

Registered Charity No: 1139250

# **MUSEUM OF LONDON**

**Governors' Report and  
Financial Statements for the year ended  
31 March 2012**

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## **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Name</b>	Museum of London
<b>Address</b>	150 London Wall London EC2Y 5HN
<b>Board of Governors</b>	A Board of Governors, consisting of 18 members of whom the Greater London Authority (GLA) (prior to April 2008: the Prime Minister) and the City of London Corporation (COL), each appoints 9 members, is responsible for the general management and control of the Museum. The following Governors served throughout the financial year, except where indicated.
<b>Appointed by the City of London Corporation</b>	Kenneth Ayers (ceased to be a Trustee 22 March 2012) Rt Hon the Lord Boateng P.C. D.L. Sir Steve Bullock (appointed 20 April 2011) Michael Cassidy CBE Rev Dr Martin Dudley Robert Dufton Tom Hoffman Julian H Malins QC John Scott (appointed 21 June 2012) Michael Welbank
<b>Appointed by the GLA (prior to April 2008 : by the Prime Minister)</b>	Jennette Arnold Blondel Cluff Rosemary Ewles Gillian Day (appointed 5 October 2011) Andrew Macdonald Camilla Mash Mark Palmer-Edgecumbe Eric Reynolds Eric Sorensen
<b>Administration</b>	<p>Under the Museum of London Acts 1965 and 1986, the Board is required to appoint a Director of the Museum to be responsible to the Board for:</p> <ul style="list-style-type: none"><li>▪ The care of all property in possession of the Board;</li><li>▪ The general administration of the collections vested in the Board and any place where those collections are kept; and</li><li>▪ The administration of any services provided by the Board in the exercise of their functions.</li></ul> <p>The Treasurer and Secretary to the Board are required to be officers of the City of London Corporation</p>
<b>The Director</b>	Professor Jack Lohman (resigned 15 March 2012) Sharon Ament (from 3 September 2012)
<b>Treasurer</b>	Paul Mathews, Guildhall, London, EC2P 2EJ.

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<b>Secretary</b>	Chris Duffield, Guildhall, London, EC2P 2EJ
<b>Bankers</b>	Lloyds TSB, 25 Gresham Street, London EC2V 7HN Chamberlain of London, Guildhall, London, EC2P 2EJ
<b>Legal Advisers</b>	City of London, Guildhall, London, EC2P 2EJ. Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3BR
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
<b>Investment Adviser</b>	BlackRock Investment Management 33 King William Street London, EC4R 9AS
<b>SUBSIDIARY UNDERTAKINGS</b>	The financial statements consolidate the accounts of the Museum of London together with its subsidiary undertakings which are listed below.
<b>Museum of the Port of London and Docklands ("Museum in Docklands")</b>	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.
<b>Museum of London (Trading) Limited</b>	The Museum of London (Trading) Limited is a company limited by shares. Its principal activities are the provision of corporate hire and catering services and the retail function at the museum shops.
<b>MetroMOLA Limited</b>	MetroMOLA Limited was incorporated on 6 May 2010 as a company limited by shares and was for seven months of this year a fully owned subsidiary of the Museum of London. Its principal activities are the provision of archaeological services outside the region of Greater London. It has 3 offices that have been established in Portsmouth, Birmingham and Manchester. It was transferred out of the group on 1 November 2011 – see note 16 for further details.
<b>The Trust Funds</b>	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: <ul style="list-style-type: none"> <li>▪ London Museum Fund</li> <li>▪ Joicey Fund</li> <li>▪ Mackenzie Bell Fund</li> </ul> <p>The appropriate clauses defining the control of their expenditure are:</p>
<b>London Museum Fund</b>	"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:

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- 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”.

## **ANNUAL REPORT**

### **Structure, Governance and Management**

#### **Incorporation and Status**

The Governors present their annual report and audited consolidated financial statements for the year ended 31 March 2012.

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 1986 and the GLA Act 2007. Since December 2010 it has been a registered charity, number 1139250.

As at 31 March 2012 the Museum had 5 subsidiaries: Museum of London (Trading) Ltd, the London Museum, Joicey and Mackenzie Bell Trust Funds and the Museum in Docklands (dormant since April 2009) and therefore presents consolidated accounts.

The reference and administrative details on pages 2 to 4 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 (to 6 April 2008 : the Prime Minister) and the City of London Corporation in accordance with the requirements of the Museum of London Act 1986 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 Governor 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 Accounts, 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.

#### **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. Up until 31 October 2011 it was also responsible for the management of Museum of London Archaeology (MOLA) which until that date was a division of the Museum of London – see note 16 for further details.

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 five Board committees on which Governors serve, all of which have met during the year:

- Archaeology
- Audit
- Building Development
- Finance and General Purposes (incorporating the former Remuneration and Terms of Service Committee)
- Trust Fund Management

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 four divisions, under the overall direction of the Director:

**Major Projects:** Responsibility for planning and delivery of major projects and management of fundraising and development, conservation and collections care and Renaissance London.

**Collections and Learning:** Responsibility for curatorial departments (Archaeology Collections and Archive and History Collections), learning and information resources.

**Programmes:** Responsibility for marketing and communications, design, exhibitions, events and community engagement work across the Museums.

**Finance and Corporate Services:** Responsibility for finance, human resources, security, facilities and estates, ICT, corporate planning, insurance and risk management, front of house services - retail and licensing, hospitality, visitor services - and liaison with the GLA and City of London Corporation.

**Museum of London Archaeology:** Up to 1 November 2011 the Museum had a fifth division with responsibility for the operational management of MOLA, providing archaeology services to the property and heritage sectors, until it was transferred out of the group on 1 November 2011 – see note 16 for further details.

The four divisional directors, together with the Director, the Director of Human Resources and the Director of Communications form the Executive Committee, which meets at least once a month, usually fortnightly, 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.

## **VISION**

Our vision is to create a revitalised, world-class museum that embodies the spirit and energy of the world’s greatest city and its people; a museum that plays an active role in the life of the capital both today and in the future; a museum that is a welcoming, inspirational and innovative destination to all visitors as well as a centre of excellence in research, curatorship, conservation and learning. *A modern museum with ambitious future plans.*

## **MISSION AND PURPOSE**

Our mission is to inspire a passion for London, a passion for Learning.

This is achieved through increasing public awareness, appreciation and understanding of London’s cultural heritage, its people and its stories.

We pursue this by:

- **Engaging** visitors with exciting programmes and exhibitions
- **Sharing**, interpreting and conserving a unique national collection that defines London and its people
- **Creating** inspirational learning opportunities for all
- **Facilitating** worldwide access to our resources, expertise and research
- **Developing** partnerships that extend the Museum’s network and profile nationally and internationally
- **Interpreting** new archaeological evidence that shapes and reshapes our understanding of London
- **Leading** the London museums sector in improving sustainability and resilience to deliver greater public impact

## **STRATEGIC OBJECTIVES 2010/15**

The Museum’s strategic objectives for the period from 2010 to 2015 are as follows:

**A:** To play a significant cultural role in London

**B:** To raise our profile and engage wider audiences

**C:** To develop our reputation for Learning

**D:** To ensure we are operationally and financially efficient and sustainable

## **KEY OBJECTIVES**

The key priorities established for completion during the 2011/12 period were:

- To successfully deliver two major exhibitions: *Pirates: the Captain Kidd Story* at MOL Docklands and *Dickens and London* at MOL
- To embed significant organisational changes required to meet revised funding levels and progress opportunities to generate additional income
- To position MOL in such a way to maximise the opportunities provided by London 2012 and the London 2012 Cultural Festival
- To formally initiate our next major project, the Roman Galleries, and map out the development phase in detail
- To deliver the Renaissance London 'transition year' Business Plan and position the Museum to maintain its regional role going forward
- To significantly progress the Collections Online project with 30,000 more objects digitised and made available via the web
- Successfully implementing both the MOLA Transfer and a new sustainable operational model for the LAARC (London Archaeological Archive and Research Centre)
- To devise a long term vision and strategy that repositions MOL Docklands at the heart of its community

## **ACHIVEMENTS AND PERFORMANCE**

### **OVERVIEW**

2011/12 was an exciting and successful year for the Museum of London. Following the launch of the Galleries of Modern London in 2010, work continued to shape the next period and future major projects for the Museum. At the Museum of London work got underway on a master plan for the building in the final quarter of 2011/12. This will cover the period 2012 – 2022 identifying the needs and plans for the building and will set the next major project, the new Roman Galleries, and other initiatives into a new strategic framework.

At Museum of London Docklands a strategy was produced and approved that mapped out a new vision for the Museum focused around three strands: improving interpretation of the building and telling the story of West India Docks, increasing the profile of the Museum as a place in which to understand transatlantic slavery and its impact, and developing the fundraising and commercial potential of the site. This year saw the initiation of the project to create a new final gallery that tells the story of London's East End. The tenth anniversary of the London Archaeological Archive and Research Centre was celebrated in February 2012 and terms of reference were agreed for a review of the Archive with a view to delivering a new ten year plan.

Visitor figures were strong at both sites, although our initial forecasts proved on the ambitious side. At Museum of London there were 431,995 visits against a forecast of 448,472 so we finished the year 4% below target. Our original visitor target for the year had been set at 480,000 but it was clear from the early months that this number would not be met and we re-forecast accordingly. 2010/11 experienced much higher visitor numbers with over 493,000 but this was an exceptional year due to the launch of the Galleries of Modern London and 2011/12 data has provided us with the 'standard' year of visitor figures. Dickens and London visitor figures were on target to meet and very possibly exceed the target of 75,000 visitors with nearly 60,000 having visited by March 2012. At Museum of London Docklands visitor figures reached 185,010 which is the highest number of visits ever recorded to the Museum. This represents a 3% increase on 2010/11 figures (178,925) although this was 5% below the stretching target of 194,295.

In January 2012 it was confirmed that the Museum had been successful in its bid to Arts Council England (ACE) to become one of 16 Major Partner Museums across the UK. The Museum will receive over £4million in funding over three years from 1 April 2012. The overarching theme of the bid, submitted in October 2011, was the 'opening up' of the Museum's collections; digitally, creatively and physically. The proposal included development of the Museum's digital activities with e-learning, e-collecting and digital preservation, repositioning of archaeology with the public using the LAARC and its collections in new ways, development of the Museum's higher education activity and development of the Many East Ends projects at Museum of London Docklands to deliver a new final gallery.

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2011/12 also saw the delivery of the final year of Renaissance-funded activity, including the transition of funding arrangements from Museums, Libraries and Archives Council (MLA) to ACE. Projects included investment in the Museum's volunteer strategy and embedding this across the organisation; consultation work in relation to the Museum of London Docklands strategy and future plans; provision of regional advice on collections care, records management and digital access to collections and the final year of the Stories of the World youth engagement project. The Renaissance-funded Volunteer Inclusion Project (VIP) at the LAARC worked with over 130 volunteers throughout the year and extended its activities to include volunteer-led guided tours of the Archive– 'Voluntours' – with a panel of tour guides developed after a programme of supplementary training. During the year the LAARC VIP programme also won first prize in the Educational Initiative class at the Museums and Heritage Awards.

A major milestone was reached in November 2011 when Museum of London Archaeology (MOLA) became an independent charity. The project to transfer MOLA represented the culmination of several years of planning and scoping and will enable MOLA to grow its business successfully and independently. A productive relationship will continue between the Museum and MOLA and is set out in the form of a Memorandum of Understanding. Activity during the year included finalising the legal and financial details of the transfer, TUPE transfer of staff, separation of IT systems and business records, appointment of a new pension provider, recruitment of Trustees and establishment of a new MOLA Board.

The London 2012 Olympic and Paralympic Games continues to be an important theme in many areas of our activity and we continue to champion the story of London, providing historical context for the Games. 2011/12 saw the completion of the final year of the Stories of the World youth engagement project that is part of the London 2012 Cultural Festival and will deliver a display in the Museum's Roman Gallery during the Games. Two Olympics related displays were delivered through the year with more planned for 2012/13 and work continued to plan for the hosting of the German National Olympic Committee, the Deutsches Haus, at Museum of London Docklands.

The Museum continued to review its operation with a view to meeting the reduction in funding levels for 2011/12. Reviews of five departments were implemented within the first quarter of 2011/12 and there has been an organisational focus on identifying opportunities for income generation ranging from evening events to learning courses. New contracts were tendered for the provision of cleaning, estates maintenance and insurance, and significant savings were generated for the Museum. Capital improvements across the Museum's buildings included the completion of new heating and chilled water provision, implementation of energy efficient lighting across a large section of the Museum offices and the installation of a new IT server room that will support the Museums IT infrastructure more effectively with improved air conditioning and security arrangements.

The Museum has continued to invest in and enhance its visitor offer. A new cohort of Visitor Hosts were inducted after an exceptionally successful recruitment campaign that saw over 700 applications. In May 2011 a new restaurant, *Rum & Sugar*, was launched at Museum of London Docklands whilst 2011/12 delivered the best ever year for the retail function at the Museum and the December launch of *Dickens and London* saw the Museum of London shop achieve record turnover and net profit for a single month. The investment in the offer for our visitors was reflected with both Museums receiving four and a half stars out of five on the *Trip Advisor* 'Traveller's Choice' award.

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**Visitor Figures by Museum**

Museum of London	Actual	Target*	+/- %
Number of visits	431,995	448,472	-4%
Museum of London Docklands			
Number of visits	185,010	194,295	-5%

\*Revised in August 2011 from 480,000 and 190,000

**Key Performance Indicators**

		11/12 Result	11/12 Target
A	Total number of on-site visits (all users inc special events)	617,005	642,767
B	Total number of website visits	1,465,300	1,900,000
C	Total number of museums users: on-site, off-site & web	2,108,222	No target set
D	Number of pupils in booked on-site formal learning programmes	30,724	30,000
E	Number of pupils in booked off-site formal learning programmes inc video conferencing	15,328	10,000
F	Number attending informal learning events	63,681	41,000
G	Number of adult learners	12,511	3,500
H	Retail spend per on-site visitor		
	MOL	£2.11	£1.82
	MOL Docklands	£0.65	£0.63
I	Guidebooks sold/visitor ratio	1:67	1:15
J	Café spend per on-site visitor		
	MOL	£1.64	£1.21
	MOL Docklands	£0.69	£0.46
K	Donations per on-site visitor		
	MOL	£0.12	£0.11
	MOL Docklands	£0.07	£0.05
L	% of onsite visits made by people who live or work in London		
	MOL	44%	n/a
	MOL Docklands	57%	
M	% of onsite visits made by people who live or work in the City of London (MOL only)	11%	n/a
N	% of onsite visits made by overseas tourists		
	MOL	34%	n/a
	MOL Docklands	25%	

**Communications**

The Museum continued to deliver its communications strategy, *Fewer, Bigger, Better*, originally launched in 2010. This sets out clear priorities and ensures a sharp focus on the press and marketing activities that have the most impact and support the Museum to build its brand most effectively. In December 2011 a new public affairs strategy was finalised that outlines our plans to continue to re-position the Museum, to raise our profile and build awareness. Objectives for our public affairs work include securing funding, influencing policy, building and maintaining our reputation and finding common ground with key stakeholders.

We have sought to maintain our well-established media relationships with organisations such as Time Out, and develop new partnerships that present exciting opportunities for us. For our exhibitions, The Big Issue was the media partner for *London Street Photography* that continued to attract media interest throughout its run until September 2011 and the Times was our media partner for *Dickens and London*. The Museum continued to review and adapt its marketing approaches, in light of budgetary pressures, therefore generic advertising campaigns were reduced, with short targeted bursts with adverts in places such as the Docklands Light Railway and press advertising in Time Out and Metro at selected points during the year. We also advertised on Facebook for the first time in 2011/12.

Our major exhibitions are a way to share our knowledge and attract new and different audiences. A six month communications campaign was mapped out for *Dickens and London*, from launch in December

2011 to closure in June 2012 which brought together public affairs activity, media partnerships and contemporary art commissions. In addition to working with the Times as our media partner, the exhibition also received media coverage on BBC London and Channel Four News. An exciting element of the promotional work for the exhibition also included renowned creative director Simon Costin creating a contemporary window display for the Museum, inspired by the exhibition. The marketing campaign combined advertising, print distribution and competitions and partnerships with organisations such as Foyle's and Chiltern Railways and a private view attended by guests from art, business and media also contributed to the launch activity.

At Museum of London Docklands *Pirates: the Captain Kidd Story* opened in May 2011 and was creatively promoted through a 'Pirate ship' taxi that was driven around central London in the opening days of the exhibition. A Pirates competition reached 1.5 million homes in a London Midlands Rail door drop alongside our usual press and marketing campaigns that succeeded in gaining a wide range of media coverage from the International Herald Tribune to Metro to a feature on BBC London.

Our smaller displays throughout the year have also been an effective way of capturing imagination and raising our profile. Examples include the display *Hand Drawn London* that was reviewed in both the Metro and the Independent whilst our project to collect student protest material was highlighted in a feature in magazine Dazed & Confused. In September we launched our exhibition in partnership with the London Evening Standard, focused on the *Dispossessed* campaign run by the newspaper that raised funds to combat poverty in the capital. The launch, co-hosted by the Director of the Museum and the Editor of the Evening Standard, was attended by high profile figures from art, media and politics and provided networking opportunities with a range of key figures.

Smartphone technology and the development of apps have provided the Museum a way of innovatively engaging with new audiences and taking our reach beyond our physical sites. The apps are developed with a range of partners that offer both brand-building opportunities for the Museum and the capability to develop ground-breaking technological applications. This year saw the development of Streetmuseum Londinium in partnership with History Channel that launched in July 2011 and Dickens: Dark London which launched in December 2011. Streetmuseum Londinium enables us to use augmented reality to explore the rise and fall of Roman London, walking through the city and 'excavating' objects whilst Dickens: Dark London is an interactive graphic novel following Dickens on his nightwalks through the city. Combined downloads of all Museum of London apps had reached over 500,000 by the end of 2011/12. In addition, Streetmuseum, the first Museum app to be developed with creative agency Brothers and Sisters won a prestigious Webby award in May 2011.

We have continued to maintain a strong focus on new media as a way of growing audiences and profile, focusing in particular on Facebook, Twitter and Scribd. At the end of 2011/12 the Museum had 11,464 Facebook likes, 19,349 followers on Twitter, 21,777 enews subscribers and 90,264 followers on Scribd. We also continue to develop our blog pages and to monitor activity and visits. Particularly popular blog posts during the year included items such as 'Gladiators in Training' and 'Pirates on Film.' March 2012 marked one year since the Museum launched its new, streamlined website that brought the Museum of London and Museum of London Docklands pages into one coherent site with website visits reaching 1.46 million in 2011/12. This is a lower figure than the 1.9m website visits in 2010/11 but the reduction from two domains (one for each Museum) meant a reduction in visit numbers was expected. With an ever increasing focus on digital activity we expect to see this area continue to grow in both number of visits and variety and interactivity of experience.

### **Exhibitions and Galleries**

The initial project stages for major new galleries at Museum of London and at Museum of London Docklands were progressed during 2011/12. At Museum of London our focus is on the ever-popular Romans and our plans to deliver new Roman Galleries that incorporate our new knowledge and understanding of Roman London. A project initiation document was approved that set out the top level objectives for the project, a project prospectus was produced to promote the project and engage donors and supporters and a fundraising audit was completed to provide a robust basis for further fundraising activity for the Galleries. A key strand of activity was the procurement of an architect for the project. John McAslan + Partners were formally selected in January 2012 concluding a European tender process and early work on the architectural concept for the Galleries began in the final quarter of 2011/12.

The new Galleries will chart the rise and decline of Roman London and explore how the Romans shaped London today. A draft design brief for the exhibition element of the project was produced that sets out the key messages for the proposed content and structure of the exhibition and how the gallery will work alongside existing Museum galleries. Formative evaluation of our current Roman Gallery and

future plans was carried out through workshops with a range of our visitors and audiences, and with our front of house team and this work was also fed into the design brief. Work was initiated on separate learning, interpretation and community engagement strategies for the Galleries and the development of the Roman Network where we plan to work with other established Roman sites and monuments.

At Museum of London Docklands the *Many East Ends* programme will create a new kind of contemporary history gallery to replace the current *New Port, New City* gallery. The gallery will be developed through a programme of creative, collaborative activity and is a key strand of the new strategy for Museum of London Docklands. The gallery and the programme to deliver it will be about place, reflecting people and spaces, events and circumstances that have come together to create the distinct character of the East End. Between July 2011 and March 2012 an intensive programme of research, consultation and collaboration was undertaken to shape the concept for the gallery and set its direction. A formative evaluation was completed through exit interviews with visitors to the existing gallery and a range of focus groups were conducted including sessions with school pupils, Tower Hamlets families and visitor hosts from MOL Docklands. A consultative group was established and a programme of artist commissions and collaborative projects were completed. A project initiation document for the next phase of the gallery development was approved in March 2012.

Three major temporary exhibitions were open to the public through the year. At Museum of London, *London Street Photography* continued its successful run throughout the first half of 2011/12, closing in September and outperforming all expectations. Over 125,000 visitors came to the exhibition and of these 53% had never been to the Museum before and 72% came specifically for the exhibition. This was a significant success as the first temporary exhibition to take place in the Linbury Gallery since 2005.

Building on the success of *London Street Photography* the next major temporary exhibition to launch at Museum of London was *Dickens and London*. This was the first charging exhibition to take place at the Museum since 2005. The Dickens exhibition set the author against the city that was his 'magic lantern', the muse for his greatest novels. It showed how his imagination was fuelled by the streets and people around him and by his own experiences, and how his creativity and the success of his writing were dependent on the backdrop of London. The exhibition also formed part of a wider Dickens 2012 Festival that included a host of activities across the UK and internationally, which helped to drive interest in the Museum's exhibition. The Museum produced and sold a book to accompany the exhibition which sold well. At the end of 2011/12 nearly 60,000 people had visited the exhibition, well on target to exceed the original visitor forecasts of 75,000.

At Museum of London Docklands the exhibition of *Pirates: the Captain Kidd Story* launched in May 2011. This exhibition told the story of one of the most famous pirates in history whose piratical activities in the late 17th century threatened to undermine the King of England, the government and the mighty East India Company. Using this story as the narrative the exhibition explored the history of piracy in the 17<sup>th</sup> and 18<sup>th</sup> centuries, the 'golden age' of piracy, its links with London and the myths and legends that endure. Over 24,000 people visited the exhibition which proved popular with families and received good reviews although total visitor figures fell short of the ambitious forecasts set and this information has been used to inform exhibition plans at Museum of London Docklands in 2012/13 and beyond.

The Inspiring London temporary gallery space continued to show displays that promote the London-inspired creativity of artists and engage with contemporary debates about the city. At the beginning of 2011/12 *Street Cries* was a show of significant paintings, prints and drawings by artists including Gustave Doré, Théodore Géricault, Thomas Rowlandson and Paul Sandby that considered how the urban poor were depicted from the 17th to the 19th century. *Streets of Gold* was a multi-media art exhibition in partnership with award-winning arts organisation motiroti, showcasing the work of five young artists from across the world who have recently settled in London. Under the creative direction of motiroti's Dan Saul, the artists were commissioned to create new work that responds to London's history as well as to objects from the Museum's collection.

In August 2011 the Museum in partnership with the London Evening Standard opened an exhibition, *The Dispossessed*, highlighting poverty in London. Running as part of the paper's Dispossessed campaign, the display featured photos and extraordinary stories of ordinary Londoners becoming free from the bonds of poverty. Also in August 2011 the Museum launched its first cross-site exhibition with displays at Museum of London and Museum of London Docklands. The exhibition *Freedom From: Modern Slavery in the Capital*, in partnership with Anti-Slavery International, Poppy and ECPAT (ECPAT UK is active in research, campaigning and lobbying government to prevent child exploitation

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and protect children in tourism and child victims of trafficking) as well as Magnum Photos, presented the stories of individuals who survived trafficking and modern slavery in London. At Museum of London Docklands a survivors' quilt lent by Survivors Connect was displayed alongside new quilt patches created by women who have suffered trafficking. A second display in the London, Sugar & Slavery gallery was *Journeys and Kinship*, a project in partnership with the artist Jean Joseph that opened in February 2012.

The Entrance Hall space at the Museum of London continued to display contemporary artworks and commissions throughout the year. *Hand-drawn London* was a smaller exhibition in partnership with the Londonist website that presented personal hand-drawn maps created by Londoners of an area or aspect of London that meant something to them. The imaginative maps ranged from the Tree of Brixton Pubs and Loos of London. To complement the *Dickens and London* exhibition, Sleep Walk Sleep Talk, an artist's commission by Suki Chan was installed in the Entrance Hall. This was a series of evocative, emblematic lightbox stills from her 2010 video installation and followed in the footsteps of Dickens' essay *Night Walks* in creating a dreamlike portrait of London by night. In September 2011 the Museum of London and Moscow City Museum joined together in a cultural collaboration to exhibit some images from the Moscow City Museum's photographic collection in *From Moscow with Love* which showed how Moscow became the modern metropolis it is today.

Olympics related displays through the year included *Your 2012* at Museum of London Docklands which marked the date of one year to go until the London 2012 Olympics and Paralympics. Curated by the Museum's Visitor Host team it displayed photographs of the Olympic Park in construction. *London and the Olympics* at Museum of London looked back to the Games of 1908 and 1948, the last time London hosted the Olympics, including rare photographs from the Peruvian team.

The Museum also hosted an exhibition in September 2011 using one of the Rotunda walls, outside the Museum, to show the winning photographs of the prestigious 2011 Picture Editors' Guild Awards, enabling the best of photo journalism to be enjoyed by a wider audience and the first time this space has been used for a display.

***Exhibitions and Displays Summary***

<b>Museum of London</b>	
London Street Photography	18 February – 4 September 2011
Street Cries	25 March – 31 July 2011
Hand-drawn London	21 April – 11 September 2011
Freedom From: Modern Slavery in the Capital	23 August – 20 November 2011
The Dispossessed	23 August – 20 November 2011
From Moscow with Love	23 September – 28 November 2011
The 2011 UK Picture Editors' Guild Awards	28 September 2011 – 3 January 2012
Sleep Walk, Sleep Talk	10 December 2011 – 10 June 2012
Dickens and London	10 December 2011 – 10 June 2012
Streets of Gold	20 January – 15 April 2012
<b>Museum of London Docklands</b>	
Pirates: The Captain Kidd Story	20 May – 30 Oct 2011
Your 2012	22 July 2011 – 8 July 2012
Freedom From: Modern Slavery in the Capital	23 August – 20 November 2011
Journeys and Kinship	24 February – 4 November 2012

Preparation also got underway for the *Our Londinium* display which will be a display of high impact interventions within the Roman Gallery, ranging from films to sculptures. Early work on developing the concept for the next major exhibition at Museum of London, *Doctors, Dissection and Resurrection Men* was also completed in the final quarter of 2011/12.

**Collections:**

The Collections Online project is focused on digitising the Museum's collections which is a rapidly developing area of our work. 2011/12 saw the delivery of Phase 2 of the Collections Online project with the public now able to access the resource online through our website. A dedicated team for digitisation was established during the year and 60,000 objects records were available online by

March 2012. This was a significant step towards the overall target of having 90,000 objects from the collection photographed, catalogued, digitised and accessible through our website as well as social media platforms and partners' websites. The collections that we focused on for digitising included Roman coins, Bassano studio fashion plates from 1902s and 1930s and photographs by Henry Grant and Bob Collins, whilst material to support the temporary exhibitions on both pirates and Dickens was also made available. The Collections Online system has a 'curated groups' function which allows us to put together mini-online exhibitions and this was activated during the year with groups on the Festival of Britain, Suffragettes, Bassano fashion plates and the Great Fire.

Notable acquisitions into the collections during 2011/12 included papers from the Romney Plantation Archive. This archive consists of the surviving papers relating to the management of the Romney Plantation on St Kitts and covers the period 1742 to 1860, including references to West India Docks. Together with the Mills papers already part of the Museum's collection the Romney Papers have helped to build capacity for the Museum of London Docklands as a centre for the study and interpretation of London's involvement in the slave trade, which is a strand of the revised strategy for the Museum. A second archive acquired in the year was a set of 134 photographs by Frederick Wilfred. These are a remarkable set of documentary photographs of London street life from the late-50s to the mid-60s that show London slowly emerging from the effects of the Second World War.

A rare acquisition was the clay figure of a London merchant, Thomas Todd, c.1770, which is one of the few surviving works attributed to the Chinese artist Chitqua and will be one of only two known portrait works attributed to the artist on show in Britain. The Museum also continued its contemporary collecting with several interesting acquisitions. *London Wall*, the imaginative print installation by digital artists Thomson & Craighead compiled of tweeting and texting activity made within a three-mile radius of the Museum over ten days in May 2010 was formally accessioned into the collection. Reflective of contemporary events and concerns a placard from the anti-cuts demonstration, three banners from the 'Occupy' protest at St Paul's and a riot shield from the City of London Police were all accessioned into the collection. Our contemporary collecting project Save Our Placards with Art and Politics students from Goldsmiths University attracted significant media attention when the Museum held a call for placards from the anti-cuts demonstrations that took place in the spring of 2011.

Significant progress was made with two important collections projects during 2011/12 working on addressing historic loans and digitising recorded media. The first phase of the Historic Loans Reconciliation project finished in October 2011 that completed important work to regularise the status of items lent to the Museum since as early as 1912. This phase saw 159 loans and over 3400 objects reconciled and brought completely up to date. The Museum is accountable for all loaned objects in its care, and loans management that follows industry standards and best practice contributes to the Museum's good reputation and its ambition to be world-class. The Museum's Recorded Media project focuses on transferring audio collections on older formats to higher quality digital formats, preserving these objects and in 2011/12 work began on cataloguing and digitising the audio collections of the Sainsbury Archive which included over 600 cassettes, 94 videos and 300 hours of recorded material.

The Museum continued to develop its archive work in 2011/12. A project to develop an archive-compatible platform for the Museum's main collections management system was initiated. This will support the work undertaken for the least two years to catalogue the archives in more detail. The digital archive of Sainsburys in-house magazine *The Journal* was uploaded and launched online in December 2011. Volunteers were used for the first time to carry out work in the Port and River Archives beginning an inventory of historic plans and a programme of cleaning and repackaging core Port of London Authority collection. A new library management system was also put in place moving from hard copy card indexes to an online searchable catalogue.

2011/12 saw the successful completion of the biannual Benchmarking of Collections Survey which evidenced that the organisation had continued to make good progress on collections care ranging from new racking to increase capacity for the LAARC metal collection to improved environmental conditions for the Museums' print collection. Managing space within the Museum's stores is an ongoing challenge and in 2011/12, through a range of solutions such as the addition of mobile racking, relocation of significant material to an off-site store and re-organisation of objects within stores has created over 200 cubic metres of additional capacity within our main London storage area. Conservation for a range of interesting objects for the Dickens and London tested the skills and expertise of the Conservation team with original manuscripts on loan from the V&A and Wisbech Museums, as well as a funeral bier, a Newgate prison door and one of Dickens' chairs.

## **Programmes**

The Museum's adult events programme continues to build our brand with a varied and exciting programme of events. Several large events totally sold out during the year demonstrating our ability to deliver strong well attended evening events. Income generation from events also met its target for the year. Highlights of the LATE events included the 'Fabulous Fifties' LATE event that marked the 60<sup>th</sup> anniversary of the Festival of Britain with over 700 people enjoying live swing, mass jive and bop lessons, retro jewellery making sessions and talks by Museum curators. At Museum of London Docklands there was a Pirates evening, with gin cocktails served from the Sailortown section of the galleries and many guests arriving dressed as pirates.

In addition to LATE events, our 'In conversation' events continued including an event with Will Self and Sebastian Groes about the psycho-geography of London which sold out, and a popular event with Wayne Hemingway and Caryn Franklin. Docklands Cinema Club has continued to build its base with screenings of classics such as *The Wicker Man*, *Quadrophenia* and *Richard III* during the year. Regular curator talks under the 'Meet the Expert' strand of events were delivered and events to support the exhibitions programme included items such as a well-attended evening talk and discussion about contemporary slavery at Museum of London Docklands to coincide with the *Freedom From: Modern Slavery in the Capital* exhibition.

A major fixture in the event diary of 2011/12 was the Roman Gladiator Games held on the site of the Guildhall Amphitheatre, London's only Roman amphitheatre. This high quality re-enactment attracted over 4000 people for four performances over a weekend in July 2011 and received significant media coverage. Skilled performers from Britannia, re-enactors of Roman times, delivered gladiatorial contests in front of roaring crowds alongside a range of traditional street scenes where audiences could walk around and explore. The event marked one year to the London 2012 Olympic Games, coincided with the Festival of British Archaeology and provided a significant opportunity to engage visitors and supporters in the proposals for the Museum's new Roman Galleries.

*Many East Ends*, the project to deliver a new final gallery at Museum of London Docklands, is a major strand of community inclusion and collaboration activity. During 2011/12 a core consultative group was established and four pilot collaborative pilots were launched. A starting point was to explore the idea of where the 'real' East End of London lies. The Museum commissioned artist Adam Dant to create a new work, *A Journey to the Heart of the East End*, exploring this issue, where he travelled East London talking to people along the way and using this information to create a new map of the area for inclusion in the new gallery. The Museum also worked in partnership with Tolerance in Diversity, a youth-led organisation which aims to tackle racism and promote tolerance in Tower Hamlets, exploring the history of campaigns against racism and for social justice. The group designed its own monopoly board based on the East End of its participants. Other activities included a reminiscence project with elders reflecting on the myths and fictions of the East End and students at the University of East London created online exhibitions or walks exploring the history of specific places. These will all feed into the new gallery.

2011/12 was the final year of the youth engagement project *Stories of the World* before its culmination in the display *Our Londinium 2012*, which will open in June 2012 and will be a display of high-impact interventions created and co-curated by young people in the Museum's Roman Gallery. A week long workshop was held to select contemporary objects to be juxtaposed with Roman objects, drawing out discussion points between Roman London and the contemporary city. During the year Junction, the Museum's youth panel, completed a range of activities including overseeing the graphic design of the project, visiting archaeological sites and directing a short film documenting the Gladiator Games which will be shown as part of the *Our Londinium 2012* exhibition. The project has run for three years and over that time almost 150 young people have contributed. The Museum was awarded a Bronze Award from the National Youth Agency for its work to involve young people at the heart of our work.

Further inclusion projects included working with women who had been trafficked or enslaved in London as part of the *Freedom From: Modern Slavery in the Capital*. The group participated in workshops to make textile patches for a quilt that displayed alongside an international survivors quilt. *Journeys and Kinship* involved an intense period of work with a group of young people in West London to create a display in the London, Sugar and Slavery gallery. The group explored the history of slavery and worked with both artist Jean Joseph to create and decorate casts of their faces and with musician Alexander D Great to compose and record a new calypso for the exhibition. The Museum also continued to run Continue Creating, the programme of drop-in creative workshops for people that have participated in previous projects. Workshops included participants taking photographs with cameras based on pinhole techniques in the 1830s, linked to the London Street Photography exhibition.

## **Learning**

The Museum's reputation for delivering excellent and innovative learning programmes continues to grow. In 2011/12 this was supported by the Museum winning a prestigious Sandford Award from the Heritage Education Trust where the feedback was that our learning programmes were "world class" and that the Museum had a "genuine passion for inspiring young people with stories of London's past, present and future". At the close of the year the Museum had also been shortlisted for the Kids in Museums Award, pending final announcements, confirming the Museum as a top child-friendly attraction. In November the partnership between the Museum and RBS as its learning partner was formally launched. Alongside directly funding areas of work such as our secondary schools programme we have begun to develop ideas for learning, such as a study day on global markets in discussion with specialists in RBS.

A total of 105,715 schools visits were made in 2011/12, which is an increase of 7% on 2010/11 figures. Schools programmes were well received with almost all autumn term sessions booked out before the start of the academic year and we continue to create new and engaging learning activities. New secondary schools programmes included activities such as a study day on the theme of public health in the 19<sup>th</sup> century, the imaginatively titled *Syphilis in the City* and sessions using costume gallery drama and workshops for creative writing using objects were developed to run alongside the *Dickens and London* exhibition. Outreach work continued including sessions for Black History Month that reached over 8000 pupils in schools across London.

New primary schools sessions included Money Matters, funded through the Citi Foundation, which uses materials from the Sainsbury Archive based at Museum of London Docklands to look at budgeting and shopping activities. A 'Fashion Through Time' session was also developed and trialled in October 2011. The Museum took part in the Children's Commissioner's 'Children's Takeover Day' with a class of local primary school children taking over the role of Visitor Hosts for the day which was a great success, with enthusiastic responses from both children and staff. Highlights of the Museums Special Education Needs (SEN) programme included a successful artist residency outreach project at one school where staff worked with all students to create an art installation at the school's new site alongside bespoke object handling and storytelling sessions at various schools.

Digital learning continues to be an area of exciting and rapid development for the Museum. Participant numbers throughout the year have been strong in formal, informal and outreach sessions that use digital technologies. 2011/12 also saw the initiation of an exciting 12 month pilot project in partnership with the Ashmolean Museum in Oxford and Wakefield Museum, funded by the Helen Hamlyn Trust; the 'askit, filmit, shareit' project will test innovative ways of using film-making to engage primary school children with museum collections. Pupils will make films inspired by their investigation of objects and will then use social media to share these films with pupils in other schools. Visits to the learning web pages continue to grow with 1,615,318 page views in 2011/12, compared to 1,437,427 in 2010/11. This is due to the increasing resources available online, including new resources such as self-directed digital activities that support creative use of the galleries and resources to support visits to the Dickens exhibition. The Picturebank, a searchable database of images for pupils and teachers, went live online for the first time in July 2011.

Total figures for family learning in 2011/12 reached just under 56,000, maintaining 2010/11 levels. Well attended family events programmes included a series of events on the ever-popular topic of Victorian London and 'May Day on the Docks' at Museum of London Docklands with music, dancing, storytelling and craft. Over the summer Archaeology provided the theme for a two-week festival of holiday events with over 4900 visitors attending which was an increase of 30% on the previous year. New family activities were delivered to support the Museum's temporary exhibitions including a fully interactive 'How to be a Pirate' session that was suitable for the whole family. Family attendance at learning events was particularly strong at Museum of London Docklands over the summer period, where most activities had a pirates theme, with record numbers for performances in the galleries and over-subscribed craft events and in total more than 8000 attended pirate-themed family events.

Adult learning, a mixture of both recreational and accredited courses, performed well throughout the year with a positive uptake of new pilot courses made available including 'The Art of Street Photography' and 'Creative Computing' and a 'What the Dickens!' creative writing course. The successful and long-running Bare Bones course was delivered throughout the year and is taught entirely in-house by the Museum's Centre for Human Bio-Archaeology team. A new programme of Birkbeck certificated courses was launched to include Roman and Saxon London, and Everyday Life in Medieval London.

Higher education is a key area that the Museum wishes to develop and grow. 2011/12 saw the production and first stages of implementation of a new higher education strategy that will guide our work with universities and other HE institutions. This was following a detailed audit of higher education work that demonstrated the breadth and depth of the Museum's existing work in this area, working with over 12,000 students across 85 universities. During the year two new MA modules were created for a new Museums, Galleries and Contemporary Culture MA in partnership with the University of Westminster and Tate Britain. These were 'Museum Narratives' and 'Collecting Today'. Feedback was exceptionally positive and these courses were also successful in generating income for the Museum.

New teaching initiatives included a pilot summer school in partnership with King's College London. The course, Designing the Capital: 1900 to the Present, ran over three weeks in July and was aimed at overseas students, exploring the Museum's reserve collections of costume, paintings, prints and drawings, taught by Museum curators. A one-day symposium for overseas students from an American university, John Hopkins University, was delivered with Museum staff providing the teaching. Both events provided excellent opportunities to cement partnerships with universities and generate income for the Museum. We also further developed links between the London Archaeological Archive and Research Centre and UCL through the MA Artefacts Studies course, drawing on the medieval and Roman ceramics collections of the LAARC. A Finds Processing and Recording course directed at university students was delivered at LAARC.

### **Museum of London Archaeology (MOLA)**

The Museum's archaeology division was transferred into an independent charitable company on 1 November 2011 marking an exciting milestone in MOLA's and the Museum's history. MOLA will continue providing advice and services to the property and development sector. MOLA's work continues to unearth new knowledge about our archaeological and historical past, with the results published for public benefit. A new Board of Trustees was established and new IT infrastructure, HR provision and a new pension provider were put in place for the charity. A Memorandum of Understanding helps guide the ongoing relationship with the Museum of London.

MOLA was a division of the Museum of London for the first seven months of 2011/12. It maintained steady results in the first half of the year, despite some delays and interruptions to field projects that were subject to funding issues. Major work for projects at Convoys Wharf and Crossrail helped to counteract the impact of this and revenue and billings closed at £4.9m which was £275k up against plan. Control of costs kept gross profit margin at 24% whilst overheads closed on budget at £1.1m resulting in a net profit of £125k. This was a £5k increase compared to results of £120k for the full year in 2010/11.

Projects underway in 2011/12 included 60 Holborn, a multiphase site that unearthed 17th and 18th century walls up to 2 metres high and structure from the remains of the 3 Tonnes Public House. At St Bartholomew's Hospital archaeologists found both Roman and medieval city ditches. The Roman ditch was probably first cut around 200 AD and after falling into disuse at the end of the Roman period, while from the 9th to the 16th century the ditch and City Wall were continually enlarged and rebuilt. Convoys Wharf, a 52 week excavation, is on the site of the dockyard founded by Henry VIII when a storehouse was built, which became the core of a complex of warehouse buildings as the dockyard grew.

MOLA has continued to produce its award winning publications and other materials. Work in 2011/12 included a MOLA monograph Holywell Priory and the Development of Shoreditch, the book Roman London's Amphitheatre and Londinium: a new map and guide to Roman London. A new version of the MOLA Roman map was used as the basis for the Museum's Streetmuseum Londinium iPhone app.

### **PLANS FOR FUTURE PERIODS**

The Museum's strategic objectives for the period 2010 – 2015 remain:

- A:** To play a significant cultural role in London
- B:** To raise our profile and engage wider audiences
- C:** To develop our reputation for Learning
- D:** To ensure we are operationally and financially efficient and sustainable

## **Exhibitions Programme**

*Doctors, Dissection and Resurrection Men* will continue our exciting programme of major temporary exhibitions, exploring the early 19th century history of human dissection and the trade in dead bodies, the resurrection men and the surgeon-anatomists drawing resonances with the 21st century through engaging with contemporary debates on topics such as medical rights. In 2014 Cheapside Hoard: The World Encompassed will open to mark the hundredth anniversary of the discovery of the world's largest collection of Elizabethan and Jacobean jewellery.

## **Masterplanning**

The Museum will complete its work on a master plan for the building at London Wall. The plan will cover the period 2012 – 2022 and will set all upcoming major projects, including the new Roman Galleries, and other initiatives into a new strategic framework.

## **Roman Galleries**

The Museum will continue to progress the plans for new Roman Galleries. Present and future visitors will be engaged with cutting-edge galleries that incorporate new knowledge and understanding of Roman London and explore London's historic role as a world city.

## **Arts Council England**

We will work in partnership with Arts Council England, as one of their 16 Major Partner Museums, to deliver a 3 year programme that is centred around 'opening up' our collections physically, creatively and digitally with projects on higher education, digital developments and new activities at Museum of London Docklands and the LAARC.

## **London 2012**

2012 will see London host the Olympic and Paralympic Games and the Museum will champion the story of London, providing both historical context for London 2012 and recording the details and success of the Games themselves. Significant Olympics-related projects will include two Olympics related displays; *Our Londinium 2012* and *Inspired by Sport*, whilst Museum of London Docklands will host *Deutsches Haus*, home to the German National Olympic Committee.

## **Museum of London Docklands**

Implementation of the strategy for Museum of London Docklands will include the development of the *Many East Ends* project that will deliver an imaginative new final gallery to replace *New Port, New City*. This will be developed through an innovative process of community collaboration and creative engagement with East London's history, present and future.

## **Collections Online & Digital Developments**

A further 30,000 object records will be digitised in 2012/13 taking the total to over 90,000 and enabling us to share our collections knowledge with the widest possible national and international audience. A new digital team will be put in place at the Museum and a digital strategy, a digital collecting strategy and digital preservation strategy will all be developed.

## **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 has a particular emphasis on fair and open competition when filling posts and always uses merit based recruitment and selection methods. The Museum remains committed to the principles of the Guaranteed Interview Scheme and as such will interview all applicants with a disability who meet the minimum criteria for the post. The Museum treats all staff and applicants in accordance with its diversity and equal opportunities policies in respect of reward, career development, training opportunities and promotion.

Following the transfer of MOLA into an independent charitable company a review of Human Resources policies and procedures is now underway with a view to further streamlining and improving efficiency in this area. This will include the development of a competency framework to underpin recruitment, performance management and development across the Museum.

New policies have been introduced in 2011/12 including a new equality policy and a new code of conduct which is now contractual for all staff and covers issues such as the Bribery Act 2010.

A series of management and staff briefing meetings are held Museum-wide, divisionally and departmentally on a regular basis. All employees work to personal objectives which are aligned with

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the departmental and strategic objectives across the organisation and managers have regular meeting with their staff to discuss and review performance against those objectives.

The Museum has a positive and constructive approach to employee relations and meets regularly with representatives of Prospect which is the recognised trade union for the purpose of collective bargaining.

In 2011/12 the Human Resources department became responsible for the coordination of the Museum's approach to the use of volunteers and a large amount of work has now been done to formalise this and improve the effective use of the volunteer workforce. This has included the development of new policies and procedures, the establishment of a centralised volunteer database, training and development for managers who use volunteers and a volunteer event to acknowledge the benefits that our existing volunteers bring to the Museum.

Having achieved the Investors in People award in 2010 the Museum has continued to invest in the development of staff with a training programme which has included management development, fraud awareness, diversity, customer service, health and safety, volunteer management and team development.

### **FINANCIAL REVIEW**

The results for the year are set out on the Statement of Financial Activities on page 26.

Total Group Incoming Resources were £25.8m during the year (2011: £32.1m). The reduction is due mainly to reduced capital funding during the year.

The Museum's main sources of funding were the Greater London Authority and the City of London Corporation, which together contributed 83% of the group's voluntary funding. Other grants and donations included £1.9m from the Museums and Libraries Association towards Renaissance London. Group expenditure on charitable activities decreased by 11% over 2010/11, largely due to the transfer out of the group of the archaeology trading business on 1 November 2011 (see note 16).

The Museum of London recorded an operating surplus (before transfers) on its unrestricted free reserves (general fund) of £1.3m (2011: £7.2m), the decrease being due to the exceptional credit to pension costs in 2011, not repeated in 2012. After transfers from restricted and designated funds and other gains, the Museum of London's total free reserves stood at £6.5m at 31 March 2012 (2011: £5.6m).

The group's cash balances and cash flow forecast remain adequate for its needs. Total group funds carried forward at 31 March 2012 are £30.1m (2011: £44.7m), the main reason for the decrease being the movement on the pension fund described below. There remains a significant deficit on the pension fund of £21.7m (2011: deficit of £8.8m) which is disclosed in accordance with Financial Reporting Standard 17. See note 20 for further details. The significant increase in the deficit is due to an actuarial loss of £12.9m (2011: actuarial gain of £10.3m). 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(k). A triennial actuarial valuation was reported in January 2011 and as expected showed a deficit on the fund. As a result of this contribution rates were increased from April 2011 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. The amounts invested are divided between equity funds and fixed interest funds to provide a satisfactory balance between income and capital growth. 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 2012 a small decrease in carrying values arose. Total income received over the period 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
The continuing global economic crisis, the possibility of a “double dip” recession and its impact on government spending	<ul style="list-style-type: none"> <li>• The government may make further cuts in the funding to the Arts/Heritage sector. The grant paid to the Museum could be cut substantially</li> <li>• The Museum’s trading revenues could suffer</li> </ul>	<ul style="list-style-type: none"> <li>• The Museum has confirmed funding up until the end of March 2013 but the position after that is less clear and as a result is planning to review its expenditure in 2012/13 and make ready with contingency plans</li> <li>• Trading income is closely and regularly monitored.</li> <li>• 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.</li> </ul>

On the basis of the above, Governors are of the opinion that there are no significant unmanageable financial risks and that the accounts are properly prepared on the going concern basis.

### **RESERVES POLICY**

The Reserves Policy underpins the Museum’s Strategic Plan and Strategic Objectives 2010-14 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
- 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

The Board believes that a general reserve of approximately £4 million is an appropriate sum to hold against the financial consequences of the above potential risks. As at 31 March 2012 the balance on the Museum of London’s general funds (as shown in note 17 – General Funds – Museum of London) stood at £6.5m (excluding fixed asset and unrestricted pension reserves). This represents approximately six months of operating costs (excluding depreciation, cost of sales and fully funded projects).

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 ACCOUNTS**

The Museum accounts 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 2012 and up to the date of approval of the annual report and accounts.

### **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 Finance and Corporate Services 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 Committee. At least annually, the Chief Internal Auditor provides the Audit 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 Management Policy and Strategy* establishes a risk reporting programme as follows:

- Strategic 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 Committee and Directorate.
- Operational risks are regularly reviewed by the Directorate, heads of department, project managers and other senior managers as appropriate. They are reported to and reviewed by the Audit Committee twice per year and Directorate three times per year and at departmental team meetings quarterly.

#### **REVIEW OF EFFECTIVENESS**

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

#### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors are responsible for preparing the Governor's 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 & 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 of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Board of Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

**Museum of London  
Annual Report and Financial Statements  
Year Ended 31<sup>st</sup> March 2012**

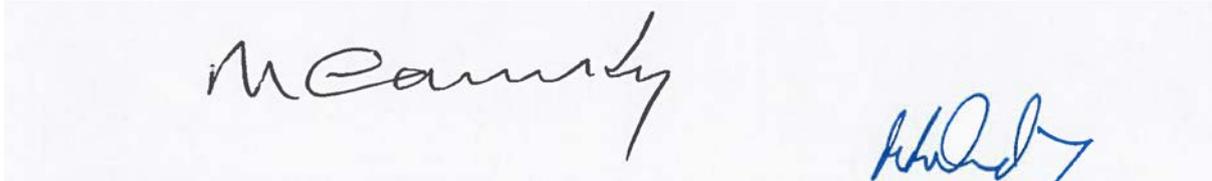
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Disclosure of Information to Auditors**

The Governors confirm that far as they are aware there is no relevant audit information that has not been brought to the attention of the company'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.

**ADOPTION OF REPORT AND FINANCIAL STATEMENTS**

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

A rectangular area containing two handwritten signatures in blue ink. The signature on the left is larger and more stylized, while the one on the right is smaller and more compact.

Chairman of the Board of Governors of the  
Museum of London

Governor of the Museum of London

03 October 2012

## **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 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, 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).

### **Respective responsibilities of Governors and auditors**

As explained more fully in the Statement of Governors' Responsibilities set out on page 22, the Governors are responsible for the preparation of financial statements which give a true and fair view.

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.

This report, including the opinions, has been prepared for and only for the charity's Governors as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 30 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2012, and of the group's incoming resources and application of resources and cash flows, 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 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

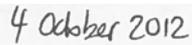
**Matters on which we are required to report by exception**

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



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London



PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011

**Museum of London**  
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**Year Ended 31<sup>st</sup> March 2012**

**MUSEUM OF LONDON GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

Expressed in £000		2012			2011	
INCOMING RESOURCES	Notes	Unrestricted	Restricted	Permanent	Total	Total
Incoming resources from generated funds		Funds	Funds	Endowment	Funds	Funds
Voluntary income	3	13,555	4,315	-	17,870	23,444
Activities for generating funds	4	2,272	-	-	2,272	1,960
Investment income	5	52	68	-	120	99
		15,879	4,383	-	20,262	25,503
<b>Incoming resources from charitable activities</b>						
Discontinued operations :						
Archaeology trading	6 (A)	4,962	-	-	4,962	6,393
Continuing operations : Other	6 (B)	556	13	-	569	157
		5,518	13	-	5,531	6,550
<b>Total Incoming Resources</b>		21,397	4,396	-	25,793	32,053
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>						
Costs of generating voluntary income	7	644	-	-	644	912
Fundraising trading	7	2,218	-	-	2,218	2,252
		2,862	-	-	2,862	3,164
<b>Charitable activities</b>	7					
Discontinued operations :						
Archaeology trading		4,925	-	-	4,925	6,738
Continuing operations : Other		15,508	3,169	-	18,677	19,832
<b>Governance costs</b>	7	101	-	-	101	133
<b>Exceptional item</b>	7&16	770	-	-	770	(5,833)
<b>Total Resources Expended</b>		24,166	3,169	-	27,335	24,034
<b>Net incoming resources before transfers</b>						
Discontinued operations :						
Archaeology trading		37	-	-	37	104
Continuing operations		(2,036)	1,227	-	(809)	7,915
Restructuring costs		(770)	-	-	(770)	-
		(2,769)	1,227	-	(1,542)	8,019
<b>Transfer between funds</b>	17 (B)	2,090	(2,090)	-	-	-
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		(679)	(863)	-	(1,542)	8,019
<b>Other recognised gains/losses</b>						
(Losses)/gains on investment assets	13	-	(45)	(55)	(100)	104
Actuarial (losses)/gains on defined benefit pension schemes	20	(12,944)	-	-	(12,944)	10,306
						-
<b>Net movement in funds</b>		(13,623)	(908)	(55)	(14,586)	18,429
<b>Funds brought forward</b>		33,175	10,255	1,301	44,731	26,302
<b>Funds carried forward</b>	17 (A)	19,552	9,347	1,246	30,145	44,731

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 except where shown otherwise. The notes on pages 31 to 52 form part of these financial statements

**MUSEUM OF LONDON GROUP  
CONSOLIDATED BALANCE SHEET**

Expressed in £000	Notes	2012	2011
<b>Fixed assets</b>			
Heritage assets	11 & 12	8,008	8,409
Other tangible assets	11	47,626	50,207
		<u>55,634</u>	<u>58,616</u>
Investments	13	2,419	2,520
		<u>58,053</u>	<u>61,136</u>
<b>Current assets</b>			
Stock		322	353
Long term contracts	14	-	218
Debtors	14	2,507	6,377
Cash and short term deposits		8,247	6,109
		<u>11,076</u>	<u>13,057</u>
<b>Current liabilities</b>			
Creditors falling due within one year	15	(4,763)	(7,529)
<b>Net current assets</b>		<u>6,313</u>	<u>5,528</u>
<b>Total assets less current liabilities</b>		<b>64,366</b>	66,664
<b>Creditors falling due after one year</b>			
City of London Corporation	19	<u>(12,494)</u>	<u>(13,093)</u>
<b>Net assets excluding pension liability</b>		<b>51,872</b>	53,571
<b>Pension liability</b>	20	<u>(21,727)</u>	<u>(8,840)</u>
<b>NET ASSETS</b>		<u>30,145</u>	<u>44,731</u>
<b>FUNDS</b>			
	17		
<b>Permanent endowment</b>		1,246	1,301
<b>Restricted funds</b>		9,347	10,255
<b>Unrestricted funds</b>		<u>19,552</u>	<u>33,175</u>
<b>TOTAL FUNDS</b>		<u>30,145</u>	<u>44,731</u>

The financial statements were approved by the Board of Governors on 3 October 2012

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 31 to 52 form part of these financial statements

**MUSEUM OF LONDON  
BALANCE SHEET**

Expressed in £000	Notes	2012	2011
<b>Fixed assets</b>			
Heritage assets	11 & 12	8,008	8,409
Other tangible assets	11	<u>47,626</u>	<u>50,207</u>
		<b>55,634</b>	<b>58,616</b>
<b>Current assets</b>			
Long term contracts	14	-	218
Debtors	14	4,798	7,847
Cash and short term deposits		<u>5,806</u>	<u>4,635</u>
		<u>10,604</u>	<u>12,700</u>
<b>Current liabilities</b>			
Creditors falling due within one year	15	(4,371)	(7,240)
<b>Net current assets</b>		<u><b>6,233</b></u>	<u>5,460</u>
<b>Total assets less current liabilities</b>		<b>61,867</b>	64,076
<b>Creditors falling due after one year</b>			
City of London Corporation	19	<u>(12,494)</u>	<u>(13,093)</u>
<b>Net assets excluding pension liability</b>		<b>49,373</b>	50,983
<b>Pension liability</b>	20	<u>(21,727)</u>	<u>(8,840)</u>
<b>NET ASSETS</b>		<u><b>27,646</b></u>	<u>42,143</u>
<b>FUNDS</b>			
<b>Restricted funds</b>		<b>5,025</b>	5,872
<b>Unrestricted funds</b>		<u><b>22,621</b></u>	<u>36,271</u>
<b>TOTAL FUNDS</b>		<u><b>27,646</b></u>	<u>42,143</u>

The financial statements were approved by the Board of Governors on 3 October 2012

Chairman of the Board of Governors of the  
Museum of London

Governor of the Museum of London

The notes on pages 31 to 52 form part of these financial statements

## CONSOLIDATED CASH FLOW STATEMENT

Expressed in £000			2012	2011
	Continuing	Discontinued	Total	
Net cash inflow from operating activities 1)	5,582	(453)	5,129	7,852
Returns on investment and servicing of finance				
Interest and dividends received	120	-	120	99
Interest paid	(251)	(5)	(256)	(407)
Capital expenditure and financial investments				
Payments to acquire tangible fixed assets	(2,035)	-	(2,035)	(7,376)
Additional financial investments at cost	-	-	-	(350)
<b>(Decrease) in cash and cash equivalents before financing</b>	<b>3,416</b>	<b>(458)</b>	<b>2,958</b>	<b>(182)</b>
Financing				
(Decrease)/increase of bank overdrafts			-	-
Repayments of long-term borrowing	(572)	-	(572)	(586)
Acquisitions and Disposals				
Cash balances transferred on disposals	-	-	(248)	-
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	<b>2,844</b>	<b>(458)</b>	<b>2,138</b>	<b>(768)</b>

## SUMMARY OF MOVEMENT IN CASH AND CASH EQUIVALENTS

EXPRESSED IN £000	BALANCE 1 APRIL 2011	MOVEMENT IN THE YEAR	BALANCE 31 MAR 2012
Cash at bank	6,109	138	6,247
Cash on deposit	-	2,000	2,000
Total cash and cash equivalents	6,109	2,138	8,247

## NOTES TO THE CASH FLOW STATEMENT

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

EXPRESSED IN £000			2012	2011
	Continuing	Discontinued	Total	
Net (outgoing)/incoming resources	(1,664)	122	(1,542)	8,019
Interest and dividends receivable	(120)	-	(120)	(99)
Interest payable	251	5	256	407
Pension liability: movement net of actuarial gains	(57)	-	(57)	872
Pension liability: change in benefits	-	-	-	(5,833)
Fixed assets scrapped	192	-	192	160
Depreciation	4,768	31	4,799	4,484
<b>Net Operating Income</b>	<b>3,370</b>	<b>158</b>	<b>3,528</b>	<b>8,010</b>
Decrease/(increase) in stock	31	-	31	(108)
Decrease in debtors and long term contracts	2,700	(693)	2,007	361
Decrease in creditors (excluding loans/overdrafts)	(519)	82	(437)	(223)
Decrease in provisions	-	-	-	(188)
<b>Net cash inflow from operating activities</b>	<b>5,582</b>	<b>(453)</b>	<b>5,129</b>	<b>7,852</b>

### 2) ANALYSIS OF MOVEMENT IN NET DEBT

EXPRESSED IN £000	Balance 1	Movement	Disposals	Balance
	April 2011	In The Year		31 March 2012
Cash at bank & on deposit				
Continuing operations	5,403	2,844		<b>8,247</b>
Discontinued operations	706	(458)	(248)	-
Total	6,109	2,386	(248)	<b>8,247</b>
Long term borrowing	(13,685)	572	-	<b>(13,113)</b>
Total	(7,576)	2,958	(248)	<b>(4,866)</b>

## **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, 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 accounts 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.

The trading results of the Museum's archaeology division, MOLA, together with those of the Museum's fully owned archaeology trading subsidiary MetroMOLA Limited, are included in these financial statements for the 7 months that they were part of the group – see note 16 for further details. The trading results are separately disclosed on the SOFA under the heading "Discontinued Operations"

#### **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. Income from long term contracts is accounted for in accordance with 1J below.

#### **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, collections (conservation and curation) and archaeology trading.

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).

Permanent endowment fund - 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 accounts. 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 1<sup>st</sup> 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.

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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.

**I) RECOGNITION OF LIABILITIES**

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

**J) LONG TERM CONTRACTS RELATING TO MOLA**

Long-term contract balances are classified under the balance sheet heading of current assets. These are stated at the lower of cost and net realisable value. This is calculated as total costs incurred net of amounts transferred to the SOFA in respect of work carried out to date, less foreseeable losses and applicable payments on account.

For payments on account any residual balance in excess of the balance on that contract in long term contracts is classified as "payments received in advance" within creditors.

The outcome of the long term contracts cannot be assessed with reasonable certainty before the conclusion of the contract. Therefore in accordance with SSAP 9, if no loss is anticipated, turnover relating to incomplete contracts is recognised as costs are incurred. Profit in respect of these costs is recognised at the point at which an invoice is raised to the client. Turnover which has been recognised but not invoiced is recognised at cost only.

**K) 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. 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.

**L) 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 accounts from the need to publish a Statement of Financial Activities for the parent body. The results

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of the Museum of London (excluding subsidiary undertakings) for the year ended 31 March 2012 were: total incoming resources £24.8m (2011: £32.1m), total resources expended £26.4m (2011 : £23.1m), net decrease in funds (after actuarial loss) was £14.5m (2011: net increase of £18.4m).

## 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.

In a Memorandum of Understanding dated 20 February 2003, the Governors of the Museum of London and the Trustees of the Museum in Docklands (a charitable company, limited by guarantee) agreed a management structure which gave the Museum of London the right to exercise a dominant influence over the Museum in Docklands and its subsidiary Museum in Docklands (Trading) Limited. These entities were therefore considered to be subsidiary undertakings. On 1 April 2009, all assets and liabilities of the Museum in Docklands were transferred to the Museum of London and the subsidiary company became dormant. The Museum in Docklands (Trading) Limited became a wholly owned subsidiary of the Museum of London, and was renamed Museum of London (Trading) Ltd. The Museum of London has a £2 interest in the Company.

The results of the subsidiary entities for the year ended 31 March 2012 were as follows:

Expressed in £000

	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum in Docklands (dormant)	Museum of London Trading	MetroMOLA	Total 2012	Total 2011
Incoming resources	25	42	22	-	2,025	92	<b>2,206</b>	1,864
Resources Expended	(33)	(51)	(21)	-	(2,025)	(95)	<b>(2,225)</b>	(1,901)
Net incoming/(outgoing) resources	(8)	(9)	1	-	-	(3)	<b>(19)</b>	(37)
Unrealised gain/(loss) on investments	(29)	(46)	(25)	-	-	-	<b>(100)</b>	104
Net movement in funds	(37)	(55)	(24)	-	-	(3)	<b>(119)</b>	67

Results for MetroMOLA Limited are included for the period up to the 31 October 2011. On the 1 November the entire Archaeological Trading operation was disposed of – see note 16 for further details.

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The assets, liabilities and funds of the subsidiary undertakings as at 31st March 2012 were as follows:

Expressed in £000

	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum in Docklands (dormant)	Museum of London Trading	MetroMOLA	Total 2012	Total 2011
<b>Net Assets</b>								
Tangible fixed assets	-	-	-	-	-	-	-	-
Investments	672	1,168	579	-	-	-	2,419	2,520
Current assets	13	108	31	-	2,786	-	2,938	2,051
Current liabilities	-	(51)	(20)	-	(2,786)	-	(2,857)	(1,984)
Long term liabilities	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>685</b>	<b>1,225</b>	<b>590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>2,587</b>
<b>Funds employed</b>								
Permanent endowment	672	-	574	-	-	-	1,246	1,301
Restricted funds	13	1,225	-	-	-	-	1,238	1,301
Unrestricted funds	-	-	-	-	-	-	16	(15)
<b>Total funds</b>	<b>685</b>	<b>1,225</b>	<b>590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>2,587</b>

### 3) VOLUNTARY INCOME

EXPRESSED IN £000

	<b>MUSEUM OF LONDON GROUP</b>	
	2012	2011
Greater London Authority	9,371	9,725
City of London Corporation	5,415	9,122
Museums and Libraries Association	1,939	2,441
Other grants	375	221
Capital City donations	73	1,243
Other donations	697	692
	<b>17,870</b>	<b>23,444</b>

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**4) ACTIVITIES FOR GENERATING FUNDS**

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>	
	2012	2011
Shops	1,192	1,129
Private events and functions	812	746
Photographic library	92	64
Licensing	176	21
Total	2,272	1,960

**5) INVESTMENT INCOME**

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>	
	2012	2011
Interest on cash balances	39	34
Dividends received	81	65
Total	120	99

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 2.0% in 2012 (2011 1.96%).

**6) INCOME FROM CHARITABLE ACTIVITIES**

**A) ARCHAEOLOGY TRADING SERVICES**

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>	
	2012	2011
Private developers	4,962	6,393

**B) OTHER**

EXPRESSED IN £000

	<i>MUSEUM OF LONDON GROUP</i>	
	2012	2011
Other income from charitable activities	569	157

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**7) RESOURCES EXPENDED**

<i>MUSEUM OF LONDON GROUP</i>	DIRECT STAFF COSTS	OTHER DIRECT COSTS	SUPPORT COSTS	TOTAL 2012	TOTAL 2011
EXPRESSED IN £000					
<b>Cost of Generating Funds</b>					
Cost of generating voluntary Income	348	204	92	<b>644</b>	912
Fundraising trading	904	1,051	263	<b>2,218</b>	2,252
	<b>1,252</b>	<b>1,255</b>	<b>355</b>	<b>2,862</b>	<b>3,164</b>
<b>Charitable Activities</b>					
Communications	364	399	105	<b>868</b>	1,152
Programmes and learning	1,771	2,475	407	<b>4,653</b>	4,443
Galleries and exhibitions	2,365	4,099	762	<b>7,226</b>	7,790
Collections	2,634	2,494	802	<b>5,930</b>	6,447
Archaeology trading services	3,156	1,719	50	<b>4,925</b>	6,738
	<b>10,290</b>	<b>11,186</b>	<b>2,126</b>	<b>23,602</b>	<b>26,570</b>
<b>Governance</b>	<b>33</b>	<b>61</b>	<b>7</b>	<b>101</b>	<b>133</b>
<b>Exceptional item</b>	<b>-</b>	<b>770</b>	<b>-</b>	<b>770</b>	<b>(5,833)</b>
<b>Total Resources Expended</b>	<b>11,575</b>	<b>13,272</b>	<b>2,488</b>	<b>27,335</b>	<b>24,034</b>

Governance costs comprise audit fees, other professional accountancy costs, an apportionment of directors' remuneration and other costs and an apportionment of support costs, together (2011) with costs relating to the then proposed transfer of the archaeology business MOLA to a separate charitable company.

**Exceptional items**

**2012**

On 1 November 2011 the assets, liabilities and trading activities of the Museum's archaeology division, MOLA, together with those of MetroMOLA Limited, were transferred as a going concern into an independently constituted charitable body. The exceptional item above, comprising restructuring costs, is explained in more detail in note 16.

**2011**

In the UK budget statement on 22 June 2010 the Chancellor announced that with effect from 1 April 2011 public service pensions would be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). The Museum is in such a public service pension scheme. The Museum's pension literature makes reference to pensions being linked to RPI and as such the change to CPI represents a change to the benefit scheme members can expect to receive. As the CPI is generally lower than the RPI, the implication of this change is that the Museum's projected pension obligation – as calculated for FRS17 purposes - has reduced significantly, as shown by the credit to the fund in 2011 of £5.8m above.

## 8) ALLOCATION OF SUPPORT COSTS

<b>EXPRESSED IN £000</b>	<b>Cost of Generating Funds</b>	<b>Charitable Activities</b>	<b>Governance Costs</b>	<b>TOTAL 2012</b>	<b>TOTAL 2011</b>
<b>MUSEUM OF LONDON</b>					
Finance and administration	97	571	2	<b>670</b>	971
Management costs	114	715	2	<b>831</b>	873
Human resources and IT	144	840	3	<b>987</b>	962
Pension liability – finance costs etc	0	0	0	<b>0</b>	872
<b>GROUP TOTAL SUPPORT COSTS</b>	<b>355</b>	<b>2,126</b>	<b>7</b>	<b>2,488</b>	<b>3,678</b>

Support costs are defined and allocated as disclosed in Note 1, Accounting Policies. Support costs in 2012 include credits totalling £387k in respect of refunds of rates and the release of unused accruals from previous years. Support costs in 2011 included £872k of pensions charges arising under FRS17.

## 9) EMPLOYEES

### STAFF COSTS

<b>EXPRESSED IN £000</b>	<b>MUSEUM OF LONDON GROUP</b>	
	<b>2012</b>	2011
Salaries and wages	<b>10,626</b>	11,555
Social security costs	<b>727</b>	913
Pension costs	<b>1,181</b>	1,365
Employment agencies	<b>1,092</b>	949
	<b>13,626</b>	14,782

Governors neither received nor waived any emoluments during the year (2011: same). Reimbursements to the Governors of the Museum of London were £nil (2011: £nil).

### SENIOR EMPLOYEES

The following number of senior employees received remuneration within the ranges listed below:

	<b>MUSEUM OF LONDON GROUP</b>	
	<b>2012</b>	2011
£60,000 to £70,000	<b>3</b>	4
£70,001 to £80,000	<b>4</b>	5
£80,001 to £90,000	<b>0</b>	0
£90,001 to £100,000	<b>1</b>	3
£100,001 to £110,000	<b>1</b>	0
£110,001 to £120,000	<b>0</b>	0
£130,001 to £140,000	<b>1</b>	1

Retirement benefits are accruing to 9 of the above senior staff under the Museums defined benefit pension scheme.

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

	2012	2011
	£	£
Salary (including performance related bonus)	131,405	132,594
Contribution to pension scheme	18,357	17,917
	209,762	200,511

***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 38 support staff, was:

	<i>MUSEUM OF LONDON GROUP</i>	
	2012	2011
<b>Cost of Generating Funds</b>		
Costs of generating voluntary income	9	10
Fundraising trading	24	23
	33	33
<b>Charitable Activities</b>		
Communications	10	10
Programmes and learning	40	34
Galleries and exhibitions	73	84
Collections	77	80
Archaeology trading services (pro-rata to 31 October 2011)	108	155
	308	363
<b>Totals</b>	341	396

**10) NET MOVEMENT IN FUNDS**

Is stated after charging:

	<i>MUSEUM OF LONDON GROUP</i>	
<b>EXPRESSED IN £000</b>	2012	2011
Depreciation	4,799	4,484
Auditor's remuneration:		
Audit fees – statutory audit	64	63
Audit fees – additional work on MOLA accounts and financial statements	3	4
	4,866	4,551

## 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.

Museum exhibits at the Museum of London Docklands are not regarded as heritage assets as they represent the environment in which other assets are displayed.

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.

<b>MUSEUM OF LONDON GROUP AND CHARITY EXPRESSED IN £000</b>	<b>LEASEHOLD PROPERTY</b>	<b>HISTORIC ARTEFACTS &amp; MUSEUM EXHIBITS</b>	<b>ASSETS UNDER CONSTRUCTION</b>	<b>OTHER ASSETS</b>	<b>TOTAL</b>
<b>Cost</b>					
At 1 April 2011	53,339	14,715	1,187	11,261	<b>80,502</b>
Additions	616	167	53	1,199	<b>2,035</b>
Disposals	(844)	-	-	(41)	<b>(885)</b>
MOLA transfer	-	-	-	(124)	<b>(124)</b>
Completed works	147	-	(1,187)	1,040	<b>-</b>
At 31 March 2012	<b>53,258</b>	<b>14,882</b>	<b>53</b>	<b>13,335</b>	<b>81,528</b>
<b>Accumulated Depreciation</b>					
At 1 April 2011	11,285	5,768	-	4,833	<b>21,886</b>
Charge	2,064	744	-	1,991	<b>4,799</b>
Disposals	(652)	-	-	(41)	<b>(693)</b>
MOLA transfer	-	-	-	(98)	<b>(98)</b>
At 31 March 2012	<b>12,697</b>	<b>6,512</b>	<b>-</b>	<b>6,685</b>	<b>25,894</b>
<b>Net book value</b>					
At 1 April 2011	42,054	8,947	1,187	6,428	<b>58,616</b>
At 31 March 2012	<b>40,561</b>	<b>8,370</b>	<b>53</b>	<b>6,650</b>	<b>55,634</b>

At 31 March 2012 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.

Fixed assets divide into heritage assets and tangible assets.

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<b>MUSEUM OF LONDON GROUP EXPRESSED IN £000</b>	<b>HERITAGE ASSETS</b>	<b>TANGIBLE ASSETS</b>	<b>TOTAL 2012</b>	<b>TOTAL 2011</b>
Leasehold property (Museum of London)	-	40,561	<b>40,561</b>	42,054
Leasehold property (MoL Docklands)	6,244	-	<b>6,244</b>	6,811
Other historic artefacts & museum exhibits	1,764	362	<b>2,126</b>	2,136
Assets under construction	-	53	<b>53</b>	1,187
Other assets	-	6,650	<b>6,650</b>	6,428
	<b>8,008</b>	<b>47,626</b>	<b>55,634</b>	<b>58,616</b>

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

<b>MUSEUM OF LONDON GROUP EXPRESSED IN £000</b>	<b>2012</b>	<b>2011</b>
150 London Wall	<b>29,871</b>	31,224
Mortimer Wheeler House, Eagle Wharf Road	<b>10,690</b>	10,830
1 West India Quay	<b>6,244</b>	6,811
	<b>46,805</b>	48,865

## 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 1986 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

<b>MUSEUM OF LONDON GROUP EXPRESSED IN £000</b>	<b>2012</b>	<b>2011</b>
<b>Listed investments</b>		
Market value at 1 April	2,520	2,066
Additions at cost	-	350
Unrealised (loss)/gains on investments	(101)	104
Market value at 31 March	<b>2,419</b>	2,520
Cost at 31 March	<b>1,159</b>	1,159
Cumulative unrealised gain at 31 March	<b>1,260</b>	1,361

The above is represented by holdings in Charishare and Charinco which are common investment funds managed by BlackRock Investment Management in accordance with a scheme maintained under the provisions of Section 22(1) of the Charities Act 1960. Charishare contains investments in equities and Charinco in its fixed interest equivalent. Asset allocation between the two funds is reviewed annually by the Governors and currently stands at approximately 9:91 Charinco:Charishare. 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 2012 are as follows:

- invested in Charinco Common Investment Fund Income 9.1%
- invested in Charishare Common Investment Fund Income 90.9%

<b>MUSEUM OF LONDON GROUP EXPRESSED IN £000</b>	<b>CHARINCO</b>	<b>CHARISHARE</b>	<b>TOTAL 2012</b>	<b>TOTAL 2011</b>
Joicey	46	626	672	702
Mackenzie Bell	133	1,035	1,168	1,213
London Museum	41	538	579	605
	<b>220</b>	<b>2,199</b>	<b>2,419</b>	2,520

### 14) DEBTORS DUE WITHIN ONE YEAR

<b>EXPRESSED IN £000</b>	<b>MUSEUM OF LONDON GROUP</b>		<b>MUSEUM OF LONDON</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Long term contracts	-	218	-	218
Trade debtors	299	2,108	134	1,902
Amounts due from group undertakings	-	-	2,500	1,694
Other debtors	193	204	193	204
Loan receivable from related party	1,000	-	1,000	-
Prepayments and accrued income	1,015	4,065	971	4,047
	<b>2,507</b>	<b>6,377</b>	<b>4,798</b>	<b>7,847</b>

Included within Trade debtors is a provision for bad and doubtful debts of nil (2011: £131k). Included within accrued income in 2011 is £2.6m of accrued grants from the City of London for capital works.

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The loan receivable is due from MOLA (the new charitable company) – see note 19 for further details. The amount due from group undertakings is due from the Museum of London Trading Limited. Both balances carry interest at a commercial rate.

**15) CREDITORS DUE WITHIN ONE YEAR**

<b>EXPRESSED IN £000</b>	<b>MUSEUM OF LONDON GROUP</b>		<b>MUSEUM OF LONDON</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Trade creditors	<b>1,068</b>	2,127	<b>1,003</b>	2,025
Accruals	<b>2,481</b>	2,936	<b>2,481</b>	2,936
Debt repayable	<b>619</b>	592	<b>619</b>	592
Other creditors	<b>550</b>	765	<b>223</b>	578
Payments in advance	<b>45</b>	1,109	<b>45</b>	1,109
	<b>4,763</b>	7,529	<b>4,371</b>	7,240

**16) TRANSFER OF ARCHAEOLOGY DIVISION**

On 1 November 2011 the assets, liabilities and trading activities of the Museum's archaeology division, MOLA, together with those of the Museums fully owned subsidiary MetroMOLA Limited, were transferred as a going concern into an independently constituted charitable company.

The exceptional item shown on the face of the SOFA comprises the following restructuring costs:

	<b>£'000</b>
Legal and other professional costs relating to the transfer	337
Grant re unfunded commitments	400
Net assets transferred at nil consideration	33
<b>Total</b>	<b>770</b>

The results to the date of transfer, together with the net assets transferred on the transfer date, are shown below:

<b>EXPRESSED IN £000</b>	<b>MOLA</b>	<b>MetroMOLA</b>	<b>Combined</b>
Turnover	4,870	92	4,962
Operating costs	(4,745)	(95)	(4,840)
Net profit/(loss) for period	125	(3)	122
Reserves brought forward	(59)	(30)	(89)
<b>Reserves on transfer date</b>	<b>66</b>	<b>(33)</b>	<b>33</b>
Represented by:			
Tangible fixed assets	45	-	45
Current assets	2,297	100	2,397
Current liabilities	(1,795)	(33)	(1,828)
Amounts owing to the Museum	(481)	(100)	(581)
<b>Net assets on transfer date</b>	<b>66</b>	<b>(33)</b>	<b>33</b>

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Shortly after the transfer date the balances owed to the Museum along with further sums advanced to bring the total up to £1m were converted into a long term loan carrying a commercial rate of interest and repayable in 115 equal instalments commencing 03 April 2012

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**17) TOTAL FUNDS**

**A) FUNDS ANALYSIS**

<i>MUSEUM OF LONDON GROUP EXPRESSED IN £000</i>	BALANCE AT 1 APRIL 2011	INCOME	EXPENDI- TURE	TRANSFER BETWEEN FUNDS	OTHER GAINS & LOSSES	BALANCE AT 31 MARCH 2012
<b>Permanent endowment funds</b>						
London Museum Trust	599	-	-	-	(25)	574
Joicey Trust	702	-	-	-	(30)	672
<b>Total Permanent Endowment</b>	<b>1,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(55)</b>	<b>1,246</b>
<b>Restricted funds</b>						
Museum of London						
Fixed Assets Fund	1,296	-	-	-	-	1,296
Major Projects Fund	365	4,256	(2,344)	(1,932)	-	345
Capital City	-	73	-	(73)	-	-
Museum in Docklands						
Heritage Lottery	85	-	-	(85)	-	-
Capital fund	7,186	-	(721)	-	-	6,465
Other restricted funds	23	-	(20)	-	-	3
Trust funds						
Joicey Trust Income Fund	21	25	(33)	-	-	13
Mackenzie Bell Trust	1,279	42	(51)	-	(45)	1,225
<b>Total Restricted</b>	<b>10,255</b>	<b>4,396</b>	<b>(3,169)</b>	<b>(2,090)</b>	<b>(45)</b>	<b>9,347</b>
<b>Unrestricted funds</b>						
Designated funds						
Defined Benefit Pension Reserve	(8,840)	-	-	57	(12,944)	(21,727)
Fixed Assets Fund	36,450	-	(4,065)	2,378	-	34,763
	<b>27,610</b>	<b>-</b>	<b>(4,065)</b>	<b>2,435</b>	<b>(12,944)</b>	<b>13,036</b>
General funds						
Museum of London	5,550	21,375	(20,080)	(345)	-	6,500
London Museum Trust	15	22	(21)	-	-	16
	<b>5,565</b>	<b>21,397</b>	<b>(20,101)</b>	<b>(345)</b>	<b>-</b>	<b>6,516</b>
<b>Total Unrestricted</b>	<b>33,175</b>	<b>21,397</b>	<b>(24,166)</b>	<b>2,090</b>	<b>(12,944)</b>	<b>19,552</b>
<b>Total Funds</b>	<b>44,731</b>	<b>25,793</b>	<b>(27,335)</b>	<b>-</b>	<b>(13,044)</b>	<b>30,145</b>

**B) TRANSFERS BETWEEN FUNDS**

***Major Projects Fund***

This fund is a mixture of revenue and capital funding, all of it restricted. The two main constituents are firstly capital funding, which in the current year was received solely from the GLA and secondly revenue funding from the Museums and Libraries Association towards Renaissance London, which came to an end at the end of this financial year. During the year the Museum undertook capital works to the value of £1.9m. As the conditions relating to the capital grants were fulfilled by the execution of the capital works, an equivalent sum was released from the Major Projects Fund and transferred to the General Fund.

***Designated Fixed Asset Fund***

The balances on the Museum of London Fixed Assets Funds are maintained so as to equal the net book value of total fixed assets less the outstanding amount of related long-term loans.

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**C) ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>MUSEUM OF LONDON GROUP EXPRESSED IN £000</b>	<b>Tangible Fixed Assets</b>	<b>Invest- ments</b>	<b>Current Assets</b>	<b>Current Liabilities</b>	<b>Long term Liabilities and Provisions</b>	<b>Pension Liabilities</b>	<b>Total Net Assets</b>
<b>Permanent endowment funds</b>							
London Museum Trust	-	579	-	(5)	-	-	574
Joicey Trust	-	672	-	-	-	-	672
<b>Permanent endowment total</b>	<b>-</b>	<b>1,251</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>1,246</b>
<b>Restricted Funds</b>							
Museum Of London							
Fixed Assets Fund	1,296	-	-	-	-	-	1,296
Major Projects Fund	-	-	345	-	-	-	345
Capital City	-	-	-	-	-	-	-
Museum in Docklands							
Heritage lottery	-	-	-	-	-	-	-
Capital fund	6,465	-	-	-	-	-	6,465
Other funds	-	-	3	-	-	-	3
Trust Funds							
Joicey Trust Income Fund	-	-	13	-	-	-	13
McKenzie Bell	-	1,168	108	(51)	-	-	1,225
<b>Restricted funds total</b>	<b>7,761</b>	<b>1,168</b>	<b>469</b>	<b>(51)</b>	<b>-</b>	<b>-</b>	<b>9,347</b>
<b>Unrestricted funds</b>							
Designated funds							
Defined Benefit Pension Reserve	-	-	-	-	-	(21,727)	(21,727)
Fixed Assets Fund	47,873	-	-	(616)	(12,494)	-	34,763
<b>Designated funds total</b>	<b>47,873</b>	<b>-</b>	<b>-</b>	<b>(616)</b>	<b>(12,494)</b>	<b>(21,727)</b>	<b>13,036</b>
General Funds							
Museum of London	-	-	10,576	(4,076)	-	-	6,500
London Museum Trust	-	-	31	(15)	-	-	16
<b>General funds total</b>	<b>-</b>	<b>-</b>	<b>10,607</b>	<b>(4,091)</b>	<b>-</b>	<b>-</b>	<b>6,516</b>
<b>Unrestricted funds total</b>	<b>47,873</b>	<b>-</b>	<b>10,607</b>	<b>(4,707)</b>	<b>(12,494)</b>	<b>(21,727)</b>	<b>19,552</b>
<b>Total Funds</b>	<b>55,634</b>	<b>2,419</b>	<b>11,076</b>	<b>(4,763)</b>	<b>(12,494)</b>	<b>(21,727)</b>	<b>30,145</b>

**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 period to 31 March 2012 (2011: £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 £9.4m (2011: £9.7m) during the financial year ended 31 March 2012. Included in the 2012 figure above is £1.6m of capital funding, of which £40k was unspent at the year end (2011: £141k)

### **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 revenue grants from City of London Corporation during the year of £5.4m (2011:£5.8m). In 2011 the Museum received capital grants of £3.3m of which £2.6m was claimed during the year but was received in 2012.

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 2012 the charges for these services were £119k (2011: £141k).

Outstanding loans from COL to the Museum of London totalled £13.1m at 31 March 2012 (2011: £13.7m). This total includes a balance of £314K on a loan originally made to the Museum of London Docklands (2011: £308k). Of these loans, £619k (2011: £592k) is due within one year. The Museum incurred interest charges related to these loans of £256k (2011: £407k).

### **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 £1.0m at 31 March 2012. The loan is repayable in 115 equal instalments commencing 3 April 2012. It is secured by a floating charge over the assets of MOLA and carries a commercial rate of interest. These accounts include interest of £9,344 due from MOLA since the transfer date, which was received in full shortly after the year end.

### **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 2010, as updated to 31 March 2012.

The contributions made by the employer over the financial year amounted to £1,230k (2011: £1,298k). The contribution rate set for the year - variable across Museum divisions - ranged from 13.97% to 17.4% (2011 12.9% to 15.6%). These rates include a supplementary employers contribution of up to 1.60% (2011: 1.60%) 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 2012-13 the employer contribution has been set at a maximum of 14.8% including a maximum 1.8% supplementary contribution.

### ***Impact of MOLA Transfer***

As more fully described in Note 16, on 1 November 2011 the assets, liabilities and trading activities of the Museum's archaeology division, MOLA, were transferred as a going concern into an independently constituted charitable company which has its own, independent pension arrangements. As a result, 100 employees of MOLA moved from being active to deferred members of the Museum's pension scheme. As the reserve required for a deferred member is less than that for an active member then this will have had a positive impact on the financial position which is not reflected in the figures above but will come through though in the next actuarial valuation scheduled for 2013/14. If all the active members of MoL and MOLA became deferred members then the reduction in liabilities would be about £12m. As MOLA accounts for approximately 35% of the membership of the scheme (as per the 2010 valuation) becoming deferred members indicates the reduction in liabilities resulting from the MOLA transfer would be around £4m.

### **ASSUMPTIONS**

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

<b>Valuation Method</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	%	%	%
RPI Increases	<b>3.3%</b>	3.5%	3.9%
CPI Increases	<b>2.5%</b>	2.7%	n/a
Salary Increases	<b>4.7%</b>	5.0%	5.4%
Pension Increases	<b>2.5%</b>	2.7%	3.9%
Discount Rate	<b>4.6%</b>	5.5%	5.5%

The assumed life expectations from age 65 are:

<b>Life expectations (years)</b>	<b>Males</b>	<b>Females</b>
Retiring today	19.0	23.1
Retiring in 20 years	21.0	25.0

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**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 were as follows:

NET ASSETS OF THE SCHEME	LONG TERM RETURN AT 31 MARCH 2012	ASSETS AT 31 MARCH 2012	LONG TERM RETURN AT 31 MARCH 2011	ASSETS AT 31 MARCH 2011	LONG TERM RETURN AT 31 MARCH 2010	ASSETS AT 31 MARCH 2010
	%	£'000	%	£'000	%	£'000
Equities	7.4%	32,029	8.5%	32,496	8.6%	30,543
Gilts	3.3%	6,981	4.4%	6,581	4.5%	5,656
Other Bonds	4.6%	411	5.5%	411	5.5%	377
Cash	3.0%	1,643	3.0%	1,645	3.0%	1,131
Total Assets (A)	6.5%	41,064	7.6%	41,133	7.8%	37,707
Present Value of Scheme Liabilities		(62,182)		(49,398)		(61,155)
Present Value of Unfunded Liabilities		(609)		(575)		(659)
Total Value of Liabilities (B)		(62,791)		(49,973)		(61,814)
Net Pension (Liability)/Asset (A) - (B)		(21,727)		(8,840)		(24,107)

**ANALYSIS OF PENSION SCHEME OUTGOING RESOURCES  
EXPRESSED IN £000**

**MUSEUM OF LONDON GROUP**

**Analysis of the amount charged to resources expended**

	2012	2011	2010
Service Cost	1,458	1,966	1,083
Curtailement and Settlements	122	-	19
Past service cost	-	(5,833)	-
Expected return on Employer Assets	(3,141)	(2,966)	(2,048)
Interest on Pension Scheme Liabilities	2,772	3,204	2,522

**Net Resources Expended/(Credited)**

1,211 (3,629) 1,576

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**

	2012	2011	2010
Actual Return less expected return on pension scheme assets	(3,683)	(389)	8,372
Experience (losses)/gains	(6)	273	206
Changes in assumptions underlying the present value of the scheme liabilities	(9,255)	10,422	(21,558)
Actuarial (losses)/gains recognised in Statement of Total Recognised Gains and Losses	(12,944)	10,306	(12,980)

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**MOVEMENT IN (DEFICIT) DURING THE YEAR  
EXPRESSED IN £000**

	<i>MUSEUM OF LONDON GROUP</i>		
	2012	2011	2010
(Deficit) at beginning of the year	<b>(8,840)</b>	(24,107)	(10,823)
Restatement of opening balance by actuaries	-	-	-
Current Service Cost	<b>(1,458)</b>	(1,966)	(1,083)
Employer Contributions	<b>1,230</b>	1,298	1,232
Unfunded Pension Payments	<b>38</b>	34	40
Past service costs	-	5,833	-
Other Finance Income/costs	<b>369</b>	(238)	(474)
Settlements/Curtailments	<b>(122)</b>	-	(19)
Actuarial (losses)/gains	<b>(12,944)</b>	10,306	(12,980)
(Deficit) at end of the year	<b>(21,727)</b>	(8,840)	(24,107)

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

<b>MUSEUM OF LONDON GROUP (expressed in £ 000s)</b>	<b>2012</b>	<b>2011</b>
Opening defined benefit obligation	<b>49,973</b>	61,814
Service cost	<b>1,458</b>	1,966
Interest cost	<b>2,772</b>	3,204
Actuarial losses/(gains)	<b>9,261</b>	(10,765)
Losses/(gains) on curtailment	<b>122</b>	-
Estimated benefits paid net of transfers in	<b>(1,323)</b>	(1,010)
Past service cost	-	(5,833)
Contributions by Scheme participants	<b>566</b>	631
Unfunded pension payments	<b>(38)</b>	(34)
Closing defined benefit obligation	<b>62,791</b>	49,973

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

<b>MUSEUM OF LONDON GROUP (expressed in £ 000s)</b>	<b>2012</b>	<b>2011</b>
Opening fair value of Scheme assets	<b>41,133</b>	37,707
Expected return on Scheme assets	<b>3,141</b>	2,966
Actuarial gains/(losses)	<b>(3,683)</b>	(459)
Contributions by employer including unfunded benefits	<b>1,268</b>	1,332
Contributions by Scheme participants	<b>566</b>	631
Estimated benefits paid including unfunded benefits	<b>(1,361)</b>	(1,044)
Fair value of Scheme assets at end of period	<b>41,064</b>	41,133

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**History of experience gains and losses:**

**MUSEUM OF LONDON GROUP (expressed in £ 000s)**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
Difference between the expected and actual return on assets	<b>(3,683)</b>	(459)	8,372
Percentage of Assets	<b>-9.0%</b>	-1.1%	22.2%
Experience gains/(losses) on liabilities	<b>(6)</b>	343	206
Percentage of the present value of liabilities	<b>0.0%</b>	0.7%	0.3%
Actuarial (losses)/gains recognised in other recognised gains and losses	<b>(12,944)</b>	10,306	(12,980)
Percentage of the present value of liabilities	<b>20.6%</b>	-20.6%	22.2%

**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.

	<b>£ 000s</b>	<b>£ 000s</b>	<b>£ 000s</b>
Adjustment to discount rate	+0.1%	0%	-0.1%
- Present value of total obligation	61,078	62,791	64,557
- Projected service cost	1,804	1,884	1,967
Adjustment to mortality age rating assumption	+1 year	None	-1 year
- Present value of total obligation	60,100	62,791	64,913
- Projected service cost	1,780	1,884	1,968

**Projected Pension Expense for the year to 31 March 2013**

	<b>£ 000s</b>
Service cost	<b>1,884</b>
Interest cost	<b>2,914</b>
Return on assets	<b>(2,684)</b>
<b>TOTAL</b>	<b>2,114</b>
Employer contributions	<b>1,095</b>