

## **Manx Museum and National Trust**

### **(Trading as Manx National Heritage (MNH) Charity registration number 603)**

## **Annual report to accompany accounts 2021/22**

### **1. Governance**

The Manx Museum and National Trust Act (as amended in 2012) makes provision for the establishment of a new Board every five years after a General Election and a new Tynwald. Board members can serve a maximum of two five year terms and must re-apply for the position after each term. Recruitment of a new Board took place in the spring of 2022 – with the new Board being formally endorsed by Tynwald in May 2022.

There were no changes to the Board during the year.

Jonathan Hall remained Chairman and David Martin was re-elected as Vice-Chairman.

Members of the Board:

- Jonathan Hall (Chairperson)
- Malcolm Kelly
- Mark Shimmin
- Eva Wisemark
- John Watt
- Catriona Mackie
- Rob Callister MHK (Minister's appointee – appointment expired November 2021)
- Peter Greenhill MLC (Minister's appointee – first appointed November 2021)
- Philip Gawne
- Joan Conway
- David Martin
- Jennie Thompson

No Trustees were employed by the Charity during the year.

The Board continued with two committees – whose remit and membership was reviewed during the year.

- Audit and Risk
- Performance, Policy and Development

The Charity's registered address is:

Manx National Heritage

Manx Museum

Douglas

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Statement of Purpose:

The powers and duties of the Manx Museum and National Trust, registered charity number 603, are laid out in section 24 of the Manx Museum and National Trust Act 1959 (and subsequent amendments)

The Trust shall:

- a. Promote the permanent preservation for the benefit of the people of the Isle of Man of lands and tenements (including buildings) of beauty or historic interest and, as regards lands, the preservation (so far as practicable, of their natural aspect, features and animal and plant life; the preservation of buildings of national interest or architectural, historic or artistic interest, and places of national interest or beauty, and the protection and augmentation of the amenities of such buildings and places and their surroundings;
- b. Preserve all furniture and pictures and chattels of any description having national or historic or artistic interest;
- c. Provide access to, and enjoyment of, such buildings, places and chattels by the public, whenever desirable

The formal objectives of the Charity are as follows:

1. Public Museum, Library and Art Gallery and any purpose of a historical, scientific, archaeological, ecclesiastical, physical, industrial or educational character with or incidental to a Public Museum, Library or Art Gallery (Section 5, 1959 Act)
2. Manx National Trust the promotion or the permanent preservation for the people of Isle of Man of lands and tenements including buildings of beauty or historic interest, the preservation of buildings, features and chattels of national, historic or artistic interest (Section 24, 1959 Act)

The following statement of purpose adopted by Trustees in 2018 remained unchanged:

*"Manx National Heritage exists to take a lead in protecting, conserving, making accessible and celebrating the Island's natural and cultural heritage for current and future generations whilst contributing to the Island's prosperity and quality of life"*

The following "Critical Success Factors" agreed in 2018 remained unchanged:

- Responsible management of the IOM's natural and cultural heritage
- Accessible assets and services
- Coordinated natural and cultural heritage activity on the Island
- Being accepted as an essential part of the visitor economy
- A positive working relationship with our supporters and members
- Delivery against agreed performance measures
- MNH internationally respected as a National heritage organisation

## **2. Overview and Impact of Covid-19**

MNH started the year in lockdown number 3 as a result of the Isle of Man Government's actions to control the impact on the Island of the worldwide pandemic. Re-opening of sites started on 21 April 2021 with phased opening. By the 1 May 2021 the Manx Museum, House of Manannan, Castle Rushen and Rushen Abbey had opened with other sites open for special events and pre-booked tours. Borders between the UK and Isle of Man started to open on 28 June 2021 with access limited to UK and Republic of Ireland visitors those who had been vaccinated. Further MNH sites opened on 16 July 2021 following support from the Department for Enterprise for funding from the Economic Recovery Group. With this support the site season ended on 17 November 2021. Restrictions were not fully lifted until 1 April 2022 when Covid 19 was declared to be endemic.

Restrictions on border access limited visitor numbers to the Island adversely impacting on income receipts for admissions, retail and events. Funding was secured to support opening of sites to welcome returning visitors and to provide attractions for residents to visit and enjoy.

## **2.1 Governance**

At the start of the year, due to Covid 19 restrictions, in person Trustee meetings continued to be suspended with meetings taking place remotely using Teams. Good governance practice continued to be applied with the preparation and circulation of meeting papers and minutes. Following lifting of Covid 19 restrictions in person meetings recommenced at the Board meeting held on 20 May 2021. During the year hybrid meetings, combining in person and remote access attendance, were held to provide flexibility on attendance. This format has continued with most of the Trustees and Executive Team attending in person.

## **2.2 Staffing and working arrangements**

Flexible and home working continued during the pandemic with most staff able to continue to support service delivery. Support was provided to staff for the cumulative impact on mental and physical health as restrictions were lifted and attendance in offices was resumed.

MNH continued to support areas of Government during all lockdowns. This included a significant number of the front of house team and those with public facing roles were by definition unable to work from home and were redeployed to support the Island's Health and Community services. This was much appreciated by the community but it did result in a limited time-lag when restrictions eased as we "retrieved" the team from redeployment.

## **2.3 Budgets**

The lockdowns and border closures had a significant impact on our income and indeed highlighted how much we have done in recent years to reduce our financial dependence on Government by generating our own income. We had limited admissions, retail, events income, or donations from visitors for the first quarter of the year and then a much reduced amount for the remainder of the financial year. With significant fixed costs our ability to flex our services was very limited.

MNH was not eligible for support provided to other charities or private organisations so made a request for support to Government for additional grant for lost income and a forecast deficit for 2021//22. Following negotiation with Treasury additional funding was received to cover the operational deficit.

Throughout the summer of 2021 MNH operated a programme of opening sites and events targeted initially at the local community providing leisure and well-being opportunities as we moved out of Covid 19 restrictions. This quickly moved to include

welcoming returning visitors and Groups during lockdown supported by funding from the Economic Recovery Group (£36,324) to provide increased site opening.

We continued to deliver services during the year and deferred spending where possible. In some cases work was delayed or not undertaken as suppliers were unable to deliver and the construction sector was overheated. The financial picture at the end of the financial year was better than forecast in difficult trading conditions. The year end revenue deficit was funded by an additional grant from Treasury of £330,478.

## **2.4 Public programming**

Lockdowns continued to have an impact on public programming with rescheduling required to our plans as we moved out of lockdowns and restrictions. We are grateful to our partners for their flexibility and understanding.

Lessons learned in offering different education resources have been carried forward to improve engagement with schools and to meet their changing needs.

## **3. Activity Report**

### **3.1 Responsible management of the IOM's natural and cultural heritage**

#### **UNPATH**

The Isle of Man's maritime heritage is extraordinarily rich. Our location in the middle of the Irish Sea links us to the seafaring histories of other nations. Unpath'd Waters (taken from Shakespeare's *The Winter's Tale* 'To unpathed waters, undreamed shores') is one of five 'Discovery Projects' funded by the UK Research and Innovation (UKRI) Arts and Humanities Research Council's programme, 'Towards a National Collection'. The programme will see Manx National Heritage work with Historic England and other UK partners to reveal new stories about our maritime past, underwater landscapes, wrecks and artefacts and open them to the world.

The 3-year project, which will involve a team at Manx National Heritage and other maritime researchers of the Island, will, for the first time, link Manx maritime heritage with that of England, Scotland, Northern Ireland and Wales, dissolving barriers between the different collections of museums, archives, libraries and galleries.

The overarching innovation and ambition of the 'Towards a National Collection' programme is to extend and diversify researcher and public access to world-renowned collections beyond the physical boundaries of their location.

## **Thornbank**

In view of the significant financial uncertainty faced by the organisation Trustees agreed that progress on the project would be deferred. The property would continue to be maintained in readiness for work at a suitable time.

## **Peel Castle**

Conservation work on the gatehouse and other areas commenced in March 2022. Located at the most vulnerable part of St Patrick's Isle, the Gatehouse formed part of Peel Castle's earliest defences. The ground floor served as the guardroom, while at first and second floor levels there were living quarters, complete with grand fireplaces.

At the very top are the battlements, is the area in which stonemasons have commenced work securing sections of weathered and storm damaged masonry including wall-heads which protect the integrity of the walls beneath them. These areas of masonry were last substantially repaired in the 1870s.

The Gatehouse is one of several areas of the castle undergoing conservation. High level masonry work was also carried out on the Cathedral Tower, with further work continuing to be undertaken to a number of other areas of the Castle during the 2022 season.

## **The Isle of Man Historic Environment Record.**

The Isle of Man Historic Environment Record (IOMHER) went live in May 2021 and is the primary information service for the historic environment of the Isle of Man and will inform its future management and enjoyment. Using the latest open source software, IOMHER provides a major research tool for members of the public, commercial operations and academics alike, allowing users to carry out searches in different ways. The IOMHER also now forms the management database for the Isle of Man's official Historic Environment Record enabling the team at Manx National Heritage to better safeguard, grow and share what we know about the Island's rich built, archaeological and underwater historic environment.

## **Laxey Wheel**

2022 began with a flurry of activity at the Great Laxey Wheel, where contractors commenced work on a project to repair and conserve the iconic waterwheel.

Following a competitive tendering process phase 1 of the project commenced to see old render and defective timbers replaced and the wheel, housing, railings and viewing platform re-painted. Works were planned to take place over a four month period but

issues discovered when work commenced saw the conclusion extended to further into 2022.

Plans were put in place to manage public access to learn about these major conservation works as they happen, including behind the scenes hard hat tours, providing a fascinating insight into the skills and challenges involved in the repair and conservation of this iconic monument. Conservation work of this scale to the Lady Isabella only takes place once or twice in a lifetime and the commencement of this project marked a significant moment in, not only the history of the Laxey Wheel but also in our Island's history.

As the Wheel was covered for much of the duration of the work the admission price was reduced but visitor numbers and income were severely impacted.

### **Nautical Museum**

In November, Manx National Heritage published a report on the future strategy for the Nautical Museum, the Peggy and the story of George Quayle – the prominent politician and bank owner who built the vessel. An updated Q&A document was also published on our website about progress of a project designed to highlight the story of the Peggy and her owner/designer within the context of the Island's wider maritime history.

Concept visuals of what the redeveloped Nautical Museum could look like were also made available, displaying views from the Quarterdeck, Quayside and Bridge Street alongside computer-generated impressions of the proposed environmentally controlled boathouse and retail area.

This forms part of an estimated £5 million redevelopment scheme as Manx National Heritage aims to deliver a refreshed interpretation, creating a memorable, all weather, accessible experience for locals and visitors alike. A timeline for future development was also provided with a key decision point on securing funding in the capital bid process in 2023 for 2024 funding.

### **Planning matters**

#### **Cregneash Agricultural Tenancy**

After significant delay, and not yet concluded, due to various factors including the complexity of the project and Covid, progress was made on moving to a lease of 120 acres of land at Cregneash. This is intended to allow MNH to focus on the public interpretation of the core of the historic site. The documentation covers a five year tenancy, a livestock loan agreement and the optional lease of Calf View Barn.

### **3.2 Accessible assets and services**

The concept of access covers a wide range of activity and is core to the Trusts charitable purposes. It implies the removal of all barriers including social, economic, intellectual and physical.

As is the case every year a wide range of public programming was offered to visitors. This included exhibitions, lectures and family activities.

#### **TT Gallery**

The challenges of an overheated construction sector and Covid 19 delayed the appointment of a contractor and commencement of infrastructure works. Construction work is well under way (September 2022) and the interior installation is held in store ready for fit out. The TT Gallery is expected to open in Spring 2023.

As part of the TT collection acquisition plan MNH will have for display one of few British racing motorcycles surviving from the years prior to the First World War. It was acquired by the British Motorcycling Trust for display in the new TT Gallery at the Manx Museum.

The motorcycle, a 350cc AJS built in 1913, originally belonged to Billy Jones of Wrexham, who competed with it in the 1914 Junior TT. He finished 4<sup>th</sup> in that race. It is one of only a handful of surviving pre-WW1 machines with an undisputable TT history and the first that Manx National Heritage has been able to locate after a number of years of searching.

#### **Exhibition Programme, Visits and Events**

After early delays due to the pandemic MNH continued to deliver its exhibition programme and events including: Kevin Atherton exhibition, Traders of the Lost Arts, Voyage (engaging with 6 young people who curated it), Christmas events, Lego on the loose and Martin Hearn exhibition.

Some of our popular events also returned, including Heritage Open Days and Wildlife week.

#### **iMuseum**

Providing access to our collections is a key objective and the growth in online resources achieves this. In addition to ongoing access to digitised collections we launched Listen In, 100 recordings released as part of a unique collection of around 600 sound recordings, digitised from the Manx National Heritage Sound Archive, set to become available online thanks to the 'Unlocking Our Sound Heritage' (UOSH) project, a UK



wide project to preserve and provide access to thousands of rare and unique sound recordings.

Archive footage was also made available on iMuseum and at film presentations of the development of Ronaldsway airport, a unique record of one of the Island's key gateway.

## **Treasure**

The Island continues to benefit from items uncovered by members of the public. Where they are declared as treasure under the Treasury Act they pass into the care of MNH as part of the national collection.

April 2021 saw a beautiful 350 year old gold and crystal ring discovered on the Isle of Man declared Treasure. Discovered in December 2020 the ring is 21.5mm in diameter, made from gold, with a crystal stone 12mm diameter, covering gold lettering of the initial capital letters J (or I) and D. Each shoulder of the ring is decorated with an engraving of a leaf inlaid with black enamel. It dates to the mid to late AD 1600s and is a Stuart-period mourning ring, sometimes distributed at funerals to commemorate the person who had died, usually including their initials.

In July 2021 MNH announced that the Isle of Man's rich Viking legacy was further enhanced by the discovery of the Island's latest treasure hoard. This hoard consisted of 87 silver coins, 13 pieces of cut, silver arm-rings or "hack silver" and associated artefacts.

### **3.3 Being accepted as an essential part of the visitor economy**

MNH continues to be a major contributor to the visitor economy and is commissioning an economic impact assessment jointly with the Department of Infrastructure's heritage transport division. The results of the survey are expected in late spring 2023.

The impact on our total traded income due to border closures, local trading challenges and reduced site opening continued to be significant with income falling by some 37%. This was an improvement on the previous year but still represented c£400k less than would have been expected. Overseas visitors to our sites usually make up, in the region of 75% of our total visitors with 25% being local resident visitors. We look forward to the return of visitors to pre-pandemic levels and will support the Visit Agency's aim to grow visitor numbers.

In Spring 2022 MNH's Executive Director joined the Board of the Visit Agency strengthening collaboration between MNH and other key tourism industry stakeholders.

## **Group and Travel Trade overview**

Unsurprisingly Group income was severely impacted in the previous year, 2020/21, with borders closed and very little opportunity to trade. 2021/22 saw a recovery as borders reopened and Group operators sought to deliver deferred visits and pent up demand. MNH worked hard to support this sector, working closely with the heritage railways team at the Department of Infrastructure. Despite a limited season Group income reached 60% of its 2019 total, nearly double early budget forecasts on recovery for this sector.

### **3.4 A positive working relationship with our supporters and members**

#### **Friends of Manx National Heritage (FMNH)**

MNH recognises the ongoing financial contribution provided by FMNH for its work and projects including development and planting of the Speakers Garden at Castle Rushen in May 2021.

### **3.5 Delivery against agreed performance measures**

The Trust is concerned to maintain and demonstrate high standards of governance and performance and has worked closely with the Executive to establish appropriate systems to record and monitor these aspects of its work. Its core committee structure remained unchanged:

- a. Audit and Risk Committee
- b. Performance, Policy and Development Committee

Day to day management of the organisation is formally delegated to the Executive Director and staff through a formal scheme.

A rolling three year "Forward Development Plan" was produced – underpinned by annual "Priorities and Objectives". A "traffic light" review of performance was presented to the Board on a quarterly basis. The Trust also accepts the current IOM Government Financial Regulations as best practice along with a number of other policies, procedures and guidance.

#### **Staffing**

A number of staff were seconded elsewhere during the pandemic, the impact of which ran into this reporting period. The position of MNH staff is that they are employed by the Isle of Man Public Services Commission which sets their terms and conditions,

facilitates their pensions, and is ultimately responsible for recruitment and disciplinary matters. Staff are “stationed” with Boards, Offices and Departments with delegated authority to Chief Officers for a range of management and supervisory functions.

It is within the authority of the Commission to redeploy staff, and indeed staff who are surplus to requirements within MNH can be offered redeployment elsewhere. This reduces the risk of redundancy. The request for redeployment came from the Office of Human Resources in this instance. The financial implications were not considerable but were in any case accepted by Treasury in their review and payment of an additional grant. As well as Trustees, several “hosts” of seconded staff have expressed their thanks for the work done to support the wider Manx Community at a very difficult time.

### **Director Recruitment**

The serving Director, Edmund Southworth retired in July 2021 and Executive Director, Connie Lovel, commenced in post in August 2021.

### **3.6 MNH internationally respected as a National heritage organisation**

MNH continued to be a member of a number of professional bodies and staff have attended seminars and conferences, often remotely where provision for such attendance has been necessary. The Head of Properties continued to serve on the Board of the Visitor Safety Group. Edmund Southworth continued to serve on the Board of the Destination Viking Association until his retirement in July 2021. The Executive Director joined the Visit Agency Board in Spring 2022.

## **4. Financial sustainability**

### **Property disposal**

During the year a property bequeathed to MNH and agreed for sale by Tynwald was sold to support MNH’s contribution for work on the Laxey Wheel. The balance of funds passed to reserves.

### **Fundraising**

We reviewed the contactless donation system from Barclays and concluded that we would trial an alternative offer from Goodbox. This has been more successful and may be extended to other sites in 2023.

It is clear that the Manx fundraising landscape has changed during Covid, international events and the energy crisis. Many charities are experiencing financial difficulties. MNH will review options in the current economic climate.

## **Bequests, donations and income**

A long-standing benefactor continued to make further regular donations to the Curatorial and Professional Development Fund during the financial year.

## **Retail**

With border restrictions in place in various forms until 31 March 2022 and reduced site opening our retail offer was initially focused online and into our two main sites at the Manx Museum and House of Manannan. Visitors were slow to return with a consequent negative impact on retail sales.

- limited visitor numbers delivered improved admission income (£145k) compared to the previous year but was still only 45% of our normal trading income. This was however above early budget forecasts following significant work by the retail team.
- Engaging public programme, with bookable tours and workshops, enabled us to plan staffing and resources, in addition to understanding the needs of our audiences better.

## **5. Relationship with IOM Government**

The relationship with the IOM Government is key to the Charity's sustainable funding and is at the heart of our service delivery. We worked very closely with DEFA on a range of issues including signage, Registered Building and Planning Issues. We continued to work closely with IOM Railways on ticketing, marketing, familiarisation visits, and cruise ship excursions.

MNH has continued to provide support to the IOM Preservation of War Memorials Committee during the year.

The Isle of Man Government continued to provide a range of infrastructure and services to the Trust including computing, accounting, staffing, insurance and legal advice.

## **6. Challenges and risks**

MNH continued to operate within a challenging environment arising from the pandemic, as noted in section 2 above. Whilst borders opened on 28<sup>th</sup> June 2021 some restrictions still applied and full restrictions were not removed until March 2022. It was already expected that it would take time for the economy and visitors to recover to

pre-pandemic levels, other international events, such as Russia's invasion of Ukraine, the energy crisis and high inflation will hinder that recovery, potentially significantly.

Other key risks to the organisation during the year remain around the resources available to it to fulfil its statutory duties. The financial strategy for the organisation has had three main components: seek efficiencies and savings wherever possible, increase income from visits, and increase income through diversifying and exploiting assets. However, the charity continues to be dependent on Government funding, circa 75%, for its long-term sustainability and in particular the care of its assets and the delivery of its public services. In recent years this funding has been capped or reduced and has fallen significantly in real terms. The inability to generate historic levels of income during the pandemic with high fixed costs has highlighted the risk to the charity. Securing support from Treasury in 2021/22 for the operational deficit was very welcome but uncertainty remains on the commitment and funding available to address long term reductions in support. Difficult trading conditions continue in 2022/23 with a further request to Treasury for additional funding being considered.

MNH has a significant responsibility for the care and storage of its collections, much of which are held in reserve. The space to do so is now full and there is significant pressure on our ability to accession further items. Major investment is required to extend the current collections store or otherwise provide additional facilities. This will be considered as part of the estate review noted below.

By the nature of the items in its care MNH has a significant number of assets, property, land and collections that require conservation, repair and maintenance. Concern continues that the current financial resources are not sufficient to address these matters. An Estates review has been commissioned the results of which will inform a 5 year financial plan which will be discussed with stakeholders.

## **7. Note on accounts**

The Isle of Man Government makes a significant contribution to the core activities of the Trust and the Trust uses the Government's accounting services and systems to hold and manage transactions. Historically the Government has included that financial contribution within its Revenue budget and as a consequence has also included the Accounts relating to these activities within its consolidated accounts.

To aid in understanding the overall extent of the Trusts operations relevant extracts from the Government's Light Blue Book have previously been appended to the Trust's accounts for the year. Following a change in the reporting of Government Accounts

details will not be available until November, after Trustees are required to publish these Financial Statements and Annual Report. Details will be available at a later date on the Government website. – link provided below:

<https://www.gov.im/categories/tax-vat-and-your-money/government-accounts/>

Historically the Trust's operational budgets and accounts associated with the Government support have been managed and reported separately from accounts described by the Trust as "Charitable". As a result of matters raised by the Attorney General's Chambers, in the capacity of the Attorney General's statutory role concerning Manx charities, it is accepted that the Trust has an obligation to describe the full range of its activity in its accounts, and should not artificially separate out accounts or describe them in this way.


MNH has continued to use Treasury's accounting system for the period with the aim of moving to a separate system as soon as is practical. Due to a significant reduction in income and the financial uncertainty this created during the pandemic Trustees concluded that it would not be prudent to progress with a single set of accounts which exposed the Trust to unfunded costs. Diversion of resources and challenges facing the charity due to the pandemic, means that the framework to provide a single set of accounts will not be available until April 2024 at the earliest, later than previously forecast. MNH is working with Treasury who are tendering for a new accountancy system(s) to see whether MNH's requirements for a single set of accounts can be accommodated. A direction on this is expected in late 2022.


MNH has previously provided relevant extracts from Government's Accounts in the Light Blue Book. Due to a change in Government reporting this is no longer possible within MNH's reporting time requirement. Details will be available on the Government website.

Discussions with the Attorney General's Chambers have also confirmed that all property in the name of the Trust is owned by the Trust irrespective of the source of any funding. Significant progress has been made with documenting this but work is yet to be concluded in this respect. Revaluations for the financial year 2021/22 have been completed in accordance with the revaluation schedule. Trust property also remains in the Government consolidated accounts, details of which are appended.

Work continues to conclude a draft Memorandum of Understanding between the Trust and its sponsoring Department, the Department for Enterprise. This documents the relationship between the Trust and the Government.

In March 2020, the Isle of Man declared a state of emergency to deal with the Coronavirus crisis. Two further lockdowns subsequently occurred and the Island's border was closed for 2020/21. The impact of the pandemic continues with additional economic and trading uncertainty created due to the war in Ukraine and BREXIT. The Trust took action to limit its activities in line with Government requirements and received an additional Government grant to its revenue account for 2021/22.

  
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**Trustee** *Vice-Chairman*

  
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**Trustee**

