

24. External Audit

Audit Scotland was appointed by the Auditor General Scotland as our External Auditors, for which external audit fees were incurred in 2024-25 of £35k (2023-24: £35k). No other services were bought from this organisation.

25. Date of Issue of Accounts

The accounts are authorised for issue on the date they are signed by the Accountable Officer and Trustees and must be laid before Parliament before being released.

26. Post Balance Sheet or Significant Events

There are no material post balance sheet events prior to the date of issue of the financial statements.

There were no significant events or material uncertainties beyond the risks which have been identified in the Trustees Annual Report and Governance Statement.

FINANCIAL MEMORANDUM: APPENDIX 2



NATIONAL MUSEUMS OF SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 9(3) of Schedule 1 to the National Heritage (Scotland) Act 1985, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 21 November 2002 is hereby revoked.

A handwritten signature in black ink, appearing to read 'David Steel', with a horizontal line drawn underneath it.

Signed by the authority of the Scottish Ministers

Dated 31 March 2006