

Registered Charity No: 1139250

# MUSEUM OF LONDON

**Governors' Report and  
Financial Statements for the year ended  
31 March 2021**

## CONTENTS

|   | Page     |
|---|----------|
| Statement by Chair Clive Bannister                  | 2        |
| Foreword by Director Sharon Ament                   | 3        |
| Governors' Annual Report                            | 4        |
| Structure, Governance and Management                | 13       |
| Financial Review                                    | 18       |
| Statement of Governors' Responsibilities            | 28       |
| Independent Auditor's Report                        | 29       |
| Consolidated Statement of Financial Activities      | 33       |
| Museum of London Statement of Financial Activities  | 34       |
| Group and Museum Balance Sheets                     | 35       |
| Consolidated Cash Flow Statement and Cash Flow Note | 36       |
| Notes to the Financial Statements                   | 37 to 62 |
| Reference and administrative details                | 63 to 65 |

## CHAIR'S STATEMENT

The year of 2020/21 will forever stand out in our collective memory, defined by the global crisis and upheaval resulting from the COVID-19 pandemic. For the Museum of London, along with many others, this meant a year of continuous change and uncertainty as our efforts turned to keeping our audiences, staff, volunteers, collections and buildings safe along with extended periods of closure. In response, we focussed on remaining financially viable, adapting how we worked and connected with our audiences. In addition we fulfilled our mission by capturing London life at a time of great challenge. This is testament to a museum whose core business is Londoners and their stories; never has this been more important.

Our plans to create a new Museum of London within a series of historic market buildings in West Smithfield continued apace as the planning application was given the green light by the City of London Corporation Planning Committee on 23 June 2020. We conclude this year ready to move into the next phase of the project as construction commences with major structural works in the General Market. Funding support continues to gather momentum with £30.7m pledged by the end of March 2021, moving us ever closer to our £70m target.

The delivery of a strong public programme continued and we were delighted to see the openings of *Havering Hoard: A Bronze Age Mystery* and *Dub London: Bassline of a City* alongside a wide range of new digital offerings. Reaching over 50,000 people through our Great Fire Livestreams was a particular highlight as we connected with families and schools at home and in the classroom.

Recent events show the vital importance of working with our key partners and we are proud to work with the City of London Corporation, Greater London Authority and Arts Council England to contribute to London and the UK's economic, social and cultural recovery.

I continue to be grateful for the guidance of my colleagues on the Board of Governors. Particular thanks go to the Chairs of the New Museum Project Board, Audit & Risk Management Committee, Remuneration Committee, the Trading Board and Academic Panel; David Camp and David Wormsley, John Scott, Sonita Alleyne, Milyae Park, and Sir Rick Trainor respectively.

On behalf of the Board my sincere thanks go to the Museum of London staff and volunteers, and to Sharon Ament and her Executive Board who have worked tirelessly throughout this year to ensure the Museum emerges stronger out of adversity.

We look forward to welcoming many more visitors back to our sites and thank them for their continued support through difficult times.

Clive Bannister,  
**Chair, Museum of London Board of Governors**

## FOREWORD BY SHARON AMENT, MUSEUM DIRECTOR

It has been a year of ongoing, significant organisational and operational change as well as a year of very personal reflection for all of us. I am proud of how we, as a community, have responded to the challenges of such a painful year.

Closing the museum sites was unprecedented and our financial model was under strain necessitating expenditure reductions. The most significant consequence was job losses as we sought to remain financially stable and saying goodbye to colleagues represented the worst of 2020/21.

So given the very many difficult issues facing the Museum in the year, when I reflect on the range of our achievements I am profoundly pleased and I outline only a few examples. A major contemporary collecting programme to ensure we recorded Londoners' experiences of the pandemic saw nearly 700 new objects becoming part of the London Collection. We created a whole-organisation digital programme, *Project Doors Stay Open*, spanning from virtual exhibitions (*Disease X*) to Instagram filters (Which London Borough Are You?) based around compelling London content. The wider London museum community were supported through our sector leadership role and the Museum Development service for London as organisations struggled for survival.

Designs for our new home at West Smithfield continued to evolve as we concluded the Developed Design stage for our major permanent displays – *Past Time* – and began work to conserve thousands of objects for display. We moved to a new operating model, reorganising ourselves in the face of less than 10% of normal visitor levels and the loss of the majority of our commercial income. And finally, those teams that are not always at the front of our public offer but form the backbone of our operations – Finance, ICT, HR, Security, Facilities, Conservation, Information Resources – transformed how we operate in order to continue to function, working nearly entirely remotely for the first time and ensuring the safety of our operations and physical sites.

Alongside the pandemic, we have also lived through a world changed by the death of George Floyd in May 2020, an event which sparked protests around the world. On 9 June 2020, the statue of Robert Milligan, a British Slave trader which had stood uncomfortably outside the Museum of London Docklands for a long time, was removed. As one of only three museums in the UK to address the history of the transatlantic slave trade, we were keen to work with stakeholders to not only remove the statue but develop a proposal for the future use of the dock-side plinth to reflect the diversity and values of the local community. Internally we continue our plans for organisational transformation, recognising the need to work in collaboration and consultation with staff, managers, the Diversity Forum, Leadership Team and Board of Governors, in shaping our approach to becoming a more diverse, equal, inclusive and anti-racist organisation across all that we do.

My profound gratitude to everyone; my colleagues, the City of London Corporation, the Greater London Authority, Arts Council England, our volunteers, our Board of Governors and Chair, Clive Bannister, for supporting us all through this year and we look ahead to building a new museum for London.

Sharon Ament  
Director, Museum of London

## GOVERNORS' ANNUAL REPORT

### GOVERNING OBJECTS AND PUBLIC BENEFIT

Our principal governing document is the Museum of London Act 1965 (as subsequently amended). This requires the Board of Governors to:

- (a) Care for, preserve and add to the objects in their collections;
- (b) Ensure that those objects are exhibited to the public and made available to persons seeking to inspect them in connection with study or research;
- (c) Generally promote understanding and appreciation of historic and contemporary London and of its society and culture, both by means of their collections and by such other means as they consider appropriate; and
- (d) Take any action as they think necessary or expedient to fulfil the aims and objectives of the museum as set out in legislation.

The Charities Act 2011 ("the Act") requires charities to publish details of the public benefit they deliver. The Governors believe that the museum delivers charitable benefits under two of the headings allowed by the Act; firstly and primarily through the advancement of the arts, culture, heritage or science and secondly through the advancement of education.

As entrance to the Museum of London and Museum of London Docklands is unrestricted and is free, Governors believe that there are no unreasonable restrictions on access to the benefits which are therefore available to the public in accordance with the definition of the Act. Governors believe that the remaining requirements of disclosure placed on charities by the Act are met with the Governors' Report set out below.

### COVID-19 PANDEMIC

During 2020/21 Museum of London and Museum of London Docklands sites were open between 06 August – 04 November 2020, and 03 – 12 December 2020. Our museum sites were closed to the public for the remainder of the year in line with Government restrictions in response to the pandemic. The Museum continued to provide a compelling public offer and creative content for audiences throughout this period particularly through digital means as outlined in more detail below.

### STRATEGIC OBJECTIVES

Our Strategic Plan 2018–2023 sets out five overarching objectives for the period that have guided all that we do:

1. Reach more people
2. Become better known
3. Stretch thinking
4. Engage every schoolchild
5. Stand on our own two feet

In response to the impacts of the COVID-19 pandemic, we developed a set of objectives that set the framework specifically for meeting the challenges of 2020/21:

- Safely welcome visitors back into our museums
- Stay connected with and raise our profile amongst the public and our communities

- Be a more equal, diverse and inclusive museum
- Secure our immediate and longer term finances
- Deliver the new museum programme
- Develop our forward organisational plans for the new museum

## In 2020/21 we have delivered our objectives through:



### Safely welcoming visitors to our museums and offering new ways to engage with our content and programming

- This year 47,599 visits were made to the Museum of London and 21,848 visits to the Museum of London Docklands during the 101 days that we were open to the public due to Government restrictions. For comparison, combined, this is just over 7% of 2019/20 visitor numbers.
- So far, over 8,000 visitors have come to Museum of London Docklands to see the largest ever Bronze Age hoard in *Havering Hoard: A Bronze Age Mystery* Exhibition which continues into 2021/22 for more people to share in the mystery of the hoard with over 450 objects on display.
- In addition to onsite visits the Museum continued to provide a compelling public offer and creative content through the organisation-wide digital initiative *Project Doors Stay Open* finding different ways to connect with our audiences and local communities.
- Despite periods of closure, 7,000 pupils took part in live online sessions and we reached a further 1,900 schoolchildren through outreach activity in schools. Over 50,000 people watched our livestreams on the Great Fire of London streamed straight into homes and classrooms.
- Exclusive audio tours and content for *The Clash: London Calling* and *Dub London: Bassline of a City* were made available online through our partnership with Smartify, with this material accessed over 15,000 times even when our displays could not be visited in person.
- Working to support our neighbouring communities, we partnered with Culture Mile to distribute nearly 12,000 learning packs to vulnerable families via local foodbanks.



### Connecting with many more people beyond our walls through digital and media activity

Over 2.2m people visited our website and our social media audiences grew to:



127,808  
(+7,078)



180,104  
(+17,135)



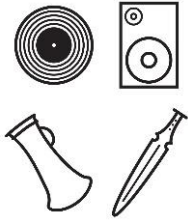
84,911  
(+18,842)

- Our organisation-wide initiative Project Doors Stay Open saw a huge drive of museum content during the national lockdowns which resulted in just under 11 million engagements through our social media channels, an increase of 105% from the previous year.
- We also saw increases in visits to our Collections Online and Discover blog webpages (20% and 53% respectively).
- Highlights of this digital workstream include going viral on TikTok in a 'museum off' with the Black Country Museum, a popular London Borough Instagram filter, and a live poetry event *Still I Rise: Liberation in the Midst of Resistance* as part of our Women's History programme.
- Museum of London stories featured in 4,500 pieces of media coverage, including coverage of our contemporary collecting project, Collecting COVID, acquisition of the Trump blimp, the opening of exhibitions *Havering Hoard: A Bronze Age Mystery* and *Dub London: Bassline of a City* as well as extensive coverage of the removal of the Robert Milligan Statue outside of the Museum of London Docklands.



### Adapting our organisation and operations to ensure we are well placed to respond to challenges

- Delivering a safe and enjoyable experience was an essential priority and we signed up to VisitBritain's 'We're Good to Go' scheme, an accreditation standard for the sector to reassure visitors that our sites were operating safely.
- Implementation of a revised operating model – open Wednesday through to Sunday (with dedicated days for school visits on Mondays and Tuesdays) – formed a key part of our response to the major financial challenges we faced due to the impacts of the pandemic.
- As we traded through 'untradeable' times, there has been a significant reduction in commercial income due to COVID restrictions and extended periods of closure however we refocused our efforts on areas such as donations and online retail sales looking to create new opportunities and learn from operating in new ways.
- We have embarked on a longer-term programme of organisational transformation, recognising the need to tackle racism through structural and cultural change, working in collaboration and consultation with our staff, Diversity Forum, Leadership Team and Board of Governors in shaping our approach. A comprehensive, museum-wide diversity and inclusion strategy is in development encompassing all that we do.



## Continuing to create compelling programming with distinctive content about London and its people

Throughout 2020/21 and during extended periods of lockdown, the Museum of London continued to evolve our public offer and the stories we tell despite our doors being closed. Our public programme responded to the challenges posed by the pandemic through providing rich and varied onsite exhibitions and displays as well as developing new online programmes and events. Highlights of 2020/21 are captured below.

### EXHIBITION **HAVERING HOARD: A BRONZE AGE MYSTERY**

The largest ever Bronze Age hoard to be discovered in London formed the focal point this major exhibition. A total of 453 bronze objects raise intriguing questions on the people who buried them and the mystery of the hoard.

**Opened 11 September 2020 (continues into 2021/22)**  
Museum of London Docklands

### EXHIBITION **DUB LONDON: BASSLINE OF A CITY**

This display took audiences into the heart of Dub, its roots in Jamaican reggae and how it has shaped communities over the last 50 years and the impact on the identity of London and its people. The project formed part of the four-year contemporary collecting Curating London programme.

**Opened 2 October 2020 (continues into 2021/22)**  
Museum of London, London Wall

### EXHIBITION **THE CLASH: LONDON CALLING**

Marking the 40th anniversary of its release, this display celebrated a truly London album that became one of the most influential of all time.

**15 November 2019 - 6 September 2020**  
Museum of London, London Wall

### VIRTUAL EXHIBITION **DISEASE X: LONDON'S NEXT EPIDEMIC?**

Part of our digital initiative, Project Doors Stay Open, we shared the stories, objects and words of our exhibition (originally in 2018/19) which looked at the past history of epidemics on Londoners and marking the 100 year anniversary of the Spanish Flu.

### VIRTUAL EXHIBITION **VOTES FOR WOMEN**

This exhibition (originally in 2018/19) marked the centenary of Votes for (some) women and revealed the extraordinary struggle to achieve female representation in parliament. The content was shared online for the first time as part of Project Doors Stay Open and to mark Women's History Month.

### VIRTUAL FESTIVAL **LUNAR NEW YEAR**

Celebrations were virtual this year to mark the Lunar New Year. The weekend of free events, workshops and films for all the family included puppet performances, Lunar lanterns and Tai Chi workshops.

**11-14 February 2021**

### ONLINE EVENTS **GREAT FIRE LIVESTREAMS**

New online engagement opportunities for our audiences included free live streams about London's most famous fire, The Great Fire of London for families and primary schools via YouTube and Facebook.

**July - September 2020**

### VIDEO SERIES **QUEER AS FOLKLORE**

As part of LGBTQ+ History Month we released a new video series called Queer as Folklore created with historian Sacha Coward, exploring mythical creatures and their connection to the queer community and inspired by objects from our collection.

**Released February 2021**

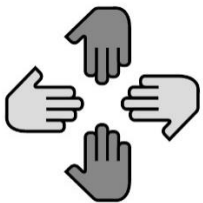


**VIRTUAL WALKING TOURS  
WALKS FROM HOME**

Our Wednesday Walks series enabled people to explore London from the comfort of their home. Tours explored the weird and wonderful bits of London, London's Lost Rivers, a Black history tour of the West India Docks and an imagined audio tour through the city featuring the voices of Londoners past and present.

**CURATED ONLINE CONTENT  
WINDRUSH STORIES**

From never-heard-before oral histories to articles exploring our extensive photography collection, we curated a selection of content that explores the history of the African-Caribbean community in London.



## Developing our relationship with Londoners and shaping the new museum

- 273 volunteers contributed their time and skills with us in many different ways over the year including 50 volunteers working remotely through online volunteering projects.
- Our contemporary collecting project – Collecting COVID – captured the experience of Londoners during the pandemic including oral histories of people's experience of lockdown Ramadan, sounds of silent London Streets and Tweets from Londoners shared during the first lockdown.
- We commissioned Partnership for Young London to undertake the biggest survey of its kind with Generation Z to find out what young people think are the issues across the capital. The report – *We are the Youth of Today* – encapsulates over 3,000 responses and offers insights for all organisations working with young people.
- Our Memories of London programme for people living with dementia moved to a remote model making sure the group disproportionately affected by the pandemic did not lose this valuable resource. The programme, in partnership with the Greater London Authority and Alzheimer's Society, was shortlisted for an Audience Impact Award and reached 900 people through Zoom sessions and podcasts, and distributed over 9,000 activity packs.
- Listening to London, our community-led research project funded by the Esmée Fairbairn Collections Fund, shifted online with teams of volunteers working on a variety of research projects including a focus on the NHS, mixed heritage Londoners and the Brixton Riot and developing content for the upcoming Port of London Authority exhibition.
- Our new Engagement Framework is in place, developed in collaboration with the Research Centre for Museums & Galleries at the University of Leicester, shaping how we will involve Londoners in the development of the new museum with a focus on audiences who are under-represented.



## Connecting young Londoners to their city and each other through adapting our offer for schools and families

- Responding to periods of closure, our extensive online learning resources were promoted to schools and families to support home and remote learning and were viewed or downloaded over 1.4 million times. New resources continued to be added through the year such as a suite of LGBTQ+ resources for secondary schools.
- When permitted we held successful socially distanced School Days (as part of a new operating model) and tested COVID-secure outreach sessions in Islington. Onsite, we trialled new family packs and digital family trails with October half-term highlighting the contributions of Black Londoners to the city's history.
- The Museum continues to lead Culture Mile Learning working with 30 cultural organisations to develop programmes and online resources for schools and young people that support their skills development through cultural experiences. Outputs this year included a package of online films, teachers' resources and CPD sessions launched to mark Black History Month.
- Led by Culture Mile Learning in collaboration with Foundation for Future London, the inaugural Culture Mile Fusion Prize was awarded to winners The Pattern for their innovative idea focused on co-creating cultural events with young people that highlight and celebrate their lived experience.



## Building the London Collection and telling London's stories

This year 87 new acquisitions, representing a total of 760 individual objects, were added to the *London Collection* including:

**Peter Liversidge's "sign painting for the NHS"**  
'Sign Paintings for the NHS' is an installation of 571 hand-painted signs made by artist Peter Liversidge which was acquired by the Museum during the Covid-19 lockdown, 2020.



**Lorraine Ruths ceramic piece Modern Booth**

Modern Booth (the image is of Have and Have Not) – Gold dots represent houses sold for £1 million plus in 2013 .The blue enamelled areas represent council wards where there is 20% plus child poverty .The work is by artist Loraine Rutt who has worked from the same studio under the arches of Peckham Rye station for over twenty years.



**Renee So' Bellarmine Jug**

Building on the Museum's large collection of 16th/17th century bellarmine jugs, this contemporary take on the bellarmine by Renee So is a playful, engaging work which opens up narratives relating to global trade, cultural exchange and London's place in the world.



**Black Lives Matter protest placard and t-shirt**

The Museum is working with the Black Cultural Archives and community networks to identify how best to capture the Black Lives Matter protests in London during lockdown. Items include this placard and t-shirt worn by a protestor during the Black Lives Matter protests (acquired in collaboration with the Black Cultural Archives).



**Notting Hill Carnival photographs**

Following our *Dub London: Bassline of a City* display at the Museum of London (London Wall), a series of photographs were acquired of the Channel One Sound System in action at Notting Hill Carnival in 2019 by the photographer Eddie Otchere.



- We utilise the London Collection and our content in many different ways. We answered over 2,589 public enquiries about our collections and delivered online university courses for the first time, reaching 1,649 university students through our higher education programmes. During the year the museum's lending programme closed (from 1 July 2020) as we begin preparation of the London Collection for the New Museum.
- In April 2020 we received over 560 responses to a public call out for Collecting COVID, our contemporary collecting project to capture the experience of Londoners during the pandemic.
- By the end of March 2021 we had 33 acquisitions and a total of 672 objects, with more to follow to add just under 1,000 objects in total to the London Collection.
- We partnered with the Museum of Dreams based at Western University in Canada to launch a research-based project seeking to collect the dreams of Londoners during lockdown called Guardians of Sleep. This international research project is the first time that dreams as raw encounters and personal testimonies will be collected by a museum.



## Progressing our plans to create a new museum for London

- In June 2020, we saw an important landmark with the approval of the planning application by the Planning and Transport Committee of the City of London Corporation (following submission in late December 2019). The application followed a comprehensive programme of public consultation in 2019 which demonstrated widespread support to build the new museum for London.
- Despite having to work within Government restrictions, work continued onsite with the Early Works focusing on structural repair and conservation work in the General Market that progressed throughout the year.
- Other major milestones included completion of the RIBA Stage 4 – Technical Design period for the architectural design and in March 2021 we prepared to move into the construction phase of the project with the Structural Works contract commencing in the General Market.
- Developed Design for the major permanent displays, Past Time, was completed during this year even as teams continued to work remotely. The conservation of objectives for display has now begun, including the creation of a new Transit Store to facilitate this industrial-scale programme of collections preparation over the coming years.
- The Campaign total stands at £30.7m including a £5m grant from the National Lottery Heritage Fund and £100k pledge from the Worshipful Company of Weavers.
- This year marked the first meeting of the newly established Campaign Board to bring together external volunteers to build strong networks and drive major giving to the project.

## 2020/21 KEY PERFORMANCE INDICATORS

| Area of activity   | 2019/20<br>Actual | 2020/21<br>Target | 2020/21<br>Actual           |
|--|-------------------|-------------------|-----------------------------|
| Visits made to Museum of London  | 684,612           | 745,000           | <b>47,599</b>               |
| Visits made to Museum of London Docklands                                  | 300,271           | 325,000           | <b>21,848</b>               |
| Visits to the <i>Havering Hoard</i> exhibition <sup>[1]</sup>              |                   | 34,155            | <b>8,179</b>                |
| Schoolchildren visiting the museum or taking part in our schools programme | 141,342           | 145,000           | <b>9,267</b>                |
| People taking part in family events and activities                         | 47,118            | 50,500            | <b>51,445<sup>[2]</sup></b> |
| Visits to the museum website   | 2.6m              | 2.5m              | <b>2.2m</b>                 |
| Media articles generated   | 4,042             | 4,000             | <b>4,500</b>                |
| Trading income generated   | 2.6m              | 2.7m              | <b>0.3m</b>                 |

<sup>[1]</sup> *Havering Hoard: A Bronze Age Mystery exhibition continues to 22 August 2021*

<sup>[2]</sup> *Families activity in 2020/21 was comprised of digital livestreams and events rather than onsite programming.*

## FUTURE PLANS

- The year ahead will be one of collective rebuilding and recovery for the museum and London as the impacts of the pandemic continue to unfold. Despite the ongoing challenges posed by COVID-19 we will connect with people – from London, UK and around the world – through our onsite programming including forthcoming exhibitions London Making Now, Feeding Black and Port of London (working title) and our digital offer building on the legacy of our *Project Doors Stay Open* initiative.
- The changes and uncertainty that the pandemic has brought about only underscores the need for a new museum for London, one that is hyper-responsive to the world around it. We will progress the construction phase of the New Museum Project starting with the General Market building at West Smithfield. Gallery content development work and collections preparation remains the focus of our curatorial and collections teams.
- Celebrating and engaging with the diversity of London and all its people through our work as a museum is core to our aspiration to create *London's shared place* and we will continue to work in collaboration and consultation with staff and the Board of Governors in shaping our approach to becoming a more diverse, equal and inclusive organisation.
- We will embark on a broader programme of organisational transformation as we step up our preparations to become a new organisation that is ready to inhabit West Smithfield, investing in the people, systems and infrastructure needed to achieve our ambitions.
- We will support our strategic partners at the City of London Corporation, Greater London Authority and Arts Council England and play a role in contributing to shared agendas for culture, education, recovery from the impacts of the COVID-19 pandemic and creating a new museum for London at West Smithfield.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Incorporation and status

The Museum of London was established by the Museum of London Act 1965 and was opened in 1976. It is governed by the Museum of London Act 1965 (as subsequently amended) and the Greater London Authority (GLA) Act 2007. Since December 2010 it has been a registered charity, number 1139250.

As at 31 March 2021 the museum had 4 subsidiaries: Museum of London (Trading) Ltd, and the London Museum, Joicey and Mackenzie Bell Trust Funds and therefore presents consolidated financial statements.

The reference and administrative details on pages 63 to 65 form part of this report.

### Governor recruitment, appointment and induction

Governors (who are also the Trustees under charity law) are appointed in equal number by the GLA and the City of London Corporation in accordance with the requirements of the Museum of London Act 1965 (as subsequently amended) and guidance issued by the Commissioner for Public Appointments. The Governors serve for up to four years and are eligible for re-appointment by their sponsoring body.

The Chair is recruited in line with best practice Charity Commission guidelines and is appointed by the Board. When Board vacancies arise, the Chair of the Board is responsible for advising the GLA and the City of London Corporation of the needs of the museum with a view to ensuring a proper balance of expertise, including professional and financial expertise, and that the balance of GLA and City of London Corporation appointments is maintained.

Governor induction is managed by the office of the Director of the Museum of London. The standard induction procedures are that Governors receive a copy of the Museum's Code of Practice for Governors which describes the committee and management structure and the duties and responsibilities of Governors. To underline the importance of Governors' responsibilities the procedures require Governors to sign to confirm that the Code of Practice has been received and is understood. Induction procedures require that Governors also receive the Museum of London Acts together with the museum's Financial Governance Manual, Strategic and Business Plans, Annual Report and Financial Statements, the Museums Association's Code of Ethics and Charity Commission guidance documents on trusteeship, good governance, conflicts of interest, and the "hallmarks of an effective charity". The Nolan principles form the foundation of the Governors' induction.

The Director of the Museum also meets with new Governors to explain current issues and future plans, introduce them to members of the Executive Board and to offer a tour of the museum. Further ongoing training is arranged for Governors individually or the Board as a whole as needed.

## Organisational structure

Museum of London is responsible for the management of Museum of London at London Wall, and Museum of London Docklands at West India Quay.

The Board of Governors sets broad strategic direction, long-term objectives and priorities for the museum. The Board, which meets four times a year, is also responsible for ensuring that the museum's management team fulfils its responsibilities for the effective, efficient and economical management of the organisation.

There are four Board committees on which Governors serve, all of which have met during the year:

- Audit and Risk Management Committee
- Finance and General Purposes Committee
- Trusts and Acquisitions Management Committee
- Remuneration Committee

In addition, there are three boards on which Governors serve and meet as required:

- New Museum Project Board
- Museum of London Academic Panel
- Museum of London Trading Board

## Key management personnel

All Governors give of their time freely and no Governor received remuneration in the year. Details of Governors' expenses and related party transactions are disclosed in Note 10 to the accounts. The pay of the key management personnel is reviewed and benchmarked annually by the Remuneration Committee. Key management personnel are set objectives based on the museum's strategic plan. Annual performance is assessed against these objectives and is reviewed by the Remuneration Committee and used to set pay levels and any performance related bonuses. The Chairperson of the Board of Governors undertakes the performance assessment for the Director. Due to the financial impact of COVID-19, Executive Board Directors have agreed to waive performance related payment for the financial year 2019/20 which would have been paid in 2020/21.

The Governors are key management personnel as defined by FRS 102. The Governors also consider the Executive Board members to be the key management personnel of the charity in charge of directing and controlling, running and operating the museum on a day to day basis. The management team is headed by the Director of the Museum, who is appointed by the Board.

The primary functions of the museum relate to care and management of collections, lifelong learning, exhibitions and other public programmes. All are designed to inform and engage visitor interest in the history, heritage and cultures of London. To achieve its aim the museum has five groups, each led by a Director or Head of Department. Three central corporate functions also oversee and support organisational activity (finance, human resources and corporate planning). The Directors or Heads of these groups and corporate functions, under the overall direction of the Director of the Museum, form the Executive Board which meets monthly and is responsible for the operational management of the museum. Following a restructure during the financial year 2020/21 the Executive team comprised:

**Communications:** Responsibility for press and marketing campaigns, communications for the museum's public programme including exhibitions, events and projects, audience development and public affairs.

**Content:** Responsibility for curatorial activity (across the Archaeology Collections and History Collections teams), learning, information resources, conservation and collections care, exhibitions and design, the Museum Development regional programme and our relationship with Arts Council England.

**Development:** Responsibility for capital and revenue fundraising, major campaigns and donor and supporter networks, including the Society of Londoners.

**Operations:** Responsibility for facilities and estates, ICT, retail, licensing, hospitality, commercial events, front of house, security and visitor services. (Previously Enterprise Group).

**Corporate functions:** Finance including insurance and risk management, human resources and corporate planning.

A sixth functional group – **Transformation** – has responsibility for planning and delivery of the New Museum project. The project is overseen by a separate governance structure which includes the museum's Executive Board along with the project senior leadership team. , exhibitions and design.

## Relationships with related parties

Governance is primarily exercised through the Board of Governors appointed by the museum's two principal funders. Meetings are also held with officers of the City of London Corporation and the GLA to consult on the business plan and review progress. The City of London Corporation is the museum's landlord at its premises at London Wall and Eagle Wharf Road, and supplies various services to the museum. In addition, two of its officers are appointed as the Secretary and Treasurer to the museum, as required by the Museum of London Act 1965. Note 21 to these financial statements includes details of the museum's transactions with the GLA and the City of London Corporation and other related party transactions.

## Fundraising Practices

The Museum of London's Development function is strategic and is represented at the most senior management level at the Executive Board; it has a close working relationship with the Board of Governors and the Chairperson. The team conduct a range of fundraising activities which support the organisational plans and needs. No professional agents are used for fundraising, and staff fundraisers are trained to act in accordance with agreed standards and guidelines. The Board of Governors receive regular reports on all fundraising activity as part of their statutory responsibilities.

No fundraising complaints were received the museum in the financial year 2020/21.



The museum pays the levy for, and is registered with the Fundraising Regulator, and our fundraising standards and guidelines are aligned with the Regulator's Code of Fundraising Practice.

## Human Resources

As at 31 March 2021, we employed approximately 254 staff across our three sites.

We commenced the year with plans to continue work on transforming ourselves however, due to the impact of the COVID-19 pandemic, the year very swiftly took on a whole new look. Although, as set out in our Strategic Plan (2018–2023), we continued with our focus on aspiring to become more people-centred (in the sense of visitors and the other people we serve), open, diverse, creative, impactful and sustainable, the way in which we approached this transpired to be very different.

The pandemic meant the museum closed and those staff who could, moved to working remotely. A significant proportion of our staff and casual workers were furloughed, and volunteering opportunities almost ceased. All of this required the immediate development of new guidance and policies to support our staff and in these new ways of working.

However, we still managed to make progress in some areas of our People Strategy, continuing to work against five strategic objectives linked to our overall organisational objectives. Here are some of our achievements over the last year:

- **Transforming ourselves:** We recognise the need to transform ourselves – our workforce make-up, skills, structures, and ways of working. At the start of the year we received the results from our Staff Survey, against which we developed an action plan, to be incorporated into our new People Strategy. Equity, diversity and inclusion were key themes of the feedback, in response to which we developed our strategic objective to be a more equal, diverse and inclusive museum. Due to the pandemic and its impact on our finances, we commenced an organisational wide restructure, including our Executive team. This was positioned to also look to the future and the needs of the new museum.
- **Resourcing and retention:** We recognise that our exceptional staff and volunteers are key in bringing experience and expertise to the task of implementing our strategic plan. This year, we introduced a number of different initiatives to ensure we are attracting and selecting as diverse and high calibre candidates as possible i.e. inclusion in all of our adverts about being open to flexible working. We continued our apprenticeship programme, as well as managing to transform our work experience programme by moving this online, reaching a far wider audience than previous years.
- **Development and talent management:** We want to value our people by ensuring they experience excellent line management and have access to a variety of high quality and cost-effective learning opportunities. Due to the pandemic, there was a slowdown in training until we were able to transition our internal provision on line; much of this related to our management development programme. We also took the opportunity to carry out an organisational wide learning needs analysis and developed a plan for implementing the requirements that were identified.

- **Wellbeing and employee relations:** We recognise that we will perform better when our people are healthy, motivated and focused. The impact of the pandemic only served to highlight this. We took the opportunity to survey our staff on how we would help them to deal with the uncertainty and anxiety that resulted. We carried out home working risk assessments, continued work on our mental health provision, introduced COVID-related FAQ guidance, as well as continuing to work with our staff network.
- **HR systems and processes:** We want to ensure that we have systems and processes fit for a 21<sup>st</sup> century museum to provide a secure and efficient infrastructure in which to support our people. This year we commenced work on sourcing a new HR Information system to support our transformation to the new museum and move many paper based processes on line. We very swiftly set up different communication channels when moving to remote working, with the introduction of Teams. We moved our payroll processes to digital, introduced online payslips, and continued to work on refreshing a number of our policies.

## FINANCIAL REVIEW

The results for the year are set out on the Statement of Financial Activities (SOFA) on page 33. Due to the significant impact on the results of non cash items of pension accounting and depreciation, it is important to review the Consolidated Cash Flow Statement on page 36 alongside the SOFA and the Balance Sheet on page 35. The table below strips out these transactions to provide an alternative view of the financial results of the Group, showing that in the year income was £2.9m higher than expenditure.

| MUSEUM OF LONDON GROUP<br>Expressed in £'000                      | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>2021  | Total<br>2020 | Variance<br>to prior<br>year |
|---|-----------------------|---------------------|----------------|---------------|------------------------------|
| <b>Per Group SOFA</b>   |                       |                     |                |               |                              |
| Total Income and Endowments                                       | 16,010                | 20,240              | <b>36,250</b>  | 37,951        | (1,701)                      |
| Less: Total Expenditure before (losses) /<br>gains on investments | 19,631                | 19,810              | <b>39,441</b>  | 41,303        | 1,862                        |
|   | (3,621)               | 430                 | <b>(3,191)</b> | (3,352)       | 161                          |
| <b>Add back:</b>  |                       |                     |                |               |                              |
| Pension service cost and interest                                 | 2,807                 | –                   | <b>2,807</b>   | 2,764         | 43                           |
| Depreciation and disposals  | 3,297                 | –                   | <b>3,297</b>   | 3,413         | (116)                        |
| <b>Adjusted Operating Results <sup>[1]</sup></b>                  | <b>2,483</b>          | <b>430</b>          | <b>2,913</b>   | <b>2,825</b>  | <b>88</b>                    |

<sup>[1]</sup> Excluding Gains / (losses) on investments, Transfers between funds and Actuarial gain on defined benefit pension schemes.

Total Group Incoming Resources were £36m during the year (2020: £38m). The decrease from the prior year includes a decrease of £2.6m in activities for generating funds, but this was partially offset by an increase of £1.0m in New Museum project grant funding and donations as the project proceeds through design and early works.

The museum's main sources of funding were the Greater London Authority and the City of London Corporation, which together contributed 83% of the group's donations, grants and legacies revenue funding (2020: 86%). Other grants and donations included £1.4m from Arts Council England (2020: £1.4m). Group expenditure on raising funds and charitable activities was £4.2m lower than the prior year across various areas and includes £2.8m on pension service costs (2020: £2.8m) and £3.3m on depreciation (2020: £3.4m). The pension service cost is essentially the estimated cost to the employer of the benefits accruing over the accounting period, based on actuarial assumptions.

Trading activities, comprising venue hire and catering, events and two retail outlets, was significantly lower than the prior year as a result of the COVID-19 pandemic, museum closures and social distancing regulations. Revenue was £0.5m (2020: £3.1m). All commercial trading is carried out through the museum's trading subsidiary, The Museum of London (Trading) Limited.

The Museum of London recorded an operating surplus (before transfers) on its unrestricted free reserves (general fund) of £1.8m (Note 18A "General Reserves – Museum of London") (2020: £0.9m).

The Governors reviewed the museum's financial plans in March 2021 as part of their normal annual review and budget setting process, as well as our principal financial risks. At that time, they were satisfied that the museum had sufficient resources to continue operating for the foreseeable future and accounts have been prepared in the knowledge that the museum is a financially viable organisation. Since then, the financial plan was reviewed after quarter 1 was completed and a formal reforecast was approved by the Executive Board in August. Although visitor numbers are lower than target, there have been some compensating factors, such as higher income per visitor, business rates relief, furloughing and deferred recruitment. The Governors will continue to review plans with the museum's Executive Board at least quarterly.

## Financial reserves

After transfers from restricted and designated funds and other losses, the Museum of London's total general reserves were £8.2m at 31 March 2021 (2020: £7.0m). The group's restricted funds were £10.2m at 31 March 2021 (2020: £9.7m) and the group's designated funds, excluding the Defined Benefit Pension Reserve, were £23.1m at 31 March 2021 (2020: £24.8m). The designated funds are largely comprised of the Fixed Assets Fund, which is being used to fund future depreciation of those assets acquired from unrestricted funds. The group's cash balances and cash flow forecast remain adequate for its needs. However, the Governors are aware that the current economic climate and future uncertainty in relation to all income streams require this assessment to remain under review.

Total group funds, carried forward at 31 March 2021 were negative £19.9m (2020: positive £1.9m). The results have been impacted significantly by the accounting valuation of the Pension Fund that has seen an increase in the Pension Deficit of £22.1m. This is further explained below and in Note 22. An alternative balance sheet view is included below that removes the Pension Fund deficit as this is not indicative of any pension liability that is expected to crystallise in the short term as it represents the accounting valuation of the scheme under FRS 102 rather than the level of future contributions to be paid.

The Governors are satisfied that the pension deficit is an accounting deficit and does not represent the actual fund value, and that the fund deficit is scheduled to be extinguished within 14 years.

| Expressed in £'000                               | MUSEUM OF LONDON<br>GROUP |        | MUSEUM OF LONDON |         |
|--|---------------------------|--------|------------------|---------|
|  | 2021                      | 2020   | 2021             | 2020    |
| Total Funds per the Balance Sheet                | <b>(19,904)</b>           | 1,872  | <b>(24,019)</b>  | (1,494) |
| Less: Pension Deficit                            | <b>63,289</b>             | 41,171 | <b>63,289</b>    | 41,171  |
| <b>Total Funds excluding the pension deficit</b> | <b>43,385</b>             | 43,043 | <b>39,270</b>    | 39,677  |

The Museum of London's pension scheme is part of the City of London Corporation's scheme and the Museum of London's deficit is largely proportional with its share of total assets in the fund (approximately 7%). The museum's pension contribution rates are reviewed every three years, after an actuarial valuation in which the surpluses and deficits may be measured differently to the FRS 102 valuation, in accordance with the museum's accounting policy as described in Note 1 (J). The triennial funding valuation is used to set the required level of contributions to be paid and reflects a longer term view of the level of employer contributions required to ensure the assets are sufficient to meet the liabilities. At October 2019, the total fund had contributions set at a level to meet the

deficit in 14 years. The next funding valuation is due in 2022 and will set the contributions rates from April 2023.

The Museum accounts for the pension fund under the Financial Reporting Standard 102 (FRS102) accounting standard, which requires liabilities to be valued using a discount rate assumption set with reference to yields on “high quality” corporate bonds. As a result, accounting deficits are usually larger than funding deficits and are more volatile as they have to use a prescribed discount rate, which does not reflect future expected returns from the actual investment strategy. As the actual contribution rates required by employers for each Fund are calculated using assumptions set by the Fund Actuary, the contribution rates paid by employers are not affected by the accounting results.

**Accounting valuations per Actuarial FRS102 Reports for the Museum of London**

| Expressed in £'000         | 31 March 2021   | 31 March 2020   | <i>Variance</i>        |
|----------------------------|-----------------|-----------------|------------------------|
| Assets                     | 86,577          | 68,954          | <i>17,623</i>          |
| Liabilities                | (149,866)       | (110,125)       | <i>(39,741)</i>        |
| <b>Net Pension Deficit</b> | <b>(63,289)</b> | <b>(41,171)</b> | <b><i>(22,118)</i></b> |

As can be seen in the table above, the increase in the accounting deficit was largely down to the increase in the value of the liabilities outpacing the increase in the value of assets. The increase in the value of liabilities was primarily down to two changes in financial assumptions: (i) a reduction in the discount rate, and (ii) an increase in the forward CPI inflation assumption. In summary, this projects that there will be higher cashflow out in terms of future pensions which are linked to future inflation and the net present value of those cashflows are then calculated at a lower discount rate. This was the case across all employers in the LGPS and down to the accounting standard (FRS102) requirements when setting assumptions.

As explained previously the Accounting Valuation does not reflect the real liability. Our liability is the employer contributions we pay and budget for each year. These contributions are certified at triennial funding valuations and were set at the last triennial valuation (as at 31 March 2019) at 16.10% and will remain at 16.1% until 31 March 2023. New rates based on the triennial funding valuation as at 31 March 2022 will commence on 1 April 2023. The Actuary’s funding model aims to keep employer contributions as stable as possible by looking at a more sensible long term cost assessment rather than the artificial and very short term assessment required under the accounting standard.

A report was commissioned from the Actuary in June 2021 to compare an estimated funding valuation with the accounting valuation at 31 March 2021. This compared the accounting valuation of a pension deficit of £63.3m deficit with an estimated funding valuation of a deficit of £3.1m. The deficit reduction plan is already in place and aims to eliminate the funding deficit over the next 14 years (i.e. 20 years set in 2013, less 6 years of contributions made as at 2019).

### **Investment policy and performance**

The capital funds of the Trust Funds are invested in Blackrock Charities UK Equity Fund. Targets are not set but the Trustees of the funds periodically review the performance of the investments to ensure the returns are satisfactory. During the year to 31 March 2021 there was an increase in carrying values. Total income received over the year was in line with receipts in previous years.

Available cash balances held by the Museum of London and its subsidiary undertakings are placed within the City of London Corporation's account and with Lloyds Bank.

## Going concern

Governors believe that the museum has put in place a robust structure that, in conjunction with the prudent reserves policy, will allow it to manage the foreseeable risks to the organisation. The accounts are therefore prepared on the going concern basis as financial projections show the museum is able to meet its liabilities as they fall due for the foreseeable future.

The principal uncertainty currently facing the organisation is the longer term impacts of the ongoing global COVID-19 outbreak and the prolonged uncertainty of visitor numbers and future funding. The Governors and Executive Board continue to closely monitor the impacts. While the evolving nature of the situation has meant it is not possible to accurately quantify the financial impact, the organisation is in a financial position to help manage this risk. Steps are being taken, on an ongoing basis, to minimise the impact on the charity's activities and the effect this may have on the organisation's supporters and beneficiaries. Our key priority is to ensure, as far as possible, that our charitable objects continue to be met. Infrastructure is in place to allow staff to continue working remotely, with a move planned towards blended (onsite and offsite) working in the Autumn.

The COVID-19 epidemic has reduced income from both UK based and international visitors and commercial activities. The longer-term effect on these income streams is not yet determined. The capacity for government to fund the cultural sector may also be affected and potential economic uncertainty resulting from Brexit may compound the issue further. Impacts would be that income from visitors and commercial activity may continue to be reduced in the longer-term, and grants paid by government to the museum may be reduced.

The new museum project is a £337m investment, with the London Wall museum estimated to close for a minimum of two years in advance of the opening to allow for the transition of artefacts; this is expected to be from late 2022. The project is funded by drawdowns in advance from the City of London Corporation. The cash outflows over the coming two years from April 2021 are expected to be circa £87m (although these are dependent on the programme and may change), matched against a combination of grant income from the City of London Corporation and the Greater London Authority, and the museum's fundraising campaign. Given the current economic environment facing potential donors, uncertainty exists over these amounts. We are also reliant on the project being closely managed during this period to prevent delays and increases to the cost base for the project. Controls are in place to mitigate these risks.

In addition to the above funding model, where we act as lead charity within the terms of a Design Services Agreement with the City of London Corporation, income is received from the City of London Corporation in the month that the consultants are paid. As lead charity we have procured and contracted with suppliers to provide design and other services relating to the New Museum Project which are then recharged to the City of London Corporation as set out in note 5 to the financial statements.

The key factors in our going concern assessment are:

- The museum has confirmed funding from our statutory grant funders until March 2022, although the position after that is less clear. The funders have a statutory obligation to fund the Museum beyond March 2022 and grants have not been reduced in the past, even during the height of the pandemic. The museum is forecasting 2022/23 funding equivalent to 2021/22 grants, however the quantum of the grants post 31 March 2022 is yet to be confirmed.
- The museum will operate on reduced hours, 5 days per week (apart from school holidays). It is anticipated that the previous pattern of 7 days per week opening will be restored in April 2022.
- ACE funding was extended by a year to 2022/23 – £1.1m per annum for National Portfolio Organisation funding and £0.25m per annum for Sector Support Organisation funding.
- The museum has invested in its management capability and has a Board of Governors that brings expert expertise.
- The museum has robust financial modelling procedures that allow it to deal with changing assumptions. For example, we are experiencing lower than budgeted visitors in the current year, but flexed to introduce seven-day opening during the busier Summer period, when we saw stronger visitor numbers particularly from family groups. We reverted to a five-day week in line with other London museums, which are also being affected by low levels of international tourism. A further drop in visitor numbers would not have a material impact on going concern.
- The museum's strategic plan contains a key objective to move to a new site at West Smithfield where the opportunities for growth in visitors and self-generated income will be greater after opening a larger site across two market buildings.
- The City of London Corporation and GLA have confirmed their commitment to the New Museum project through budgets approved by the Court of Common Council and Policy and Resources Committee, and funding is drawn down in advance against these approved budgets. Other factors of note are:
  - i. The forecast project spend from April 2021 to 31 March 2023 is £87m (dependent on the programme) and will be funded by drawdowns from the City of London Corporation.
  - ii. The going concern assessment period largely covers RIBA Stage 5 of the project and break clauses are in place for the construction contracts.
  - iii. None of the philanthropic funders have withdrawn pledges and National Lottery Heritage Fund has confirmed approval at Stage 2 of £5m.
  - iv. We have not drawn down or will draw down funding that is philanthropically raised until the latter stages of the project, thus we will never be in the position of having to pay back donors' money should the project fail.
  - v. During the height of the pandemic we raised a further £3m towards the campaign, such is the confidence in the Museum.

On the basis of the above and the assumption that grant in aid from our statutory funders (the City of London Corporation and the GLA) will be at least in line with 2021/22, Governors believe that the museum's robust structure, in conjunction with the prudent reserves policy explained below, will allow it to manage the foreseeable risks to the organisation. There is a risk that the Museum could require further funding due to a further decline in visitor numbers and uncertainty over grant in aid.

However, the Board has reviewed the Museum's cash flow forecasts and believes it has sufficient cash flows for the next twelve months. As such, the Governors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further detail is included in Note 1a to the accounts.

## Reserves policy

The Reserves Policy underpins the Museum's Strategic Plan and establishes the financial parameters within which the long-term delivery of our mission and objectives can be achieved.

The Board has adopted a Reserves Policy which is based on the evaluation of major risks facing the museum and which is reviewed by the Board annually. The objective is to provide a level of unrestricted reserves that will minimise the impact to museum services, should any of the risks materialise, but that does not fully cover all of the main risks as the Board believes that this would provide an unreasonable level of excess reserves. The Board has identified the following as its main risks.

The museum:

- Fails to generate satisfactory revenues from its activities.
- Fails to secure sufficient grant income as a result of continued cuts in government spending.
- Suffers a sudden failure of building structure or major plant requiring immediate attention in order to continue operations.
- Requires further restructuring of operations should grant in aid be substantially reduced.
- Suffers loss of assets as a result of fraud, theft or cybercrime.
- Fails to respond appropriately to an act of terrorism or major emergency at all/any of the Group sites, causing a fall in income and/or loss of reputation.

Accordingly, the Board holds reserves to mitigate the effect of the above risks in the following way:

- Approximately £7m to cover normal operating expenditure for between 4 and 6 months (this excludes discretionary spend such as projects),
- Approximately £1m to cover emergency building repairs, restructuring costs and short term cash flow fluctuations which may arise during the year.

As at 31 March 2021 the balance on the Museum of London's general funds (as shown in Note 18 – Total General Funds) stood at £8.2m (excluding designated fixed asset and pension reserves) (2020: £7m). While the net asset position (excluding the accounting valuation of the Pension Deficit) is strong, this is predominantly in fixed assets, restricted funds, endowment funds or designated funds. Therefore, the Reserves Policy and the level of general funds held is vital to protect the museum from the risks and issues noted above and enables the museum to continue to deliver our mission and objectives. The current risks around COVID-19 resulting in increased uncertainty over visitor income and grant funding, are examples of why we hold such levels of general reserves and these will be used accordingly to ensure that the museum remains a going concern.

The Museum has a designated Fixed Asset Reserve equating to the net book amount of tangible fixed assets that have not been funded by loans, to reflect the fact that some unrestricted funds are utilised to finance fixed assets and are thus unavailable for working capital.



## Structure of the financial statements

The museum financial statements consist of the following statements, which include comparative figures for the previous year.

- Consolidated Statement of Financial Activities showing all incoming resources and all expenditure incurred and reconciling all changes in the funds of the museum and its subsidiary undertakings.
- Museum of London Statement of Financial Activities showing all incoming resources and all expenditure incurred and reconciling all changes in the funds of the museum.
- Consolidated Balance Sheet setting out the assets and liabilities of the museum and its subsidiary undertakings.
- Museum of London Balance Sheet setting out the assets and liabilities of the museum.
- Consolidated Cash Flow Statement that summarises the movement of cash for the year for the museum and its subsidiary undertakings.
- Notes to the financial statements explaining the accounting policies adopted and information contained in the statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice, Charities SORP (FRS 102), and applicable accounting standards in the United Kingdom.

## Risk management and internal control

### Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate the risk of failure to achieve policies, aims and objectives. The system can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the principal risks to the achievement of museum's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Museum of London and its subsidiary undertakings during the year ended 31 March 2021 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

The Museum of London has a structured risk management process as detailed in the *Risk Management Policy and Strategy*. The Director has the ultimate responsibility for promoting and embedding this policy and strategy.

Each director has responsibility for the identification and assessment of risks within their area and for ensuring that these are managed appropriately.

The Chief Financial Officer provides advice and support to the museum on the risk management strategy, policy, framework and processes. The museum uses the internal audit unit of the City of London Corporation, which operates in accordance with local government internal audit standards as laid down in the CIPFA code of practice. The work of the internal audit unit is informed by an analysis of the risk to which the museum is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the museum's Audit and Risk Management Committee. At least annually, the Head of Internal Audit provides the Audit and Risk Management Committee with a report on internal audit activity in the museum. The report includes the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the museum's systems of risk management, internal control and corporate governance.

### Risk and Control Framework

The museum's Risk Management Policy and Strategy explains the organisation's approach to risk management; provides risk definitions; raises awareness of the principles and benefits involved in the risk management process; identifies the main reporting procedures and promotes good risk management. Embedding of risk management is generally sound but continues to progress. Further work is always required, when personnel and priorities change, to ensure that this continues to be part of all the operations of the organisation.

The *Risk Management Policy and Strategy* sets out the risk assessment process whereby risks are identified and included within the risk register according to the category of risk and the likelihood and impact of the risk event occurring.

These identified risks are controlled through the system of internal control which is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- an organisational structure with clear accountability and levels of authority, from the Governors overall responsibility down to the individual staff member;
- comprehensive budgeting systems with an annual budget and five year rolling financial plan that are reviewed and agreed by the Board of Governors;
- regular reviews by the Board of Governors of periodic and annual financial reports which indicate financial and operational performance against plans and forecasts;
- setting targets to measure financial and other performance;
- clearly defined review procedures for proposed capital investments;
- as appropriate, formal project management disciplines;
- codes of conduct for Governors and staff;
- annual signoffs by senior management that they have complied with their responsibilities.

The risk reporting programme agreed with the Audit and Risk Management Committee is as follows:

- Strategic and major operational risks are reported to and reviewed by the Board of Governors at least once per year and quarterly by the Audit and Risk Management Committee and Directorate.
- Departmental operational risks are regularly reviewed by the Directorate (at least twice per year) and heads of department, project managers and other senior managers as appropriate.

## **COVID-19 Pandemic**

The principal uncertainty facing the museum in the year 2020/21 was the impact of the ongoing global COVID-19 pandemic. The Governors and Executive Board continue to closely monitor the outbreak, and the impacts on staff and visitors, and acknowledge that the museum faces a prolonged period of uncertainty.

In response to government guidance, all Museum of London sites were closed to the public and to all but essential employees on 19 March 2020. The Board of Governors and our statutory funders, the City of London Corporation and the GLA, were kept updated throughout this process. The Governors continue to be updated on the response to and future implications of the COVID-19 pandemic through the Board and Committee meetings that have continued to be held online. Following extensive planning for remobilising and in accordance with government guidance, the museums reopened on 6 August 2020 with COVID-Secure social distancing in place and controlled entry with timed tickets for a reduced number of hours each week. In line with Government restrictions all sites were closed again on 4 November 2020, reopening briefly between 3 and 12 December 2020. Since 19 May 2021 both Museums have been open to the public on a reduced 5 days per week basis, extending to 7 days per week during school holidays.

The combination of closure, social distancing requirements and the severe restrictions on international travel have severely impacted the number of visitors for 2020/21, and it is likely to be several years before inbound tourism returns to pre-pandemic levels. Circa 25% of the museum's income is normally self-generated through donations, membership, exhibition ticket sales, retail, catering and venue hire. The combination of lower visitor numbers and the implications of the pandemic on both our grant funders and the wider economy poses a severe challenge to the

museum's financial position. Decisions were taken promptly by Governors and Executive Board to mitigate the impacts where possible. This included cancelling a planned temporary exhibition which reduced costs and also removed the risk of ticket sales being too low to cover costs; staff who were unable to carry out their roles due to museum closures were furloughed under the government's Coronavirus Job Retention Scheme; implementing a recruitment freeze; and restructuring.

While the evolving nature of the situation means it is not possible to accurately quantify the financial impact, the museum has general reserves to help manage this risk. Steps are being taken, on an ongoing basis, to minimise the impact on the charity's activities. Infrastructure is in place to allow staff to work remotely and our key priority is to ensure, as far as possible, that our museums remain open to the public and we continue to engage with the public.

### **Review of effectiveness**

The effectiveness of the system of internal control is reviewed by the Audit and Risk Management Committee who meet at least twice a year and report their findings to the full Board. Their work is informed by the work of the internal auditors, the executive managers within the museum who have responsibility for the development and maintenance of the control framework, and comments made by the external auditors in their management letter and other reports.

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Governors to prepare financial statements for each financial year. The Governors have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of information to Auditor

The Governors confirm that as far as they are aware there is no relevant audit information that has not been brought to the attention of the group's auditor, and that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Adoption of report and financial statements

Adopted and signed for and on behalf of the Board of Governors.

**Clive Bannister**  
Chair of the Board of Governors  
of the Museum of London  
**Date:** 13 October 2021

**John Scott JP CC**  
Governor of the Museum of London

## INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF MUSEUM OF LONDON

### OPINION

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources 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 Charities Act 2011

We have audited the financial statements of the Museum of London ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Governors' with respect to going concern are described in the relevant sections of this report.

#### **OTHER INFORMATION**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Governors' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF GOVERNORS**

As explained more fully in the Governors responsibilities statement, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determines 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 Governors are responsible for assessing the Group's and the Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend

to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under the section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

- Challenging assumptions made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports, reviewing correspondence with HMRC and the Regulator of Charities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **USE OF OUR REPORT**

This report is made solely to the Charity's Governors, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To



the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP, statutory auditor  
London, UK

Date: 10 November 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## MUSEUM OF LONDON GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

| Expressed in £'000   | Notes  | 2021                  |                     |                   |                 | 2020           |
|--|--------|-----------------------|---------------------|-------------------|-----------------|----------------|
|  |        | Unrestricted<br>Funds | Restricted<br>Funds | Endowment<br>Fund | Total<br>Funds  | Total<br>Funds |
| <b>INCOME AND ENDOWMENTS</b>   |        |                       |                     |                   |                 |                |
| Donations, grants and legacies   | 3      | 15,350                | 1,651               | –                 | 17,001          | 16,379         |
| Other trading activities   | 4      | 433                   | 73                  | –                 | 506             | 3,144          |
| New Museum project   | 5      | –                     | 18,391              | –                 | 18,391          | 17,418         |
| Investment income  | 6      | 41                    | 89                  | –                 | 130             | 241            |
| Income from charitable activities  | 7      | 186                   | 36                  | –                 | 222             | 769            |
| <b>Total Income and Endowments</b>   |        | <b>16,010</b>         | <b>20,240</b>       | <b>–</b>          | <b>36,250</b>   | <b>37,951</b>  |
| <b>EXPENDITURE ON</b>  |        |                       |                     |                   |                 |                |
| Raising funds  | 8      | 2,366                 | –                   | –                 | 2,366           | 3,618          |
| Charitable activities  | 8      | 17,230                | 1,707               | –                 | 18,937          | 21,925         |
| New Museum project   | 8      | 35                    | 18,103              | –                 | 18,138          | 15,760         |
| <b>Total Expenditure before gains / (losses)<br/>on investments</b>            |        | <b>19,631</b>         | <b>19,810</b>       | <b>–</b>          | <b>39,441</b>   | <b>41,303</b>  |
| Gains / (losses) on investments  | 14     | –                     | 350                 | 376               | 726             | (528)          |
| <b>Net (outgoing) / incoming resources<br/>before transfers</b>                |        | <b>(3,621)</b>        | <b>780</b>          | <b>376</b>        | <b>(2,465)</b>  | <b>(3,880)</b> |
| <b>Transfers between funds</b>   | 18 (A) | 294                   | (294)               | –                 | –               | –              |
| <b>Net (expenditure) / income before other<br/>recognised gains and losses</b> |        | <b>(3,327)</b>        | <b>486</b>          | <b>376</b>        | <b>(2,465)</b>  | <b>(3,880)</b> |
| <b>Other recognised gains and losses</b>                                       |        |                       |                     |                   |                 |                |
| Actuarial (loss) / gain on defined<br>benefit pension schemes                  | 22     | (19,311)              | –                   | –                 | (19,311)        | 3,315          |
| <b>Net movement in funds</b>   |        | <b>(22,638)</b>       | <b>486</b>          | <b>376</b>        | <b>(21,776)</b> | <b>(565)</b>   |
| <b>Reconciliation of funds in 2021</b>   |        |                       |                     |                   |                 |                |
| Funds brought forward at 1 April   |        | (9,367)               | 9,706               | 1,533             | 1,872           | 2,437          |
| Net movement in funds  |        | (22,638)              | 486                 | 376               | (21,776)        | (565)          |
| <b>Funds carried forward</b>   | 18 (A) | <b>(32,005)</b>       | <b>10,192</b>       | <b>1,909</b>      | <b>(19,904)</b> | <b>1,872</b>   |
| <b>Reconciliation of funds in prior year</b>                                   |        |                       |                     |                   |                 |                |
| Funds brought forward  |        | (8,093)               | 8,723               | 1,807             | 2,437           |                |
| Net movement in funds  |        | (1,274)               | 983                 | (274)             | (565)           |                |
| <b>Funds carried forward</b>   | 18 (A) | <b>(9,367)</b>        | <b>9,706</b>        | <b>1,533</b>      | <b>1,872</b>    |                |

There are no other gains or losses other than those recognised above and therefore no separate statement of total gains and losses has been prepared. All activities derive from continuing operations.

The notes on pages 37 to 62 form part of these financial statements.

## MUSEUM OF LONDON

### STATEMENT OF FINANCIAL ACTIVITIES

| Expressed in £'000   | Notes  | 2021               |                  |                 | 2020           |
|--|--------|--------------------|------------------|-----------------|----------------|
|  |        | Unrestricted Funds | Restricted Funds | Total Funds     | Total Funds    |
| <b>INCOME AND ENDOWMENTS</b>   |        |                    |                  |                 |                |
| Donations, grants and legacies   | 3      | 15,523             | 1,651            | 17,174          | 16,911         |
| Other trading activities   | 4      | 202                | –                | 202             | 1,577          |
| New Museum project   | 5      | –                  | 18,366           | 18,366          | 17,393         |
| Investment income  | 6      | 12                 | –                | 12              | 119            |
| Income from charitable activities  | 7      | 186                | 36               | 222             | 769            |
| <b>Total Income and Endowments</b>   |        | <b>15,923</b>      | <b>20,053</b>    | <b>35,976</b>   | <b>36,769</b>  |
| <b>EXPENDITURE ON</b>  |        |                    |                  |                 |                |
| Raising funds  |        | 2,120              | –                | 2,120           | 2,463          |
| Charitable activities  |        | 17,311             | 1,621            | 18,932          | 21,920         |
| New Museum project   |        | 35                 | 18,103           | 18,138          | 15,760         |
| <b>Total Expenditure</b>   | 8      | <b>19,466</b>      | <b>19,724</b>    | <b>39,190</b>   | <b>40,143</b>  |
| <b>Net (outgoing) / incoming resources before transfers</b>                |        | <b>(3,543)</b>     | <b>329</b>       | <b>(3,214)</b>  | <b>(3,374)</b> |
| <b>Transfers between funds</b>   | 18 (A) | 269                | (269)            | –               | –              |
| <b>Net (expenditure) / income before other recognised gains and losses</b> |        | <b>(3,274)</b>     | <b>60</b>        | <b>(3,214)</b>  | <b>(3,374)</b> |
| <b>Other recognised gains and losses</b>                                   |        |                    |                  |                 |                |
| Actuarial (loss) / gain on defined benefit pension schemes                 | 22     | (19,311)           | –                | (19,311)        | 3,315          |
| <b>Net movement in funds</b>   |        | <b>(22,585)</b>    | <b>60</b>        | <b>(22,525)</b> | <b>(59)</b>    |
| <b>Reconciliation of funds in 2021</b>                                     |        |                    |                  |                 |                |
| Funds brought forward at 1 April   |        | (9,439)            | 7,945            | (1,494)         | 2,169          |
| Net movement in funds  |        | (22,585)           | 60               | (22,525)        | (3,604)        |
| <b>Funds carried forward</b>   |        | <b>(32,024)</b>    | <b>8,005</b>     | <b>(24,019)</b> | <b>(1,435)</b> |
| <b>Reconciliation of funds in prior year</b>                               |        |                    |                  |                 |                |
| Funds brought forward  |        | (8,140)            | 6,705            | (1,435)         |                |
| Net movement in funds  |        | (1,299)            | 1,240            | (59)            |                |
| <b>Funds carried forward</b>   |        | <b>(9,439)</b>     | <b>7,945</b>     | <b>(1,494)</b>  |                |

There are no other gains or losses other than those recognised above and therefore no separate statement of total gains and losses has been prepared. All activities derive from continuing operations.

The notes on pages 37 to 62 form part of these financial statements.

## MUSEUM OF LONDON GROUP AND MUSEUM BALANCE SHEETS

| Expressed in £'000                                    | Notes   | Group           |               | Museum          |                |
|---|---------|-----------------|---------------|-----------------|----------------|
|   |         | 2021            | 2020          | 2021            | 2020           |
| <b>Fixed assets</b>                                   |         |                 |               |                 |                |
| Heritage assets                                       | 12 & 13 | 5,027           | 5,423         | 5,027           | 5,423          |
| Intangible assets                                     | 12      | 380             | 492           | 380             | 492            |
| Other tangible assets                                 | 12      | 27,372          | 29,574        | 27,372          | 29,574         |
|   |         | <b>32,779</b>   | <b>35,489</b> | <b>32,779</b>   | <b>35,489</b>  |
| Investments   | 14      | 3,690           | 2,964         | -               | -              |
| <b>Total fixed assets</b>                             |         | <b>36,469</b>   | <b>38,453</b> | <b>32,779</b>   | <b>35,489</b>  |
| <b>Current assets</b>                                 |         |                 |               |                 |                |
| Stock   |         | 179             | 222           | -               | -              |
| Long term loan receivable                             | 15      | -               | 108           | -               | 108            |
| Debtors   | 15      | 3,167           | 2,024         | 5,025           | 4,180          |
| Cash at bank and in hand                              |         | 16,775          | 15,605        | 14,317          | 12,873         |
| <b>Total current assets</b>                           |         | <b>20,121</b>   | <b>17,959</b> | <b>19,342</b>   | <b>17,161</b>  |
| <b>Current liabilities</b>                            |         |                 |               |                 |                |
| Creditors – amounts falling due within one year       | 16      | (7,012)         | (6,672)       | (6,658)         | (6,276)        |
| <b>Net current assets</b>                             |         | <b>13,109</b>   | <b>11,287</b> | <b>12,684</b>   | <b>10,885</b>  |
| <b>Total assets less current liabilities</b>          |         | <b>49,578</b>   | <b>49,740</b> | <b>45,463</b>   | <b>46,374</b>  |
| <b>Creditors – amounts falling due after one year</b> |         |                 |               |                 |                |
| City of London Corporation                            | 21 B    | (6,193)         | (6,697)       | (6,193)         | (6,697)        |
| <b>Net assets excluding pension liability</b>         |         | <b>43,385</b>   | <b>43,043</b> | <b>39,270</b>   | <b>39,677</b>  |
| Defined benefit pension liability                     | 22      | (63,289)        | (41,171)      | (63,289)        | (41,171)       |
| <b>Net assets including pension liability</b>         |         | <b>(19,904)</b> | <b>1,872</b>  | <b>(24,019)</b> | <b>(1,494)</b> |
| <b>The funds of the charity</b>                       | 18 & 19 |                 |               |                 |                |
| Endowment funds                                       |         | 1,909           | 1,533         | -               | -              |
| Restricted income funds                               |         | 10,193          | 9,706         | 8,005           | 7,945          |
| Designated funds                                      |         | 23,071          | 24,799        | 23,059          | 24,787         |
| Defined benefit pension reserve                       |         | (63,289)        | (41,171)      | (63,289)        | (41,171)       |
| General reserves                                      |         | 8,212           | 7,005         | 8,206           | 6,945          |
| <b>Total funds and reserves</b>                       |         | <b>(19,904)</b> | <b>1,872</b>  | <b>(24,019)</b> | <b>(1,494)</b> |

The notes on pages 37 to 62 form part of these financial statements.

The financial statements were approved by the Board of Governors on 13 October 2021.

Signed on its behalf by:

**Clive Bannister**  
Chair of the Board of Governors of the  
Museum of London

**John Scott JP CC**  
Governor of the Museum of London

## CONSOLIDATED CASH FLOW STATEMENT

| Expressed in £'000  | Notes | 2021         | 2020  |
|---|-------|--------------|-------|
| Net cash inflow from operating activities                             | B     | 2,479        | 4,982 |
| <b>Returns on investment and servicing of finance</b>                 |       |              |       |
| Interest and dividends received                                       |       | 130          | 241   |
| Interest paid   |       | (112)        | (108) |
| <b>Capital expenditure and financial investments</b>                  |       |              |       |
| Payments to acquire tangible fixed assets                             |       | (843)        | (701) |
| Increase in cash and cash equivalents before financing                | A     | <b>1,654</b> | 4,414 |
| Financing – Repayments of long-term borrowing                         |       | (484)        | (865) |
| <b>Increase / (decrease) in cash and cash equivalents in the year</b> |       | <b>1,170</b> | 3,549 |

### A) Analysis of changes in net debt (Group)

| Expressed in £'000               | Balance<br>1 Apr 2020 | Cashflows | Balance<br>31 Mar 2021 |
|----------------------------------|-----------------------|-----------|------------------------|
| <b>Cash and cash equivalents</b> |                       |           |                        |
| Cash at bank                     | 8,605                 | 8,170     | 16,775                 |
| Cash on deposit                  | 7,000                 | (7,000)   | –                      |
|                                  | <b>15,605</b>         | 1,170     | <b>16,775</b>          |
| <b>Borrowings</b>                |                       |           |                        |
| Debt due within one year         | (484)                 | (20)      | (504)                  |
| Debt due after one year          | (6,697)               | 504       | (6,193)                |
|                                  | <b>(7,181)</b>        | 484       | <b>(6,697)</b>         |
| <b>Total</b>                     | <b>8,424</b>          | 1,654     | <b>10,078</b>          |

### B) Reconciliation of net expenditure to net cash inflow from Operating activities

| EXPRESSED IN £'000                                       | 2021         | 2020    |
|--|--------------|---------|
| Net expenditure before other recognised gains and losses | (2,465)      | (3,880) |
| Interest and dividends receivable                        | (130)        | (241)   |
| Interest payable   | 112          | 108     |
| (Gains) / losses on investments                          | (726)        | 528     |
| Pension costs – see Note 22                              | 2,807        | 2,764   |
| Fixed assets disposed / written off                      | 10           | 92      |
| Depreciation   | 3,543        | 3,511   |
| <b>Net Operating Income</b>                              | <b>3,151</b> | 2,882   |
| Decrease in stock  | 43           | 3       |
| (Increase) / decrease in debtors and long term contracts | (1,035)      | 1,151   |
| Increase in creditors (excluding loans/overdrafts)       | 320          | 946     |
| <b>Net cash inflow from operating activities</b>         | <b>2,479</b> | 4,982   |

## NOTES TO THE FINANCIAL STATEMENTS

### 1) ACCOUNTING POLICIES

#### A) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared, on a going concern basis as detailed on pages 21 to 23 and below, under the historical cost accounting convention, with the exception of investments which have been included at market value, and comply with the Charities Act 2011, the Statement of Recommended Practice Accounting and Reporting by Charities SORP (FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland) and applicable accounting standards in the United Kingdom. The Museum of London is a public benefit entity under FRS 102.

#### Going Concern

The accounts are prepared on the going concern basis as financial projections show the museum is able to meet its liabilities as they fall due for the foreseeable future. In reaching the conclusion on the ability of the museum to remain a going concern, the Governors have carefully considered the longer term impact of the COVID-19 pandemic and reviewed the forward financial projections to 31 March 2023.

Governors believe that the museum has put in place a robust structure that, in conjunction with the prudent reserves policy, will allow it to manage the foreseeable risks to the organisation. The accounts are therefore prepared on the going concern basis as financial projections show the museum is able to meet its liabilities as they fall due for the foreseeable future.

The principal uncertainty currently facing the organisation is the longer term impacts of the ongoing global COVID-19 outbreak and the prolonged uncertainty of visitor numbers and future funding. The Governors and Executive Board continue to closely monitor the impacts. While the evolving nature of the situation has meant it is not possible to accurately quantify the financial impact, the organisation is in a financial position to help manage this risk. Steps are being taken, on an ongoing basis, to minimise the impact on the charity's activities and the effect this may have on the organisation's supporters and beneficiaries. Our key priority is to ensure, as far as possible, that our charitable objects continue to be met. Infrastructure is in place to allow staff to continue working remotely, with a move planned towards blended (onsite and offsite) working in the Autumn.

The COVID-19 epidemic has reduced income from both UK based and international visitors and commercial activities. The longer-term effect on these income streams is not yet determined. The capacity for government to fund the cultural sector may also be affected and potential economic uncertainty resulting from Brexit may compound the issue further. Impacts would be that income from visitors and commercial activity may continue to be reduced in the longer-term, and grants paid by government to the museum may be reduced.

The new museum project is a £337m investment, with the London Wall museum estimated to close for a minimum of two years in advance of the opening to allow for the transition of artefacts; this is expected to be from late 2022. The project is funded by drawdowns in advance from the City of London Corporation. The cash outflows over the coming two years from April 2021 are expected to be circa £87m (although these are dependent on the programme and may change), matched against a combination of grant income from the City of London Corporation and the Greater London Authority, and the museum's fundraising campaign. Given the current economic environment facing potential donors, uncertainty exists over these amounts. We are also reliant on the project being closely managed during this period to prevent delays and increases to the cost base for the project. Controls are in place to mitigate these risks.

In addition to the above funding model, where we provide design services to the City of London Corporation, income is received from the City of London Corporation in the month that the consultants are paid. Therefore, the cashflow for the project is projected and planned to be always positive.

The key factors in our going concern assessment are:

- The museum has confirmed funding from our statutory grant funders until March 2022, although the position after that is less clear. The funders have a statutory obligation to fund the Museum beyond March 2022 and grants have not been reduced in the past, even during the height of the pandemic. The museum is forecasting 2022/23 funding equivalent to 2021/22 grants, however the quantum of the grants post 31 March 2022 is yet to be confirmed.
- The museum will operate on reduced hours, 5 days per week (apart from school holidays). It is anticipated that the previous pattern of 7 days per week opening will be restored in April 2022.
- ACE funding was extended by a year to 2022/23 – £1.1m per annum for National Portfolio Organisation funding and £0.25m per annum for Sector Support Organisation funding.
- The museum has invested in its management capability and has a Board of Governors that brings expert expertise.
- The museum has robust financial modelling procedures that allow it to deal with changing assumptions. For example, we are experiencing lower than budgeted visitors in the current year, but flexed to introduce seven-day opening during the busier Summer period, when we saw stronger visitor numbers particularly from family groups. We reverted to a five-day week in line with other London museums, which are also being affected by low levels of international tourism. A further drop in visitor numbers would not have a material impact on going concern.
- The museum's strategic plan contains a key objective to move to a new site at West Smithfield where the opportunities for growth in visitors and self-generated income will be greater after opening a larger site across two market buildings.
- The City of London Corporation and GLA have confirmed their commitment to the New Museum project through budgets approved by the Court of Common Council and Policy and Resources Committee, and funding is drawn down in advance against these approved budgets. Other factors of note are:
  - i. The forecast project spend from April 2021 to 31 March 2023 is £87m (dependent on the programme) and will be funded by drawdowns from the City of London Corporation.
  - ii. The going concern assessment period largely covers RIBA Stage 5 of the project and break clauses are in place for the construction contracts.
  - iii. None of the philanthropic funders have withdrawn pledges and National Lottery Heritage Fund has confirmed approval at Stage 2 of £5m.
  - iv. We have not drawn down or will draw down funding that is philanthropically raised until the latter stages of the project, thus we will never be in the position of having to pay back donors' money should the project fail.
  - v. During the height of the pandemic we raised a further £3m towards the campaign, such is the confidence in the Museum.

On the basis of the above and the assumption that grant in aid from our statutory funders (the City of London Corporation and the GLA) will be at least in line with 2021/22, Governors believe that the museum's robust structure, in conjunction with the prudent reserves policy explained below, will allow it to manage the foreseeable risks to the organisation. There is a risk that the Museum could require further funding due to a further decline in visitor numbers and uncertainty over grant in aid. However, the Board has reviewed the Museum's cash flow forecasts and believes it has sufficient cash

flows for the next twelve months. As such, the Governors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Basis of consolidation**

Consolidated financial statements have been prepared for the museum, which consolidate the financial statements of the Museum of London, Museum of London (Trading) Limited, the London Museum Fund, the Joicey Fund and the Mackenzie Bell Fund on a line by line basis. The consolidated financial statements present the results of the Museum of London and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. Uniform accounting policies have been applied across the group and have been applied consistently year on year. The functional currency is GBP Sterling.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- No cash flow statement or net debt reconciliation has been presented for the parent company.

## **B) INCOME**

Income is recognised when the museum has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. Grant income is recognised as income when the conditions for its receipt have been met. Retail income is recognised when the sale takes place. Event and commercial hire income is recognised when the event takes place. Donations are accounted for when the museum has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Gift Aid receivable is included in income when there is a valid declaration from the donor.

### **Funding for the New Museum Project**

- Funds relating to the New Museum Project are accounted for when the Museum has entitlement to funds upon submission of a drawdown request to the City of London Corporation.
- Funds relating to the recharge of expenses (as described in note 5 to the financial statements) are accounted for when the Museum has entitlement to funds upon submission of recharge invoices to the City of London Corporation

## **C) EXPENDITURE**

Expenditure is classified under the principal categories of the cost of raising funds (costs of activities that are not in themselves charitable but which are incurred to generate income to support charitable activities), charitable activities (costs incurred in furtherance of the charity's objectives, including governance costs), and other costs.

Within the costs of raising funds are the costs of generating voluntary income and fundraising trading: costs of goods sold and other costs. The costs of generating voluntary income are the costs of fundraising and the costs of administering the museum's Friends' scheme. Fundraising trading costs relate to the museum shops, event hire and catering.

Expenditure incurred on charitable activities is subdivided into communications, programmes and learning (adult, family and schools education programmes), galleries and exhibitions, collections (conservation and curation) and governance (costs in connection with the constitutional and statutory requirements of the museum).

Categories of expenditure include direct and indirect costs. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with their use of the resources.

Pension financing costs, arising from changes in the net of the interest costs and the expected return on assets, have been apportioned across the expenditure categories on the basis of the number of pensionable employees.



Financing costs relating to interest payable on loans are included in the building maintenance category for purposes of apportionment as the loans are for building improvements.

As detailed in Note 9, support costs comprise finance, administration, human resources, information technology, Directorate and some premises costs. Support costs are apportioned across the resources expended categories on a basis consistent with their use of the resources, principally by reference to staff head count.

Resources expended are accounted for on an accruals basis.

#### **D) IRRECOVERABLE VAT**

Irrecoverable VAT is charged as an expense apportioned across expenditure categories pro-rata.

#### **E) FUND ACCOUNTING**

The museum's financial statements comprise a number of individual funds that divide into distinct categories. These are defined below.

General funds are unrestricted funds and comprise revenue balances that have arisen and are available for use at the discretion of the Board of Governors in furtherance of the general objectives of the museum. The London Museum Trust (income element) is also a general fund, which, although the responsibility of a separate Trust, is available for the general objectives of the museum.

Designated funds are also unrestricted and comprise funds that have been set aside at the discretion of the Board of Governors for specific purposes. Funds representing the net book value of the tangible fixed assets of the museum not funded by loans are transferred to a designated fund to the extent that sufficient general funds are available.

Restricted funds are subject to specific restrictions imposed by the donor and include grants and donations for Museum of London major projects, Mackenzie Bell Trust and the Joicey Trust (income element).

Endowment funds – Joicey Trust and London Museum Trust are trust funds in which the donor has provided that the capital cannot be converted to income (London Museum – except by the approval of the Board of Governors).

#### **F) FIXED ASSETS**

##### **Heritage Assets**

The Museum of London is one of the world's largest urban history museums and cares for over two million objects in its collection.

The Governors consider that the vast majority of items in the collection would be difficult, if not impossible, to value. The collection includes social history and archaeological items with no obvious market value as well as many unique items with no comparable sale records to use as the basis for valuation. Even if valuations could be obtained, the costs would be onerous compared with the benefit derived by the museum and the users of the financial statements. As a result, no value is reported for these assets in the museum's balance sheet.

The exception is for heritage assets purchased since 1 April 2001, which are capitalised if the cost is greater than £3,000. Items in the collection that are capitalised are stated at cost but, with the exception of the Docklands property, are not depreciated as the amount of depreciation is regarded as immaterial due to their anticipated high residual value. The Museum of London Docklands building is largely depreciated over 20 years.

## **Tangible Assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All tangible assets with a cost greater than £3,000 are capitalised and depreciated on a straight-line basis to write off the cost over their expected useful lives. Assets under construction are depreciated from the year of completion. From 1 April 2001 historic artefacts and inalienable assets purchased, with a value of over £3,000 have been capitalised. No depreciation is charged on these items.

|  |   |
|--|---|
| Leasehold property including buildings, improvements, renovations and extensions | Over 5–99 years; the shorter of the expected useful life and the length of the lease.   |
| Historic artefacts and museum exhibits   | No depreciation is charged on acquired historic artefacts. Museum exhibits are depreciated over the expected life of the exhibit, typically 10 years. |
| Assets under construction  | No depreciation is charged until completion.  |
| Other assets including furniture, equipment, vehicles and plant                  | Over 4 years (25%) or the asset's expected useful life if shorter.  |

Impairment reviews of tangible fixed assets are carried out in accordance with operational needs.

## **Intangible Assets**

Intangible fixed assets are stated at cost. All intangible assets with a cost greater than £3,000 are capitalised and depreciated on a straight-line basis to write off the cost over their expected useful lives, typically 10 years.

## **G) INVESTMENTS**

Investments in listed company shares, which have been classified as non-current asset investments, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Investments in subsidiaries are recognised at cost in the financial statements of Museum of London. The unrealised profit or loss on investments is shown on the Consolidated Statement of Financial Activities.

## **H) STOCK**

Stock consists of purchased goods for resale and is valued at the lower of cost and net realisable value using the weighted average cost method.

## **I) RECOGNITION OF LIABILITIES**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

## **J) PENSION COSTS**

The Museum's employees are eligible to contribute to the Museum of London Staff Pension Fund (the Fund), which is part of a multi-employer defined benefit scheme called the City of London Corporation Pension Fund, administered under the regulations of the Local Government Scheme.

Charges are made to the income and expenditure account based on the recommendations of the Fund's actuary. They are applied between the Fund's triennial valuations so as to include the expected

cost of providing pensions on a systematic and rational basis over the period during which the museum derives benefit from the employees' services.

The current service cost of the defined benefit scheme is charged to employee costs over the anticipated period of employment. Net pension finance income or costs are included immediately in employee costs and allocated via support costs. Actuarial gains and losses are recognised immediately on the face of the Consolidated Statement of Financial Activities. A provision for the scheme deficit is shown on the face of the balance sheet. The amounts charged to the Consolidated Statement of Financial Activities for defined contribution schemes represent the contributions payable in the period.

#### **K) HOLIDAY PAY**

In accordance with the requirements of the Charity SORP (FRS 102) holiday entitlement accrued but untaken as at the balance sheet date is accrued in full.

#### **L) DONATED GOODS, FACILITIES AND SERVICES**

Donated goods, facilities and services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the museum is not recognised. Refer to the Governors' Annual Report for more information about their contribution.

On receipt, donated goods, facilities and services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised in expenditure in the period of receipt.

Donated fixed assets for on-going use by the museum are recognised as tangible fixed assets when their fair value exceeds the museum's threshold for capitalisation set by the museum's accounting policy. The corresponding gain is recognised as income. In common with any other tangible assets, donated goods held as tangible fixed assets are depreciated over their useful economic life.

#### **M) CASH AT BANK AND IN HAND**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **N) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, described above, the Governors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future periods.

#### **Critical judgements**

In preparing these financial statements, the key judgements have been made in respect of the following:

- Depreciation is based on the management's judgement of the useful economic life of each asset or asset group, which determines the rate at which the asset or asset group is written down.

**Key sources of estimation uncertainty**

The present value of the museum's share of the City of London Corporation Pension Fund Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in Note 22, will impact the carrying amount of the pension liability. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**O) FINANCIAL INSTRUMENTS**

Museum of London has adopted Section 11 FRS 102 in respect of financial instruments.

**(i) Basic financial assets**, including trade and other receivables and cash and bank balances are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment. Loan receivable from MOLA carries interest at Bank of England Base Rate plus 2.5% (see Note 15) and is therefore recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**(ii) Basic financial liabilities**, including trade and other payables, are initially recognised at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Museum of London has no financial instruments that fall within the scope of Section 12 of FRS 102.

## 2) CONSOLIDATION OF SUBSIDIARY UNDERTAKINGS

The Joicey Trust, Mackenzie Bell Trust and London Museum Trust all have objects which are exclusively to provide funds for the Museum of London and Trustees who are appointed by the Museum of London. They are therefore treated as subsidiary charities in accordance with Charities SORP (FRS 102).

The Museum of London holds the entire share capital (£2) of the Museum of London (Trading) Limited.

The results of the subsidiary entities for the year ended 31 March 2021 were as follows:

| Expressed in £'000                             | Joicey<br>Trust | Mackenzie<br>Bell Trust | London<br>Museum<br>Trust | Museum of<br>London<br>(Trading) | Total<br>2021 | Total<br>2020 |
|--|-----------------|-------------------------|---------------------------|----------------------------------|---------------|---------------|
| Incoming resources                             | 32              | 57                      | 28                        | 456                              | <b>573</b>    | 3,125         |
| Resources expended                             | (18)            | (66)                    | (11)                      | (456)                            | <b>(551)</b>  | (3,107)       |
| <b>Net incoming / (outgoing)<br/>resources</b> | <b>14</b>       | <b>(9)</b>              | <b>17</b>                 | -                                | <b>22</b>     | 18            |
| Unrealised (loss) /gain on<br>investments      | 202             | 350                     | 174                       | -                                | <b>726</b>    | (528)         |
| <b>Net movement in funds</b>                   | <b>216</b>      | <b>341</b>              | <b>191</b>                | -                                | <b>748</b>    | (510)         |

Museum of London (Trading) resources expended includes gift aid of £86k (2020: £461k).

The assets, liabilities and funds of the subsidiary undertakings as at 31 March 2021 were as follows:

| Expressed in £'000      | Joicey<br>Trust | Mackenzie<br>Bell Trust | London<br>Museum<br>Trust | Museum of<br>London<br>(Trading) | Total<br>2021  | Total 2020 |
|-------------------------|-----------------|-------------------------|---------------------------|----------------------------------|----------------|------------|
| <b>Net Assets</b>       |                 |                         |                           |                                  |                |            |
| Investments             | 1,028           | 1,778                   | 885                       | -                                | <b>3,691</b>   | 2,964      |
| Current assets          | 108             | 230                     | 82                        | 2,493                            | <b>2,913</b>   | 3,498      |
| Current liabilities     | -               | -                       | -                         | (2,493)                          | <b>(2,493)</b> | (3,101)    |
| <b>Total net assets</b> | <b>1,136</b>    | <b>2,008</b>            | <b>967</b>                | -                                | <b>4,111</b>   | 3,361      |
| <b>Funds employed</b>   |                 |                         |                           |                                  |                |            |
| Permanent endowment     | 1,029           | -                       | 880                       | -                                | <b>1,909</b>   | 1,531      |
| Restricted funds        | 107             | 2,008                   | -                         | -                                | <b>2,115</b>   | 1,760      |
| Unrestricted funds      | -               | -                       | 87                        | -                                | <b>87</b>      | 70         |
| <b>Total funds</b>      | <b>1,136</b>    | <b>2,008</b>            | <b>967</b>                | -                                | <b>4,111</b>   | 3,361      |

### 3) DONATIONS, GRANTS AND LEGACIES

Expressed in £'000

|   | MUSEUM OF LONDON GROUP |                     |               | Total<br>2020 |
|---|------------------------|---------------------|---------------|---------------|
|   | Unrestricted<br>Funds  | Restricted<br>Funds | Total<br>2021 |               |
| Greater London Authority Revenue grants     | 7,604                  | 35                  | 7,639         | 7,674         |
| Greater London Authority Capital grants     | 3                      | 532                 | 535           | 301           |
| City of London Corporation Revenue grants   | 5,292                  | 567                 | 5,859         | 6,052         |
| Arts Council England and related programmes | 1,401                  | –                   | 1,401         | 1,373         |
| Coronavirus Job Retention Scheme grants     | 894                    | 7                   | 901           | –             |
| Other grants                                | –                      | 391                 | 391           | 544           |
| Other donations                             | 156                    | 119                 | 275           | 435           |
| <b>Total</b>                                | <b>15,350</b>          | <b>1,651</b>        | <b>17,001</b> | <b>16,379</b> |

Included in Donations, Grants and Legacies Group income in the prior year is £1,739k of restricted funds. Gifts in kind and pro bono services received in the year were valued and recorded by the museum in accordance with the Accounting Policy Note 1 (L). Other donations include £nil for gifts and services in kind received during the year (2020: £13k).

Expressed in £'000

|   | MUSEUM OF LONDON      |                     |               | Total<br>2020 |
|---|-----------------------|---------------------|---------------|---------------|
|   | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>2021 |               |
| Greater London Authority Revenue grants     | 7,604                 | 35                  | 7,639         | 7,674         |
| Greater London Authority Capital grants     | 3                     | 532                 | 535           | 301           |
| City of London Corporation Revenue grants   | 5,292                 | 567                 | 5,859         | 6,052         |
| Arts Council England and related programmes | 1,399                 | –                   | 1,399         | 1,358         |
| Coronavirus Job Retention Scheme grants     | 894                   | 7                   | 901           | –             |
| Other grants                                | 90                    | 391                 | 481           | 544           |
| Other donations                             | 241                   | 119                 | 360           | 982           |
| <b>Total</b>                                | <b>15,523</b>         | <b>1,651</b>        | <b>17,174</b> | <b>16,911</b> |

Included in Donations, Grants and Legacies Museum of London income in the prior year is £1,686k of restricted funds.

### 4) OTHER TRADING ACTIVITIES

Expressed in £'000

|                                    | MUSEUM OF LONDON GROUP |              |
|------------------------------------|------------------------|--------------|
|                                    | 2021                   | 2020         |
| Shops                              | 126                    | 1,052        |
| Private events and functions       | 64                     | 1,578        |
| Photographic library and licensing | 41                     | 52           |
| Other                              | 275                    | 462          |
| <b>Total</b>                       | <b>506</b>             | <b>3,144</b> |

Other Trading Activities income is split between Museum of London (Trading) Limited £428k (2020: £2,964k) and Museum of London £78k (2020: £180k), of which none is restricted (2020: £nil).

Other Trading Activities in the Museum of London also includes £124k of recharges from the Museum of London (Trading) Limited (2020: £1,397k), which are eliminated on consolidation.

## 5) NEW MUSEUM PROJECT

| Expressed in £'000                      | MUSEUM OF LONDON AND<br>MUSEUM OF LONDON GROUP |               |
|---|--|---------------|
|   | 2021   | 2020          |
| <b>INCOME</b>                           |  |               |
| City of London Corporation grants       | 11,689   | 11,643        |
| Coronavirus Job Retention Scheme grants | 55   | –             |
| Other income                            | 6,647  | 5,775         |
| <b>Total</b>                            | <b>18,391</b>                                  | <b>17,418</b> |

Restricted funds of £18,391k (2020: £17,418k) were received during the year to fund specific activities for the New Museum project including RIBA Stages 3 and 4 project costs. Of this £11.7m was grants received from the City of London Corporation and £1.9m was external fundraising. Other income relates to invoiced income received from the City of London Corporation where the museum has acted as lead charity to provide design and other services. As lead charity the Museum has procured and contracted with suppliers to provide design and other services relating to the New Museum Project which are then recharged to the City of London Corporation.

## 6) INVESTMENT INCOME

| Expressed in £'000        | MUSEUM OF LONDON<br>GROUP |            |
|---------------------------|---------------------------|------------|
|                           | 2021                      | 2020       |
| Interest on cash balances | 18                        | 106        |
| Dividends received        | 112                       | 107        |
| Property income           | –                         | 28         |
| <b>Total</b>              | <b>130</b>                | <b>241</b> |

Investment Income is split Museum of London £12k and subsidiaries £118k. Included in Investment Income is £89k (2020: £84k) of restricted funds.

£390k (2020: £374k) of the cash balances for the Museum of London and the Trust Funds are invested by the Chamberlain of the City of London Corporation at competitive rates that averaged 0.75% in 2021 (2020: 0.63%).

## 7) INCOME FROM CHARITABLE ACTIVITIES

| Expressed in £'000     | MUSEUM OF LONDON AND<br>MUSEUM OF LONDON GROUP |            |
|------------------------|--|------------|
|                        | 2021   | 2020       |
| Exhibitions and events | 222  | 735        |
| Other                  | –  | 34         |
| <b>Total</b>           | <b>222</b>                                     | <b>769</b> |

Included in Income from Charitable Activities is £36k (2020: £30k) of restricted funds.

## 8) EXPENDITURE

| MUSEUM OF LONDON GROUP<br>Expressed in £'000 | Direct<br>Staff<br>Costs | Other<br>Direct<br>Costs | Support<br>Costs | Total<br>2021 | Total<br>2020 |
|--|--------------------------|--------------------------|------------------|---------------|---------------|
| <b>Expenditure on Raising funds</b>          |                          |                          |                  |               |               |
| Cost of generating voluntary income          | 75                       | 22                       | 245              | 342           | 497           |
| Fundraising trading                          | 732                      | 527                      | 765              | 2,024         | 3,121         |
|  | 807                      | 549                      | 1,010            | 2,366         | 3,618         |
| <b>Expenditure on Charitable activities</b>  |                          |                          |                  |               |               |
| Communications                               | 475                      | 205                      | 306              | 986           | 1,592         |
| Programmes and learning                      | 2,095                    | 1,094                    | 1,468            | 4,657         | 6,276         |
| Galleries and exhibitions                    | 1,853                    | 1,288                    | 1,652            | 4,783         | 7,588         |
| Collections                                  | 2,531                    | 4,149                    | 1,682            | 8,362         | 6,327         |
| Governance                                   | 31                       | 77                       | 31               | 139           | 122           |
|  | 6,965                    | 6,813                    | 5,139            | 18,937        | 21,925        |
| New Museum project                           | -                        | 18,138                   | -                | 18,138        | 15,760        |
| <b>Total Expenditure</b>                     | <b>7,792</b>             | <b>25,500</b>            | <b>6,149</b>     | <b>39,441</b> | <b>41,303</b> |

Governance costs comprise audit fees, an apportionment of directors' remuneration and other costs and an apportionment of support costs.

Expenditure is split Museum of London £39,190k (2020: £40,143k) and subsidiaries £251k (2020: £1,160k).

Expenditure includes £19,810k (2020: £17,934k) of restricted funds.

## 9) ALLOCATION OF SUPPORT COSTS

| MUSEUM OF LONDON GROUP<br>Expressed in £'000 | Cost of<br>Raising<br>Funds | Charitable<br>Activities | Governance<br>Costs | Total<br>2021 | Total<br>2020 |
|--|-----------------------------|--------------------------|---------------------|---------------|---------------|
| Finance and administration                   | 248                         | 1,249                    | 8                   | 1,505         | 1,258         |
| Management costs                             | 111                         | 564                      | 3                   | 678           | 905           |
| Human resources and IT                       | 190                         | 963                      | 6                   | 1,159         | 1,078         |
| Pension liability – finance costs, etc.      | 461                         | 2,332                    | 14                  | 2,807         | 2,764         |
| <b>Group total support costs</b>             | <b>1,010</b>                | <b>5,108</b>             | <b>31</b>           | <b>6,149</b>  | <b>6,005</b>  |

Support costs are defined and allocated as disclosed in Note 1, Accounting Policies.



## 10) EMPLOYEES

### STAFF COSTS

| Expressed in £'000    | MUSEUM OF LONDON GROUP |        |
|-----------------------|------------------------|--------|
|                       | 2021                   | 2020   |
| Salaries and wages    | 9,467                  | 9,849  |
| Social security costs | 933                    | 983    |
| Pension costs         | 1,400                  | 1,495  |
| Employment agencies   | 494                    | 813    |
|                       | 12,294                 | 13,140 |

The Governors neither received nor waived any emoluments during the year (2020: £nil). Reimbursements of expenses to Governors of the Museum of London were in total £258, paid to one Governor (2020: £1,316, paid to one Governor).

Staff costs in 2020/21 include £122k redundancy costs (2020: £nil).

The number of employees with remuneration above £60,000 was within the ranges listed below:

|                      | MUSEUM OF LONDON GROUP |      |
|----------------------|------------------------|------|
|                      | 2021                   | 2020 |
| £60,000 to £70,000   | 9                      | 9    |
| £70,001 to £80,000   | 1                      | 2    |
| £80,001 to £90,000   | 2                      | 1    |
| £90,001 to £100,000  | 3                      | 3    |
| £100,001 to £110,000 | –                      | 2    |
| £110,001 to £120,000 | –                      | –    |
| £120,001 to £130,000 | 1                      | –    |
| £140,001 to £150,000 | 1                      | 1    |

Of the 17 employees disclosed above, retirement benefits are accruing to 16 staff under the museum's defined benefit pension scheme.

The compensation (including employer's national insurance contributions) of the key management personnel was £838k. (2020 key management personnel compensation: £912k).

The remuneration of the Director, who was also the highest paid employee, was as follows:

|                                | 2021    | 2020    |
|--------------------------------|---------|---------|
|                                | £       | £       |
| Salary                         | 149,205 | 149,205 |
| Contribution to pension scheme | 19,378  | 27,454  |

## BENEFITS IN KIND

No employee received any benefit in kind during the year.

## AVERAGE NUMBER OF EMPLOYEES

The average number of employees, analysed by the categories of resources expended, and after the apportionment of 47.2 (2020: 57.9) support staff, was:

|                                      | <b>MUSEUM OF LONDON GROUP</b> |             |
|--------------------------------------|-------------------------------|-------------|
|                                      | <b>2021</b>                   | <b>2020</b> |
| <b>Cost of Raising Funds</b>         |                               |             |
| Costs of generating voluntary income | 12                            | 13          |
| Fundraising trading                  | 31                            | 35          |
|                                      | <b>43</b>                     | <b>48</b>   |
| <b>Charitable Activities</b>         |                               |             |
| Communications                       | 13                            | 14          |
| Programmes and learning              | 61                            | 63          |
| Galleries and exhibitions            | 71                            | 77          |
| Collections                          | 72                            | 77          |
|                                      | <b>217</b>                    | <b>231</b>  |
| <b>Total</b>                         | <b>260</b>                    | <b>279</b>  |

The average headcount during the year excluding casual or agency staff was 296 (2020: 330).

The decrease in staff numbers is due in part to the decision to freeze recruitment where possible during closure and in part due to the lower staff numbers following the restructuring that took place in 2020/21. Staff costs above include casual staff equivalent to approximately 12 full time staff (2020: 12).

As part of our response to the COVID-19 pandemic and the multiple periods of closure and following extensive union consultation, two phases of restructuring took place in 2020/21. The first in November 2020 included front of house departments and this reorganisation enabled our new operating model of reduced opening hours. The second phase in February and March 2021 resulted in a new structure for Learning that enables us to offer a more flexible learning programme for schools and families.

## 11) NET OUTGOING RESOURCES

Net outgoing resources is stated after charging:

| <b>Expressed in £'000</b>      | <b>MUSEUM OF LONDON GROUP</b> |             |
|--------------------------------|-------------------------------|-------------|
|                                | <b>2021</b>                   | <b>2020</b> |
| Depreciation                   | 3,543                         | 3,511       |
| <b>Auditor's remuneration:</b> |                               |             |
| Audit fees – statutory audit   | 64                            | 57          |
| Taxation compliance fees       | 5                             | 5           |

## 12) FIXED ASSETS

The historic artefacts and museum exhibits at the Museum of London are regarded as heritage assets. This is due to their historical importance and their being held for the purposes of preservation and public education. As explained in Note 1 (F) only historic artefacts and exhibits purchased since 1 April 2001 have been included in the balance sheet due to the impracticality of economically valuing assets acquired before that date.

The Museum of London buildings at London Wall and Eagle Wharf Road are not heritage assets as their preservation is not an objective of the museum. This contrasts with the Museum of London Docklands building, a former spice warehouse, which is historic, and the restoration and continued preservation of which is part of the museum's objective.

As stated in Note 1 (F) fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

| <b>MUSEUM OF LONDON<br/>GROUP<br/>AND CHARITY</b> | <b>Leasehold<br/>property</b> | <b>Historic<br/>artefacts &amp;<br/>museum<br/>exhibits</b> | <b>Assets<br/>under<br/>construction</b> | <b>Other<br/>assets</b> | <b>Total</b>  |
|---|-------------------------------|---|--|-------------------------|---------------|
| <b>Expressed in £'000</b>                         |                               |   |  |                         |               |
| <b>Cost</b>                                       |                               |   |  |                         |               |
| At 1 April 2020                                   | 55,725                        | 17,580  | 33                                       | 18,490                  | <b>91,828</b> |
| Additions   | 90                            | 404   | 125                                      | 224                     | <b>843</b>    |
| Disposals   | (7)                           | (125)   | -  | (124)                   | <b>(256)</b>  |
| Adjustments                                       | 1                             | 5   | (19)                                     | 13                      | <b>-</b>      |
| At 31 March 2021                                  | <b>55,809</b>                 | <b>17,864</b>   | <b>139</b>                               | <b>18,603</b>           | <b>92,415</b> |
| <b>Accumulated<br/>Depreciation</b>               |                               |   |  |                         |               |
| At 1 April 2020                                   | 29,586                        | 11,918  | -  | 14,835                  | <b>56,339</b> |
| Charge  | 2,046                         | 833   | -  | 664                     | <b>3,543</b>  |
| Disposals   | (5)                           | (126)   | -  | (115)                   | <b>(246)</b>  |
| Adjustments                                       | -                             | -   | -  | -                       | <b>-</b>      |
| At 31 March 2021                                  | <b>31,627</b>                 | <b>12,625</b>   | <b>-</b>                                 | <b>15,384</b>           | <b>59,636</b> |
| <b>Net book value</b>                             |                               |   |  |                         |               |
| At 1 April 2020                                   | 26,139                        | 5,662   | 33                                       | 3,655                   | <b>35,489</b> |
| At 31 March 2021                                  | <b>24,182</b>                 | <b>5,239</b>  | <b>139</b>                               | <b>3,219</b>            | <b>32,779</b> |

At 31 March 2021 no fixed assets were held by any subsidiary company and both the opening and the closing positions for fixed assets were identical in the charity and the group.

## HERITAGE ASSETS

The transactions relating to heritage assets for the current year and preceding four years are shown below. There have been no impairments.

| <b>Expressed in £'000</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Cost of acquisitions      | 404         | 308         | 523         | 509         | 301         |
| Disposals                 | 125         | 4           | -           | -           | 2           |

Fixed assets divide into heritage, tangible and intangible assets.

| <b>MUSEUM OF LONDON GROUP</b><br>Expressed in £'000 | <b>Heritage<br/>assets</b> | <b>Tangible<br/>assets</b> | <b>Intangible<br/>assets</b> | <b>Total<br/>2021</b> | <b>Total<br/>2020</b> |
|---|----------------------------|----------------------------|------------------------------|-----------------------|-----------------------|
| Leasehold property (Museum of London)               | –                          | 24,182                     | –                            | <b>24,182</b>         | 26,139                |
| Leasehold property (MoL Docklands)                  | 2,568                      | –                          | –                            | <b>2,568</b>          | 3,032                 |
| Other historic artefacts & museum exhibits          | 2,459                      | 212                        | –                            | <b>2,671</b>          | 2,630                 |
| Assets under construction                           | –                          | 139                        | –                            | <b>139</b>            | 33                    |
| Other assets  | –                          | 2,839                      | 380                          | <b>3,219</b>          | 3,655                 |
|   | <b>5,207</b>               | <b>27,372</b>              | <b>380</b>                   | <b>32,779</b>         | <b>35,489</b>         |

The net book value of leasehold property (including the Museum of London Docklands building, which is classified as a Heritage Asset) represents the refurbishment and renovation costs less depreciation of the following properties:

| <b>MUSEUM OF LONDON GROUP</b><br>Expressed in £'000 | <b>2021</b>   | <b>2020</b> |
|---|---------------|-------------|
| 150 London Wall                                     | <b>13,657</b> | 15,347      |
| Mortimer Wheeler House, Eagle Wharf Road            | <b>10,525</b> | 10,792      |
| 1 West India Quay                                   | <b>2,568</b>  | 3,032       |
|   | <b>26,750</b> | 29,171      |

### 13) HERITAGE ASSETS NOT DISCLOSED IN THE BALANCE SHEET

#### Nature and scale of Heritage Assets held

The Museum of London cares for over two million objects in its collection, a proportion of which it inherited from the Guildhall and the London Museums when it opened in 1976. The museum collects objects that illustrate and document the past and present cultures and people of London. It operates under the terms of the Museum of London Act 1965 (as subsequently amended) which defines London as all of Greater London and the surrounding region. Generally this is considered to be the 32 London Boroughs and the City of London. The museum collections cover all periods of time, from the earliest hominid occupation in prehistory to the present day. They include field archaeology, ceramics, jewellery, numismatics, metalwork and human remains, paintings, prints and drawings, photography, ephemera, social and working history items, decorative arts and costume as well as tape recordings, film, video and other electronic media.

#### Policies for acquisition, preservation management and disposal of Heritage Assets

The museum has a Collections Management Policy and an Acquisitions and Disposal Policy. It uses the collections management system MIMSY XG for the day-to-day management of its collections.

The museum continues to add actively to its collection via a number of means including purchase, gift, bequest and excavation, and occasionally divests itself of objects through transfer to other museums or organisations, sale and recycling/destruction. Reasons for disposal include objects being outside the museum's current collecting policy, unprovenanced objects, duplication in collections, underuse (no known future potential for research or display), damage beyond any possible use and health and safety reasons.

Access to collections is provided through our permanent displays, temporary exhibitions, web site, public access to stored collections, public programmes such as loans out and learning activities.

Further details can be obtained from our website at:

<http://www.museumoflondon.org.uk/Collections-Research/About-the-collections/>

## 14) INVESTMENTS

| MUSEUM OF LONDON GROUP                     | 2021  | 2020  |
|--|-------|-------|
| <b>Expressed in £'000</b>                  |       |       |
| <b>Listed investments</b>                  |       |       |
| Market value at 1 April                    | 2,964 | 3,492 |
| Unrealised gains / (losses) on investments | 726   | (528) |
| Market value at 31 March                   | 3,690 | 2,964 |
| Less Cost at 31 March                      | 1,159 | 1,159 |
| Cumulative unrealised gain at 31 March     | 2,531 | 1,805 |

The above is represented by holdings in Charity Authorised Investment Fund managed by BlackRock, namely Blackrock Charities UK Equity Fund, which aims to provide medium to long-term capital and income appreciation by investing mainly in UK listed companies. The Trustees believe that the carrying value of the investments is supported by their underlying assets.

Holdings in excess of 5% of the market value of the portfolio at 31 March 2021 are as follows and are all invested in the Blackrock Charities UK Equity Fund (until 6 December 2019: Charishare Common Investment Fund Income):

| MUSEUM OF LONDON GROUP    | Total       | Total       |
|---------------------------|-------------|-------------|
| <b>Expressed in £'000</b> |             |             |
|                           | <b>2021</b> | <b>2020</b> |
| Joicey                    | 1,028       | 825         |
| Mackenzie Bell            | 1,777       | 1,428       |
| London Museum             | 885         | 711         |
| Market value at 31 March  | 3,690       | 2,964       |

## 15) DEBTORS DUE WITHIN ONE YEAR

| Expressed in £'000                 | MUSEUM OF LONDON GROUP |              | MUSEUM OF LONDON GROUP |              |
|------------------------------------|------------------------|--------------|------------------------|--------------|
|                                    | 2021                   | 2020         | 2021                   | 2020         |
| Loan receivable from related party | -                      | 108          | -                      | 108          |
| Trade debtors                      | 232                    | 533          | 21                     | 71           |
| Amounts owed by group undertakings | -                      | -            | 2,130                  | 2,698        |
| Other debtors                      | 644                    | 387          | 646                    | 388          |
| Prepayments and accrued income     | 2,291                  | 1,104        | 2,228                  | 1,023        |
|                                    | <b>3,167</b>           | <b>2,024</b> | <b>5,025</b>           | <b>4,180</b> |

Included within Trade debtors is a provision for bad and doubtful debts of £1.5k (2020: £nil). Amounts classified above as trade debtors and other debtors above fall within the definition of basic financial instruments. The loan receivable was due from MOLA (formerly the museum's field archaeology division) – see Note 21 for further details – and was repaid in the year. The amount due from group undertakings is due from the Museum of London (Trading) Limited. The loan receivable from MOLA carried interest at Bank of England Base Rate plus 2.5%.

## 16) CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| Expressed in £'000  | MUSEUM OF LONDON GROUP |              | MUSEUM OF LONDON |              |
|---------------------|------------------------|--------------|------------------|--------------|
|                     | 2021                   | 2020         | 2021             | 2020         |
| Trade creditors     | 2,161                  | 904          | 2,145            | 799          |
| Accruals            | 2,690                  | 3,771        | 2,690            | 3,771        |
| Debt repayable      | Note 21 B              | 504          | 484              | 504          |
| Other creditors     | 1,313                  | 1,233        | 1,275            | 1,210        |
| Payments in advance | 344                    | 280          | 44               | 12           |
|                     | <b>7,012</b>           | <b>6,672</b> | <b>6,658</b>     | <b>6,276</b> |

Amounts classified above as trade creditors and other creditors above fall within the definition of basic financial instruments.

Deferred income included in Other Creditors and Payments in advance represent income received in 2020/21 for ticketed events and venue hire occurring in the following financial year and rental income received in advance to June 2021. Movements from the prior year are shown below:

| Expressed in £'000         | MUSEUM OF LONDON GROUP |            | MUSEUM OF LONDON |           |
|----------------------------|------------------------|------------|------------------|-----------|
|                            | 2021                   | 2020       | 2021             | 2020      |
| Balance at 1 April         | 280                    | 337        | 12               | 56        |
| Released during the year   | (280)                  | (337)      | (12)             | (56)      |
| Newly assigned             | 344                    | 280        | 44               | 12        |
| <b>Balance at 31 March</b> | <b>344</b>             | <b>280</b> | <b>44</b>        | <b>12</b> |

## 17) COMMITMENTS

(i) The Museum entered into an operating lease for the use of printing equipment in 2017/18.

The minimum payments due under this contract within each of the following periods are:

| Expressed in £'000       | MUSEUM OF LONDON AND<br>MUSEUM OF LONDON GROUP |           |
|--------------------------|--|-----------|
|                          | 2021   | 2020      |
| <b>Payments due:</b>     |  |           |
| Within one year          | 13   | 13        |
| Within two to five years | 7  | 20        |
| <b>Total</b>             | <b>20</b>                                      | <b>33</b> |

During the year, payments of £13k (2020: £13k) were made under operating leases.

(ii) The Museum has construction and professional fees commitments for the New Museum project that are not included in the balance sheet and are due as follows:

| Expressed in £'000       | 2021         | 2020          |
|--------------------------|--------------|---------------|
| <b>Payments due:</b>     |              |               |
| Within one year          | 7,862        | 8,612         |
| Within two to five years | 1,336        | 3,352         |
| <b>Total</b>             | <b>9,198</b> | <b>11,964</b> |

Excluded from the commitments above is a construction contract signed after year end for the General Market Structural Works. The contract for £17.4m was signed on 30 April 2021.

18) TOTAL FUNDS

A) FUNDS ANALYSIS – MUSEUM OF LONDON GROUP

| Expressed in £'000                                | Balance at 1<br>April 2020 | Income        | Expendi-<br>-ture | Transfer<br>between<br>funds | Other<br>gains &<br>losses | Balance at<br>31 March<br>2021 |
|---|----------------------------|---------------|-------------------|------------------------------|----------------------------|--------------------------------|
| <b>ENDOWMENT FUNDS</b>                            |                            |               |                   |                              |                            |                                |
| London Museum Trust                               | 706                        | -             | -                 | -                            | 174                        | 880                            |
| Joicey Trust                                      | 827                        | -             | -                 | -                            | 202                        | 1,029                          |
| <b>Total Endowment funds</b>                      | <b>1,533</b>               | <b>-</b>      | <b>-</b>          | <b>-</b>                     | <b>376</b>                 | <b>1,909</b>                   |
| <b>RESTRICTED FUNDS</b>                           |                            |               |                   |                              |                            |                                |
| <b>Museum of London</b>                           |                            |               |                   |                              |                            |                                |
| Fixed Assets Fund                                 | 1,296                      | -             | -                 | -                            | -                          | 1,296                          |
| Major Projects Fund                               | 410                        | 1,439         | (914)             | (294)                        | -                          | 641                            |
| New Museum Project Fund                           | 3,671                      | 18,391        | (18,103)          | -                            | -                          | 3,959                          |
| ACE Programmes Fund                               | 2                          | -             | -                 | -                            | -                          | 2                              |
| <b>Museum in Docklands</b>                        |                            |               |                   |                              |                            |                                |
| Capital fund                                      | 2,567                      | 322           | (709)             | -                            | -                          | 2,180                          |
| <b>Trust funds</b>                                |                            |               |                   |                              |                            |                                |
| Joicey Trust Income Fund                          | 93                         | 32            | (18)              | -                            | -                          | 107                            |
| Mackenzie Bell Trust                              | 1,667                      | 57            | (66)              | -                            | 350                        | 2,008                          |
| <b>Total restricted funds</b>                     | <b>9,706</b>               | <b>20,241</b> | <b>(19,810)</b>   | <b>(294)</b>                 | <b>350</b>                 | <b>10,193</b>                  |
| <b>DESIGNATED FUNDS</b>                           |                            |               |                   |                              |                            |                                |
| Fixed Assets Fund                                 | 24,445                     | -             | (2,845)           | 1,009                        | -                          | 22,609                         |
| Arts Council England                              | 354                        | 1,424         | (1,199)           | (117)                        | -                          | 462                            |
| <b>Designated funds</b>                           | <b>24,799</b>              | <b>1,424</b>  | <b>(4,044)</b>    | <b>892</b>                   | <b>-</b>                   | <b>23,071</b>                  |
| <b>Designated defined benefit pension reserve</b> | <b>(41,171)</b>            | <b>-</b>      | <b>(2,807)</b>    | <b>-</b>                     | <b>(19,311)</b>            | <b>(63,289)</b>                |
| <b>GENERAL RESERVES</b>                           |                            |               |                   |                              |                            |                                |
| Museum of London                                  | 6,935                      | 14,557        | (12,769)          | (598)                        | -                          | 8,125                          |
| London Museum Trust                               | 70                         | 28            | (11)              | -                            | -                          | 87                             |
| <b>Total General Reserves</b>                     | <b>7,005</b>               | <b>14,585</b> | <b>(12,780)</b>   | <b>-</b>                     | <b>-</b>                   | <b>8,212</b>                   |
| <b>TOTAL FUNDS</b>                                | <b>1,872</b>               | <b>36,250</b> | <b>(39,441)</b>   | <b>-</b>                     | <b>(18,585)</b>            | <b>(19,904)</b>                |

## **B) EXPLANATION OF FUNDS**

### **Endowment Funds**

The London Museum Trust and Joicey Trust Funds are both endowment funds, established by benefactors to provide funds to the museum in pursuit of its objectives. The Joicey Trust Fund is a permanent endowment fund which means that the income can be spent but not capital. The London Museum Trust Fund is an expendable endowment which means that both income and capital can be spent but the latter only with the approval of the Board of Governors of the museum. Income arising in the year is treated as unrestricted in the London Museum Trust, restricted in the Joicey Trust.

### **Restricted Funds**

Where a donor or sponsor has specified a particular purpose for a donation, grant or sponsorship income, that income is shown as restricted income in the year in which receipt is due.

Museum of London Fixed Assets Fund represents the net book value of tangible fixed assets located at the Museum of London financed out of restricted income, it funds future depreciation of those assets.

Museum of London Major Projects Fund arises from a variety of external funding, ranging from major capital works at the museum to specialised work on the collections.

Museum of London New Museum Project Fund was set up in 2015 to represent the restricted funds received for the New Museum project.

Museum in Docklands Capital Fund dates from the inception of the Museum in Docklands, it arose from the restricted funding obtained to restore the old warehouse building that is now that museum (included in "Heritage Assets" in the financial statements). It funds future depreciation of those assets.

The Mackenzie Bell Trust Fund is similar to the Joicey and London Museum Trust Funds except that both capital and income can be spent in support of the museum's objectives.

### **Designated Funds**

Where the museum decides to commit to a specific project or set aside a sum for a specific need, an allocation is made to a designated fund.

The Fixed Assets Fund has been designated by Governors to ensure the museum maintains sufficient reserves to replace fixed assets that were acquired without any kind of external funding. Defined as the net book value of tangible fixed assets less the outstanding amount of related long-term loans, it funds future depreciation of those assets.

ACE Fund arises from funding from the Arts Council England 2018-22 National Portfolio Organisation (NPO) grants and 2018-22 Sector Support Organisation (SSO) grants, a four year grant covering primarily a spectrum of learning, community and regional programmes. It funds the museum's commitment to delivering on the programme agreed with ACE. As part of Art Council England's response to COVID-19, the NPO and SSO grants were extended for one year to 31 March 2023.

The ACE Fund also comprises funding brought forward arising from the historic Arts Council England Renaissance Major Grants programme, a three year grant covering primarily a spectrum of learning, community and regional programmes. It funded the museum's commitment to delivering on the programme agreed with ACE.

The Defined Benefit Pension Reserve represents the current shortfall on the Defined Benefit Pension Scheme.



## General Reserves

General Reserves are otherwise referred to as “Free reserves” as Governors can use them in any way connected with the running of the museum. Both arise from unrestricted income.

### C) TRANSFERS BETWEEN RESERVES

Major Projects Fund – the transfer out of £294k is primarily to reflect the substantial completion of certain capital works funded partly or fully by external sources. Once the works have been completed the conditions attaching to the grants have been met and that amount can be transferred to general reserves.

Designated Fixed Assets Fund – the balance on this fund is maintained at a level representing the net book value of total fixed assets less the outstanding amount of related long-term loans. As the cover required each year is affected by a collection of factors, such as depreciation, loan repayments, fixed asset disposals and acquisitions, each year a specific calculation is made to determine the transfer required from general to designated funds. The transfer from general reserves for 2020/21 was £1,009k.

Designated Arts Council England Fund – the transfer out of £117k represented the use of historic unrestricted grant and programme income that was used to fund related activity in the year.

General Reserves – the transfer of £598k is the net balance of the transfers referred to above.

19) ANALYSIS OF NET ASSETS BETWEEN FUNDS – MUSEUM OF LONDON GROUP

| Expressed in £'000                            | Tangible<br>Fixed<br>Assets | Invest-<br>ments | Current<br>Assets | Current<br>Liabilities | Long term<br>Liabilities<br>and<br>Provisions | Pension<br>Liabilities | Total Net<br>Assets |
|---|-----------------------------|------------------|-------------------|------------------------|---|------------------------|---------------------|
| <b>ENDOWMENT FUNDS</b>                        |                             |                  |                   |                        |   |                        |                     |
| London Museum Trust                           | -                           | 880              | -                 | -                      | -   | -                      | 880                 |
| Joicey Trust                                  | -                           | 1,028            | 1                 | -                      | -   | -                      | 1,029               |
| <b>Endowment funds total</b>                  | <b>-</b>                    | <b>1,908</b>     | <b>1</b>          | <b>-</b>               | <b>-</b>                                      | <b>-</b>               | <b>1,909</b>        |
| <b>RESTRICTED FUNDS</b>                       |                             |                  |                   |                        |   |                        |                     |
| <b>Museum of London</b>                       |                             |                  |                   |                        |   |                        |                     |
| Fixed Assets Fund                             | 1,296                       | -                | -                 | -                      | -   | -                      | 1,296               |
| Major Projects Fund                           | -                           | -                | 641               | -                      | -   | -                      | 641                 |
| New Museum Project<br>Fund                    | -                           | -                | 3,959             | -                      | -   | -                      | 3,959               |
| ACE Programmes Fund                           | -                           | -                | 2                 | -                      | -   | -                      | 2                   |
| <b>Museum in Docklands</b>                    |                             |                  |                   |                        |   |                        |                     |
| Capital fund                                  | 2,180                       | -                | -                 | -                      | -   | -                      | 2,180               |
| <b>Trust Funds</b>                            |                             |                  |                   |                        |   |                        |                     |
| Joicey Trust Income Fund                      | -                           | -                | 107               | -                      | -   | -                      | 107                 |
| Mackenzie Bell                                | -                           | 1,778            | 230               | -                      | -   | -                      | 2,008               |
| <b>Restricted funds total</b>                 | <b>3,476</b>                | <b>1,778</b>     | <b>4,939</b>      | <b>-</b>               | <b>-</b>                                      | <b>-</b>               | <b>10,193</b>       |
| <b>DESIGNATED FUNDS</b>                       |                             |                  |                   |                        |   |                        |                     |
| Fixed Assets Fund                             | 29,303                      | -                | -                 | (501)                  | (6,193)                                       | -                      | 22,609              |
| Arts Council England                          | -                           | -                | 462               | -                      | -   | -                      | 462                 |
| <b>Designated funds total</b>                 | <b>29,303</b>               | <b>-</b>         | <b>462</b>        | <b>(501)</b>           | <b>(6,193)</b>                                | <b>-</b>               | <b>23,071</b>       |
| Designated defined benefit<br>pension reserve | -                           | -                | -                 | -                      | -   | (63,289)               | (63,289)            |
| <b>GENERAL RESERVES</b>                       |                             |                  |                   |                        |   |                        |                     |
| Museum of London                              | -                           | (1)              | 14,637            | (6,511)                | -   | -                      | 8,125               |
| London Museum Trust                           | -                           | 5                | 82                | -                      | -   | -                      | 87                  |
| <b>General Reserves total</b>                 | <b>-</b>                    | <b>4</b>         | <b>14,719</b>     | <b>(6,511)</b>         | <b>-</b>                                      | <b>-</b>               | <b>8,212</b>        |
| <b>TOTAL FUNDS</b>                            | <b>32,779</b>               | <b>3,690</b>     | <b>20,121</b>     | <b>(7,012)</b>         | <b>(6,193)</b>                                | <b>(63,289)</b>        | <b>(19,904)</b>     |

## **20) TAX STATUS**

The activities of the museum are undertaken for charitable purposes. Under Part 11 of CTA 2010 no liability to corporation tax has arisen for the year to 31 March 2021 (2020: £nil).

## **21) RELATED PARTIES**

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 102 concerning related party transactions.

### **A) GREATER LONDON AUTHORITY (GLA)**

The GLA is considered a related party since it has the right to appoint half of the Governing Body of the museum and is one of the two main sponsors of the museum along with the City of London Corporation (see below). The museum received grants from the GLA totalling £8.2m (2020: £8.0m) during the financial year ended 31 March 2021. Included in the 2021 figure above is £0.5m of capital funding (2020: £0.3m), which was for capital works carried out in 2020/21.

### **B) CITY OF LONDON CORPORATION (COLC)**

The City of London Corporation is considered a related party since it has the right to appoint half of the Governing Body of the museum and is one of the two main sponsors of the museum along with the GLA (see above). The museum received grants from the City of London Corporation during the year of £17.6m (2020: £17.7m). Included in the 2021 figure is £11.7m for the New Museum project (2020: £11.6m).

The City of London Corporation in accordance with the Museum of London Act 1965 is required from amongst the officers of the City of London Corporation to appoint persons who, whilst remaining officers of the City of London Corporation, act as Secretary and as Treasurer to the Board. Additionally, the Board has appointed other officers of the City of London Corporation to provide various services including legal, payroll and internal audit services. The provision of all these services by the COLC is the subject of a charge in accordance with the 1965 Act. During the financial year ended 31 March 2021 the charges for these services were £0.1m (2020: £0.1m).

Outstanding loans from COLC to the Museum of London totalled £6.7m at 31 March 2021 (2020: £7.2m). This total includes a balance of £82k on a loan originally made to the Museum of London Docklands (2020: £103k). Of these loans, £504k is due within one year (2020: £484k) and £6,193k is due after more than one year (2020: £6,697k). The museum incurred interest charges related to these loans of £112k (2020: £108k).

### **C) MOLA**

MOLA is considered a related party due to the close association between it and the museum, as reflected in the loan advanced to MOLA by the museum, the Memorandum of Understanding that governs relations between the two organisations and the on-going link between the organisations through Boards of Management with close and regular contact. The museum does not exercise control over MOLA which is an independently constituted charitable company separately managed by its own Board of Trustees. One of the Museum of London's Governors, Alderman Alison Gowman, is a Board Director and Trustee at MOLA, representing the Museum of London on the MOLA Board.

Outstanding loans from the museum to MOLA were £0.1m at 31 March 2020, but was fully repaid during the year. The balance owed was £nil at 31 March 2021. The loan was repayable in 115 equal monthly instalments which commenced on 3 April 2012 and ended in October 2020. It was secured by a floating charge over the assets of MOLA and carried a commercial rate of interest. These financial statements include interest of £1k received from MOLA during the year (2020: £6k). A charge of £265k was made by the museum to MOLA for a licence to occupy space in Mortimer Wheeler House (2020: £265k). In addition, a charge of £50k was made by the museum to MOLA for use of the museum's trade mark, under a variation to the Trade Mark Licence agreed during the year (2020: £150k).

## D) GOVERNORS AND STAFF

None of the Governors, key managerial staff or their related parties has undertaken any material transactions with the museum or its subsidiary undertakings during the year. The Museum has received £15k (2020: £16k) donations in total from a number of the Governors, in the normal course of charitable giving.

## 22) RETIREMENT BENEFITS

The Museum of London participates in the City of London Corporation Pension Fund, a defined benefit pension scheme. The amounts below relate to the Museum of London's share of the fund. The valuation used for the disclosures in this note has been based on the results of the last full actuarial valuation carried out at 31 March 2019, as updated to 31 March 2021 using financial assumptions that comply with FRS 102.

The contributions made by the employer over the financial year amounted to £1,449k (2020: £1,517k). The contribution rate set for the year was 16.1% (2020: 16.1%). Following the triennial valuation, the 2021/22 and 2022/23 employer contribution rate has been set to remain at 16.1%.

### ASSUMPTIONS

The financial assumptions used to calculate scheme liabilities under FRS 102 are:

| Valuation Method  | 2021         | 2020  | 2019  |
|-------------------|--------------|-------|-------|
|                   | %            | %     | %     |
| RPI Increases     | <b>3.20%</b> | 2.65% | 3.40% |
| CPI Increases     | <b>2.85%</b> | 1.85% | 2.40% |
| Salary Increases  | <b>3.85%</b> | 2.85% | 3.90% |
| Pension Increases | <b>2.85%</b> | 1.85% | 2.40% |
| Discount Rate     | <b>2.00%</b> | 2.35% | 2.40% |

The assumed life expectations from age 65 are:

| Life expectations (years) | Males | Females |
|---------------------------|-------|---------|
| Retiring today            | 21.6  | 24.3    |
| Retiring in 20 years      | 22.9  | 25.7    |

**NET ASSETS OF THE SCHEME**

The Museum of London's share of the net assets in the scheme was as follows:

| <b>Expressed in £'000</b>                | <b>Assets at 31 March</b> | <b>Assets at 31 March</b> | <b>Assets at 31 March</b> |
|--|---------------------------|---------------------------|---------------------------|
|  | <b>2021</b>               | <b>2020</b>               | <b>2019</b>               |
| Equities                                 | 52,087                    | 40,941                    | 47,902                    |
| Cash                                     | 443                       | 1,154                     | 820                       |
| Infrastructure                           | 10,060                    | 8,604                     | 3,980                     |
| Multi-asset fund                         | 23,987                    | 18,255                    | 18,968                    |
| <b>Total Assets (A)</b>                  | <b>86,577</b>             | <b>68,954</b>             | <b>71,670</b>             |
| Present Value of Scheme Liabilities      | (149,293)                 | (109,565)                 | (112,933)                 |
| Present Value of Unfunded Liabilities    | (573)                     | (560)                     | (459)                     |
| <b>Total Value of Liabilities (B)</b>    | <b>(149,866)</b>          | <b>(110,125)</b>          | <b>(113,392)</b>          |
| <b>Net Pension (Liability) (A) – (B)</b> | <b>(63,289)</b>           | <b>(41,171)</b>           | <b>(41,722)</b>           |

**ANALYSIS OF PENSION SCHEME OUTGOING RESOURCES**

| <b>Expressed in £'000</b>                                   | <b>MUSEUM OF LONDON GROUP</b> |              |              |
|---|-------------------------------|--------------|--------------|
|   | <b>2021</b>                   | <b>2020</b>  | <b>2019</b>  |
| <b>Analysis of the amount charged to resources expended</b> |                               |              |              |
| Service Cost  | 3,284                         | 3,274        | 2,750        |
| Employer Contributions                                      | (1,449)                       | (1,517)      | (1,410)      |
| Unfunded Pension Payments                                   | (43)                          | (42)         | (41)         |
| Net interest on the defined liability                       | 956                           | 983          | 986          |
| Administration expenses                                     | 59                            | 66           | 77           |
| Past service costs, including curtailments                  | 363                           | –            | 662          |
| <b>Net Resources Expended</b>                               | <b>3,170</b>                  | <b>2,764</b> | <b>3,024</b> |

Pension fund operational costs are apportioned to the expenditure heading on the Consolidated Statement of Financial Activities according to staff costs in each category.

**ANALYSIS OF AMOUNT RECOGNISED IN OTHER RECOGNISED GAINS AND LOSSES**

| <b>Expressed in £'000</b>  | <b>MUSEUM OF LONDON GROUP</b> |              |             |
|--|-------------------------------|--------------|-------------|
|  | <b>2021</b>                   | <b>2020</b>  | <b>2019</b> |
| Return on fund assets in excess of interest  | 16,752                        | (4,230)      | 3,365       |
| Other actuarial gains on assets  | –                             | 48           | –           |
| Changes in financial assumptions   | (38,731)                      | 11,669       | (5,529)     |
| Changes in demographic assumptions   | 1,200                         | 700          | 2,841       |
| Experience gain/(loss) on defined benefit obligation   | 1,468                         | (4,872)      | –           |
| <b>Actuarial (loss)/gain recognised in Consolidated Statement of Total Recognised Gains and Losses</b> | <b>(19,311)</b>               | <b>3,315</b> | <b>677</b>  |

**MOVEMENT IN DEFICIT DURING THE YEAR**

|                                       | <b>MUSEUM OF LONDON GROUP</b> |                 |                 |
|---------------------------------------|-------------------------------|-----------------|-----------------|
| <b>Expressed in £'000</b>             | <b>2021</b>                   | <b>2020</b>     | <b>2019</b>     |
| Deficit at beginning of the year      | (41,171)                      | (41,722)        | (39,375)        |
| Service Cost                          | (3,284)                       | (3,274)         | (3,412)         |
| Employer Contributions                | 1,449                         | 1,517           | 1,410           |
| Unfunded Pension Payments             | 43                            | 42              | 41              |
| Net interest on the defined liability | (956)                         | (983)           | (986)           |
| Administration expenses               | (59)                          | (66)            | (77)            |
| Actuarial (loss)/gain                 | (19,311)                      | 3,315           | 677             |
| <b>Deficit at end of the year</b>     | <b>(63,289)</b>               | <b>(41,171)</b> | <b>(41,722)</b> |

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION**

|  | <b>MUSEUM OF LONDON GROUP</b> |                |
|--|-------------------------------|----------------|
| <b>Expressed in £'000</b>                            | <b>2021</b>                   | <b>2020</b>    |
| Opening defined benefit obligation                   | 110,125                       | 113,392        |
| Current service cost                                 | 2,921                         | 3,274          |
| Interest cost  | 2,568                         | 2,701          |
| Change in financial assumptions <sup>[2]</sup>       | 38,731                        | (11,669)       |
| Change in demographic assumptions                    | (1,200)                       | (700)          |
| Experience (loss)/gain on defined benefit obligation | (1,468)                       | 4,872          |
| Estimated benefits paid net of transfers in          | (2,749)                       | (2,371)        |
| Past service costs, including curtailments           | 363                           | -              |
| Contributions by Scheme participants                 | 618                           | 668            |
| Unfunded pension payments                            | (43)                          | (42)           |
| <b>Closing defined benefit obligation</b>            | <b>149,866</b>                | <b>110,125</b> |

<sup>[2]</sup> Arising from changes in assumptions underlying the present value of the Fund liabilities. The change in 2021 includes the impact of the change in derivation of future assumed RPI and CPI inflation. These changes have resulted in a loss of £6,434k on the defined benefit obligation; comprising a gain of £7,628k from the change in assumed RPI and a loss of £14,062k from the change in the assumed gap between RPI and CPI inflation.

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF FUND ASSETS**

|   | <b>MUSEUM OF LONDON GROUP</b> |               |
|---|-------------------------------|---------------|
| <b>Expressed in £'000</b>                             | <b>2021</b>                   | <b>2020</b>   |
| Opening fair value of Fund assets                     | 68,954                        | 71,670        |
| Interest on assets                                    | 1,612                         | 1,718         |
| Return on assets less interest                        | 16,752                        | (4,230)       |
| Other actuarial gains                                 | -                             | 48            |
| Administration expenses                               | (59)                          | (66)          |
| Contributions by employer including unfunded benefits | 1,492                         | 1,559         |
| Contributions by Scheme participants                  | 618                           | 668           |
| Estimated benefits paid and unfunded net transfers    | (2,792)                       | (2,229)       |
| <b>Fair value of Fund assets at end of period</b>     | <b>86,577</b>                 | <b>68,954</b> |

## SENSITIVITY ANALYSIS

The following table sets out the impact of a change in the discount rates on the Total Obligation and Projected Service Cost along with a +/- 1 year age rating adjustment to the mortality assumption.

|   | <u>2021</u> | 2020    | 2019    |
|---|-------------|---------|---------|
| Adjustment to discount rate                   | +0.1%       | +0.1%   | +0.1%   |
| - Present value of total obligation £'000     | 146,711     | 107,815 | 110,565 |
| - Projected service cost £'000                | 4,738       | 3,046   | 2,813   |
| Adjustment to mortality age rating assumption | +1 year     | +1 year | +1 year |
| - Present value of total obligation £'000     | 156,261     | 114,220 | 116,841 |
| - Projected service cost £'000                | 5,135       | 3,218   | 2,978   |

## PROJECTED PENSION EXPENSE FOR THE YEAR TO 31 MARCH 2021

|                                       | <u>£'000</u>        |
|---------------------------------------|---------------------|
| Service cost                          | 4,933               |
| Net Interest on the defined liability | 1,252               |
| Administration expenses               | <u>75</u>           |
| <b>Total loss</b>                     | <b><u>6,260</u></b> |
| <br>                                  |                     |
| <b>Employer contributions</b>         | <b><u>1,402</u></b> |

## 23) POST BALANCE SHEET EVENTS

Since the year end the Museums have reopened to the public, welcoming visitors since 19 May 2021. The sector continues to experience a downturn in visitors resulting from the COVID-19 pandemic and ongoing restrictions on international travel. The Museum of London has considered the effect on the charity as a going concern, its resilience through this period and the effect on the assets and funds of the museum. The Governors have reviewed the two year financial plans and agreed a series of activities that should ensure financial stability in these difficult times. On review of the financial plans to the end of March 2023 the Governors have concluded that this will not affect the ability of the charity to continue as a going concern. We remain resilient through cost reduction, avoiding undue risk, and sound financial planning and management.

## REFERENCE AND ADMINISTRATIVE DETAILS

|  |   |
|--|---|
| <b>Name</b>                            | Museum of London  |
| <b>Address</b>                         | 150 London Wall, London EC2Y 5HN  |
| <b>Registered Charity number</b>       | 1139250   |
| <b>Board of Governors</b>              | A Board of Governors, consisting of 18 members of whom the Greater London Authority (GLA) (prior to April 2008: the Prime Minister) and the City of London Corporation (COL), each appoints 9 members, is responsible for the strategic direction and oversight of the museum. The following Governors served throughout the financial year, except where indicated.  |
| <b>Appointed by the City of London</b> | Sonita Alleyne OBE<br>Rt Hon the Lord Boateng DL<br>Tijs Broeke CC<br>Councillor Kaya Comer-Schwartz (appointed 16 September 2021)<br>Alderman Alison Gowman<br>Vivienne Littlechild JP MBE CC<br>Paul Martinelli CC<br>Judith Pleasance CC<br>John Scott JP CC<br>Councillor Richard Watts (ceased to be a Governor 31 March 2021)   |
| <b>Appointed by the GLA</b>            | Clive Bannister<br>David Camp (ceased to be a Governor 31 July 2021)<br>Evan Davis<br>Douglas Gilmore<br>Lindsay Herbert<br>Milyae Park<br>Gail Tolley<br>Professor Sir Richard Trainor KBE (ceased to be a Governor 31 March 2021)<br>David Wormsley   |
| <b>Administration</b>                  | Under the Museum of London Acts 1965 and 1986, the Board is required to appoint a Director of the museum to be responsible to the Board for: <ul style="list-style-type: none"> <li>• The care of all property in possession of the Board;</li> <li>• The general administration of the collections vested in the Board and any place where those collections are kept; and</li> <li>• The administration of any services provided by the Board in the exercise of their functions.</li> </ul> <p>The Treasurer and Secretary to the Board are required to be officers of the City of London Corporation.</p> |
| <b>Director</b>                        | Sharon Ament  |
| <b>Treasurer</b>                       | Kate Limna, Guildhall, London EC2P 2EJ  |
| <b>Secretary</b>                       | John Barradell, Guildhall, London, EC2P 2EJ   |



|   |  |
|---|--|
| <b>Bankers</b>                                | Lloyds Bank, 25 Gresham Street, London EC2V 7HN<br>Chamberlain of London, Guildhall, London, EC2P 2EJ  |
| <b>Legal Advisers</b>                         | City of London Corporation, Guildhall, London, EC2P 2EJ<br>Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3BR   |
| <b>Independent Auditor</b>                    | BDO LLP<br>Chartered Accountants and Statutory Auditor<br>55 Baker Street<br>London<br>W1U 7EU   |
| <b>Investment Adviser</b>                     | BlackRock Investment Management<br>12 Throgmorton Avenue<br>London, EC2N 2DL   |
| <b>SUBSIDIARY<br/>UNDERTAKINGS</b>            | The financial statements consolidate the accounts of the Museum of London together with its subsidiary undertakings which are listed below.  |
| <b>Museum of London<br/>(Trading) Limited</b> | The Museum of London (Trading) Limited is a company limited by shares. Its principal activities are the provision of corporate hire and catering services and the retail function at the museum shops. The registered company number is 05423292.  |
| <b>The Trust Funds</b>                        | <p>The Trust Funds were acquired from the London Museum in accordance with the provisions of Section 2 of the Museum of London Act 1965 and are separate legal entities. The Board of Governors appoints their Trustees. Individual financial statements are produced for each trust and they are also consolidated into the financial statements of the Museum of London.</p> <p>The trusts are:</p> <p>London Museum Fund – Registered Charity Number 312174<br/>Joicey Fund – Registered Charity Number 314194<br/>Mackenzie Bell Fund – Registered Charity Number 314195</p> <p>The appropriate clauses defining the control of their expenditure are:</p>   |
| <b>London Museum Fund</b>                     | <p>“The Trustees shall hereof apply the income of the Charity for such charitable purposes as the Trustees shall from time to time consider best in the interests of the Museum including in particular:</p> <ul style="list-style-type: none"><li>• The acquisition for the Museum of artefacts, pictures, photographs, books, manuscripts, films and other objects of any description whatsoever relating to any aspects of the history of London;</li><li>• The rendering of assistance to the Museum in preservation, maintenance and repair of objects of all kinds owned by or in the custody of the Museum for the purposes of exhibition to the public or for use for the purposes of study or research;</li></ul> |

- The promotion of the study of history of London by the publication of books and other printed matter, the provision of exhibitions, lectures, seminars, recitals, recorded music and prizes and the commissioning of literary or artistic works, photographs or films; or
- The provision of improvement of amenities and facilities at the Museum”.

**Joicey Fund**

The Trust was established from the estate of John George Joicey. The relevant extract from his will states:

“The remainder of the said estate shall be made over to the Trustees of the London Museum to form a fund, the income from which shall be applied as the Trustees of the Museum think fit in the purchase of articles, specimens, curios, etc., for the Museum”.

**Mackenzie Bell Fund**

“The said assets and property and any income thereof shall be used as the Trustees of the London Museum shall from time to time think fit for the purpose of maintaining and adding to the collection in the said Museum”.