

Registered Charity No: 1139250

# **MUSEUM OF LONDON**

**Governors' Report and  
Financial Statements for the year ended  
31 March 2022**

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## CHAIR'S STATEMENT

Whilst the long tail of the Covid-19 pandemic remained an issue, this year has been marked by the Museum's ongoing resilience and the start of recovery. A stronger and better future was demonstrated by increasing footfall in the final months of the year.

A good public programme greeted our returning visitors. The capital's global connections were explored through *London: Port City*, in partnership with the Port of London Authority, whilst the craft talent of contemporary and historic makers was showcased in *London Making Now*.

In December we were honoured to announce that HRH The Prince of Wales, now HRH The King, had become our Patron. This followed a visit to the West Smithfield site earlier in the year where our plans to create a New Museum are being realised through a programme of major construction; starting with complex structural works in the General Market. It is thrilling to see the building being carefully returned to its original splendour for its next chapter as home to our Museum.

Funding support has brought us closer to reaching our £40m campaign target for the first stage of the project, focused on the General Market, with £35.5m pledged by the end of March 2022 including a landmark donation of £5m from the Garfield Weston Foundation.

Collaboration with our key partners has never been stronger, as we work with the City of London Corporation, Greater London Authority and Arts Council England on shared agendas around education, tourism, the climate crisis and culture.

I would like to thank all my fellow Governors for their invaluable contributions and commitment to the work of the Board. Particular thanks go to those who have undertaken the role of Chair for the New Museum Project Board, Audit & Risk Management Committee, Remuneration Committee, the Trading Board and Academic Panel; David Camp, John Scott, Sonita Alleyne, Milyae Park, and Professor Sir Rick Trainor respectively.

On behalf of all the Board of Governors, I congratulate the Director Sharon Ament and her team for their dedication to ensure that the Museum continues to make an enduring contribution to the city and the lives of Londoners.

We look ahead to one of the most significant years in the history of the museum as we rebrand to become "The London Museum" and advance our New Museum plans, focussed on our opening in October 2025. I look forward to sharing in this exciting time ahead with our audiences, stakeholders and whole Museum team.

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

## FOREWORD BY SHARON AMENT, MUSEUM DIRECTOR

Re-inhabiting our buildings in a safe way, re-building ourselves as a visitor attraction and getting on with the business of being a museum was immensely rewarding after such a period of difficult disruption. We still had our work cut out, along with our colleagues across the cultural sector, as our visitor numbers averaged a third of pre-pandemic levels across the year, the Covid-19 Omicron variant further slowed progress and international tourists were not yet back in force. However the outlook at the end of the year gave us reason to be optimistic about the future. It was a delight to hear the sounds of throngs of children again enjoying a school trip to the museum and reminded me of the fundamental truth that museums are about people.

Delivering our vision for a new museum for London at West Smithfield remained our absolute priority. The focus this year was on the General Market building where the pace and scale of the work underway onsite was truly immense – whether it was 10,000m<sup>2</sup> of brickwork being industrially cleaned or the painstaking replacement of 200 historic timber windows and so much more. Our talented team continued to collaborate with world class architects, engineers, exhibition designers and creatives, along with input from Londoners themselves, to create something that will be amazing and fresh for the 21<sup>st</sup> century.

In February we made the major announcement that we would be closing the galleries to visitors at our London Wall site at the end of 2022, and that from this point we will become The London Museum and The London Museum Docklands, a change that heralds our journey to become a new museum for London.

As ever there was a huge array of work underway that was less visible to the public. From initiating new academic research into fish bones to give insight into medieval diets through to the replacement of two business-critical systems, in Finance and HR, the breadth of activity and expertise at work to continually develop the Museum is rarely seen in its entirety. Internally our plans for organisational transformation continued including a change to our senior management structure and the appointment of a new Managing Director of Docklands, Douglas Gilmore, who will lead the Museum as it becomes our primary public offer from late 2022.

A heartfelt thank you to everyone that continues to share in our collective endeavour; my colleagues, the City of London Corporation, the Greater London Authority, Arts Council England and all our supporters, our volunteers, our Board of Governors and Chair, Clive Bannister, for your steadfast support and inspiration. Together we are well placed to proceed with one of the most significant years in the history of the Museum. Bring it on!

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, The 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. The Governors believe that the remaining requirements of disclosure placed on charities by the Act are met within the Governors' Report set out below.

### COVID-19 PANDEMIC

During 2021/22 Museum of London and Museum of London Docklands sites were closed to the public between 1 April – 18 May 2021 in line with Government restrictions in response to the pandemic. Both sites were open from 19 May 2021 for the remainder of the financial year, operating in line with Government guidance. At all points the Museum continued to provide a compelling public offer and creative content for audiences including through digital means when closed.

### 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 have developed a set of objectives that set the framework specifically for meeting the challenges of this period and which continued to guide our activity in 2021/22:

- 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 2021/22 we have delivered our objectives through:



#### Safely welcoming visitors to our museums and offering compelling content and programming

- This year 206,270 visits were made to the Museum of London and 103,891 visits to the Museum of London Docklands for the period 19 May 2021 – 31 March 2022. For comparison, combined, this is just over 31% of pre-pandemic (2019/20) visitor numbers.
- Our programme included extended runs for the popular exhibitions *Havering Hoard: A Bronze Age Mystery* and *Dub London: Bassline of a City*. The latter, focused on the role of dub reggae in London's communities, went on to win two industry awards awarded by the Association for Heritage Interpretation: winner of the Untold Stories category and overall winner for Excellence in Interpretation.
- *London Making Now* featured objects created by 15 contemporary craft makers based in London, ranging from furniture to porcelain figures alongside historic objects from the museum's collections that have inspired the creation of the contemporary pieces such as jewellery from the Cheapside hoard.
- So far, over 17,000 visitors have come to Museum of London Docklands to find out about more than 200 years of extraordinary experiences on the river and in the port in our *London: Port City* exhibition developed in partnership with the Port of London Authority (PLA).
- A particular highlight has been the community-led *Feeding Black* exhibition, developed as part of our *London, Sugar and Slavery* gallery. This explored the role food plays in Black enterprise and identity in South East London working with Black-owned businesses, as part of a year-long pan-London collecting project on the topic of food.
- Our youngest visitors have been enjoying time in our dedicated children's gallery, *Mudlarks*, which reopened to include a new multi-sensory, docks-themed baby soft-play area, with over 41,000 visits this year.



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

Over 2.8m people visited our website and our social media audiences for the year ended 31 March 2022 were:



132,425



178,165



98,138

- We saw an increase in visits to our website (up 29% on 2020/21) and a return to pre-pandemic levels (up 2% on 2019/20) as visitors consulted the website to plan their trips to the Museum, as well as engaging with our wide-ranging online content.
- The importance of grassroots football in London was championed in our film commission *Eleven*, created in partnership with the Greater London Authority (GLA) to celebrate UEFA EURO 2020. The film had over 2,000 views on YouTube and 2,000 engagements across social media.
- On social media we tested different types of interactive content such as #askaconservator with members of the public quizzing our expert Conservation Team about what they do via Twitter and Legacies in Language which used Instagram stories where audiences chose which definition, taken from *London: Port City* content, they most wanted revealed.
- Our Discover blog gained over 660,000 page views with online audiences diving deeply into Museum of London content with popular posts including topics such as *Six things you should know about the Suffragette hunger strikes*.
- Museum of London stories featured in 1,854 pieces of media coverage. Notable stories included the re-opening of the museum, our announcement of HRH The Prince of Wales, now HRH The King, becoming the Museum's patron, the discovery of music belonging to Emma Hamilton, the acquisition of the Robert Milligan statue and our plans to close the galleries to visitors at our London Wall site as we prepare for our relocation to West Smithfield.



## Adapting our organisation and operations and being ready to respond to challenges and opportunities

- Rebuilding our commercial activities began in earnest as we opened our doors from mid-May. The arrival of the Omicron variant slowed this progress in the winter months but overall our shops, cafes, restaurants and venue hire business, generated income of £1.0m. A further £0.2m of revenue was generated through visitor-related activities such as encouraging onsite donations and providing guided walks and tours. Whilst there remains a way to go to reach pre-pandemic levels of self-generated income this year represented a shift in the right direction.
- The first stages of our multi-year digital transformation are now underway. To set strong foundations for the future a new Head of Digital Innovation was recruited and two strategic consultancy projects began. One to understand our digital audiences and the other to develop a roadmap for future development and investment.
- A longer-term programme of organisational transformation, recognising the need to tackle racism through structural and cultural change, remains our priority. A key initiative was a collaborative research project, *Advancing Equity*, completed in partnership with Leicester University that enabled us to begin to systematically tackle embedded whiteness in our organisation. The learnings will inform our new museum-wide equality, diversity and inclusion strategy.

- Channelling our ambition to become a shared place in the middle of it all, we want to put Londoners at the heart of our new brand and becoming The London Museum. For our next phase of brand development we have initiated a project that will see us work with visitors to the museum, schoolchildren and diverse representatives from each of London's 32 boroughs and the City of London with their insights informing the creation of our new visual identity (due in 2022).



## Creating compelling programming with distinctive content about London and its people

A rich and varied programme was on offer as we welcomed audiences back through our doors with imaginative exhibitions and events designed to appeal to the interests of different visitors. Every year is different and highlights from 2021/22 are captured below.

<p><b>EXHIBITION</b> <b>HAVERING HOARD: A BRONZE AGE MYSTERY</b></p> <p>The largest ever Bronze Age hoard to be discovered in London formed the focal point of this exhibition. The 453 bronze objects raise intriguing questions on the people who buried them and the mystery of the hoard.</p> <p><b>11 September 2020 – 22 August 2021</b> Museum of London Docklands</p>	<p><b>EXHIBITION</b> <b>DUB LONDON: BASSLINE OF A CITY</b></p> <p>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, the impact on the identity of London and its people. The project formed part of the contemporary collecting Curating London programme.</p> <p><b>2 October 2020 – 5 October 2021</b> Museum of London</p>
<p><b>EXHIBITION</b> <b>FEEDING BLACK: COMMUNITY, POWER AND PLACE</b></p> <p>The display explores the central role food plays in Black enterprise and identity in south-east London. It spotlights four African and Caribbean businesses and their owners, featuring oral histories, objects and new photography.</p> <p><b>16 July 2021 – late 2022</b> Museum of London Docklands</p>	<p><b>EXHIBITION</b> <b>LONDON MAKING NOW</b></p> <p>The work of 15 contemporary London makers was showcased through this display, setting their contributions in the context of the capital's long history of creativity and craft. Each of the objects has a unique story to tell and these have been acquired with support from the Art Fund.</p> <p><b>24 September 2021 – 24 April 2022</b> Museum of London</p>
<p><b>EXHIBITION</b> <b>LONDON: PORT CITY</b></p> <p>This major exhibition, developed in partnership with the Port of London Authority, took a fresh look at the port today and its history featuring around 200 objects and revealing the richness of the Museum's oral history collections.</p> <p><b>22 October 2021 – 8 May 2022</b> Museum of London Docklands</p>	<p><b>HYBRID EVENT</b> <b>REFUGEE WEEK 2021 AT THE MUSEUM OF LONDON</b></p> <p>As part of Refugee Week 2021 we hosted a book launch and panel discussion around the role museums have and should play within engaging refugee communities, highlighting the contributions made by refugees throughout London's history.</p> <p><b>17 June 2021</b> Museum of London &amp; online</p>
<p><b>EVENT</b> <b>OPEN HOUSE – NEW MUSEUM OF LONDON</b></p> <p>Visitors were offered a glimpse into the heart of the New Museum construction site through a viewing point in the General Market and a chance to hear more about this once-in-a-generation-project as part of the Open House festival.</p> <p><b>4-5 September 2021</b> West Smithfield</p>	<p><b>HYBRID EVENT</b> <b>EMMA'S SONGBOOKS: REDISCOVERED MUSIC FOR NELSON</b></p> <p>We offered audiences an extraordinary night of music and history, working with the Guildhall School of Music and Drama, after the discovery of unknown songs dedicated to Lord Nelson found in the songbooks of Lady Emma Hamilton.</p> <p><b>11 December 2021</b> Museum of London Docklands &amp; online</p>



**FAMILY FESTIVAL  
LUNAR NEW YEAR**

This ever-popular weekend festival was developed in collaboration with community partners. The free family activities included puppet performances and mask making sessions along with online workshops and content that could be enjoyed at home.

**5-6 February 2022**  
Museum of London Docklands & online

**HYBRID FAMILY EVENT  
TAILS OF SAILORTOWN**

For February half term families were able to experience our brand new 'choose-your-own' adventure. The rat puppet-led family event took place online and at Docklands, set in the museum and using interactive video.

**14-18 February 2022**  
Museum of London Docklands & online



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

- 283 volunteers contributed their time and skills with us in many different ways over the year, including 35 volunteers working remotely through online projects.
- A highlight was Sadiq Khan, the Mayor of London, launching the world's first Dementia Friendly Venues Charter at the Museum of London. The charter was developed by the GLA in partnership with the Museum and the Alzheimer's Society. Our visitors living with dementia have also been able to take part in our Memories of London programme with activities such as our inter-generational 'Memories & Music' sessions bringing all ages of families together.
- The creation of a new Engagement Team from early 2021 was a major step in embedding our Engagement Framework, created in partnership with the Research Centre for Museums and Galleries at Leicester University. The team have overseen a wide-ranging programme involving Londoners and we are proud to have produced our first Engagement Charter, which sets out our commitment to working with community groups and organisations. The Charter was developed after consulting 15 partners and 400 Londoners and will guide all our work in this area.
- An extensive process of consultation and critical engagement centred on the London Sugar & Slavery (LSS) gallery and the legacy of slavery. This has included our University of Repair programme exploring issues of reparation and repair in addition to consultation with schools and families on programming and the gallery content.
- This year saw the culmination of Listening to London, our community-led research project funded by the Esmée Fairbairn Collections Fund that brought together volunteering, public programming and work on our collections information into a single project centred on our oral history collection. Most recently volunteer researchers, all with personal connections to the docks, worked alongside curators in selecting oral histories for inclusion in the London: Port City exhibition.



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

- Over 50,000 schoolchildren took part in our creative and cross-curricular schools programme and over 16,000 people took part in our family activities as we welcomed back these important audiences post-pandemic.
- We have continued to adapt and develop our programmes responding to the needs of these audiences. Particular successes have included our increasingly popular livestreaming programmes for schools, reaching over 15,000 pupils, the launch of dedicated Quiet Days for SEND schools (for children with special educational needs and disabilities) and our bespoke Tail Trail of hidden fluffy rats in period costumes enjoyed by over 9,000 families throughout the holiday periods.
- Our ever-popular Lunar New Year family festival drew over 3,000 people to the Museum of London Docklands and engaged over 2,000 people through online content, a highlight being a film following families in Taiwan and London as they prepared for Lunar New Year. The festival was developed by our Learning and Engagement teams in close collaboration with community partners.
- We continued to lead Culture Mile Learning, working with the City of London Corporation and bringing together 26 diverse organisations to develop programmes for schools and young people to support their skills development through cultural experiences. Outputs this year included the project #mood. This online artwork was created by artist Stuart Batchelor and over 1,000 pupils from the City of London Family of Schools and was made to capture students' feelings during the pandemic.
- The Culture Mile Learning team also led a project working with a team of partner organisations, to deliver creative activities for newly arrived Afghan refugee families living in two City hotels, including 80 under 5s and 100 primary school aged children, creating a space for creative play at the hotels and supporting visits to partner cultural venues.



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

This year 255 new acquisitions, representing a total of 924 individual objectives, were added to the London Collection including:

***A homemade 'Dua' along with a recorded interview***

The 2020 lockdown coincided with Ramadan, and the Museum worked with Muslim families to document this experience. The homemade Dua jar contains handwritten prayers and supplications, and is accompanied by an interview with Amanah and Wasim in conversation with their mother Rima Begum.

*Part of the Collecting Covid project initiated in 2020*



***A group of hospital scrubs made by volunteers***

In the early part of the pandemic, hospitals quickly ran out of clean scrubs. This was addressed by a small army of volunteers across the country. These seven garments were sewn by the South London Scrubbers, and were collected along with their paper patterns and 10 films recording their experiences.

*Part of the Collecting Covid project initiated in 2020*



***Ensemble from 'The Windrush Collection' and a suit made for Lazare Sylvestre***

A clothes ensemble from the young London fashion designer Tihara Smith's Windrush Collection, which used the images and memories of the Windrush Generation of Caribbean immigrants as inspiration for a fashion collection exploring Black British identity. The acquisition had an unexpected consequence, as through Tihara, the curators got to know her grandfather, Lazare Sylvestre. As a young man, he immigrated to London from Saint Lucia. A boxer in the 1960s, and snappy dresser, he became friendly with the Caribbean tailor Winston Giscombe. Giscombe began to make all of Lazare's suits. The museum was able to acquire a suit selected by Lazare, reflecting both the fashion-consciousness and the tailoring skills of Windrush-generation migrants in London.



***A 'Squander Bug' model, dating to the Second World War***

The character of 'Squander Bug' was developed during the Second World War to promote the virtues of thriftiness in the War effort. He was strictly a two dimensional, graphic character, but this model was made by a London baker out of bags of flour and used in a window display. As a child, Brian Oliver was captivated by the character, and when the display was taken down, Brian's mother obtained Squander Bug for Brian as a toy.



- We utilise the London Collection and our content in many different ways. During the year we answered over 2,535 public enquiries about our collections. Through our higher education programmes we also reached 774 university students.
- Our major contemporary collecting project this year, *London Eats*, has centred on Londoners' relationship with food and drink. A wide public consultation helped to inform the stories and objects that we have captured from food diaries of primary school children through to a digital art commission based on osteological data showing the pattern over time of dental decay linked to consumption of sugar.
- A new research partnership with the University of York began centred on work on excavated fish bones from the medieval period. Analysis of fish bones has proved an effective way in reconstructing the economy, diet and ecology of the medieval period and may shed light on changes to the diet of Londoners and across the UK more widely.



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

- It has been exciting to see the start of our first major construction contract – Structural Works – focusing on the General Market basement areas. These cavernous spaces are being transformed through excavation and underpinning along with cleaning of brickwork as just some of the activities underway to prepare them for use as home to our permanent galleries.
- The first phase of our Early Works project was also completed focusing on the exterior of the building, restoring facades, roofs and the installation of 200 new windows in keeping with the historic building.
- Environmental sustainability is of critical importance to our vision for the project. As we progressed the design process (RIBA Stage 4 Technical Design completed) and moved into the construction phase we have remained on track to meet (and hopefully exceed) our target of 'Excellent' BREEAM accreditation. We have begun to implement circular

economy principles onsite, relocating salvage material for future reintegration and reuse of materials such as timber into the repairs and restoration works.

- Technical Design for *Past Time*, our permanent displays, is well underway. A major milestone this year was the completion of showcase layouts testing the presentation of over 4,000 objects delivered from our specially-created Linbury Transit Store which serves as the ‘hub’ for all our collections preparations. Our content teams have moved into the text writing phase to produce the 70,000 words that will tell the story of London and its people.
- Concept Design work for contemporary displays, *Our Time*, has commenced. The collaborative process will bring together our exhibition designers, Asif Khan Limited, and Creative Partners – Duckie, Diverse City, gal-dem, Islington Play Association and Nutkhut – to bring new perspectives to the development of this essential space at the heart of the new museum. Development of *Our Time* and *Past Time* is being informed by an extensive programme of participation and engagement with Londoners.
- The Campaign total stands at £35.9m, including a £5m landmark donation from a foundation, and we have achieved 90% of the £40m target for the first stage of project focused on the General Market.

## 2021/22 KEY PERFORMANCE INDICATORS

Area of activity	2020/21 Actual	2021/22 Target	2021/22 Actual
Visits made to Museum of London	47,599	379,539	206,270
Visits made to Museum of London Docklands	21,848	172,746	103,891
Visits to the <i>Havering Hoard</i> exhibition <sup>[1]</sup>	8,179	7,186	9,660
Visits to the <i>London: Port City</i> exhibition <sup>[2]</sup>		27,000	17,319
Schoolchildren visiting the museum or taking part in our schools programme	9,267	49,250	50,476
People taking part in family events and activities	51,445 <sup>[3]</sup>	13,750	16,302
Visits to the museum website	2.2m	2.1m	2.9m
Media articles generated	4,500	4,000	1,854
Trading income generated	£0.3m	£0.9m	£1.1m

<sup>[1]</sup> *Havering Hoard* exhibition ran 11 September 2020 to 22 August 2021 with a target of 16,000 (revised due to closures during the pandemic).

<sup>[2]</sup> *London: Port City* exhibition open until 8 May 2022.

<sup>[3]</sup> Families activity in 2020/21 was comprised of digital livestreams and events rather than onsite programming.

## FUTURE PLANS

- 2022/23 is set to be one of the most significant years in the life of the Museum of London as we close the galleries to visitors at our London Wall site, in order to focus on our preparations for relocation to West Smithfield.
- Stepping clear of the challenges of Covid-19 remains our focus returning to 7 day-a-week operations and delivering a full public programme of exhibitions and events. Our forward programme includes *Harry Kane: I want to play football*, *Grime: from the corner to the mainstream* and a major 'last chance to see' programme that will build momentum through to December 2022.
- The Museum of London Docklands will move centre stage as our primary public site, under the new leadership of a Managing Director. A new strategy will include a step change in our public programme starting with *Executions*, a ticketed and income-generating major exhibition.
- We will move into a period of delivery at scale for the New Museum at West Smithfield. Concluding procurement to progress with the main construction phase, appointing a Construction Management Company, securing planning permission and completing extensive enabling works in the General Market are the priorities. Gallery content development work and collections preparation remains the focus of our curatorial and collections teams.
- A wide-ranging programme of organisational transformation continues to create the organisation required to inhabit West Smithfield including the critical areas of equality, diversity and inclusion (EDI), digital developments, our response to the climate crisis and a fresh look at our wider social and economic model.
- We will collaborate with our strategic partners at the City of London Corporation, Greater London Authority and Arts Council England on shared agendas for culture, education, the climate crisis, long-term recovery from the impacts of Covid-19 and a new museum for London.



## 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 2022 the museum had 4 subsidiaries: Museum of London (Trading) Limited, and the London Museum, Joicey and Mackenzie Bell Trust Funds and therefore presents consolidated financial statements.

The reference and administrative details on pages 65 to 67 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 Team 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.

The Governors are key management personnel as defined by FRS 102. The Governors also consider the Executive Team 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 led 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 aims the museum is structured into business areas, each overseen and supported by a member of the Executive Team. The Executive Team, including the Director of the Museum, meets monthly. Following a restructure during the financial year 2021/22 the Executive Team now comprises the following members:

**Director of 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.



**Director of New Museum Project and Estate:** 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 Team. Responsibility for facilities and estates.

**Managing Director of Museum of London Docklands:** Appointed in April 2022 with responsibility for retail, licensing, hospitality, commercial events, front of house, security and visitor services – across museum sites – and is the lead for the strategic development of the Docklands site.

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

**Chief Financial Officer:** Responsibility for museum-wide corporate services, including finance, IT, procurement, insurance and legal.

**Chief Officer, People and Culture:** Responsibility for human resources including learning and development, equality, diversity and inclusion (EDI) and organisational development.

**Head of Corporate and Business Planning:** Responsibility for strategic and corporate planning, reporting and performance.

In addition, the **Director of the Museum** currently oversees the **Development** team, with responsibility for capital and revenue fundraising, major campaigns and donor and supporter networks, including the Society of Londoners.

## 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 Team; 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 by the museum in the financial year 2021/22.

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. This includes treating people fairly and with respect, explaining our cause in a way which does not mislead people, and being sensitive to people who may be in vulnerable circumstances.

## Human Resources

As at 31 March 2022, we employed approximately 266 staff across our three sites.

We commenced the year with the museum remaining closed due to Covid-19, with staff either on furlough or working from home where their roles enabled this. Once the museum was able to open staff gradually started to return to site, commencing with our front of house teams in May 2021. We kept in place health and safety measures through the year to support both staff and visitors, only removing many of these towards the end of the year when the government introduced their 'Living with Covid' plans in February 2022.

Throughout the year we continued work on transforming ourselves to become more people-centred (in the sense of visitors and the other people we serve), open, diverse, creative, impactful and sustainable. Part of this saw the introduction of a Blended Working Policy, which contained within it a framework, setting out the museum's new approach to working. Subject to role, we moved to staff being able to split their working time between working onsite in the museum and working remotely from home or elsewhere, as appropriate. The framework has at its heart flexibility, built on trust, with an overarching focus on our behaviour of *putting on a great show*, ensuring staff retain a close connection to our audiences, the museum experience and our colleagues remain at the core of how we work.

Despite Covid-19 and all the changes going on the museum over the last year, we still managed to make progress against 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. Equity, diversity and inclusion continued as a key focus with us building on our strategic objective to be a more equal, diverse and inclusive museum. As part of this we commenced a collaborative research project with the Research Centre for Museums and Galleries at Leicester University looking at embedded whiteness. We also finalised phase one of our organisational restructure and started planning for the closure of London Wall as a visitor attraction, with the associated further phase of restructuring required. This restructuring has enabled us to not only change the make up of our workforce at all levels, including our senior leadership team. It has also continued to positively impact our gender pay gap: <https://www.museumoflondon.org.uk/about-us/corporate-information/gender-pay-gap-data>.
- **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 worked hard to find ways to keep our volunteers engaged and looked at ways to reintroduce them back once Covid-19 restrictions eased. We introduced lived experience volunteering to our

London Port City exhibition, which was a new initiative which worked brilliantly. Throughout the year we have continued to bring new talent into the museum whilst at the same time diversifying our workforce across the board.

- **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. Following the organisational learning needs analysis we carried out at the end of last year, we moved forward with the introduction of key interventions related to supporting our staff in key areas of activity related to people management, equality diversity and inclusion (EDI), as well as personal development. We introduced the following new courses: Managing Remote Teams, Building Resilience, Work Smarter and Maximise your Day, Race Matters: people and stories, objects and places, and our anti-racism training course No more black and white. We also introduced our Diversity Hub, a focused space for Diversity and Inclusion Resources. It is an opportunity to encourage staff to build their knowledge and understanding of EDI topics and issues, as well as identifying and addressing any personal knowledge gaps
- **Wellbeing and employee relations:** We recognise that we will perform better when our people are healthy, motivated and focused. We've taken the opportunity to build on the work carried out last year, a major step being to take part in the MIND Workplace Wellbeing Index. Alongside this we renewed our membership of the Calm for Business app. In relation to our work around mental health, we have also set up Mental Health Champions, and took part in the My Whole Self and Time to Talk campaigns. All of this work is looking to enable our staff to feel supported at work, allowing them to be themselves and to reduce the stigma of mental health within the workplace.
- **HR systems and processes:** We continued work on ensuring we have systems and processes in place that are fit for a 21<sup>st</sup> century museum to provide a secure and efficient infrastructure in which to support our people. We procured our new HR Information system, giving this a name MyPlace. Launching self-service as part of this brought about significant changes, transforming paper based processes on line. We are currently on phase 2 of this project implementing further changes to our processes to move them online. Enabling people to access these from wherever they, whenever they need to. Policy development work also continued throughout the year, with new and updated policies being introduced e.g. Blended Working Policy, Sickness Absence Policy, Flexible Working Policy, IR35 Guidance.

## FINANCIAL REVIEW

The results for the year are set out on the Statement of Financial Activities (SOFA) on page 32. 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 35 alongside the SOFA and the Balance Sheet on page 34. 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 £10.4m higher than expenditure.

MUSEUM OF LONDON GROUP Expressed in £'000	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021	Variance to prior year
<b>Per Group SOFA</b>					
Total Income and Endowments	16,101	33,252	<b>49,353</b>	36,250	13,103
Less: Total Expenditure before gains / (losses) on investments	22,226	24,625	<b>46,851</b>	39,441	(7,410)
	(6,125)	8,627	<b>2,502</b>	(3,191)	5,693
<b>Add back:</b>					
Pension service cost and interest	4,750	–	<b>4,750</b>	2,807	1,943
Depreciation and disposals	3,127	–	<b>3,127</b>	3,297	(170)
<b>Adjusted Operating Results <sup>[1]</sup></b>	<b>1,752</b>	<b>8,627</b>	<b>10,379</b>	2,913	7,466

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

Total Group Incoming Resources were £49m during the year (2021: £36m). The increase from the prior year is mainly due to an increase in New Museum project grant funding and donations as the project scales up. It also includes an increase of £1.1m in activities for generating funds, but this was largely offset by a decrease of £1.0m in voluntary income.

The museum's main sources of funding were the Greater London Authority and the City of London Corporation, which together contributed 86% of the group's donations, grants and legacies revenue funding (2021: 83%). Other grants and donations included £1.4m from Arts Council England (2021: £1.4m). Group expenditure on raising funds and charitable activities was £2.8m higher than the prior year across various areas and includes £4.8m on pension service costs (2021: £2.8m) and £3.1m on depreciation (2021: £3.3m). 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 higher than the prior year as the museum re-opened and events started to recover as Covid-19 restrictions were relaxed. Revenue was £1.6m (2021: £0.5m). 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 (excluding depreciation and pension costs, and before transfers) on its unrestricted free reserves (general fund) of £1.3m (Note 18A "General Reserves - Museum of London") (2021: £1.8m).

The Governors reviewed the museum’s financial plans in March 2022 as part of their normal annual review and budget setting process, as well as our principal financial risks. At that time, the Governors 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, a Four Year Plan was prepared and approved in May 2022 in support of our ACE application and the financial plan was reviewed after quarter 1 was completed with a formal reforecast approved by the Executive Team in August. The Governors will continue to review plans with the museum’s Executive Team at least quarterly.

## **Financial reserves**

After transfers from restricted and designated funds and other gains and losses, the Museum of London’s total general reserves were £8.5m at 31 March 2022 (2021: £8.2m). The group’s restricted funds were £18.9m at 31 March 2022 (2021: £10.2m) and the group’s designated funds, excluding the Defined Benefit Pension Reserve, were £21.5m at 31 March 2022 (2021: £23.1m). 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 2022 were negative £3.5m (2021: negative £19.9m). The results have been impacted significantly by the accounting valuation of the Pension Fund that has seen a reduction in the Pension Deficit of £8.9m (2021: increase 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 GROUP		MUSEUM OF LONDON	
	2022	2021	2022	2021
Total Funds per the Balance Sheet	<b>(3,454)</b>	(19,904)	<b>(7,925)</b>	(24,019)
Less: Pension Deficit	<b>54,375</b>	63,289	<b>54,375</b>	63,289
<b>Total Funds excluding the pension deficit</b>	<b>50,921</b>	43,385	<b>46,450</b>	39,270

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 funding valuation in 2022 has 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 2022	31 March 2021	<i>Variance</i>
Assets	92,161	86,577	<i>5,584</i>
Liabilities	(146,536)	(149,866)	<i>3,330</i>
<b>Net Pension Deficit</b>	<b>(54,375)</b>	<b>(63,289)</b>	<b><i>8,914</i></b>

As can be seen in the table above, the reduction in the accounting deficit comprised a decrease in the value of the liabilities and an increase in the value of assets.

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 16.1% of salaries 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 and are provisionally certified to continue at 16.1%. 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 (at 31 March 2021) with an estimated funding valuation of a deficit of £3.1m (at 31 March 2021). The deficit reduction plan remains 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 2022 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 uncertainties currently facing the organisation are the prolonged uncertainty of visitor numbers post Covid-19 pandemic, security of future funding and, particularly in recent months, inflationary pressures on operational costs. The Governors and Executive Team continue to closely monitor the impacts, and believe that the organisation is in a financial position to help manage these risks.

The New Museum project is a significant investment of £337m, and a key milestone is the London Wall museum closing in December 2022 to allow for the transition of artefacts. The project is funded by drawdowns in advance from the City of London Corporation. The cash outflows over the coming two years from April 2022 are expected to be circa £130m (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 2024, although the position after that is less clear. The funders have a statutory obligation to fund the Museum beyond March 2023 and grants have not been reduced in the past, even during the height of the pandemic. The museum is forecasting 2023/24 funding of at least equivalent to 2022/23 grants, however the quantum of the grants post 31 March 2023 is yet to be fully confirmed.
- The Docklands museum will be open to the public 7 days per week, from 10am to 5pm.
- ACE funding of £1.1m per annum for National Portfolio Organisation funding has been confirmed for the three years from 2023 to 2026. ACE Sector Support Organisation funding has been extended for another year to 2022/23.
- 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.

- The museum’s strategic plan contains a key objective to move to the West Smithfield site 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 2022 to 31 March 2024 is circa £130m (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 not 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.

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 2022/23, 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 an unplanned decline in visitor numbers to Museum of London Docklands 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 to cover increases in operational costs.
- 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 2022 the balance on the Museum of London's general funds (as shown in Note 18 – Total General Funds) stood at £8.5m (excluding designated fixed asset and pension reserves) (2021: £8.2m). While the net asset position (excluding the accounting valuation of the Pension Deficit) is strong, this is predominantly in fixed assets, restricted funds, restricted 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 concerning 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.

## 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 2022 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 Executive Team member 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; and
- 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**

Since 19 May 2021 both Museums were open to the public on a reduced 5 days per week basis, extending to 7 days per week during school holidays. The Museums were impacted by the Omicron variant over Christmas with a sharp drop in visitors and delays and cancellations of hospitality events.

The Museum is still experiencing lower visitor numbers than pre-pandemic but we have seen a steady growth, and it is likely to be several years before inbound tourism returns to pre-pandemic levels. Pre Covid-19 pandemic 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 longer term implications of the pandemic on both our grant funders and the wider economy continues to be closely monitored by Governors and Executive Team to mitigate the impacts where possible.

## **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.

Charity law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity 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:** 30 January 2023

**Alison Gowman**  
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 2022 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 Museum of London ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the Museum of London statement of financial activities, the group and museum balance sheets, 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 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 Governors are responsible for the other information. The other information comprises the information included in the Governors' Report, other than the financial statements and our auditor's report thereon. 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. 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 themselves. 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; 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 Statement of Governors' Responsibilities, 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 section 151 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:

- enquiry with Those Charged with Governance and management regarding known or suspected instances of non-compliance with laws and regulation and fraud, including actual or potential litigation and claims;
- reviewing minutes of meetings of Those Charged with Governance, internal audit reports and correspondence with regulators;
- assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud, including changes to supplier bank details;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- challenging the assumptions and judgements made by management for key estimates, in particular the assumptions used to value the defined benefit pension scheme;
- identifying and testing the appropriateness of journal entries and other adjustments, with particular focus on unusual account combinations and postings by unexpected users or senior management; and
- incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures.

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

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	2022				2021
		Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds	Total Funds
<b>INCOME AND ENDOWMENTS</b>						
Donations, grants and legacies	3	14,666	1,369	–	16,035	17,001
Other trading activities	4	1,315	308	–	1,623	506
New Museum project	5	–	31,468	–	31,468	18,391
Investment income	6	28	91	–	119	130
Income from charitable activities	7	92	16	–	108	222
<b>Total Income and Endowments</b>		<b>16,101</b>	<b>33,252</b>	<b>–</b>	<b>49,353</b>	<b>36,250</b>
<b>EXPENDITURE ON</b>						
Raising funds	8	2,779	–	–	2,779	2,366
Charitable activities	8	19,447	1,835	–	21,282	18,937
New Museum project	8	–	22,790	–	22,790	18,138
<b>Total Expenditure before gains on investments</b>		<b>22,226</b>	<b>24,625</b>	<b>–</b>	<b>46,851</b>	<b>39,441</b>
Gains on investments	14	–	137	147	284	726
<b>Net (outgoing) / incoming resources before transfers</b>		<b>(6,125)</b>	<b>8,764</b>	<b>147</b>	<b>2,786</b>	<b>(2,465)</b>
<b>Transfers between funds</b>	18 (A)	90	(90)	–	–	–
<b>Net (expenditure) / income before other recognised gains and losses</b>		<b>(6,035)</b>	<b>8,674</b>	<b>147</b>	<b>2,786</b>	<b>(2,465)</b>
<b>Other recognised gains and losses</b>						
Actuarial gain / (loss) on defined benefit pension schemes	22	13,664	–	–	13,664	(19,311)
<b>Net movement in funds</b>		<b>7,629</b>	<b>8,674</b>	<b>147</b>	<b>16,450</b>	<b>(21,776)</b>
<b>Reconciliation of funds in 2022</b>						
Funds brought forward at 1 April		(32,005)	10,192	1,909	(19,904)	1,872
Net movement in funds		7,629	8,674	147	16,450	(21,776)
<b>Funds carried forward</b>	18 (A)	<b>(24,376)</b>	<b>18,866</b>	<b>2,056</b>	<b>(3,454)</b>	<b>(19,904)</b>
<b>Reconciliation of funds in prior year</b>						
Funds brought forward		(9,367)	9,706	1,533	1,872	
Net movement in funds		(22,638)	486	376	(21,776)	
<b>Funds carried forward</b>	18 (A)	<b>(32,005)</b>	<b>10,192</b>	<b>1,909</b>	<b>(19,904)</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 36 to 64 form part of these financial statements.

## MUSEUM OF LONDON

### STATEMENT OF FINANCIAL ACTIVITIES

Expressed in £'000	Notes	2022			2021
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<b>INCOME AND ENDOWMENTS</b>					
Donations, grants and legacies	3	15,260	1,369	<b>16,629</b>	17,174
Other trading activities	4	631	–	<b>631</b>	202
New Museum project	5	–	31,443	<b>31,443</b>	18,366
Investment income	6	–	–	–	12
Income from charitable activities	7	92	16	<b>108</b>	222
<b>Total Income and Endowments</b>		<b>15,983</b>	<b>32,828</b>	<b>48,811</b>	<b>35,976</b>
<b>EXPENDITURE ON</b>					
Raising funds		2,315	–	<b>2,315</b>	2,120
Charitable activities		19,479	1,797	<b>21,276</b>	18,932
New Museum project		–	22,790	<b>22,790</b>	18,138
<b>Total Expenditure</b>	8	<b>21,794</b>	<b>24,587</b>	<b>46,381</b>	<b>39,190</b>
<b>Net (outgoing) / incoming resources before transfers</b>		<b>(5,811)</b>	<b>8,241</b>	<b>2,430</b>	<b>(3,214)</b>
<b>Transfers between funds</b>	18 (A)	65	(65)	–	–
<b>Net (expenditure) / income before other recognised gains and losses</b>		<b>(5,746)</b>	<b>8,176</b>	<b>2,430</b>	<b>(3,214)</b>
<b>Other recognised gains and losses</b>					
Actuarial gain / (loss) on defined benefit pension schemes	22	13,664	–	<b>13,664</b>	(19,311)
<b>Net movement in funds</b>		<b>7,918</b>	<b>8,176</b>	<b>16,094</b>	<b>(22,525)</b>
<b>Reconciliation of funds in 2022</b>					
Funds brought forward at 1 April		(32,024)	8,005	(24,019)	(1,494)
Net movement in funds		7,918	8,176	<b>16,094</b>	(22,525)
<b>Funds carried forward</b>		<b>(24,106)</b>	<b>16,181</b>	<b>(7,925)</b>	<b>(24,019)</b>
<b>Reconciliation of funds in prior year</b>					
Funds brought forward		(9,439)	7,945	<b>(1,494)</b>	
Net movement in funds		(22,585)	60	<b>(22,525)</b>	
<b>Funds carried forward</b>		<b>(32,024)</b>	<b>8,005</b>	<b>(24,019)</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 36 to 64 form part of these financial statements.

## MUSEUM OF LONDON GROUP AND MUSEUM BALANCE SHEETS

Expressed in £'000	Notes	Group		Museum	
		2022	2021	2022	2021
<b>Fixed assets</b>					
Heritage assets	12 A & 13	4,886	5,027	4,886	5,027
Intangible assets	12 C	508	380	508	380
Other tangible assets	12 B	25,000	27,372	25,000	27,372
		<b>30,394</b>	<b>32,779</b>	<b>30,394</b>	<b>32,779</b>
Investments	14	3,974	3,690	-	-
<b>Total fixed assets</b>		<b>34,368</b>	<b>36,469</b>	<b>30,394</b>	<b>32,779</b>
<b>Current assets</b>					
Stock		133	179	-	-
Debtors	15	7,086	3,167	9,047	5,025
Cash at bank and in hand		22,537	16,775	19,874	14,317
<b>Total current assets</b>		<b>29,756</b>	<b>20,121</b>	<b>28,921</b>	<b>19,342</b>
<b>Current liabilities</b>					
Creditors – amounts falling due within one year	16	(7,503)	(7,012)	(7,165)	(6,658)
<b>Net current assets</b>		<b>22,253</b>	<b>13,109</b>	<b>21,756</b>	<b>12,684</b>
<b>Total assets less current liabilities</b>		<b>56,621</b>	<b>49,578</b>	<b>52,150</b>	<b>45,463</b>
<b>Creditors – amounts falling due after one year</b>					
City of London Corporation	21 B	(5,700)	(6,193)	(5,700)	(6,193)
<b>Net assets excluding pension liability</b>		<b>50,921</b>	<b>43,385</b>	<b>46,450</b>	<b>39,270</b>
Defined benefit pension liability	22	(54,375)	(63,289)	(54,375)	(63,289)
<b>Net assets including pension liability</b>		<b>(3,454)</b>	<b>(19,904)</b>	<b>(7,925)</b>	<b>(24,019)</b>
<b>The funds of the charity</b>	18 & 19				
Restricted Endowment funds		2,056	1,909	-	-
Restricted income funds		18,866	10,193	16,181	8,005
Designated funds		21,466	23,071	21,454	23,059
Defined benefit pension reserve		(54,375)	(63,289)	(54,375)	(63,289)
General reserves		8,533	8,212	8,815	8,206
<b>Total funds and reserves</b>		<b>(3,454)</b>	<b>(19,904)</b>	<b>(7,925)</b>	<b>(24,019)</b>

The notes on pages 36 to 64 form part of these financial statements.

The financial statements were approved by the Board of Governors on 14 December 2022.

Signed on its behalf by:

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

**Alison Gowman**  
Governor of the Museum of London

## CONSOLIDATED CASH FLOW STATEMENT

Expressed in £'000	Notes	2022	2021
<b>Cash flows from operating activities:</b>			
Net cash flow provided by operating activities	B	<u>7,233</u>	<u>2,479</u>
<b>Cash flows from investing activities:</b>			
Interest and dividends received		119	130
Payments to acquire tangible fixed assets		<u>(990)</u>	<u>(843)</u>
Net cash flow (used in) investing activities		<b>(871)</b>	<b>(713)</b>
<b>Cash flows from financing activities:</b>			
Interest paid		(95)	(112)
Financing – Repayments of long-term borrowing	A	<u>(505)</u>	<u>(484)</u>
Net cash flow (used in) financing activities		<b>(600)</b>	<b>(596)</b>
<b>Increase in cash and cash equivalents in the year</b>	<b>A</b>	<u><b>5,762</b></u>	<u><b>1,170</b></u>

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

Expressed in £'000	Balance 1 Apr 2021	Cashflows	Balance 31 Mar 2022
<b>Cash and cash equivalents</b>			
Cash at bank	16,775	5,762	22,537
Cash on deposit	–	–	–
	<u>16,775</u>	<u>5,762</u>	<u>22,537</u>
<b>Borrowings</b>			
Debt due within one year	(504)	12	(492)
Debt due after one year	<u>(6,193)</u>	<u>493</u>	<u>(5,700)</u>
	<b>(6,697)</b>	<b>505</b>	<b>(6,192)</b>
<b>Total</b>	<u><b>10,078</b></u>	<u><b>6,267</b></u>	<u><b>16,345</b></u>

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

EXPRESSED IN £'000	2022	2021
Net expenditure/ (gains) before other recognised gains and losses	<b>2,786</b>	(2,465)
Interest and dividends receivable	(119)	(130)
Interest payable	95	112
(Gains) on investments	(284)	(726)
Pension costs – see Note 22	4,750	2,807
Fixed assets disposed / written off	1	10
Depreciation	<u>3,374</u>	<u>3,543</u>
<b>Net Operating Income</b>	<b>10,603</b>	<b>3,151</b>
Decrease in stock	46	43
(Increase) in debtors and long term contracts	<u>(3,919)</u>	<u>(1,035)</u>
Increase in creditors (excluding loans/overdrafts)	<b>503</b>	<b>320</b>
<b>Net cash flow provided by operating activities</b>	<u><b>7,233</b></u>	<u><b>2,479</b></u>

## 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 22 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 2024.

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 uncertainties currently facing the organisation are the prolonged uncertainty of visitor numbers post Covid-19 pandemic, security of future funding and, particularly in recent months, inflationary pressures on operational costs. The Governors and Executive Team continue to closely monitor the impacts, and believe that the organisation is in a financial position to help manage these risks.

The New Museum project is a significant investment of £337m, and a key milestone is the London Wall museum closing in December 2022 to allow for the transition of artefacts. The project is funded by drawdowns in advance from the City of London Corporation. The cash outflows over the coming two years from April 2022 are expected to be circa £130m (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 2024, although the position after that is less clear. The funders have a statutory obligation to fund the Museum beyond March 2023 and grants have not been reduced in the past, even during the height of the pandemic. The museum is forecasting 2023/24 funding of at least equivalent to 2022/23 grants, however the quantum of the grants post 31 March 2023 is yet to be fully confirmed.

- The Docklands museum will be open to the public 7 days per week, from 10am to 5pm.
- ACE funding of £1.1m per annum for National Portfolio Organisation funding has been confirmed for the three years from 2023 to 2026. ACE Sector Support Organisation funding has been extended for another year to 2022/23.
- 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.
- The museum's strategic plan contains a key objective to move to the West Smithfield site 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 2022 to 31 March 2024 is circa £130m (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 not 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.

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 2022/23, 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 an unplanned decline in visitor numbers to Museum of London Docklands 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 charity, 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 charity.

## **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).

Restricted 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 Trust – 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, Over 5–99 years; the shorter of the expected improvements, renovations and extensions 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. The actuary estimates the employer's share of the assets of the Fund at approximately 6.62%.

#### **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 2022. 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.

**(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 2022 were as follows:

Expressed in £'000	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum of London (Trading)	Total 2022	Total 2021
Incoming resources	33	58	28	1,562	1,681	573
Resources expended	(27)	(9)	(12)	(1,562)	(1,610)	(551)
<b>Net incoming resources</b>	<b>6</b>	<b>49</b>	<b>16</b>	<b>-</b>	<b>71</b>	<b>22</b>
Unrealised gain on investments	79	137	68	-	284	726
<b>Net movement in funds</b>	<b>85</b>	<b>186</b>	<b>84</b>	<b>-</b>	<b>355</b>	<b>748</b>

Museum of London (Trading) resources expended includes gift aid due to the parent of £555k (2021: £86k).

The assets, liabilities and funds of the subsidiary undertakings as at 31 March 2022 were as follows:

Expressed in £'000	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum of London (Trading)	Total 2022	Total 2021
<b>Net Assets</b>						
Investments	1,108	1,912	954	-	3,974	3,691
Current assets	113	282	97	2,657	3,149	2,913
Current liabilities	-	-	-	(2,657)	(2,657)	(2,493)
<b>Total net assets</b>	<b>1,221</b>	<b>2,194</b>	<b>1,051</b>	<b>-</b>	<b>4,466</b>	<b>4,111</b>
<b>Funds employed</b>						
Permanent Endowment	1,108	-	-	-	1,108	1,029
Expendable Endowment	-	-	948	-	948	880
Restricted funds	113	2,194	-	-	2,307	2,115
Unrestricted funds	-	-	103	-	103	87
<b>Total funds</b>	<b>1,221</b>	<b>2,194</b>	<b>1,051</b>	<b>-</b>	<b>4,466</b>	<b>4,111</b>

### 3) DONATIONS, GRANTS AND LEGACIES

Expressed in £'000

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Greater London Authority Revenue grants	7,600	10	7,610	7,639
Greater London Authority Capital grants	–	500	500	535
City of London Corporation Revenue grants	5,292	374	5,666	5,859
Arts Council England and related programmes	1,387	–	1,387	1,401
Coronavirus Job Retention Scheme grants	99	2	101	901
Other grants	56	414	470	391
Other donations	232	69	301	275
<b>Total</b>	<b>14,666</b>	<b>1,369</b>	<b>16,035</b>	<b>17,001</b>

Expressed in £'000

	MUSEUM OF LONDON GROUP			Total
	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
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 2021 is £1,651k 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 £1k for gifts and services in kind received during the year (2021: £nil).

Expressed in £'000

	MUSEUM OF LONDON			Total
	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Greater London Authority Revenue grants	7,600	10	7,610	7,639
Greater London Authority Capital grants	0	500	500	535
City of London Corporation Revenue grants	5,292	374	5,666	5,859
Arts Council England and related programmes	1,385	–	1,385	1,399
Coronavirus Job Retention Scheme grants	99	2	101	901
Other grants	97	414	511	481
Other donations	787	69	856	360
<b>Total</b>	<b>15,260</b>	<b>1,369</b>	<b>16,629</b>	<b>17,174</b>

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Expressed in £'000

	MUSEUM OF LONDON			Total 2020
	Unrestricted Funds	Restricted Funds	Total 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>

#### 4) OTHER TRADING ACTIVITIES

Expressed in £'000

	MUSEUM OF LONDON GROUP	
	2022	2021
Shops	383	126
Private events and functions	685	64
Photographic library and licensing	35	41
Other	520	275
<b>Total</b>	<b>1,623</b>	<b>506</b>

Other Trading Activities income is split between Museum of London (Trading) Limited £1,535k (2021: £428k) and Museum of London £87k (2021: £78k), of which £nil is restricted (2021: £nil).

Other Trading Activities in the Museum of London also includes £544k of recharges from the Museum of London (Trading) Limited (2021: £124k), which are eliminated on consolidation.

**5) NEW MUSEUM PROJECT**

Expressed in £'000

	<b>MUSEUM OF LONDON AND MUSEUM OF LONDON GROUP</b>	
	<b>2022</b>	<b>2021</b>
<b>INCOME</b>		
City of London Corporation grants	23,183	11,689
Coronavirus Job Retention Scheme grants	20	55
Other income	8,265	6,647
Total	31,468	18,391

Restricted funds of £31,468k (2021: £18,391k) were received during the year to fund specific activities for the New Museum project including RIBA Stages 4 and 5 project costs. Of this £23.2m was grants received from the City of London Corporation and £5.9m 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

	<b>MUSEUM OF LONDON GROUP</b>	
	<b>2022</b>	<b>2021</b>
Interest on cash balances	2	18
Dividends received	117	112
Total	119	130

Investment Income relates to the subsidiaries £119k. Included in Investment Income is £91k (2021: £89k) of restricted funds.

£459k (2021: £390k) 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 0.50% in 2022 (2021: 0.75%).

**7) INCOME FROM CHARITABLE ACTIVITIES**

Expressed in £'000

	<b>MUSEUM OF LONDON AND MUSEUM OF LONDON GROUP</b>	
	<b>2022</b>	<b>2021</b>
Exhibitions and events	103	222
Other	5	-
Total	108	222

Included in Income from Charitable Activities is £16k (2021: £36k) of restricted funds.

## 8) EXPENDITURE

MUSEUM OF LONDON GROUP Expressed in £'000	Direct Staff Costs	Other Direct Costs	Support Costs	Total 2022	Total 2021
<b>Expenditure on Raising funds</b>					
Cost of generating voluntary income	35	30	256	321	342
Fundraising trading	662	859	937	<b>2,458</b>	2,024
	697	889	1,193	<b>2,779</b>	2,366
<b>Expenditure on Charitable activities</b>					
Communications	495	535	468	<b>1,498</b>	986
Programmes and learning	2,207	1,218	2,001	<b>5,426</b>	4,657
Galleries and exhibitions	1,639	1,597	1,874	<b>5,110</b>	4,793
Collections	2,564	4,145	2,385	<b>9,094</b>	8,362
Governance	31	80	43	<b>154</b>	139
	6,936	7,575	6,771	<b>21,282</b>	18,937
New Museum project	-	22,790	-	<b>22,790</b>	18,138
<b>Total Expenditure</b>	<b>7,633</b>	<b>31,254</b>	<b>7,964</b>	<b>46,851</b>	39,441

MUSEUM OF LONDON GROUP Expressed in £'000	Direct Staff Costs	Other Direct Costs	Support Costs	Total 2021	Total 2020
<b>Expenditure on Raising funds</b>					
Cost of generating voluntary income	75	22	245	<b>342</b>	497
Fundraising trading	732	527	765	<b>2,024</b>	3,121
	807	549	1,010	<b>2,366</b>	3,618
<b>Expenditure on Charitable activities</b>					
Communications	475	205	306	<b>986</b>	1,592
Programmes and learning	2,095	1,094	1,468	<b>4,657</b>	6,276
Galleries and exhibitions	1,853	1,288	1,652	<b>4,793</b>	7,588
Collections	2,531	4,149	1,682	<b>8,362</b>	6,347
Governance	31	77	31	<b>139</b>	122
	6,985	6,813	5,139	<b>18,937</b>	21,925
New Museum project	-	18,138	-	<b>18,138</b>	15,760
<b>Total Expenditure</b>	<b>7,792</b>	<b>25,500</b>	<b>6,149</b>	<b>39,441</b>	41,303

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 £46,381k (2021: £39,190k) and subsidiaries £470k (2021: £251k).

Expenditure includes £24,625k (2021: £19,810k) of restricted funds.



9) ALLOCATION OF SUPPORT COSTS

MUSEUM OF LONDON GROUP Expressed in £'000	Cost of Raising Funds	Charitable Activities	Governance Costs	Total 2022	Total 2021
Finance and administration	219	1,234	9	<b>1,462</b>	1,505
Management costs	94	533	3	<b>630</b>	678
Human resources and IT	168	948	6	<b>1,122</b>	1,159
Pension liability – finance costs, etc.	712	4,013	25	<b>4,750</b>	2,807
<b>Group total support costs</b>	<b>1,193</b>	<b>6,728</b>	<b>43</b>	<b>7,964</b>	<b>6,149</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	
	2022	2021
Salaries and wages	9,112	9,467
Social security costs	896	933
Pension costs	1,352	1,400
Employment agencies	625	494
	<b>11,985</b>	<b>12,294</b>

The Governors neither received nor waived any emoluments during the year (2021: £nil). Reimbursement of travel and meeting expenses to Governors of the Museum of London were in total £452, paid to one Governor (2021: £258, paid to one Governor).

Staff costs in 2021/22 include £39k redundancy costs (2021: £122k). Redundancy and termination payments are recognised when there is a demonstrable commitment on an individual or group basis that cannot be realistically withdrawn.

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

	MUSEUM OF LONDON GROUP	
	2022	2021
£60,000 to £70,000	5	9
£70,001 to £80,000	7	1
£80,001 to £90,000	1	2
£90,001 to £100,000	1	3
£100,001 to £110,000	2	-
£120,001 to £130,000	-	1
£140,001 to £150,000	-	1
£170,001 to £180,000	1	-

Under the museum's defined benefit pension scheme, retirement benefits are accruing to 17 staff disclosed above.

The compensation (including employer's national insurance contributions) of the key management personnel was £950k (2021: £838k). The roles included in the key management personnel are listed in the Governors' Report on pages 15 and 16.

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

	2022	2021
	£	£
Salary	176,557	149,205
Contribution to pension scheme	28,426	24,021

## 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 46.7 (2021: 47.2) support staff, was:

	MUSEUM OF LONDON GROUP	
	2022	2021
<b>Cost of Raising Funds</b>		
Costs of generating voluntary income	8	12
Fundraising trading	28	31
	<b>36</b>	<b>43</b>
<b>Charitable Activities</b>		
Communications	14	13
Programmes and learning	61	61
Galleries and exhibitions	59	71
Collections	74	72
	<b>208</b>	<b>217</b>
<b>Total</b>	<b>244</b>	<b>260</b>

The average headcount during the year excluding casual or agency staff was 307 (2021: 296).

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 11 full time staff (2021: 12).

## 11) NET OUTGOING RESOURCES

Net outgoing resources is stated after charging:

Expressed in £'000	MUSEUM OF LONDON GROUP	
	2022	2021
Depreciation	3,374	3,543
<b>Auditor's remuneration:</b>		
Audit fees – statutory audit	69	64
Taxation compliance fees	5	5

## 12) FIXED ASSETS

At 31 March 2022 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.

### TOTAL FIXED ASSETS

MUSEUM OF LONDON GROUP AND CHARITY Expressed in £'000	Heritage Assets	Intangible Assets	Other Tangible Assets	Total
<b>Cost</b>				
At 1 April 2021	15,729	796	75,890	92,415
Additions	612	100	278	990
Disposals	-	-	(248)	(248)
Transfers	-	139	(139)	-
At 31 March 2022	<b>16,341</b>	1,035	<b>75,781</b>	93,157
<b>Accumulated Depreciation</b>				
At 1 April 2021	10,702	416	48,518	59,636
Charge	753	111	2,510	3,374
Disposals	-	-	(247)	(247)
At 31 March 2022	<b>11,455</b>	527	<b>50,781</b>	62,763
<b>Net book value</b>				
At 1 April 2021	5,027	380	27,372	32,779
At 31 March 2022	<b>4,886</b>	508	<b>25,000</b>	30,394

### A) HERITAGE 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.

A) HERITAGE ASSETS (continued)

MUSEUM OF LONDON GROUP AND CHARITY Expressed in £'000	Docklands	Historic artefacts	Total
<b>Cost</b>			
At 1 April 2021	13,270	2,459	15,729
Additions	567	45	612
At 31 March 2022	13,837	2,504	16,341
<b>Accumulated Depreciation</b>			
At 1 April 2021	10,702	-	10,702
Charge	753	-	753
At 31 March 2022	11,455	-	11,455
<b>Net book value</b>			
At 1 April 2021	2,568	2,459	5,027
At 31 March 2022	2,382	2,504	4,886

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

Expressed in £'000	2022	2021	2020	2019	2018
Cost of acquisitions	612	404	308	523	509
Disposals	-	125	4	-	-

B) OTHER TANGIBLE ASSETS

MUSEUM OF LONDON GROUP AND CHARITY Expressed in £'000	Leasehold property	Museum Exhibits	Fixtures and Fittings	Assets under construction	Other assets	Total
<b>Cost</b>						
At 1 April 2021	55,809	3,650	14,986	139	1,306	75,890
Additions	32	-	192	-	54	278
Disposals	-	(64)	(48)	-	(136)	(248)
Transfers				(139)		(139)
At 31 March 2022	55,841	3,586	15,130	-	1,224	75,781
<b>Accumulated Depreciation</b>						
At 1 April 2021	31,627	3,401	12,289	-	1,201	48,518
Charge	1,969	66	430	-	45	2,510
Disposals	-	(64)	(48)	-	(135)	(247)
At 31 March 2022	33,596	3,403	12,671	-	1,111	50,781
<b>Net book value</b>						
At 1 April 2021	24,182	249	2,697	139	105	27,372
At 31 March 2022	22,245	183	2,459	-	113	25,000

## C) INTANGIBLE ASSETS

MUSEUM OF LONDON GROUP AND CHARITY Expressed in £'000	Total
<b>Cost</b>	
At 1 April 2021	796
Additions	100
Transfers	139
At 31 March 2022	<u>1,035</u>
<b>Accumulated Depreciation</b>	
At 1 April 2021	416
Charge	111
At 31 March 2022	<u>527</u>
<b>Net book value</b>	
At 1 April 2021	380
At 31 March 2022	<u>508</u>

## 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 Expressed in £'000	2022	2021
<b>Listed investments</b>		
Market value at 1 April	3,690	2,964
Unrealised gains on investments	284	726
Market value at 31 March	3,974	3,690
Less Cost at 31 March	1,159	1,159
Cumulative unrealised gain at 31 March	2,815	2,531

The above is represented by holdings in Charity Authorised Investment Fund managed by BlackRock, namely BlackRock Charities Funds, 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:

MUSEUM OF LONDON GROUP Expressed in £'000	Total 2022	Total 2021
Joicey	1,107	1,028
Mackenzie Bell	1,913	1,777
London Museum	954	885
<b>Market value at 31 March</b>	<b>3,974</b>	<b>3,690</b>

## 15) DEBTORS DUE WITHIN ONE YEAR

Expressed in £'000	MUSEUM OF LONDON GROUP		MUSEUM OF LONDON	
	2022	2021	2022	2021
Trade debtors	388	232	112	21
Amounts owed by group undertakings	-	-	2,312	2,130
Other debtors	369	644	366	646
Prepayments and accrued income	6,329	2,291	6,257	2,228
	<b>7,086</b>	<b>3,167</b>	<b>9,047</b>	<b>5,025</b>

Included within Trade debtors is a provision for bad and doubtful debts of £nil (2021: £1.5k). Amounts classified above as trade debtors and other debtors above fall within the definition of basic financial instruments.

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

Expressed in £'000	MUSEUM OF LONDON GROUP		MUSEUM OF LONDON	
	2022	2021	2022	2021
Trade creditors	1,082	2,161	1,071	2,145
Accruals	4,281	2,690	4,281	2,690
Debt repayable	492	504	492	504
Other creditors	1,366	1,313	1,318	1,275
Payments in advance	282	344	3	44
	<b>7,503</b>	<b>7,012</b>	<b>7,165</b>	<b>6,658</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 2021/22 for ticketed events and venue hire occurring in the following financial year and rental income received in advance to June 2022. Movements from the prior year are shown below:

Expressed in £'000	MUSEUM OF LONDON GROUP		MUSEUM OF LONDON	
	2022	2021	2022	2021
Balance at 1 April	344	280	44	12
Released during the year	(318)	(280)	(44)	(12)
Newly assigned	256	344	3	44
<b>Balance at 31 March</b>	<b>282</b>	<b>344</b>	<b>3</b>	<b>44</b>

## 17) COMMITMENTS

- (i) The Museum entered into an operating lease for the use of printing equipment in 2017/18. The total of future minimum lease payments due under this non-cancellable contract within each of the following periods are:

Expressed in £'000	MUSEUM OF LONDON AND MUSEUM OF LONDON GROUP	
	2022	2021
<b>Payments due:</b>		
Within one year	7	13
Within two to five years	-	7
Total	<b>7</b>	<b>20</b>

During the year, payments of £13k (2021: £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	2022	2021
<b>Payments due:</b>		
Within one year	14,975	7,862
Within two to five years	35	1,336
Total	<b>15,010</b>	<b>9,198</b>

There are no capital commitments that are budgeted but not contracted.



18) TOTAL FUNDS

A) FUNDS ANALYSIS – MUSEUM OF LONDON GROUP

Expressed in £'000	Balance at 1 April 2021	Income	Expendi- -ture	Transfer between funds	Other gains & losses	Balance at 31 March 2022
<b>RESTRICTED</b>						
<b>ENDOWMENT FUNDS</b>						
London Museum Trust	880	-	-	-	68	948
Joicey Trust	1,029	-	-	-	79	1,108
<b>Total Endowment funds</b>	<b>1,909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>2,056</b>
<b>RESTRICTED FUNDS</b>						
<b>Museum of London</b>						
Fixed Assets Fund	1,296	-	-	-	-	1,296
Major Projects Fund	641	1,237	(1,096)	(90)	-	692
New Museum Project Fund	3,959	31,468	(22,790)	-	-	12,637
ACE Programmes Fund	2	-	-	-	-	2
<b>Museum in Docklands</b>						
Capital fund	2,180	455	(703)	-	-	1,932
<b>Trust funds</b>						
Joicey Trust Income Fund	107	33	(27)	-	-	113
Mackenzie Bell Trust	2,008	58	(9)	-	137	2,194
<b>Total restricted funds</b>	<b>10,193</b>	<b>33,251</b>	<b>(24,625)</b>	<b>(90)</b>	<b>137</b>	<b>18,866</b>
<b>DESIGNATED FUNDS</b>						
Fixed Assets Fund	22,609	-	(2,673)	1,040	-	20,976
Arts Council England	462	1,388	(1,359)	(1)	-	490
<b>Designated funds</b>	<b>23,071</b>	<b>1,388</b>	<b>(4,032)</b>	<b>1,039</b>	<b>-</b>	<b>21,466</b>
<b>Designated defined benefit pension reserve</b>	<b>(63,289)</b>	<b>-</b>	<b>(4,750)</b>	<b>-</b>	<b>13,664</b>	<b>(54,375)</b>
<b>GENERAL RESERVES</b>						
Museum of London	8,125	14,686	(13,432)	(949)	-	8,430
London Museum Trust	87	28	(12)	-	-	103
<b>Total General Reserves</b>	<b>8,212</b>	<b>14,714</b>	<b>(13,444)</b>	<b>(949)</b>	<b>-</b>	<b>8,533</b>
<b>TOTAL FUNDS</b>	<b>(19,904)</b>	<b>49,353</b>	<b>(46,851)</b>	<b>-</b>	<b>13,948</b>	<b>(3,454)</b>

## **B) EXPLANATION OF FUNDS**

### **Restricted 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. This included a Foundation for Future London grant of £40k.

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. A new three year NPO grant for 2023–2026 has now been awarded to the Museum and a further one year extension for SSO grants to 31 March 2024.

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 £90k 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 2021/22 was £1,040k.

Designated Arts Council England Fund – the transfer out of £1k 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 £949k 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 Fixed Assets	Invest- ments	Current Assets	Current Liabilities	Long term Liabilities and Provisions	Pension Liabilities	Total Net Assets
<b>RESTRICTED ENDOWMENT FUNDS</b>							
London Museum Trust	-	948	-	-	-	-	948
Joicey Trust	-	1,108	-	-	-	-	1,108
<b>Endowment funds total</b>	<b>-</b>	<b>2,056</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,056</b>
<b>RESTRICTED FUNDS</b>							
<b>Museum of London</b>							
Fixed Assets Fund	1,296	-	-	-	-	-	1,296
Major Projects Fund	-	-	692	-	-	-	692
New Museum Project Fund	-	-	12,637	-	-	-	12,637
ACE Programmes Fund	-	-	2	-	-	-	2
<b>Museum in Docklands</b>							
Capital fund	1,932	-	-	-	-	-	1,932
<b>Trust Funds</b>							
Joicey Trust Income Fund	-	-	113	-	-	-	113
Mackenzie Bell	-	1,912	282	-	-	-	2,194
<b>Restricted funds total</b>	<b>3,228</b>	<b>1,912</b>	<b>13,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,866</b>
<b>DESIGNATED FUNDS</b>							
Fixed Assets Fund	27,166	-	-	(490)	(5,700)	-	20,976
Arts Council England	-	-	490	-	-	-	490
<b>Designated funds total</b>	<b>27,166</b>	<b>-</b>	<b>490</b>	<b>(490)</b>	<b>(5,700)</b>	<b>-</b>	<b>21,466</b>
Designated defined benefit pension reserve	-	-	-	-	-	(54,375)	(54,375)
<b>GENERAL RESERVES</b>							
Museum of London	-	-	15,443	(7,013)	-	-	8,430
London Museum Trust	-	6	97	-	-	-	103
<b>General Reserves total</b>	<b>-</b>	<b>6</b>	<b>15,540</b>	<b>(7,013)</b>	<b>-</b>	<b>-</b>	<b>8,533</b>
<b>TOTAL FUNDS</b>	<b>30,394</b>	<b>3,974</b>	<b>29,756</b>	<b>(7,503)</b>	<b>(5,700)</b>	<b>(54,375)</b>	<b>(3,454)</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 2022 (2021: £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 £8.1m (2021: £8.2m) during the financial year ended 31 March 2022. Included in the 2022 figure above is £0.5m of capital funding (2021: £0.5m), which was for capital works carried out in 2021/22.

### **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 £28.9m (2021: £17.6m). Included in the 2022 figure is £23.2m for the New Museum project (2021: £11.7m).

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 2022 the charges for these services were £0.1m (2021: £0.1m).

Outstanding loans from COLC to the Museum of London totalled £6.2m at 31 March 2022 (2021: £6.7m). This total includes a balance of £62k on a loan originally made to the Museum of London Docklands (2021: £82k). Of these loans, £492k is due within one year (2021: £504k) and £5,700k is due after more than one year (2021: £6,193k). The museum incurred interest charges related to these loans of £95k (2021: £112k).

### **C) MOLA**

MOLA is considered a related party due to the close association between it and the museum, as reflected in 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.

A charge of £278k was made by the museum to MOLA for a licence to occupy space in Mortimer Wheeler House (2021: £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 (2021: £50k).

### **D) GOVERNORS AND STAFF**

None of the Governors, key managerial staff or their related parties has undertaken any transactions with the museum or its subsidiary undertakings during the year, other than the donations from

Governors listed below. The Museum has received £15.5k (2021: £15k) 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 Museum's share of the assets of the Fund for the year ended 31 March 2022 is approximately 6.62% (2021: 6.65%). 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 2022 using financial assumptions that comply with FRS 102.

The contributions made by the employer over the financial year amounted to £1,431k (2021: £1,449k). The contribution rate set for the year was 16.1% (2021: 16.1%). Following the triennial valuation, the 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:

<b>Valuation Method</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>
RPI Increases	<b>3.55%</b>	3.20%	2.65%
CPI Increases	<b>3.20%</b>	2.85%	1.85%
Salary Increases	<b>4.20%</b>	3.85%	2.85%
Pension Increases (CPI)	<b>3.20%</b>	2.85%	1.85%
Discount Rate	<b>2.60%</b>	2.00%	2.35%

The assumed life expectations from age 65 are:

<b>Life expectations (years)</b>	<b>Males</b>	<b>Females</b>
Retiring today	21.6	24.3
Retiring in 20 years	23.0	25.8

## NET ASSETS OF THE SCHEME

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

Expressed in £'000	Assets at 31 March 2022	Assets at 31 March 2021	Assets at 31 March 2020
Equities	54,461	52,087	40,941
Cash	1,295	443	1,154
Property and infrastructure	11,426	10,060	8,604
Multi-asset fund	24,979	23,987	18,255
<b>Closing fair value of Fund assets (A)</b>	<b>92,161</b>	<b>86,577</b>	<b>68,954</b>
Present value of the defined benefit obligation	(146,006)	(149,293)	(109,565)
Present value of unfunded obligation	(530)	(573)	(560)
<b>Closing defined benefit obligation (B)</b>	<b>(146,536)</b>	<b>(149,866)</b>	<b>(110,125)</b>
Net Pension (Liability) (A) – (B)	<b>(54,375)</b>	<b>(63,289)</b>	<b>(41,171)</b>

## ANALYSIS OF PENSION SCHEME OUTGOING RESOURCES

Expressed in £'000	MUSEUM OF LONDON GROUP		
	2022	2021	2020
<b>Analysis of the amount charged to resources expended</b>			
Current service cost	4,901	3,284	3,274
Employer contributions	(1,431)	(1,449)	(1,517)
Unfunded pension payments	(42)	(43)	(42)
Net interest on the defined liability	1,252	956	983
Administration expenses	70	59	66
<b>Net Resources Expended excluding Past service costs, including curtailments</b>	<b>4,750</b>	<b>2,807</b>	<b>2,764</b>
Past service costs, including curtailments	115	363	–
<b>Net Resources Expended</b>	<b>4,865</b>	<b>3,170</b>	<b>2,764</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

Expressed in £'000	MUSEUM OF LONDON GROUP		
	2022	2021	2020
<b>Remeasurement of the net assets / (defined liability)</b>			
Return on fund assets in excess of interest	4,364	16,752	(4,230)
Other actuarial gains on assets	–	–	48
Changes in financial assumptions	9,629	(38,731)	11,669
Changes in demographic assumptions	–	1,200	700
Experience (loss)/gain on defined benefit obligation	(329)	1,468	(4,872)
<b>Actuarial gain/(loss) recognised in Consolidated Statement of Total Recognised Gains and Losses</b>	<b>13,664</b>	<b>(19,311)</b>	<b>3,315</b>

**MOVEMENT IN DEFICIT DURING THE YEAR**

<b>Expressed in £'000</b>	<b>MUSEUM OF LONDON GROUP</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Deficit at beginning of the year	<b>(63,289)</b>	(41,171)	(41,722)
Current and past service costs, including curtailments	<b>(4,901)</b>	(3,284)	(3,274)
Employer contributions	<b>1,431</b>	1,449	1,517
Unfunded pension payments	<b>42</b>	43	42
Net interest on the defined liability	<b>(1,252)</b>	(956)	(983)
Administration expenses	<b>(70)</b>	(59)	(66)
Actuarial gain/(loss)	<b>13,664</b>	(19,311)	3,315
<b>Deficit at end of the year</b>	<b>(54,375)</b>	(63,289)	(41,171)

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

<b>Expressed in £'000</b>	<b>MUSEUM OF LONDON GROUP</b>	
	<b>2022</b>	<b>2021</b>
Opening defined benefit obligation	<b>149,866</b>	110,125
Current service cost	<b>4,786</b>	2,921
Interest cost	<b>2,979</b>	2,568
Change in financial assumptions	<b>(9,629)</b>	38,731
Change in demographic assumptions	<b>–</b>	(1,200)
Experience gain/(loss) on defined benefit obligation	<b>329</b>	(1,468)
Estimated benefits paid net of transfers in	<b>(2,467)</b>	(2,749)
Past service costs, including curtailments	<b>115</b>	363
Contributions by Scheme participants	<b>599</b>	618
Unfunded pension payments	<b>(42)</b>	(43)
<b>Closing defined benefit obligation</b>	<b>146,536</b>	149,866

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

<b>Expressed in £'000</b>	<b>MUSEUM OF LONDON GROUP</b>	
	<b>2022</b>	<b>2021</b>
Opening fair value of Fund assets	<b>86,577</b>	68,954
Interest on assets	<b>1,727</b>	1,612
Return on assets less interest	<b>4,364</b>	16,752
Administration expenses	<b>(70)</b>	(59)
Contributions by employer including unfunded benefits	<b>1,473</b>	1,492
Contributions by Scheme participants	<b>599</b>	618
Estimated benefits paid and unfunded net transfers	<b>(2,509)</b>	(2,792)
<b>Fair value of Fund assets at end of period</b>	<b>92,161</b>	86,577



## 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>2022</u>	2021	2020
Adjustment to discount rate	+0.1%	+0.1%	+0.1%
- Present value of total obligation £'000	143,469	146,711	107,815
- Projected service cost £'000	4,055	4,738	3,046
Adjustment to mortality age rating assumption	+1 year	+1 year	+1 year
- Present value of total obligation £'000	152,547	156,261	114,220
- Projected service cost £'000	4,392	5,135	3,218

## PROJECTED PENSION EXPENSE FOR THE YEAR TO 31 MARCH 2022

	<u>£'000</u>
Service cost	4,223
Net Interest on the defined liability	1,395
Administration expenses	<u>69</u>
<b>Total loss</b>	<b><u>5,687</u></b>
<b>Employer contributions</b>	<b><u>1,360</u></b>

## 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>	<p>Sonita Alleyne OBE (ceased to be a Governor 10 October 2021)</p> <p>Rt Hon the Lord Boateng DL (ceased to be a Governor 31 March 2022)</p> <p>Tijs Broeke CC</p> <p>Councillor Kaya Comer-Schwartz (appointed 16 September 2021)</p> <p>Alderman Alison Gowman</p> <p>Vivienne Littlechild JP MBE CC (ceased to be a Governor 1 December 2021)</p> <p>Paul Martinelli CC</p> <p>Judith Pleasance CC</p> <p>John Scott JP CC (ceased to be a Governor 24 March 2022)</p> <p>Mark Bostock (appointed 13 January 2022)</p> <p>Alderman Gregory Jones QC (appointed 19 May 2022)</p> <p>Professor Sir David Cannadine (appointed 24 June 2022)</p> <p>Charlotte Twyning (appointed 1 October 2022)</p>
<b>Appointed by the GLA</b>	<p>Clive Bannister</p> <p>David Camp (ceased to be a Governor 31 July 2021)</p> <p>Evan Davis (ceased to be a Governor 30 September 2022)</p> <p>Douglas Gilmore (ceased to be a Governor 15 October 2021)</p> <p>Lindsay Herbert</p> <p>Milyae Park</p> <p>Gail Tolley</p> <p>David Wormsley</p> <p>Ijeoma Ekwueme-Okoli (appointed 1 October 2022)</p> <p>Simon Morris (appointed 1 October 2022)</p> <p>Paul Fuller (appointed 1 October 2022)</p> <p>Alice Black (appointed 1 October 2022)</p>
<b>Administration</b>	<p>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:</p> <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>

The Treasurer and Secretary to the Board are required to be officers of the City of London Corporation.

**Director** Sharon Ament

**Treasurer** Kate Limna, Guildhall, London EC2P 2EJ

**Secretary** John Barradell, Guildhall, London, EC2P 2EJ

**Bankers** Lloyds Bank, 25 Gresham Street, London EC2V 7HN  
Chamberlain of London, Guildhall, London, EC2P 2EJ

**Legal Advisers** City of London Corporation, Guildhall, London, EC2P 2EJ  
Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH

**Independent Auditor** BDO LLP  
Chartered Accountants and Statutory Auditor  
55 Baker Street  
London  
W1U 7EU

**Investment Adviser** BlackRock Investment Management  
12 Throgmorton Avenue  
London, EC2N 2DL

**SUBSIDIARY UNDERTAKINGS** The financial statements consolidate the accounts of the Museum of London together with its subsidiary undertakings which are listed below.

**Museum of London (Trading) Limited** 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.

**The Trust Funds** 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.

The trusts are:

London Museum Fund – Registered Charity Number 312174  
Joicey Fund – Registered Charity Number 314194  
Mackenzie Bell Fund – Registered Charity Number 314195

The appropriate clauses defining the control of their expenditure are:

**London Museum Fund** “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:

- 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;

- 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;
- 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”.