

Registered Charity No: 1139250

MUSEUM OF LONDON

**Governors' Report and
Financial Statements for the year ended
31 March 2015**

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CHAIRMAN'S STATEMENT

This year we made known the scale of our ambitions to create a new Museum for London, as we declared our intention to move to West Smithfield, by around 2021.

This has happened against the backdrop of another record-breaking year for the Museum of London. We welcomed over a million visitors through our doors for the second year running. Our public programme of exhibitions and events, especially our *Sherlock Holmes* and *Bridge* exhibitions, opened to strong reviews and engaged audiences throughout their run.

Moving to West Smithfield will help re-generate this historic, currently derelict corner of an otherwise buzzing Farringdon. It will also increase our footprint giving us room to grow, enabling us to display more of our important collections, many of which are hidden in storage at our current London Wall site. With superb transport connections, an evocative building and bigger exhibition spaces, we will increase visitor numbers and we look forward, in time, to welcoming over two million visitors a year.

Between now and 2021, there is a huge amount of work to do. We will focus on building visitor numbers at London Wall and Docklands, launch ground-breaking exhibitions and run innovative programmes which engage our audiences. All of this work will shed new light on how we understand our city, stretching thinking about London.

To fulfil our work and meet public demand we need to attract new Sponsors and become ever more enterprising in the way we generate income through our shops, restaurants, cafes, events and corporate hire opportunities.

We inaugurated a series of Chairman's History Dinners, inviting a number of eminent historians - including; Jeremy Black, Mark Urban and Lucy Worsley - to talk through specialist subjects with our guests. These lively and enjoyable evenings are offered to members of the *Society of Londoners* and other guests who help us raise funds and raise the profile of the Museum.

In addition, it is behind-the-scenes where much of the real change takes place. We now have a new Executive Team in place, and this year welcomed or re-appointed eight new Governors to the Museum's Board. They bring skills from the fields of law, property, broadcasting and the arts, among numerous other disciplines, all of which go right to the heart of the business and cultural life of our city.

None of this would be possible without our partners, including the City of London Corporation, the Mayor of London and Greater London Authority, and Arts Council England (ACE). Each of these organisations and many more besides, not only support us financially, but are active and fully-engaged, helping to inspire ideas and challenge the Museum with fresh thinking.

We are delighted that Arts Council England continues to support us with an award of a further three years of Major Partner Museum funding, commencing from April 2015.

I look forward to the year ahead. We have a great deal to do, but I congratulate Director Sharon Ament and her entire team for putting our Museum more conspicuously on the map.

As I have said before: the Museum of London wishes to be the thread that binds London's past, present and future; and Londoners to their history.

Clive Bannister
Chairman
Museum of London
October 2015

2014/15: A YEAR OF MOBILISATION

FOREWORD BY THE DIRECTOR OF THE MUSEUM OF LONDON, SHARON AMENT

Last year we announced our strategic plans and a year of transition. This year has been one of mobilisation, as we seek to re-position the museum in the eyes of London and Londoners.

In another record-breaking year for visitor numbers to the museum, we've worked much harder to understand our audiences and what motivates them to come through our doors. And we've had some great feedback from them about our progress.

In spring we opened our first new gallery since 2010, with the unveiling of a new display pavilion to house Thomas Heatherwick Studio's iconic cauldron from the 2012 Olympic opening ceremony. The Cauldron has proved a major draw for Londoners including some of our Olympians like Johnny Peacock, who with David Beckham joined us for a special visit.

The year's major exhibitions received rave reviews from media and public alike. Over 85,000 people, many of them first-time visitors, saw our blockbuster Sherlock Holmes exhibition at London Wall. The exhibition was sponsored by London law firm Shepherd and Wedderburn and was delivered with The Times as media partner.

Media coverage about our exhibition was universally positive. '*This new Sherlock Holmes exhibition will have fans salivating,*' wrote the Spectator. We produced our first ever cinema trailer to promote the exhibition, and it was opened by Sir Ian McKellen, himself about to play the eponymous detective in old age.

Partnerships are at the heart of all we do. Inspired by the Sherlock Holmes story we created a Museum of London Tweed, which was modelled by renowned rapper Tinie Tempah, at the London Collections: Men, in a bespoke suit commissioned to Norton and Sons of Saville Row. London milliners Christys' turned our tweed into natty deerstalker hats, which went on sale in that most iconic of London stores, Liberty.

Our Bridge exhibition at the Museum of London Docklands, delivered in partnership with Arts Council England (ACE), was described in The Times as 'sublime'. Other exhibitions help put us in the spotlight and attract different audience groups; they included Paddington Bear, which coincided with the famous Peruvian's very own film.

As we plot our journey towards the new museum in Smithfield, we continue to sharpen our thinking. Plans are now well underway to embed our new content editorial framework and lay the foundation stones of a refreshed brand throughout the organisation.

We are also creating a new strategy to take the Museum of London Docklands forward, and are honing our knowledge further about audiences. The next 12 months will also see us launch a new website that meets the demands of those audiences.

We have some bold ambitions for the year ahead. We have recently launched our £4m *We are London* campaign, which will help us reach every London schoolchild, develop The London Collection and continue to stretch thinking.

Our schools programme, delivered in partnership with the Royal Bank of Scotland, continues to be a great success and this past year we welcomed over 130,000 London pupils through our doors.

Working with Londoners and providing opportunities across the community goes to the heart of our mission as a museum. This year we were delighted to launch our Apprenticeship scheme and we welcomed five apprentices into our visitor services and audio visual teams. This year, we were awarded the Investors in Volunteering Award. I am particularly proud to say that we are the only museum in London to have won this.

ACE helps the museum extend its reach in all kinds of different ways. This year, for example, it has helped us to greatly increase our support to schools around archaeology, in quick response to changes in the National Curriculum. As a result we developed a new schools' programme centred on our archaeology archive, which saw nearly 3,000 pupils visit in 2014.

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ACE also helps extend our regional reach by building relations with museums across London. We help them survive and thrive through our strategic and practical advice, including preserving their precious collections through our ever-popular conservation training programme.

Our year of mobilisation has seen us move forward with our sights firmly set on Smithfield and our goal by 2021 to open a new museum for London, a museum that will provoke and inspire in a way that London always has and, more importantly, re-cast our relationship with London and Londoners.

**Sharon Ament
Director
Museum of London
October 2015**

GOVERNORS' ANNUAL REPORT

Our vision (*Strategic Plan 2013/14 – 2017/18*)

Our passion for London is infectious and is born out of our commitment to exploring the ever-changing story of this great world city. We want to inspire such passion in others through releasing the power that is currently locked behind our bastion walls. We aim to stimulate thinking and engagement with London in new ways, to be a part of every Londoner's life from an early age and to contribute to the city's international, educational, cultural, economic and reputational impetus.

Our Strategic Plan 2013 – 2018 sets out five objectives and ambitious targets for each. They are:

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

By 2017/18 we will have:

- Reached 1.5 million visitors per year to Museum of London and Museum of London Docklands
- Been involved in 10 big London issues and more people will know who we are, where we are and what we stand for
- Grown the use of our collections for research and significantly increased research activity and its impact
- Engaged and inspired over 850,000 school children
- Generated £100m total income across all our sources of funding

2014/15 in numbers

- **902,922 visitors** to Museum of London, against a target of 800,000
- **251,883 visitors** to Museum of London Docklands, against a target of 258,000
- **138,769 schoolchildren** visited the museum against a target of 115,000
- **75,517 visitors** made a trip to the *Sherlock Holmes* exhibition
- **27,333 visitors** made a trip to the *Bridge* exhibition
- **4,363 media articles** generated, reaching 87% of UK adults
- **2.89m unique visits** to our website, against a target of 2.63m
- **66,503 followers** on Twitter and **72,195 facebook friends**
- **12,710 enquiries, talks, teaching and research visits** connecting to the collections
- **44,351 people** took part in family events and activities
- **1.74m visits** to the learning webpages and resources
- **Over 195 volunteers** and **5 apprentices** involved across the museum
- **£2.9m of trading income** generated compared to £2.7m in 2013/14

2014/15 Against our five strategic objectives

1. Reach more people

Our visitors

We welcomed 1,154,805 visitors to our museums in 2014/15 – more people than ever before – achieving 9.1% above our target and an increase of 6.8% on 2013/14 visitor levels. Growth in visitor numbers equates to growth in our reach and impact; on individuals, on London and on society and we are proud of this result.

By site, at the Museum of London we exceeded our visitor target by 12.9% and achieved an increase of 9.0% on 2013/14. At the Museum of London Docklands we fell short of our stretching target by 2.4% but maintained visitor numbers broadly in line with the record visitor levels achieved in 2013/14. Our focus on our visitor numbers will be unwavering as we look to achieve further growth.

Knowledge about our visitors is essential: how they find out about us, what drives their visit and how they value their experience. This enables us to shape our offer, target our communications and make best use of our resources. We have applied our audience development strategy for a second year focused on leading audiences – identified as Cultural Connoisseurs and London Insiders – and core audiences including Learning Families, Intellectual Tourists and Self Developers. In 2014/15 leading audiences made up 14% of our visitors at Museum of London and 18% at Museum of London Docklands.

Truly London programming

The 2014/15 public programme was packed with iconic London places, objects and people and the stories behind them. Each element presents us with a chance to connect with audiences and for each major exhibition we aim to interest, even surprise, our audiences with a varied programme that explores the subject in different ways.

Three milestone openings kept up the pace for the year. In June we opened our major exhibition at Museum of London Docklands: *Bridge*. This took the premise of London's bridges and their significance to the city's landscape. Over 27,000 visitors attended the exhibition making it our most successful exhibition since the Museum of London Docklands opened. Of these visitors, 68% were visiting for the first time.

In July we unveiled *Designing a Moment: The London 2012 Cauldron*. This permanent exhibition provides a new home for the London 2012 Cauldron, showcasing Thomas Heatherwick's cutting edge design. It records the unforgettable moment when it was revealed to the world during the Olympic opening ceremony. It celebrates London's creative spirit and confirms our position as the keeper of the legacy of London's 2012 Games.

In October we opened our major exhibition *Sherlock Holmes: The Man Who Never Lived and Will Never Die*. Creating an exhibition focused on a fictional character stretched our thinking, and our visitors, as we sought to go beyond film and fiction, connecting to Sherlock Holmes' London. A Sherlock season was created to support the exhibition which combined many aspects. There was fashion photography inspired by the character himself in Kasia Wozniak's *He Wasn't An Easy Gentleman To Describe* and a cinematic walk through the streets of the City of London using the downloadable app *A Hollow Body*.

Our ever-changing programme drew in a huge variety of London subjects: the capital's leading role in menswear in *NEWGEN*; the impact of the first world war in East London with *War of Words*; the strength of our photography collection with *Observing the Crowd: Photographs of Bob Collins*. Adults and children alike were enchanted by *A Bear Called Paddington* which included a short film about the new *Paddington* film and objects on loan from the Bond family including a first edition book.

Transforming spaces

To deliver our aim of being relevant to the lives of Londoners we must connect quickly and effectively with contemporary London stories and issues. Internally this means combining quality and accuracy with flexibility and speed. To do this two new experimental spaces have been created: *Looking for Londoners* will show new finds, recent research and archaeological discoveries and *Show Space* will display our newly acquired pieces as well as objects from our existing collections that have topical resonances.

We have continued to push ourselves to use our physical spaces differently, whether through our gallery spaces or externally, by connecting to the city outside our walls. The second of our 'rotunda wrap'

installations was created using the Dancing Men figures from a Sherlock Holmes story. Through *House of Muses*, a bespoke structure outside the entrance to the Museum, we asked visitors to share their thoughts for a future Museum of London building. Over 4,000 people left a comment or idea that we recorded.

At Museum of London Docklands we created a more impressive start to the visitor journey, setting the unique warehouse building in context for visitors, revealing more original features and using a mix of film and objects to tell its story.

Reaching out digitally

Our website is the jumping off point for much of our digital activity. It is the primary source of information for visitors with a third using the site before visiting. Analysis and evaluation were the focus for 2014/15 shaping the way for future developments in a revised Digital Strategy in which issues of our current website navigation, content and design are being considered in detail.

Our ACE-funded digital programme was completed this year where we experimented with bringing together online audiences and our collections through crowd-sourcing pilots. We shifted our collecting approach to include digital materials and objects. Digital engagement offers us vast scope to connect with Londoners but we will need to select carefully those methods and approaches that work most effectively. We completed comprehensive evaluations and reviews of these digital programmes to help us do this.

Volunteering and apprenticeships

A highlight of 2014/15 was achieving the prestigious Investing in Volunteers award. We are the only museum in London and one of six museums in Britain to hold this award. This reflects our ongoing commitment to embedding volunteering across the organisation, ensuring that our volunteers receive top quality support and acknowledging the capacity and talent they bring.

We want to find ways that we can support young Londoners in developing new skills and in March 2015 we launched our new apprenticeship scheme. Five apprentices, in roles such as Visitor Host and Audio-Visual Technician, are working across the Museum in full time apprenticeships that will last for two years.

2. Become better known

A New Museum

2014/15 was a definitive year for the Museum as we shared our vision for a New Museum for London and confirmed our intention to move to a new site, the Smithfield General Market in Farringdon in 2021. The announcement generated significant media interest and a hugely positive reception from our stakeholders.

Our Strategic Plan set out our ambitions to tackle the challenges of our buildings but this year has been remarkable in the speed and scope of changes in the landscape and opportunities that have emerged. We worked to a tight timetable to gather information and facilitate a comprehensive Options Appraisal process to enable the Board of Governors to reach a decision on the preferred site for a New Museum.

At the heart of the vision is the proposition that *We Are London*. No other organisation can do this quite like the Museum through our central role in the formation of a collective understanding of London. We have outlined our plans to create a whole new organisation to deliver a New Museum for London, of which the building will be one element.

We have continued to work closely with our funding partners the City of London to realise the vision for a vibrant Cultural Hub within the City, of which the New Museum would be an integral part.

Raising our profile

Bold high profile campaigns and ongoing promotion of who we are and what we do have been a consistent theme to ensure we really do become better known. Our record visitor numbers are one indicator that this is having a positive impact.

As we operate in a rapidly changing environment, managing and growing our brand with purpose and clarity is key. This year we have focused on the task of defining our brand 'DNA' and the distinct characteristics of the Museum that run throughout what we do. We have termed this our brand personality and it will contribute to realising our vision of *We are London*.

Over 4,300 pieces of media coverage were generated ranging from a feature in the US and international editions of the *New York Times* about the *Sherlock Holmes* exhibition to a double page spread in *The Times* about *Bridge*. An episode of *Quizeum* on BBC 4 was filmed entirely within the Museum of London. This means we reached UK and overseas audiences in many different ways, all contributing to raising our profile and drawing our audiences in.

We continue to invest in our communications to ensure we are seen and heard. A distinctive campaign was developed for our *Sherlock Holmes* exhibition with high profile coverage across London including on the Underground. Evaluation confirmed that this approach worked with over half of all visitors having seen the advertising before attending. Developing a theatrical trailer for cinema distribution for *Sherlock Holmes* was a first for us, and this attracted over 25,000 views on YouTube within its first six weeks of release.

Our growing social media presence enables more active dialogue with our audiences. We have achieved audience growth across all our target channels with Facebook friends up by 32% and Twitter followers up by 27% on last year.

Connecting and convening

There is value in bringing people together to connect with, and around, the theme of London. Each year we work with an incredible range of individuals and organisations. Only a handful of examples are captured here to illustrate the types of outcomes made possible through collaborations and partnerships.

Highlights included our resoundingly successful collaboration with Christys' Hats and Liberty of London to make and sell Museum of London tweed hats. We also worked with Charterhouse in developing their site as a visitor attraction, sharing our knowledge of running two museums. Thanks to a successful joint application to the Heritage Lottery Fund, the site will open to the public in 2016 and will be an exciting addition to our learning offer.

We continue to exchange ideas internationally, whether this is through shared-learning sessions with Miami Science Centre, hosting Brazilian delegations ahead of the 2016 Olympics or workshops with European organisations Continium and Nausicaa on potential EU collaborations.

Our partnerships remain critical in delivering more than we could on our own. This year saw the completion of our first tranche of ACE funded work that ran from April 2012 to March 2015, centred on the theme of 'Opening Up.' The outputs are present throughout this report from volunteering, to crowd-sourcing, to the *Bridge* exhibition. Our Museum Development Programme has provided a varied development service to non-national museums across the capital including specialist advice on organisational health and on audiences. We also played a regional leadership role around collections care.

We were immensely proud to be awarded a second round of ACE funding both as a Major Partner Museum and for Museum Development. This funding will allow us to build on the legacy of the programme that completed this year.

3. Stretch thinking

We created our Content Framework in 2013/14 which provides us with a structured way to view our collections, knowledge and creative outputs in relation to connecting to contemporary London. This year we have focused on disseminating the Content Framework internally and externally. Embedding the Framework across operations has worked particularly well for our planning of exhibitions using our four content priorities: *Global City*, *Iconic London*, *City Now City Future* and *Creative Capital*.

London stories

In developing our collections each addition is carefully considered on the basis of the insights or story or view it contributes to the collective history that we hold. Digital collecting continues to feature with acquisitions including a digital video commission *Hashhush* by Hilde Krohn Huse and sound installation *Bridging the World* by artist Scanner. In contrast an incomplete Roman bone hairpin, an adult male cranium found during the construction of Battersea Power Station and six ensembles from a contemporary Islamic fashion collecting project illustrate the varied collections that we hold on all aspects of London life.

As our collections grow and change, so does the extensive programme of work to maintain and care for them. The headlines for 2014/15 included the production of benchmarked action plans for every store to ensure that we apply our resources in the most effective way possible, tackling items and improvements in

order of priority. A milestone this year was the completion of the project to digitise our entire recorded media collection as we transferred 3,800 items from older, fragile formats to digital files.

London's archaeology

The London Archaeological Archive is a key part of our collections and the primary source of evidence for early London. A comprehensive review exercise was completed in 2014/15 which will help inform our forward planning to ensure we make the most of this unique resource. We continued to interest visitors in archaeology through projects such as our annual community dig, this year in partnership with Harrow Museum involving over 1,000 people, and taking part in the Festival of Archaeology delivering tours to the Billingsgate Roman baths for over 480 people.

Academic impact

Our connections to universities and higher education have grown on a number of fronts. We have begun to forge relationships with key academics with a London connection as we progress plans for an Academic Advisory Board that will shape our research programme. We continue to connect with universities through teaching including the jointly taught London King's College Summer School – *Curating the City* – which ran for a successful fourth year. Student research access to our collections ranged from data collection visits to the Centre of Human Bioarchaeology to PhD students focused on Roman hand tools. Higher education has been a theme throughout our ACE programme. This year we directly worked with 1,830 students through our higher education activities, exceeding our target by 31%.

4. Engage every school child

Inspiring school children

The number of school children who visited us or took part in our learning programmes in schools reached 138,769, an increase of 6% on 2013/14.

Each year we deliver an extensive programme for schools to engage pupils of different ages, abilities and interests. This year was particularly challenging as we reviewed our entire offer – some 150 sessions and associated online resources – in the light of the new National Curriculum that was introduced in September. The strength of our schools programmes, facilities and procedures were recognised by the fact that we were awarded the Learning Outside the Classroom Quality Badge for the third year in a row. Children's Takeover Day, held in November 2014, was a particular highlight. This was the fifth time the Museum has hosted this event, organised by the Children's Commissioner for England. A group of pupils with special educational needs became the Museum's storytellers for the day, performing in front of delighted visitors and school groups. The Mozart in London project was another great success. The project, in partnership with Classical Opera, the Guildhall School of Music & Drama and Holy Trinity and Marlborough primary schools, culminated in the children's operas being performed in the Weston Theatre on 13 February 2015. The operas were inspired by our collections and the history of Mozart's visit to London in 1764.

Teachers are important stakeholders for us and we have continued to connect with them in a range of ways, including the 2000-strong Teachers' Network, teacher training and supporting PGCE courses. Our *Prehistory in the Primary Classroom* project, funded by the GLA's London Schools Excellence Fund, provided training for over 270 primary teachers throughout London and created online resources and loan boxes for schools. With the introduction of prehistory to the History curriculum for the first time this year, teachers have found the project invaluable and the museum has become the leading destination in London for this subject.

Partnership working offers ways to innovate and extend our reach. We worked closely with both our major funders on educational initiatives this year. The launch of the London Curriculum at the Museum in July was a milestone in our work with the GLA to develop a ground-breaking suite of resources for secondary schools that draws on London to enrich the teaching of the National Curriculum. We also provided the questions for and hosted the finals of the Mayor's London Knowledge Quiz for the second year. Over 5,500 primary and secondary school pupils were involved with the quiz and used the museum's content.

The Museum was instrumental in establishing a group of learning specialists from cultural venues in the City of London, such as the Guildhall Art Gallery and London Metropolitan Archives, to develop joint initiatives that will reach out to schools across London. The group was formalised as the Learning & Engagement Forum and now reports to the City's Education Board. Initiatives include a fund to attract non-visiting schools to the venues, and a project with the National Literacy Trust to produce online resources

and teacher training to support literacy teaching in schools. This work included City Stories, an exciting day of activities designed to increase pupils' understanding of the history of the City of London. The day was developed in collaboration with the Barbican and Tower Bridge, and included walks, music workshops and sessions in the Museum's galleries.

A variety of new online learning resources for schools were created, including 3D prehistoric objects and films about Stone Age flint knapping and Bronze Age smelting, presented by pupils. An object from our collection – a leather fire bucket from Pudding Lane used to fight the Great Fire of London – was selected for inclusion in the first 20 objects for the British Museum/Department for Education *Teaching History with 100 Objects*, a set of online learning resources to support the new History curriculum. We also worked with the London Grid for Learning to create a new website about life in Tudor London.

Captivating families

Our events and activities for families are also an important way of reaching London's children and complement our schools programme by running during holidays and at weekends. Over 44,000 children and adults took part in family activities in 2014/15.

Highlights from the events programme this year included our family festival around the theme of *The City We Live In* which included an opportunity for families to work with well-known street artists, turning our rotunda display space into a giant artwork. Linking our family and school programme, October half term took the theme of *Beasts*, focusing on prehistoric beasts at London Wall and river beasts at the Museum of London Docklands. Exhibition subjects are also used to inspire our family programmes. Summer activities at the Museum of London Docklands included sessions on designing bridges, reflecting the *Bridge* exhibition, while our Christmas events running alongside *Sherlock Holmes* were based around the theme of mysteries.

With support from ACE, we continued to grow our sector-leading early years provision and to reach families who might not normally visit museums through our outreach programme. Over 10,800 participants took part in our early years sessions, exceeding our annual target by 20%. New ACE funding from April 2015 will enable us to develop weekend-long festivals at the Museum of London Docklands aimed at local families, and extend provision around the collection for families at the Archaeological Archive.

5. Stand on our own two feet

This objective is about growing the impact of what we do, making our public funding go further and ensuring that we plan ahead to ensure our own future.

We want people to enjoy their time at the Museum, to use our spaces in a whole variety of social and fun ways. Events are an important way for us to attract audiences and provide different kinds of experiences. They also represent significant opportunities for brand development and income generation.

2014/15 has enabled us to test, experiment and learn ahead of implementing an enlarged events programme and we anticipate this to be a key area of growth in future. We successfully ran our first adult sleepover for Valentine's Day and our first children's sleepover themed around the *Sherlock Holmes* exhibition. Our creative and different evening events continued with themes that are uniquely 'Museum of London'. These included *Digital City* including a Silent Disco and our *Bohemian Late* complete with absinthe and acrobats, inspired by Sherlock Holmes. Our Christmas Grottos are an established part of our programme with the *Victorian Walk* and *Sailortown* gallery areas making great historical London Christmas settings. This year over 1,900 children visited our London Father Christmas.

The headlines from our commercial activities for 2014/15 are extremely strong with £2.9m revenue generated, an increase of 5% on last year. Each business area enables us to build our brand and relationships in different ways and attract a range of audiences to the Museum.

Our shops achieved record sales in 2014/15. The bespoke ranges developed for the Sherlock Holmes exhibition outperformed all expectations, with products from deer stalkers to tea towels being snapped up by our general visitors as well as those that came to the exhibition.

Our venue hire business has continued to expand, also achieving records sales this year. Both museums are licensed wedding venues and this year the first wedding took place at London Wall. We are growing a

strong reputation and attracting high profile events and clients drawn from all sectors from retail to financial services to charities.

Our catering offer, with partners Benugo at London Wall and Ampersand at Docklands also performed well. The cafes at both museums continue to enhance the visitor offer and the restaurants – London Wall Bar & Kitchen and Rum and Sugar – are successful at attracting customers from the local area and providing a varied visitor offer.

Development

A new Development Strategy was launched at the start of the year. At the heart of this is the aim to create lifelong relationships with Londoners, through activities from campaigns to membership schemes.

Alongside laying the foundations for our biggest ever capital campaign for the New Museum project, achievements included launching our new Society of Londoners supporters group and attracting exhibition sponsorship for *Sherlock Holmes*.

We sought to connect with donors and supporters in various innovative ways from our major Londoners' Dinner to our first online and text message giving campaign raising funds towards the London 2012 Cauldron exhibition. Successes included extending our corporate partnership with RBS, securing funding for an innovative rationalisation project with the Esmée Fairbairn Foundation and progressing the next phase of gallery development at Museum of London Docklands with a grant from the DCMS Wolfson Fund.

Sustainability

Our aging buildings continue to present challenges however we have focused on regular monitoring and reporting – including looking at our energy consumption per visitor – and on optimising how our buildings are run to improve efficiency. Investment in targeted areas of the building such as upgrading parts of our heating and cooling system has contributed to helping manage consumption more effectively.

Future plans

The next year of our Strategic Plan will be a defining time for the Museum of London. Our plans to create a New Museum for London will take tangible form throughout this year as we pursue this momentous opportunity. Our vision is big as we look to design a new museum for the city, shaped by its people. A truly London museum.

We anticipate over 1.2 million people will visit our museums in 2015/16. We will welcome more school children than ever before. Audiences will have the chance to connect with untold London stories through our major exhibitions: *The Crime Museum Uncovered* at London Wall and *Soldiers and Suffragettes: The Photography of Christina Broom*. Guided by our Content Framework, our programming will set us apart from the crowd.

Our new commercial events programme will attract different audiences and develop a significant new income stream. Focusing on how we connect with our visitors and supporters, using technology to facilitate ongoing and deeper relationships, will be an important theme.

Our partnerships will continue to deepen with the GLA and the City of London Corporation, scoping how a new museum for London will support their strategic aims. New collaborations with organisations ranging from university consortia TECHNE to EU project partners Continium, offer much potential to realise exciting ideas. Our new three-year ACE Major Partner Museum programme will also begin.

We will generate more of our own income by being ever more enterprising, creating exciting products, increasing our sales skills and by providing compelling reasons to give. The *We are London* campaign will be the main focus for fundraising.

Internally we will transform how we operate giving careful thought to our teams, systems, networks and partners. We will free ourselves up to be inventive and different in how we do things and we will make the most of the talent that resides in our people.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The Governors are responsible for keeping proper accounting records that 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, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of Information to Auditors

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 auditors, 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 auditors are aware of that information.

Change of auditor

Following a tender process in 2014, Grant Thornton UK LLP was appointed as the group's external auditor commencing with the 2014/15 financial year.

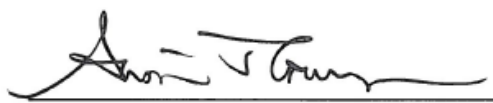
ADOPTION OF REPORT AND FINANCIAL STATEMENTS

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



Chairman of the Board of Governors of the
Museum of London

07 October 2015



Governor of the Museum of London

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF MUSEUM OF LONDON

We have audited the financial statements of Museum of London for the year ended 31 March 2015 which comprise the group and parent charity balance sheets, the consolidated statement of financial activities, the consolidated cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Governors, as a body, in accordance with Section 154 of 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 its Governors as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the statement of Governors' responsibilities set out on page 13, the Governors are responsible for the preparation of the financial statements which give a true and fair view. We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' annual report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's 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.



Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 8 October 2015

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MUSEUM OF LONDON GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Expressed in £000		2015			2014	
	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	14,871	1,128	-	15,999	16,895
Activities for generating funds	4	2,880	9	-	2,889	2,743
Investment income	5	110	67	-	177	184
		17,861	1,204	-	19,065	19,822
Incoming resources from charitable activities						
Admissions and similar charges	6	857	-	-	857	975
		857	-	-	857	975
Total Incoming Resources		18,718	1,204	-	19,922	20,797
RESOURCES EXPENDED						
Cost of generating funds						
Costs of generating voluntary income	7	716	-	-	716	697
Fundraising trading: cost of goods sold and other costs	7	2,458	-	-	2,458	2,304
		3,174	-	-	3,174	3,001
Charitable activities	7	17,503	1,513	-	19,016	18,799
Governance costs	7	113	-	-	113	107
Exceptional costs	7	-	-	-	-	572
Total Resources Expended		20,790	1,513	-	22,303	22,479
Net outgoing resources before transfers		(2,072)	(309)	-	(2,381)	(1,682)
Transfers between funds	16 (C)	595	(595)	-	-	-
Net outgoing resources before other recognised gains and losses		(1,477)	(904)	-	(2,381)	(1,682)
Other recognised gains and losses						
Gains on investment assets	13	-	71	77	148	126
Actuarial losses on defined benefit pension schemes	20	(9,459)	-	-	(9,459)	(3,805)
Net movement in funds		(10,936)	(833)	77	(11,692)	(5,361)
Funds brought forward at 1 April		17,195	8,294	1,452	26,941	32,302
Funds carried forward at 31 March	16 (A)	6,259	7,461	1,529	15,249	26,941

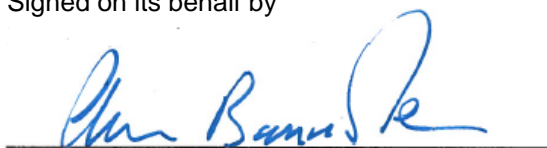
There are no other gains or losses other than those recognised above and therefore no separate statement of total gains and losses has been prepared. All activities derive from continuing operations. The notes on pages 19 to 38 form part of these financial statements. There is no material difference between the (deficit) / surplus for the year and its historical cost equivalent.

MUSEUM OF LONDON GROUP
GROUP AND MUSEUM BALANCE SHEETS

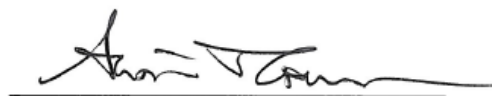
Expressed in £000	Notes	Group		Museum	
		2015	2014	2015	2014
Fixed assets					
Heritage assets	11 & 12	6,598	7,009	6,598	7,011
Other tangible assets	11	40,035	41,724	40,035	41,722
		<u>46,633</u>	<u>48,733</u>	<u>46,633</u>	<u>48,733</u>
Investments	13	2,961	2,813	-	-
Total fixed assets		49,594	51,546	46,633	48,733
Current assets					
Stock		318	240	-	-
Long term loan receivable	14	1,059	1,218	1,059	1,218
Debtors	14	969	1,714	1,667	2,080
Cash and short term deposits		10,072	10,215	9,267	9,540
Total current assets		12,418	13,387	11,993	12,838
Current liabilities					
Creditors amounts falling due within one year	15	(4,160)	(4,395)	(3,935)	(3,981)
Net current assets		8,258	8,992	8,058	8,857
Total assets less current liabilities		57,852	60,538	54,691	57,590
Creditors amounts falling due after one year					
City of London Corporation	19B	(10,406)	(11,121)	(10,406)	(11,121)
Net assets excluding pension liability		47,446	49,417	44,285	46,469
Defined benefit pension liability	20	<u>(32,197)</u>	<u>(22,476)</u>	<u>(32,197)</u>	<u>(22,476)</u>
Net assets including pension liability		15,249	26,941	12,088	23,993
THE FUNDS OF THE CHARITY					
Endowment funds	16 & 17	1,529	1,452	-	-
Restricted income funds		7,461	8,294	5,869	6,824
Designated funds		29,970	30,813	29,970	30,813
Designated defined benefit pension reserve		(32,197)	(22,476)	(32,197)	(22,476)
		<u>6,763</u>	<u>18,083</u>	<u>3,642</u>	<u>15,161</u>
RESERVES					
General reserve		8,486	8,858	8,446	8,832
Total funds and reserves		15,249	26,941	12,088	23,993

The financial statements were approved by the Board of Governors on 07 October 2015.

Signed on its behalf by



Chairman of the Board of Governors of the
Museum of London



Governor of the Museum of London

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Expressed in £000	Notes	2015	2014
Net cash inflow from operating activities	1	2,878	3,135
Returns on investment and servicing of finance			
Interest and dividends received		177	184
Interest paid		(167)	(178)
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(2,351)	(1,213)
Increase in cash and cash equivalents before financing		537	1,928
Financing			
Repayments of long-term borrowing		(680)	(651)
(Decrease) / Increase in cash and cash equivalents in the year		(143)	1,277

SUMMARY OF MOVEMENT IN CASH AND CASH EQUIVALENTS

EXPRESSED IN £000	BALANCE 1 APRIL 2014	MOVEMENT IN THE YEAR	BALANCE 31 MAR 2015
Cash at bank	2,715	357	3,072
Cash on deposit	7,500	(500)	7,000
Total cash and cash equivalents	10,215	(143)	10,072

NOTES TO THE CASH FLOW STATEMENT

1) RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

EXPRESSED IN £000	2015	2014
Net (outgoing)/incoming resources	(2,381)	(1,682)
Interest and dividends receivable	(177)	(184)
Interest payable	168	178
Pension liability: movement net of actuarial gains	262	781
Fixed assets scrapped	-	41
Depreciation	4,451	4,333
Net Operating Income	2,323	3,467
(Increase) in stock	(78)	(15)
Decrease / (Increase) in debtors and long term contracts	904	(341)
(Decrease) / Increase in creditors (excluding loans/overdrafts)	(271)	24
Net cash inflow from operating activities	2,878	3,135

2) ANALYSIS OF MOVEMENT IN NET DEBT

EXPRESSED IN £000	Balance 1 April 2014	Movement In The Year	Balance 31 March 2015
Cash at bank & on deposit	10,215	(143)	10,072
Long term borrowing	(11,801)	680	(11,121)
Total	(1,586)	537	(1,049)

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 page 47, 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) 2005 and applicable accounting standards in the United Kingdom.

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. Uniform accounting policies have been applied across the group and have been applied consistently year on year.

B) INCOMING RESOURCES

All income is accounted for on a receivable basis. 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 received. Gift Aid receivable is included in income when there is a valid declaration from the donor.

C) RESOURCES EXPENDED

Expenditure is classified under the principal categories of the cost of generating 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) and governance costs (costs in connection with the constitutional and statutory requirements of the Museum).

Within the costs of generating 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, and collections (conservation and curation).

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 8, support costs comprise finance, administration, human resources, information technology, Directorate and some premises costs.

Support costs are apportioned across the resources expended categories on a basis consistent with their use of the resources, principally by reference to staff head count.

Resources expended are accounted for on an accruals basis.

D) IRRECOVERABLE VAT

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

E) FUND ACCOUNTING

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

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

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

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

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

F) FIXED ASSETS

Heritage Assets

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

The Trustees 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 are not depreciated as the amount of depreciation is regarded as immaterial due to their anticipated high residual value.

Tangible Assets

Tangible fixed assets are stated at cost. All tangible assets with a cost of 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 1st April 2001 historic artefacts and inalienable assets purchased, with a value of over £3,000 have been capitalised. No depreciation is charged on these items.

Leasehold property including buildings, improvements, renovations and extensions

Over 5-99 years; the shorter of the expected useful life and the length of the lease.

Historic artefacts and museum exhibits

No depreciation is charged on acquired historic artefacts. Museum exhibits are depreciated over the expected life of the exhibit, typically 10 years.

Assets under construction	No depreciation is charged until completion.
Other assets including furniture, equipment, vehicles and plant	Over 4 years (25%) or the asset's expected useful life if shorter.

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

G) INVESTMENTS

Investments are valued annually at the middle market price at the balance sheet date. The unrealised profit or loss on investments is shown on the Consolidated Statement of Financial Activities (SOFA).

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 SOFA. A provision for the scheme deficit is shown on the face of the balance sheet. The amounts charged to the SOFA for defined contribution schemes represent the contributions payable in the period.

K) RESULTS OF THE MUSEUM OF LONDON (PARENT BODY)

The Museum has taken advantage of paragraph 397 of the Statement of Recommended Practice Accounting and Reporting by Charities (SORP) 2005 which absolves charities preparing consolidated financial statements from the need to publish a Statement of Financial Activities for the parent body. The results of the Museum of London (excluding subsidiary undertakings) for the year ended 31 March 2015 were: total incoming resources £18.7m (2014: £19.8m), total resources expended £21.2m (2014: £21.5m), net decrease in funds (after actuarial loss) was £12m (2014: net decrease of £5.5m after actuarial loss).

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 2005.

The Museum of the Port of London and Docklands Limited was merged into the Museum of London in 2009 and as such is now dormant. 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 2015 were as follows:

Expressed in £000	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum of the Port of London and Docklands (dormant)	Museum of London Trading	Total 2015	Total 2014
Incoming resources	24	43	21	-	2,658	2,746	2,623
Resources Expended	(9)	(7)	(7)	-	(2,658)	(2,681)	(2,608)
Net incoming resources	15	36	14	-	-	65	15
Unrealised gain on investments	41	71	36	-	-	148	125
Net movement in funds	56	107	50	-	-	213	140

Museum of London Trading resources expended includes gift aid of £204k.

The assets, liabilities and funds of the subsidiary undertakings as at 31st March 2015 were as follows:

Expressed in £000	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum in Docklands (dormant)	Museum of London Trading	Total 2015	Total 2014
Net Assets							
Investments	824	1,427	710	-	-	2,961	2,813
Current assets	33	133	55	-	1,066	1,287	1,330
Current liabilities	-	-	(21)	-	(1,066)	(1,087)	(1,195)
Total net assets	857	1,560	744	-	-	3,161	2,948
Funds employed							
Permanent endowment	825	-	704	-	-	1,529	1,452
Restricted funds	32	1,560	-	-	-	1,592	1,470
Unrestricted funds	-	-	40	-	-	40	26
Total funds	857	1,560	744	-	-	3,161	2,948

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3) VOLUNTARY INCOME

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>		2015	2014
	Unrestricted Funds	Restricted Funds		
Greater London Authority Revenue Grants	7,600	-	7,600	7,620
Greater London Authority Capital Grants	-	800	800	1,375
City of London Corporation Revenue Grants	5,292	-	5,292	5,292
Arts Council England Revenue Grants	1,434	-	1,434	1,462
Other grants	71	328	399	295
Other donations	474	-	474	851
Total	14,871	1,128	15,999	16,895

4) ACTIVITIES FOR GENERATING FUNDS

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>	
	2015	2014
Shops	1,183	1,161
Private events and functions	1,415	1,311
Photographic library and licensing	93	100
Other	198	171
Total	2,889	2,743

Included in Activities for Generating Funds is £9k of restricted funds.

5) INVESTMENT INCOME

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>	
	2015	2014
Interest on cash balances	91	98
Dividends received	86	86
Total	177	184

Some 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 0.89% in 2015 (2014 1.16%). Included in Investment Income is £67k of restricted funds.

6) INCOME FROM CHARITABLE ACTIVITIES

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>	
	2015	2014
Exhibitions	761	853
Other	96	122
Total	857	975

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7) RESOURCES EXPENDED

<i>MUSEUM OF LONDON GROUP</i>	DIRECT STAFF COSTS	OTHER DIRECT COSTS	SUPPORT COSTS	TOTAL	TOTAL
EXPRESSED IN £000				2015	2014
Cost of Generating Funds					
Cost of generating voluntary Income	384	190	142	716	697
Fundraising trading	873	1,283	302	2,458	2,304
	1,257	1,473	444	3,174	3,001
Charitable Activities					
Communications	456	985	177	1,618	1,245
Programmes and learning	1,445	2,232	621	4,298	4,371
Galleries and exhibitions	2,041	4,023	1,029	7,093	7,032
Collections	2,633	2,558	816	6,007	6,151
	6,575	9,798	2,643	19,016	18,799
Governance	38	57	18	113	107
Exceptional costs	-	-	-	-	572
Total Resources Expended	7,870	11,328	3,105	22,303	22,479

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

Exceptional costs in 2014

In the prior year the Museum undertook a strategic review of its operations and identified cost saving measures that will give the business a greater degree of financial security over the next 5 years. These cost saving measures were implemented and resulted in the exceptional restructuring costs shown above.

8) ALLOCATION OF SUPPORT COSTS

	Cost of Generating Funds	Charitable Activities	Governance Costs	TOTAL	TOTAL
EXPRESSED IN £000				2015	2014
MUSEUM OF LONDON					
Finance and administration	119	703	6	828	990
Management costs	132	787	5	924	760
Human resources and IT	156	930	6	1,092	989
Pension liability – finance costs etc.	37	223	1	261	781
GROUP TOTAL SUPPORT COSTS	444	2,643	18	3,105	3,520

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

9) EMPLOYEES

STAFF COSTS

EXPRESSED IN £000	MUSEUM OF LONDON GROUP	
	2015	2014
Salaries and wages	7,595	7,617
Social security costs	598	608
Pension costs	947	900
Employment agencies	950	936
	10,090	10,061

The Governors neither received nor waived any emoluments during the year (2014: £nil). Reimbursements of expenses to the Governors of the Museum of London were £2,000 paid to one Governor (2014: £nil).

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

	MUSEUM OF LONDON GROUP	
	2015	2014
£60,000 to £70,000	8	6
£70,001 to £80,000	3	2
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1
£100,001 to £110,000	1	1
£110,001 to £120,000	-	-
£130,001 to £140,000	-	1
£140,001 to £150,000	-	-
£150,001 to £160,000	1	-

Included in the 15 employees disclosed above is one employee whose role was made redundant during 2014/15 and their termination costs are included in 2014/15 staff costs. This was the final phase of the strategic restructuring agreed in 2013/14.

Of the remaining employees disclosed above, retirement benefits are accruing to 13 staff under the Museum's defined benefit pension scheme.

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

	2015	2014
	£	£
Salary (including performance related bonus)	153,442	139,562
Contribution to pension scheme	20,882	18,398

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 43 support staff, was:

	MUSEUM OF LONDON GROUP	
	2015	2014
Cost of Generating Funds		
Costs of generating voluntary income	9	9
Fundraising trading	21	18
	30	27
Charitable Activities		
Communications	11	11
Programmes and learning	43	51
Galleries and exhibitions	72	70
Collections	58	61
	184	193
Total	214	220

10) NET OUTGOING RESOURCES

Is stated after charging:

EXPRESSED IN £000	MUSEUM OF LONDON GROUP	
	2015	2014
Depreciation	4,451	4,333
Auditor's remuneration:		
Audit fees – statutory audit	50	57
Taxation compliance fees	2	3
Other fees paid to Auditors:		
Taxation advisory fees	7	-

11) FIXED ASSETS

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

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

As stated in Note 1(f) fixed assets are stated at cost.

MUSEUM OF LONDON GROUP AND CHARITY EXPRESSED IN £000	LEASEHOLD PROPERTY	HISTORIC ARTEFACTS & MUSEUM EXHIBITS	ASSETS UNDER CONSTRUCTION	OTHER ASSETS	TOTAL
Cost					
At 1 April 2014	53,210	14,921	505	14,332	82,968
Additions	580	135	76	1,560	2,351
Disposals	-	-	-	(14)	(14)
Transfers	17	27	(506)	462	-
At 31 March 2015	53,807	15,083	75	16,340	85,305
Accumulated Depreciation					
At 1 April 2014	16,763	7,775	-	9,697	34,235
Charge	2,131	621	-	1,699	4,451
Disposals	-	-	-	(14)	(14)
Transfers	-	-	-	-	-
At 31 March 2015	18,894	8,396	-	11,382	38,672
Net book value					
At 1 April 2014	36,447	7,146	505	4,635	48,733
At 31 March 2015	34,913	6,687	75	4,958	46,633

At 31 March 2015 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.

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Fixed assets divide into heritage assets and tangible assets.

MUSEUM OF LONDON GROUP EXPRESSED IN £000	HERITAGE ASSETS	TANGIBLE ASSETS	TOTAL 2015	TOTAL 2014
Leasehold property (Museum of London)	-	34,913	34,913	36,447
Leasehold property (MoL Docklands)	4,747	-	4,747	5,184
Other historic artefacts & museum exhibits	1,851	91	1,942	1,962
Assets under construction	-	75	75	505
Other assets	-	4,956	4,956	4,635
	6,598	40,035	46,633	48,733

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

MUSEUM OF LONDON GROUP EXPRESSED IN £000	2015	2014
150 London Wall	24,591	26,011
Mortimer Wheeler House, Eagle Wharf Road	10,322	10,436
1 West India Quay	4,747	5,184
	39,660	41,631

12) HERITAGE ASSETS NOT DISCLOSED IN THE BALANCE SHEET

Nature & 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 & 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/>

13) INVESTMENTS

MUSEUM OF LONDON GROUP EXPRESSED IN £000	2015	2014
Listed investments		
Market value at 1 April	2,813	2,687
Unrealised gains on investments	148	126
Market value at 31 March	2,961	2,813
Less Cost at 31 March	1,159	1,159
Cumulative unrealised gain at 31 March	1,802	1,654

The above is represented by holdings in Charishare which is a common investment fund managed by BlackRock Investment Management in accordance with a scheme maintained under the provisions of Section 22(1) of the Charities Act 2011. Charishare contains investments in equities. All investments are held in the U.K. 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 2015 are as follows and are all invested in the Charishare Common Investment Fund Income:

MUSEUM OF LONDON GROUP EXPRESSED IN £000	TOTAL 2015	TOTAL 2014
Joicey	824	783
Mackenzie Bell	1,427	1,355
London Museum	710	675
	2,961	2,813

14) DEBTORS DUE WITHIN ONE YEAR

EXPRESSED IN £000	MUSEUM OF LONDON GROUP		MUSEUM OF LONDON	
	2015	2014	2015	2014
Loan receivable from related party	1,059	1,218	1,059	1,218
Trade debtors	158	497	45	77
Amounts owed by group undertakings	-	-	839	788
Other debtors	276	218	275	224
Prepayments and accrued income	535	999	508	991
	969	1,714	1,667	2,080

Included within Trade debtors is a provision for bad and doubtful debts of £nil (2014: £nil).

The loan receivable is due from MOLA (formerly the Museum's field archaeology division) – see note 19 for further details. The amount due from group undertakings is due from the Museum of London Trading Limited. The loan receivable from MOLA carries interest at Bank of England Base Rate plus 2.5%.

15) CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

EXPRESSED IN £000	<i>MUSEUM OF LONDON GROUP</i>		<i>MUSEUM OF LONDON</i>	
	2015	2014	2015	2014
Trade creditors	1,218	973	1,147	877
Accruals	1,795	2,114	1,795	2,114
Debt repayable	715	680	715	680
Other creditors	359	605	205	287
Payments in advance	73	23	73	23
	4,160	4,395	3,935	3,981

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16) TOTAL FUNDS

A) FUNDS ANALYSIS

<i>MUSEUM OF LONDON GROUP</i> EXPRESSED IN £000	BALANCE AT 1 APRIL 2014	INCOME	EXPENDI- TURE	TRANSFER BETWEEN FUNDS	OTHER GAINS & LOSSES	BALANCE AT 31 MARCH 2015
Endowment funds						
London Museum Trust	669	-	-	-	35	704
Joicey Trust	783	-	-	-	42	825
Total Endowment Funds	1,452	-	-	-	77	1,529
Restricted funds						
Museum of London						
Fixed Assets Fund	1,296	-	-	-	-	1,296
Major Projects Fund	502	1,137	(896)	(592)	-	151
Capital City	-	-	-	-	-	-
Museum in Docklands						
Capital fund	5,023	-	(601)	-	-	4,422
Other restricted funds	3	-	-	(3)	-	-
Trust funds						
Joicey Trust Income Fund	17	24	(9)	-	-	32
Mackenzie Bell Trust	1,453	43	(7)	-	71	1,560
Total Restricted Funds	8,294	1,204	(1,513)	(595)	71	7,461
Designated Funds						
Fixed Assets Fund	30,617	-	(3,850)	3,031	-	29,798
Arts Council England	196	1,441	(1,465)	-	-	172
Designated Funds	30,813	1,441	(5,315)	3,031	-	29,970
Designated Defined Benefit Pension Reserve	(22,476)	-	(262)	-	(9,459)	(32,197)
General Reserves						
Museum of London	8,832	17,256	(15,206)	(2,436)	-	8,446
London Museum Trust	26	21	(7)	-	-	40
Total General Reserves	8,858	17,277	(15,213)	(2,436)	-	8,486
Total Funds	26,941	19,922	(22,303)	-	(9,311)	15,249

B) EXPLANATION OF FUNDS

Endowment Funds

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

Restricted Funds

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

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

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

Museum 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 Asset 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 financed out of unrestricted funds it funds future depreciation of those assets.

The Arts Council England Fund arises from funding from the Renaissance Major Grants programme, a three year grant covering primarily a spectrum of learning, community and regional programmes. It funds the Museums 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

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

Major Projects Fund - the transfer of £0.6m is primarily to reflect the substantial completion of certain capital works funded 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 Asset Fund – the balance on this fund is maintained so as to equal 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.

General Reserves – the transfer of £2.4m is the balance of the two transfers referred to above.

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17) 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
Endowment funds							
London Museum Trust	-	710	-	(6)	-	-	704
Joicey Trust	-	824	1	-	-	-	825
Endowment Funds total	-	1,534	1	(6)	-	-	1,529
Restricted Funds							
Museum Of London							
Fixed Assets Fund	1,296	-	-	-	-	-	1,296
Major Projects Fund	-	-	151	-	-	-	151
Museum in Docklands							
Capital fund	4,422	-	-	-	-	-	4,422
Other funds	-	-	-	-	-	-	-
Trust Funds							
Joicey Trust Income Fund	-	-	32	-	-	-	32
Mackenzie Bell	-	1,427	133	-	-	-	1,560
Restricted Funds total	5,718	1,427	316	-	-	-	7,461
Designated Funds							
Fixed Assets Fund	40,915	-	-	(711)	(10,406)	-	29,798
Arts Council England	-	-	172	-	-	-	172
Designated Funds total	40,915	-	172	(711)	(10,406)	-	29,970
Designated Defined Benefit Pension Reserve	-	-	-	-	-	(32,197)	(32,197)
General Reserves							
Museum of London	-	-	11,874	(3,428)	-	-	8,446
London Museum Trust	-	-	55	(15)	-	-	40
General Reserves total	-	-	11,929	(3,443)	-	-	8,486
Total Funds	46,633	2,961	12,418	(4,160)	(10,406)	(32,197)	15,249

18) 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 2015 (2014: £nil).

19) RELATED PARTIES

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 8 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 £8.4m (2014: £9m) during the financial year ended 31 March 2015. Included in the 2015 figure above is £0.8m of capital funding (2014: £1.4m of which £375k specifically related to the installation in the Museum of the Olympic Cauldron which took place between March and July of 2014). The total capital grant received in the year was spent by year end (2014: £224k was unspent at the year-end).

B) CITY OF LONDON CORPORATION

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 £5.3m (2014: £5.3m).

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 COL is the subject of a charge in accordance with the 1965 Act. During the financial year ended 31 March 2015 the charges for these services were £124k (2014: £113k).

Outstanding loans from COL to the Museum of London totalled £11.1m at 31 March 2015 (2014: £11.8m). This total includes a balance of £205k on a loan originally made to the Museum of London Docklands (2014: £226k). Of these loans, £715k (2014: £680k) is due within one year. The Museum incurred interest charges related to these loans of £167k (2014: £178k).

C) MOLA

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

Outstanding loans from the Museum to MOLA amounted £1.1m at 31 March 2015 (2014: £1.2m). The loan is repayable in 115 equal instalments which commenced on 3 April 2012. It is secured by a floating charge over the assets of MOLA and carries a commercial rate of interest. These financial statements include interest of £34k received from MOLA during the year (2014: £39k). A charge of £230k was made by the Museum to MOLA for a licence to occupy space in Mortimer Wheeler House (2014: £230k).

D) GOVERNORS AND STAFF

None of the Governors, key managerial staff or their related parties has undertaken any material transactions with the Museum or its subsidiary undertakings during the year. The Museum has received donations from a number of the Governors, in the normal course of charitable giving.

20) RETIREMENT BENEFITS

The Museum of London participates in the City of London Corporation Pension Fund, a defined benefit pension scheme. The amounts below relate to the Museum of London's share of the fund.

The valuation used for FRS 17 disclosures has been based on the results of the last full actuarial valuation carried out at 31 March 2013, as updated to 31 March 2015.

The contributions made by the employer over the financial year amounted to £939k (2014: £980k). The contribution rate set for the year was 14.49% (2014: 13.97%). These rates include a supplementary employer's contribution of 0.49% (2014: 0.97%) in respect of the capitalised cost of added years plus the cost of early retirement, in respect of early non ill health retirements, and these additional costs are fully recoverable over a five-year period. The adjusted rate will continue to be amended in light of any added years granted in respect of early non ill health retirements. For 2015-16 the employer contribution has been set at 14.44% (2014-15: 14.49%) including a maximum 0.44% supplementary contribution (2014-15: 0.49%).

ASSUMPTIONS

The financial assumptions used to calculate scheme liabilities under FRS 17 are:

Valuation Method	2015	2014	2013
	%	%	%
RPI Increases	3.2%	3.6%	3.4%
CPI Increases	2.4%	2.8%	2.6%
Salary Increases	3.9%	4.3%	4.8%
Pension Increases	2.4%	2.8%	2.6%
Discount Rate	3.3%	4.5%	4.7%

The assumed life expectations from age 65 are:

Life expectations (years)	Males	Females
Retiring today	22.9	25.3
Retiring in 20 years	24.7	27.2

NET ASSETS OF THE SCHEME

The Museum of London's share of the net assets in the scheme and their expected long term rate of return ^[1] were as follows:

	ASSETS AT 31 MARCH 2015 £'000	LONG TERM RETURN AT 31 MARCH 2014 %	ASSETS AT 31 MARCH 2014 £'000	LONG TERM RETURN AT 31 MARCH 2013 %	ASSETS AT 31 MARCH 2013 £'000
Equities	46,152	7.7%	40,965	7.1%	38,228
Gilts	7,479	3.6%	5,428	3.0%	7,742
Other Bonds	-	4.2%	2,468	4.1%	484
Cash	1,343	0.5%	494	0.5%	1,936
Total Assets (A)	54,974	7.0%	49,355	6.2%	48,390
Present Value of Scheme Liabilities	(86,472)		(71,166)		(65,665)
Present Value of Unfunded Liabilities	(699)		(665)		(615)
Total Value of Liabilities (B)	(87,171)		(71,831)		(66,280)
Net Pension (Liability) (A) - (B)	(32,197)		(22,476)		(17,890)

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^[1] With the introduction of FRS102 for accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate. Therefore, the Pension Disclosure Report for the scheme at 31 March 2015 does not include expected return assumptions for the year to 31 March 2016. For the year to 31 March 2015, the expected return was 7.0% p.a. which has been used to determine the profit and loss charge for the year ended 31 March 2015.

ANALYSIS OF PENSION SCHEME OUTGOING RESOURCES EXPRESSED IN £000	MUSEUM OF LONDON GROUP		
	2015	2014	2013
Analysis of the amount charged to resources expended			
Service Cost	1,304	1,524	1,480
Curtailment and Settlements	55	117	2
Expected return on Employer Assets	(3,461)	(2,966)	(2,672)
Past service costs	107	-	-
Interest on Pension Scheme Liabilities	3,237	3,121	2,868
Net Resources Expended/(Credited)	1,242	1,796	1,678

Pension fund operational costs are apportioned to the expenditure heading on the 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		
	2015	2014	2013
Actual return less expected return on pension scheme assets	2,541	(1,279)	4,548
Experience gains/(losses)	-	2,796	(20)
Changes in assumptions underlying the present value of the scheme liabilities	(12,000)	(5,322)	(18)
Actuarial (losses)/gains recognised in Statement of Total Recognised Gains and Losses	(9,459)	(3,805)	4,510

MOVEMENT IN DEFICIT DURING THE YEAR EXPRESSED IN £000	MUSEUM OF LONDON GROUP		
	2015	2014	2013
Deficit at beginning of the year	(22,476)	(17,890)	(21,727)
Current Service Cost	(1,304)	(1,524)	(1,480)
Employer Contributions	939	980	964
Unfunded Pension Payments	41	35	41
Past service costs	(107)	-	-
Other Finance income/(costs)	224	(155)	(196)
Settlements/Curtailments	(55)	(117)	(2)
Actuarial (losses)/gains ^[2]	(9,459)	(3,805)	4,510
Deficit at end of the year	(32,197)	(22,476)	(17,890)

^[2] Comprises £12,000k loss arising from changes in assumptions underlying the present value of the Fund liabilities (2014: £5,322) and £2,541k gain being actual return less expected return on Fund assets (2014: Loss of £1,279k). 2014 also comprised an experience gain of £2,796k.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

MUSEUM OF LONDON GROUP (expressed in £ 000s)	2015	2014
Opening defined benefit obligation	71,831	66,280
Service cost	1,304	1,524
Interest cost	3,237	3,121
Actuarial losses ^[3]	12,000	2,119
Losses on curtailment	55	117
Estimated benefits paid net of transfers in	(1,791)	(1,765)
Past service costs	107	-
Contributions by Scheme participants	469	470
Unfunded pension payments	(41)	(35)
Closing defined benefit obligation	87,171	71,831

^[3] Arising from changes in assumptions underlying the present value of the Fund liabilities.

Reconciliation of opening and closing balances of the fair value of Scheme assets

MUSEUM OF LONDON GROUP (expressed in £ 000s)	2015	2014
Opening fair value of Scheme assets	49,355	48,390
Expected return on Scheme assets	3,461	2,966
Actuarial gains/(losses) ^[4]	2,541	(1,686)
Contributions by employer including unfunded benefits	980	1,015
Contributions by Scheme participants	469	470
Estimated benefits paid including unfunded benefits	(1,832)	(1,800)
Fair value of Scheme assets at end of period	54,974	49,355

^[4] Arising from actual return less expected return on Fund assets.

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History of experience gains and losses:

MUSEUM OF LONDON GROUP (expressed in £ 000s)	2015	2014	2013	2012	2011
Difference between the expected and actual return on assets	2,541	(1,686)	4,548	(3,683)	(459)
Percentage of Assets	4.6%	-3.4%	9.4%	-9.0%	-1.1%
Experience (losses)/gains on liabilities	-	3,203	(20)	(6)	343
Percentage of the present value of liabilities	N/a	4.5%	(0.0%)	(0.0%)	0.7%
Actuarial (losses)/gains recognised in other recognised gains and losses	(9,459)	(3,805)	4,510	(12,944)	10,306
Percentage of the present value of liabilities	N/a	5.3%	6.8%	20.6%	20.6%

The experience gain shown in 2014 is largely due to the divestment of the archaeology trading division MOLA part way through 2011/12 which positively impacted the 31 March 2013 actuarial valuation.

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.

	2015	2014	2013
Adjustment to discount rate	+0.1%	+0.1%	+0.1%
- Present value of total obligation £'000	85,552	70,512	64,612
- Projected service cost £'000	1,647	1,262	1,423
Adjustment to mortality age rating assumption	+1 year	+1 year	+1 year
- Present value of total obligation £'000	84,111	69,302	63,750
- Projected service cost £'000	1,628	1,247	1,408

Projected Pension Expense for the year to 31 March 2016 **£ 000s**

Service cost	1,686
Interest cost	1,047
Administration expenses	38
TOTAL loss/(profit)	2,771
Employer contributions	963

21) FLORIDA PROPERTY

The Museum holds the freehold title to a development property in Florida taken in part settlement of its civil action for recovery of the proceeds of theft from the Museum in 2008. The property has been locally valued by independent local property experts at \$241,500 (approximately £158k as at June 2015). It is currently being marketed.

REFERENCE AND ADMINISTRATIVE DETAILS

Name	Museum of London
Address	150 London Wall London EC2Y 5HN
Board of Governors	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.
Appointed by the City of London Corporation	Rt Hon the Lord Boateng D.L. Sir Steve Bullock Rev Dr Martin Dudley (ceased to be a Trustee 30 November 2014) Alderman Alison Gowman Tom Hoffman Alderman Julian H Malins QC Dominic Reid OBE John Scott JP Michael Welbank MBE Vivienne Littlechild JP (appointed 04 December 2014)
Appointed by the GLA	Sally Balcombe Clive Bannister Blondel Cluff (ceased to be a Trustee 11 April 2014) Gillian Day (ceased to be a Trustee 06 October 2015) Rosemary Ewles (ceased to be a Trustee 11 April 2014) Andrew Macdonald (ceased to be a Trustee 11 April 2014) Eric Reynolds (ceased to be a Trustee 03 November 2014) David Wormsley David Camp (appointed 01 October 2014) Evan Davis (appointed 01 October 2014) Simon Fanshawe OBE (appointed 01 October 2014) Professor Sir Richard Trainor KBE (appointed 01 October 2014) Jörn Rausing (appointed 16 April 2015)
Administration	<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">▪ The care of all property in possession of the Board;▪ The general administration of the collections vested in the Board and any place where those collections are kept; and▪ The administration of any services provided by the Board in the exercise of their functions. <p>The Treasurer and Secretary to the Board are required to be officers of the City of London Corporation</p>

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The 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 3BR
Independent Auditors	Grant Thornton UK LLP Chartered Accountants and Statutory Auditors Grant Thornton House Melton Street Euston Square London NW1 2EP
Investment Adviser	BlackRock Investment Management 33 King William Street London, EC4R 9AS
SUBSIDIARY UNDERTAKINGS	The financial statements consolidate the accounts of the Museum of London together with its subsidiary undertakings which are listed below.
Museum of the Port of London and Docklands ("Museum in Docklands")	The Museum of the Port of London and Docklands is a company limited by guarantee and a registered charity. It was constituted as a subsidiary undertaking of the Museum of London by virtue of the control that the Governors of the Museum of London exercised over appointments to its Council of Trustees. On 1 April 2009 the museum was amalgamated with the Museum of London. On that date all of the assets and liabilities of the subsidiary were transferred to the parent body at which point the company became dormant.
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 Trust Funds	<p>The Trust Funds were acquired from the London Museum in accordance with the provisions of Section 2 of the Museum of London Act 1965 and are separate legal entities. The Board of Governors appoints their Trustees. Individual financial statements are produced for each trust and they are also consolidated into the financial statements of the Museum of London. The trusts are:</p> <ul style="list-style-type: none">▪ London Museum Fund▪ Joicey Fund▪ Mackenzie Bell Fund

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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”.

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 GLA Act 2007. Since December 2010 it has been a registered charity, number 1139250.

As at 31 March 2015 the Museum had 5 subsidiaries: Museum of London (Trading) Ltd, the London Museum, Joicey and Mackenzie Bell Trust Funds and the Museum of the Port of London and Docklands Limited (dormant since April 2009) and therefore presents consolidated financial statements.

The reference and administrative details on pages 39 to 41 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 four years and are eligible for re-appointment by their sponsoring body.

Governors appoint the Chairman from among themselves. When Board vacancies arise, the Chairman 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, Annual Review and Guidebook, 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". This induction was reviewed in 2010 in the light of the move to the GLA, as the Museum is no longer a Non Departmental Public Body but a charity governed by the Charity Commission. 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 Executive Directors 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

The Museum of London is responsible for the management of the Museum of London at London Wall, and the 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 Committee
- Remuneration Committee

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In addition there are three new boards set up in 2014/15 on which Governors will serve and will meet as required:

- Museum Building Project Board
- New Museum Campaign Board
- Museum of London Academic Board

The Management team is headed by the Director, who is appointed by the Board. The primary functions of the Museum relate to care and management of collections, lifelong learning, exhibitions and other public programmes. All are designed to inform and engage visitor interest in the history, heritage and cultures of London. To achieve its aim the Museum has six directorate Groups, under the overall direction of the Museum Director. For the year under review the Groups comprised:

Assets: Responsibility for finance, human resources, security, facilities and estates, ICT, conservation and collections care, corporate planning, insurance and risk management, and liaison with the GLA and City of London Corporation.

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

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

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

Enterprise: Responsibility for retail, licensing, hospitality, commercial events, front of house and visitor services.

Transformation: Responsibility for planning and delivery of capital projects including the New Museum project, exhibitions and design.

The Directors together with the Museum Director form the Executive Board which meets monthly and is responsible for the operational management of the Museum.

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 19 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.

OBJECTIVES & ACTIVITIES

GOVERNING OBJECTS

The principal governing document of the Museum 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 set out in legislation.

PUBLIC BENEFIT

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 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 by the Governors Report contained herein.

HUMAN RESOURCES

The Museum takes a strategic approach to the effective, efficient and economic use of its staff across all aspects of the business and is committed to making this organisation an employer of choice in the sector. We recognise that our people lie at the heart of everything we do and that we must have a talented, engaged and motivated workforce to be able to deliver the Museum’s vision for the future. Having a workforce that is characterised by high-performance and a focus on delivery is essential in an environment with stretching targets and reducing resources and we see this as fundamental to our long-term success. All appointments are made based on merit and we are committed to the principles of the Positive About Disabled People and to the use of fair and open competition. The Museum treats all staff equally in respect of reward, career development, training opportunities, promotion and all other aspects of the employment relationship. All of this adds to a working community that is supportive, values professionalism and sets high standards for itself and others.

Everyone at the Museum works to personal objectives which are aligned with the departmental and strategic objectives across the organisation and managers have regular meetings with their staff to discuss and review individual performance against those objectives. We have recently introduced an online Performance Management system which enables management to view and measure performance against objectives across the entire organisation. We have a positive and constructive approach to employee relations and meet regularly with representatives of Prospect which is the recognised trade union for the purpose of collective bargaining.

In parallel with the paid workforce we are fortunate in that we have a large number of skilled and committed volunteers supporting us across a very wide range of activities. We are seeking to increase the number of volunteers significantly in the years to come following the provision of funding by Arts Council England (which has allowed volunteer co-ordination to be centralised) and will be focussing attention on increasing the engagement and integration of our volunteer workforce to support valuable activities which could not be done within existing resources by paid staff. We have recently been awarded Investing in Volunteers which is an external accredited recognition of best practice in volunteer management. We are the first museum in London to hold this.

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The Museum makes every effort to create and maintain a healthy and safe working environment for our staff. This includes areas such as working conditions, the environment and the personal capacities of individuals, making reasonable adjustments as necessary. Our aim is to prevent work-related physical or mental illness as well as accidents at work. We always encourage staff to establish and maintain an appropriate balance between their professional and private lives to avoid stress-related illness or overworking. Regular meetings of Health and Safety Committees (both local and strategic) take place to review the current position and staff representatives attend these meetings to ensure issues can be discussed and addressed where possible.

FINANCIAL REVIEW

The results for the year are set out on the Statement of Financial Activities on page 15.

Total Group Incoming Resources were £19.9m during the year (2014: £20.8m).

The Museum's main sources of funding were the Greater London Authority and the City of London Corporation, which together contributed 81% of the group's voluntary revenue funding (2014: 76%). Other grants and donations included £1.4m from Arts Council England (2014: £1.5m). Group expenditure on charitable activities rose marginally by 1% from 2014.

Trading activities, comprised primarily of venue hire and catering plus two retail outlets, performed well during the year, generating turnover of £2.9m (2014: £2.7m). All commercial trading is carried out through the Museum's trading subsidiary, The Museum of London (Trading) Limited.

The Museum of London recorded an operating surplus (before transfers) on its unrestricted free reserves (general fund) of £2.0m (note 16A "General Reserves – Museum of London") (2014: £2.0m). After transfers from restricted and designated funds and other gains, the Museum of London's total free reserves stood at £8.5m at 31 March 2015 (2014: £8.9m).

The group's cash balances and cash flow forecast remain adequate for its needs. Total group funds carried forward at 31 March 2015 are £15.2m (2014: £26.9m). The pension deficit calculated in accordance with Financial Reporting Standard 17 has significantly increased in the year to £32.2m (2014: deficit of £22.5m). See note 20 for further details. The increase in the deficit is due to an actuarial loss of £9.5m (2014: actuarial loss of £3.8m). 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 FRS17 valuation, in accordance with the Museum's accounting policy as described in note 1(j). A triennial actuarial valuation was reported in January 2013 and as expected showed a deficit on the fund. Contribution rates have been set in order to recover the deficit over 20 years.

INVESTMENT POLICY AND PERFORMANCE

The capital funds of the Trust Funds are invested in Common Investment Funds. 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 2015 a small increase in carrying values arose. 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

The Governors consider there is one key external financial issue with the potential to adversely impact the Museum. This, together with the Governors' assessment of the impact on the Museum, and the actions being taken to ensure that it does not destabilise the business, is shown below.

Issue	Potential Effect	Response
Following the global economic crisis, even though there are some signs of improvement, there continues to be a significant strain on UK government spending and a need to reduce the budget deficit.	The government may make further cuts in the funding to the Arts/Heritage sector. The grant paid to the Museum could be cut substantially.	<ul style="list-style-type: none"> • The Museum has confirmed funding up until the end of March 2016 but the position after that is less clear. The Museum has invested in strengthening its Executive Team and has a strong Board of Governors bringing expert experience to the Museum. • A Development Strategy was launched in 2014/15 aimed at building relationships and increasing sponsorship income. • An Enterprise Strategy is being launched incorporating plans for growing our commercial income generated through our shops, restaurants, cafes, events and corporate hire opportunities. • Increasing visitor numbers and improved income generation are key elements of the Strategic Plan. • The Museum has in place robust financial modelling procedures that will allow it to deal effectively and in a timely manner with any significant variations from the income levels anticipated.

On the basis of the above, Governors believe that the Museum has put in place a robust structure that, in conjunction with the prudent reserves policy explained below, will allow it to manage the foreseeable risks to the organisation and that consequently the financial statements are properly prepared on the going concern basis.

RESERVES POLICY

The Reserves Policy underpins the Museum's Strategic Plan and Strategic Objectives 2013/14 to 2017/18 and establishes the financial parameters within which the long-term delivery of our mission and objectives can be achieved.

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

The Museum:

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

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

- £6m to cover operating expenditure for 4 months (this excludes discretionary spend such as projects),
- £1m to cover building emergency repairs or restructuring costs which may arise and are not currently budgeted for, and
- £1m to cover short term cash flow fluctuations which may arise during the year.

As at 31 March 2015 the balance on the Museum of London's general funds (as shown in note 17 – General Funds – Museum of London) stood at £8.5m (excluding fixed asset and unrestricted pension reserves) (2014: £8.9m).

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

STRUCTURE OF THE FINANCIAL STATEMENTS

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

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice SORP 2005: *Accounting and Reporting by Charities* and applicable accounting standards in the United Kingdom.

RISK MANAGEMENT AND INTERNAL CONTROL

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

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

The system of internal control has been in place in the Museum of London and its subsidiary undertakings during the year ended 31 March 2015 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 divisional director has responsibility for the identification and assessment of risks within their division and for ensuring that these are managed appropriately.

The Director of Assets 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 Chief Internal Auditor provides the Audit and Risk Management Committee with a report on internal audit activity in the Museum. The report includes the Chief Internal Auditor's independent opinion on the adequacy and effectiveness of the Museum's systems of risk management, internal control and corporate governance.

RISK AND CONTROL FRAMEWORK

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

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

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

- an organisational structure with clear accountability and levels of authority, from the Governors overall responsibility down to the individual staff member;
- comprehensive budgeting systems with an annual budget and five year rolling financial plan that are reviewed and agreed by the Board of Governors;
- regular reviews by the Board of Governors of periodic and annual financial reports which indicate financial and operational performance against plans and forecasts;
- setting targets to measure financial and other performance;
- clearly defined review procedures for proposed capital investments;

- as appropriate, formal project management disciplines;
- codes of conduct for Governors and staff;
- annual signoffs by senior management that they have complied with their responsibilities.

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

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

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.