

Registered Charity No: 1139250

MUSEUM OF LONDON

**Governors' Report and
Financial Statements for the year ended
31 March 2019**

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CHAIR'S STATEMENT

Last year, over a million people visited our museums or took part in our programmes across London. We explored past, present and future London life in new ways and captivated our audiences, whether showcasing the latest Roman archaeological discoveries in '*Roman Dead*', inviting photographers to share their glimpses of London's secrets at night, or beaming the now infamous Whitechapel fatberg around the world in real-time via the 'Fatcam.'

Our plans to create a new museum in the historic market buildings at West Smithfield gathered momentum, with inspiring designs taking shape and showing how our museum for the 21st century will inhabit this unique site. We were extremely proud to announce two landmark donations to our £70m campaign from the Linbury Trust and National Lottery Heritage Fund. They join our Founding Partners, The Goldsmiths' Company; we have £44m to go.

Strong relationships with our funders, the City of London Corporation, the Greater London Authority and Arts Council England make all of this possible. We have continued to work in partnership, exchanging ideas and finding new ways to come together around shared agendas for culture, education, tourism and much more.

I am hugely grateful to my colleagues on the Board of Governors for their thoughtful insight throughout the year, which has guided the diverse range of museum activities.

We said farewell to five Board members – Sally Balcombe, Simon Fanshawe, Sir Edward Lister, Jörn Rausing and Tom Hoffman – who had given sage advice, support and immense personal commitment during the past years and we welcomed their replacements who bring skills from the world's commerce, technology and youth sectors; which will be invaluable during this time of transformation.

On behalf of the Board, our thanks go to the Museum of London team of staff and volunteers, led by Sharon Ament and her Executive Board, for their continued energy and imagination.

I look forward to the successes of the year ahead.

Clive Bannister
Chair, Museum of London Board of Governors
October 2019

FOREWORD BY SHARON AMENT, MUSEUM DIRECTOR

The huge array of work that takes place in our museums makes our annual summary a challenge but the core themes of programming, collecting, developing content and working in partnership are ever-present, as we strive to deliver greater impact for Londoners, all those who visit us and the city as a whole.

This year the enormous potential of our future home was illustrated by the thronging streets around West Smithfield over the August bank holiday weekend. The festival, “London’s biggest birthday party”, celebrated the 150th anniversary of Smithfield Market, putting this area on the map as a place for culture, creativity and inclusion in line with the ambitions of Culture Mile. Over a single weekend we welcomed just under 25,000 people, not to mention a canine audience of 200 dachshunds taking part in our Sausage Dog Parade!

We have continued to evolve and shape the London Collection as a collective memory of Londoners past and present. Highlights included supporters mobilising to secure our acquisition of a stunning 20-foot wide panorama of London, painted in 1815 by the French artist Pierre Prévost. Curating London, our experimental contemporary collecting and engagement project supported by ACE, kicked off with *Brexit Talks*, video recordings of over 100 Londoners speaking about what matters to them.

Developing a new museum for London is the single biggest endeavour this organisation has ever undertaken. The extraordinary process to shape the content for West Smithfield takes place in parallel with designing the physical building. We focused on the production of an Interpretation Masterplan, which will guide the content and experiences in the new museum. This process is one of continuous exchange and conversation with many people, in particular Londoners.

We continue to collaborate with the GLA and City of London Corporation around key agendas for London. We are proud to be a partner in Culture Mile in the City of London, and to hold the lead for the areas of Culture Mile Learning and Marketing. We are committed to promoting diversity across our organisation and have launched a new Diversity Strategy to support our activities.

These are only the headlines of a busy year. Much essential work vital to museum operations is undertaken by our teams out of public view, be it processing over 3,000 job applications, configuring laptops to enable agile working or illuminating galleries with energy efficient lighting.

As I write we are already pressing forward with our plans to build on the progress and achievements set out here.

Sharon Ament
Director, Museum of London
October 2019

GOVERNORS' ANNUAL REPORT

GOVERNING OBJECTS AND PUBLIC BENEFIT

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

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

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

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

STRATEGIC OBJECTIVES

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

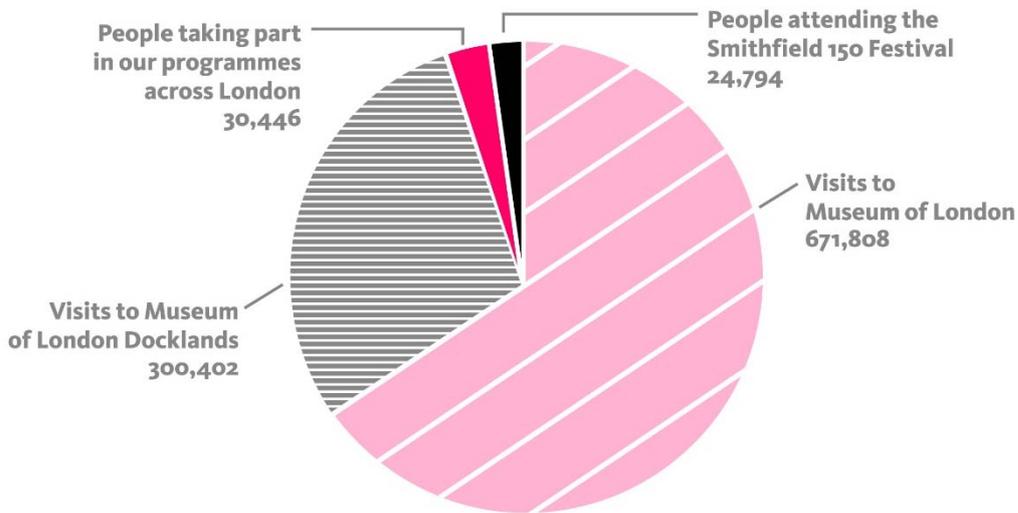
1. Reach more people
2. Become better known
3. Stretch thinking
4. Engage every schoolchild
5. Stand on our own two feet

In 2018/19 we have delivered our objectives through:



Engaging over 1 million people visiting our museums or taking part in programming across London

Engagement in 2018/19



- This year 671,808 visits were made to Museum of London, broadly in line with 2017/18 performance (679,949 visitors). Museum of London Docklands received 300,402 visits, just behind our record 2017/18 performance (311,920).
- Significant activity also took place ‘out and about’ in London. 24,794 people visited the *Smithfield 150* festival, celebrating the 150th anniversary of the Smithfield Market. A further 30,446 people also took part in schools, families and adult programmes that took place outside of our sites.
- We want to ensure our visitors have an outstanding time. Our rolling research showed 98% of Museum of London visitors and 99% of Museum of London Docklands visitors rated their visit as good or excellent.



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

A rich and varied programme was on offer for our audiences, with imaginative exhibitions and events designed to appeal to the interests of different visitors. Every year is different and highlights from 2018/19 are captured below. These are in addition to our regular gallery tours, 'objects in focus' sessions and walking tours.

Museum of London

MAJOR EXHIBITION:
LONDON NIGHTS

Over a hundred years of photography and film were brought together capturing different aspects of the city after dark.

11 May – 11 November 2018

EXHIBITION:
DISEASE X: LONDON'S NEXT EPIDEMIC?

A century after the outbreak of the deadliest wave of 'Spanish Flu', that killed at least fifty million people, we explored past epidemics and looked to the future for the next unknown lethal disease.

16 November 2018 – 3 March 2019

EXHIBITION:
DARK CORNERS

Our photography competition, in collaboration with the British Journal of Photography, invited practitioners to submit work exploring London at night with the five winning photographs selected from over 2,000 submissions going on display.

Museum of London Docklands

MAJOR EXHIBITION:
ROMAN DEAD

We explored death and burial in Roman London, showcasing archaeological finds including the newly discovered Harper Road Sarcophagus.

24 May – 29 October 2018

EXHIBITION:
SLAVERY, CULTURE AND COLLECTING

This exhibition followed slave owner and art collector George Hibbert, a prominent member of a large subsection of British society which derived its wealth directly from the slave economy and highlighted the connection of slavery to some of Britain's oldest cultural organisations.

15 September 2018 – 15 September 2019

FAMILY FESTIVAL:
MYTHS AND LEGENDS

Families were immersed in a world of magical myths and captivating tales at our celebration of worldwide folklore and traditions including story tellers, craft workshops and bilingual performances.

Museum of London

POP-UP EXHIBITION:
JAY AJAYI

The homecoming of London-born NFL Super Bowl winner Jay Ajayi was marked with a pop-up exhibition at the museum, opened by the sports star, including objects such as his jersey and childhood photographs.

LATE EVENT:
JOIN THE NIGHT LONDON COUNCIL

An evening of performances, live art, music, talks, and alternative opportunities to explore the capital after dark that was overseen by The Night London Council, a fictional body representing those who live and work between sunset and sunrise.

Museum of London Docklands

EVENT:
LONDON'S NIGHTOWLS HALLOWEEN SLEEPOVER

Young visitors stayed up late at Museum of London Docklands hearing spooky storytelling and solving Victorian mysteries before spending a night sleeping in the galleries.

WALKS AND TOURS:
LONDINIUM MORTUUM

A series of walks explored the Roman cemeteries just outside the walls of Londinium. Those who joined learnt about Roman funeral and burial practices including grave goods, inhumation and cremation.



Connecting with more people beyond our walls using digital and media presence

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



146,743
(+3,248)



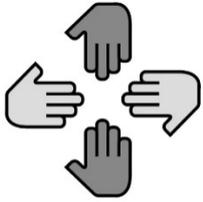
115,446
(+4,960)



51,143
(+15,129)

- Museum of London stories generated 3,677 pieces of media coverage, with our plans to acquire the Whitechapel fatberg and England manager Gareth Southgate's waistcoat particularly piquing the public's interest.
- We published 59 articles on different London topics through the Discover section of our website. These were read over 245,000 times with most popular subjects being *Fatberg!*, *Votes for Women* and the Fire of London.
- Our Fatcam, a live stream of the Whitechapel fatberg in store, was viewed over 117,000 times by people across the globe including locations as far afield as Germany, America and Australia.

- We became a lead partner in *Road to Equality*, an online Vote 100 exhibition on Google's Arts & Culture Platform which enabled us to digitise and share over 60 fragile Suffragette objectives that have never been on public display.



Developing our relationship with Londoners through volunteering and shaping the new museum

- Over 180 volunteers contributed their time and skills with us in many different ways. Volunteers played an important role in delivering successful operations at the *Smithfield 150* festival and continued to enhance the information held about our collections through archiving and cataloguing activities, focused on areas such as the fashion and textiles collection.
- Our work experience programmes enable students to discover what working in different areas of the museum involves, with 30 students taking part this year. Working in partnership with Richard Cloudesley School, we also developed a work experience project for students with special educational needs.
- Conversation with others is a vital part of developing the new museum, and over 4,000 people were consulted through research and evaluation activity this year. Over 500 Londoners from all walks of life also took part in creative discussions that will help shape a new brand for the museum.



Connecting young Londoners to their city and each other through outstanding schools and families programmes

- A total of 153,699 schoolchildren enjoyed our varied and creative cross-curricular schools programme. We engaged pupils from schools in every London borough.
- Highlights included programming developed for Black History Month, such as *Generation Windrush*, reaching over 6,000 secondary students across 17 schools in 12 boroughs.
- We continued to lead Culture Mile Learning, working with the City of London Corporation and bringing together 26 diverse organisations to establish Culture Mile as a learning destination and to develop the creative, communication, problem-solving and digital literacy skills of young people, especially those from disadvantaged backgrounds.
- Imaginative programmes for children and their families that explored different aspects of London's history were enjoyed by 55,805 people.

- Community-orientated family festivals continued to be popular with our Chinese New Year celebrations at Museum of London Docklands proving a particular hit, attracting more than 5,000 people over two days.



Building the London Collection and telling London's stories

This year 53 new acquisitions, involving 440 individual objects, were added to the London Collection including:

Finger ring in the shape of a pigeon's claw, by Tessa Metcalfe, 2018

Tessa Metcalfe is a London jeweller, part of the collective London Rocks, and is based in Hatton Garden. Her work draws inspiration from wildlife, including forms cast from roadkill. This ring has been cast from the claw of a London pigeon.



Two pieces of the Whitechapel fatberg

The Whitechapel fatberg made international headlines when it was discovered in a London sewer in September 2017. Weighing 130 tonnes and over 250 metres long, it was one of the largest fatbergs ever found. Fatbergs are evidence of the strain that modern lifestyles place on the Victorian sewer system.



Oil lamp, 4th or 5th century

This Roman oil lamp was found on the Thames foreshore. However, it was not made in London, but is of a type manufactured in Carthage in North Africa. It therefore demonstrates Londinium's international connections, even in the period shortly before the departure of the Romans. The image of the running lion may have a Christian significance.



A Panoramic view of London from the Tower of St Margaret's Church, Westminster, by Pierre Prévost, c. 1815

Pierre Prévost was one of the leading panorama painters of the early nineteenth century. Immediately after the conclusion of the Napoleonic Wars, he seems to have taken advantage of the peace to come to London to prepare a monumental panorama of the City for display in Paris. This is the large-scale study for the final view. Unusually, it depicts London as seen from Westminster, and preserves a detailed view of the Houses of Parliament before they burned down in the fire of 1834.



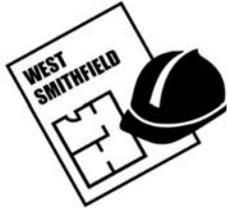
- We utilise the London Collection and our content in many different ways. We loaned 101 objects to 26 venues across London, the UK and internationally. We answered over 4,800 public enquiries about our collections. We reached 3,687 university students through our higher education programmes.
- Our contemporary collecting project, Curating London, kicked off this year with our *Brexit Talks* collecting programme, capturing some 145 vox pop interviews with Londoners in different locations across the city.
- 2018/19 marked the tenth anniversary of the *London, Sugar and Slavery* gallery at the Museum of London Docklands. A well-attended conference explored reflections and responses to the Gallery ten years on, including schoolchildren presenting part of the programme on the day.



Generating income through our activities, enabling us to do more and have greater impact

- This year our Enterprise activities, including our shops, cafes, restaurants and venue hire, generated income of £2.7m. A further £0.4m of revenue was generated through visitor-related activities such as encouraging onsite donations and purchases of guidebooks.
- We have completed a successful trial of cashless donations technology in response to the rise of card and contactless transactions. Donations per visitor increased at both sites and cashless donations accounted for over a third of total donations.

- Museum spaces create unique venues for hire and our corporate events business performed well this year, including a record Christmas hire season at London Wall. We developed events packages around the theme of the 'Frost Fair,' using museum content to create an appealing commercial offer.



Progressing our plans to create a new museum for London

- Our focus has remained firmly on the delivery of our biggest ever capital fundraising campaign. At the end of 2018/19 we had raised more than £26.1m, now including major support from the Linbury Trust (£10m) and the National Lottery Heritage Fund (£5m) joining The Goldsmiths' Company who are Founding Partners (also at £10m).
- A major milestone this year was the completion of the concept design stage (RIBA Stage 2) and by the end of 2018/19 work was well underway on the detailed design (RIBA Stage 3). Working closely with the museum team, architects Stanton Williams, Asif Khan and Julian Harrap Associates have produced designs, with support from a wide range of consultants, that will unlock the potential of the site at West Smithfield.
- Early ideas for content, collections and experiences at the new museum were generated throughout the year, captured in a single overarching document – our Interpretation Masterplan – to guide the next stages of development.
- Our collections information upgrade project is laying the foundation for moving almost half a million items to new locations. By the end of 2018/19, 43,100 objects had been audited, over 25,000 had been digitised and 18,000 objects had been packed in preparation for the move. A new barcode system for recording objects has also been rolled out across three major stores which will make moving much easier.

2018/19 KEY PERFORMANCE INDICATORS

Area of activity	2017/18 Actual	2018/19 Target	2018/19 Actual
Visits made to the Museum of London	679,949	700,000	671,808
Visits made to the Museum of London Docklands	311,920	300,000	300,402
Visits to the <i>London Nights</i> exhibition		70,000	26,578
Visits to the <i>Roman Dead</i> exhibition		40,000	36,690
Schoolchildren visiting the museum or taking part in our schools programme	141,851	130,000	153,699
People taking part in family events and activities	69,213	52,500	55,805
Visits to the museum website	2.2m	2.1m	2.2m
Media articles generated	4,179	4,000	3,677
Trading income generated	£2.8m	£2.6m	£2.7m

FUTURE PLANS

- In 2019/20 we aim to welcome over one million people to our museums including over 143,000 school children and 54,000 children and adults taking part in our family programmes.
- Vibrant programming will enable our visitors to explore different aspects of London life in more detail. The major exhibition at London Wall will be *Beasts of London*, exploring the role animals have played in shaping the capital. At the Museum of London Docklands the major exhibition will be *Secret Rivers* revealing the secrets of London's historic waterways.
- We move into the second year of our innovative contemporary collecting and engagement programme supported by ACE, Curating London. We will continue to work closely with the City of London Corporation and the GLA on education, culture, creating a destination through Culture Mile and shaping a new museum for London.
- The detailed design stage of the new museum project will be completed and we will prepare for the milestone of submitting a planning application during the year. Content development for new galleries will be the primary focus of our curatorial and collections teams and the first exhibition designers will be appointed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Incorporation and status

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

As at 31 March 2019 the museum had 4 subsidiaries: Museum of London (Trading) Ltd, and the London Museum, Joicey and Mackenzie Bell Trust Funds and therefore presents consolidated financial statements.

The reference and administrative details on pages 54 to 56 form part of this report.

Governor recruitment, appointment and induction

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

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

Governor induction is managed by the office of the Director of the Museum of London. The standard induction procedures are that Governors receive a copy of the Museum's Code of Practice for Governors which describes the committee and management structure and the duties and responsibilities of Governors. To underline the importance of Governors' responsibilities the procedures require Governors to sign to confirm that the Code of Practice has been received and is understood. Induction procedures require that Governors also receive the Museum of London Acts together with the museum's Financial Governance Manual, Strategic and Business Plans, Annual Report and Financial Statements, 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". The Nolan principles form the foundation of the Governors' induction.

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

Organisational structure

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

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

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

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

- New Museum Project Board
- Museum of London Academic Panel

Key management personnel

All Governors give of their time freely and no Governor received remuneration in the year. Details of Governors' expenses and related party transactions are disclosed in Note 10 to the accounts. The pay of the key management personnel is reviewed and benchmarked annually by the Remuneration Committee.

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

The primary functions of the museum relate to care and management of collections, lifelong learning, exhibitions and other public programmes. All are designed to inform and engage visitor interest in the history, heritage and cultures of London. To achieve its aim the museum has six groups, each led by a Director or Head of Department. The Directors or Heads of the groups, under the overall direction of the Director of the Museum, form the Executive Board which meets monthly and is responsible for the operational management of the museum. For the year under review the Groups comprised:

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

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

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

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

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

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

Relationships with related parties

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

Note 21 to these financial statements includes details of the museum's transactions with the GLA and the City of London Corporation and other related party transactions.

Human Resources

We employ approximately 300 staff across three sites, and engaged with almost 200 volunteers in the financial year 2018/19.

As set out in our Strategic Plan (2018–2023), we are at the outset of a process of transforming ourselves. Over the coming years, we aspire to become more people-centred (in the sense of visitors and the other people we serve), open, diverse, creative, impactful and sustainable. We recognise that our success in achieving this ambition depends fundamentally on the skill, commitment and engagement of our staff and volunteers.

This year we developed our first People Strategy, taking us to 2021 and setting out five strategic objectives linked to our overall organisational objectives. Here's some of our achievements over the last year:

- **Transforming ourselves:** We recognise the need to transform ourselves – our workforce make-up, skills, structures, and ways of working. This year, we implemented a workforce diversity strategy, setting out our ambition to better represent London's diversity and to promote staff and volunteer inclusion. We also designed and implemented a set of organisational core behaviours, helping to define our desired organisational culture.
- **Resourcing and retention:** We recognise that our exceptional staff and volunteers are key in bringing experience and expertise to the task of implementing our strategic plan. This year, we maintained our Investors in Volunteers accreditation, demonstrating our commitment to our volunteers. We introduced online recruitment for volunteers, making it easier for people to engage with us. We also refined and promoted our employer brand, aiming to communicate effectively to as diverse a range of prospective candidates as possible why we are an excellent place to work.
- **Development and talent management:** We want to value our people by ensuring they experience excellent line management and that a variety of high quality and cost-effective learning opportunities exist. We rolled out a sector-wide mentoring scheme this year, have improved the levels of attendance of our mandatory training, and our work experience scheme has gone from strength to strength, with 80 students involved this year.
- **Wellbeing and employee relations:** We recognise that we will perform better when our people are healthy, motivated and focused. This year we ran wellbeing initiatives focusing on topics such as healthy eating and mental health, as well as social events. We also launched a weekly lunchtime walking club, encouraging people to keep active.
- **HR systems and processes:** We want to ensure that we have systems and processes fit for a 21st century museum to provide a secure and efficient infrastructure in which to support our people. This year we introduced a suite of new, clear and relevant policies, as well as implementing a new data retention schedule aligned with GDPR.

FINANCIAL REVIEW

The results for the year are set out on the Statement of Financial Activities (SOFA) on page 27. Due to the significant impact on the results of non cash items of pension accounting and depreciation, it is important to review the Consolidated Cash Flow Statement on page 30 alongside the SOFA and the Balance Sheet on page 29. The table below strips out these transactions to provide an alternative view of the financial results of the Group, showing that in the year income was £2.5m higher than expenditure.

MUSEUM OF LONDON GROUP Expressed in £'000	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018	Variance to prior year
Per Group SOFA					
Total Income and Endowments	18,498	13,968	32,466	25,491	6,975
Less: Total Expenditure before (losses) / gains on investments	23,290	13,381	36,671	28,876	(7,795)
	(4,792)	587	(4,205)	(3,385)	(820)
Add back:					
Pension service cost and interest	3,024	–	3,024	2,566	458
Depreciation	3,675	–	3,675	3,695	(20)
Adjusted Operating Results ^[1]	1,907	587	2,494	2,876	(382)

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

Total Group Incoming Resources were £32.5m during the year (2018: £25.5m). The increase from the prior year includes an increase of £5.8m in New Museum project grant funding and donations as the project proceeds through the design phase.

The museum's main sources of funding were the Greater London Authority and the City of London Corporation, which together contributed 85% of the group's donations, grants and legacies revenue funding (2018: 85%). Other grants and donations included £1.4m from Arts Council England (2018: £1.4m). Group expenditure on raising funds and charitable activities was slightly higher than the prior year across various areas and includes £3m on pension service costs (2018: £2.6m) and £3.7m on depreciation (2018: £3.7m). The pension service cost is essentially the estimated cost to the employer of the benefits accruing over the accounting period, based on actuarial assumptions.

Trading activities, comprised primarily of venue hire and catering, plus events and two retail outlets, performed better than the prior year at £3.1m (2018: £2.8m). All commercial trading is carried out through the museum's trading subsidiary, The Museum of London (Trading) Limited.

The Museum of London recorded an operating surplus (before transfers) on its unrestricted free reserves (general fund) of £1.1m (Note 18A "General Reserves – Museum of London") (2018: £1.0m).

Financial reserves

After transfers from restricted and designated funds and other losses, the Museum of London's total general reserves stood at £7.3m at 31 March 2019 (2018: £7.6m). The group's restricted funds were £8.7m at 31 March 2019 (2018: £8.7m) and the group's designated funds, excluding the Defined Benefit Pension Reserve, were £26.3m at 31 March 2019 (2018: £27.2m). The designated funds are largely comprised of the Fixed Assets Fund, which is being used to fund future depreciation of those assets acquired from unrestricted funds.

The group's cash balances and cash flow forecast remain adequate for its needs. Total group funds carried forward at 31 March 2019 were £3.1m (2018: £5.9m).

The pension deficit calculated in accordance with Financial Reporting Standard 102 (FRS 102) has increased in the year to £41.7m (2018: deficit of £39.4m). See Note 22 for further details. The increase in the deficit includes an increase in service costs of £0.7m for the impact of any amendments that may be required to the Local Government Pension scheme as a result of the Court of Appeal judgement on the McCloud and Sargeant cases on the basis that there is a constructive obligation at 31 March 2019. Other changes in financial assumptions include an actuarial gain of £0.7m (2018: actuarial gain of £0.7m). The increase in the pension deficit has contributed to the negative unrestricted reserves and the negative balance sheet in the Museum of London. However, this is not indicative of any pension liability that is expected to crystallise in the short term as it represents the accounting valuation of the scheme under FRS 102 rather than the level of future contributions to be paid. This is explained in more detail below.

The Museum of London's pension scheme is part of the City of London Corporation's scheme and the Museum of London's deficit is largely proportional with its share of total assets in the fund (approximately 7%). The museum's pension contribution rates are reviewed every three years, after an actuarial valuation in which the surpluses and deficits may be measured differently to the FRS 102 valuation, in accordance with the museum's accounting policy as described in Note 1 (J). The triennial funding valuation is used to set the required level of contributions to be paid and reflects a longer term view of the level of employer contributions required to ensure the assets are sufficient to meet the liabilities. At October 2016, the total fund had contributions set at a level to meet the deficit in 17 years. The next funding valuation has commenced and will be in place for the following financial year ending 31 March 2020.

In contrast, the annual accounting valuation is calculated as required by FRS 102, using corporate bonds yield as the discount rate for the present value of the scheme's liabilities. As corporate bond yields are usually lower than the expected return from the assets held, this results in a significantly higher valuation of the liabilities and a worse position than the funding valuation. This is a mechanism for accounting purposes and does not reflect the level of future contributions to be paid.

Investment policy and performance

The capital funds of the Trust Funds are invested in Common Investment Funds. Targets are not set but the Trustees of the funds periodically review the performance of the investments to ensure the returns are satisfactory. During the year to 31 March 2019 there was a slight increase in carrying values. Total income received over the year was in line with receipts in previous years.

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

Going concern

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
<p>There continues to be a significant strain on UK government spending and a need to reduce the budget deficit.</p> <p>The Brexit negotiations and resulting economic uncertainty may increase that pressure.</p>	<p>The government may make further cuts in the funding to the Arts/Heritage sector. The grant paid to the museum could be cut substantially.</p>	<p>The museum has confirmed funding up until the end of March 2020 but the position after that is less clear. The museum has invested in strengthening its Executive Team and has a strong Board of Governors bringing expert experience to the museum.</p> <p>The museum's Strategic Plan for 2018 to 2023 contains the key objective to create a new museum at West Smithfield. Increasing visitor numbers and improved income generation are key elements of the Strategic Plan.</p> <p>A Development Strategy is in place aimed at building relationships and increasing sponsorship income.</p> <p>An Enterprise Strategy is in place incorporating measures for growing our commercial income generated through our shops, restaurants, cafés, events and corporate hire opportunities.</p> <p>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.</p>

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

Reserves policy

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

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

The museum:

- Fails to generate satisfactory revenues from its activities.
- Fails to secure sufficient grant income as a result of continued cuts in government spending.
- Suffers a sudden failure of building structure or major plant requiring immediate attention in order to continue operations.
- Requires further restructuring of operations should grant in aid be substantially reduced.
- Suffers loss of assets as a result of fraud, theft or cybercrime.
- Fails to respond appropriately to an act of terrorism or major emergency at all/any of the Group sites, causing a fall in income and/or loss of reputation.
- Accordingly, the Board holds reserves to mitigate the effect of the above risks in the following way:
 - Approximately £6m to cover operating expenditure for 4 months (this excludes discretionary spend such as projects),
 - £0.5m to £1m to cover building emergency repairs or restructuring costs which may arise and are not currently budgeted for, and
 - £0.5m to £1m to cover short term cash flow fluctuations which may arise during the year.

As at 31 March 2019 the balance on the Museum of London's general funds (as shown in Note 18 – Total General Funds) stood at £7.3m (excluding designated fixed asset and pension reserves) (2018: £7.6m). While the net asset position is strong, this is predominantly in fixed assets, restricted funds, endowment funds or designated funds. Therefore, the Reserves Policy and the level of general funds held is vital to protect the museum from the risks and issues noted above and enables the museum to continue to deliver our mission and objectives.

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

Structure of the financial statements

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

- Consolidated Statement of Financial Activities showing all incoming resources and all expenditure incurred and reconciling all changes in the funds of the museum and its subsidiary undertakings.
- Museum of London Statement of Financial Activities showing all incoming resources and all expenditure incurred and reconciling all changes in the funds of the museum.

- Consolidated Balance Sheet setting out the assets and liabilities of the museum and its subsidiary undertakings.
- Museum of London Balance Sheet setting out the assets and liabilities of the museum.
- Consolidated Cash Flow Statement that summarises the movement of cash for the year for the museum and its subsidiary undertakings.
- Notes to the financial statements explaining the accounting policies adopted and information contained in the statements.

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

Risk management and internal control

Purpose of the system of internal control

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

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

The system of internal control has been in place in the Museum of London and its subsidiary undertakings during the year ended 31 March 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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

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

Risk and Control Framework

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

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

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

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

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

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

Review of effectiveness

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

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

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

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

Disclosure of information to Auditor

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

Adoption of report and financial statements

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

Clive Bannister

Chair of the Board of Governors
of the Museum of London

Alison Gowman

Governor of the Museum of London

Date: 9 October 2019

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

Opinion

We have audited the financial statements of Museum of London (the 'charity') for the year ended 31 March 2019 which comprise consolidated and museum statements of financial activities, the consolidated and museum balance sheets, the consolidated cash flow statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2019 and of the group and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The governors are responsible for the other information. The other information comprises the information included in the Governors' Annual Report, set out on pages 4 to 23 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of governors for the financial statements

As explained more fully in the Governors' Responsibilities Statement set out on page 22, the governors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's governors, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its governors as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 17 October 2019

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

MUSEUM OF LONDON GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Expressed in £'000	Notes	2019				2018
		Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds	Total Funds
INCOME AND ENDOWMENTS						
Donations, grants and legacies	3	14,795	1,831	–	16,626	15,769
Other trading activities	4	2,878	155	–	3,033	3,022
New Museum project	5	–	11,860	–	11,860	6,099
Investment income	6	298	82	–	380	350
Income from charitable activities	7	527	40	–	567	251
Total Income and Endowments		18,498	13,968	–	32,466	25,491
EXPENDITURE ON						
Raising funds	8	3,974	–	–	3,974	3,542
Charitable activities	8	19,316	1,839	–	21,155	20,528
New Museum project	8	–	11,542	–	11,542	4,806
Total Expenditure before (losses) / gains on investments		23,290	13,381	–	36,671	28,876
Gains / (losses) on investments	14	–	41	45	86	(10)
Net (outgoing) / incoming resources before transfers		(4,792)	628	45	(4,119)	(3,395)
Transfers between funds	18 (A)	653	(653)	–	–	–
Net (expenditure) / income before other recognised gains and losses		(4,139)	(25)	45	(4,119)	(3,395)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	22	677	–	–	677	694
Net movement in funds		(3,462)	(25)	45	(3,442)	(2,701)
Funds brought forward at 1 April		(4,631)	8,748	1,762	5,879	8,580
Funds carried forward at 31 March	18 (A)	(8,093)	8,723	1,807	2,437	5,879

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

The notes on pages 31 to 53 form part of these financial statements.

MUSEUM OF LONDON STATEMENT OF FINANCIAL ACTIVITIES

Expressed in £'000	Notes	2019			2018
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
INCOME AND ENDOWMENTS					
Donations, grants and legacies	3	15,172	1,626	16,798	15,884
Other trading activities	4	1,610	-	1,610	1,898
New Museum project	5	-	11,835	11,835	6,099
Investment income	6	264	-	264	247
Income from charitable activities	7	527	40	567	251
Total Income and Endowments		17,573	13,501	31,074	24,379
EXPENDITURE ON					
Raising funds		2,662	-	2,662	2,491
Charitable activities		19,672	1,479	21,151	20,525
New Museum project		-	11,542	11,542	4,806
Total Expenditure	8	22,334	13,021	35,355	27,822
Net (outgoing) / incoming resources before transfers		(4,761)	480	(4,281)	(3,443)
Transfers between funds	18 (A)	627	(627)	-	-
Net income / (expenditure) before other recognised gains and losses		(4,134)	(147)	(4,281)	(3,443)
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	22	677	-	677	694
Net movement in funds		(3,457)	(147)	(3,604)	(2,749)
Funds brought forward at 1 April		(4,683)	6,852	2,169	4,918
Funds carried forward at 31 March		(8,140)	6,705	(1,435)	2,169

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

The notes on pages 31 to 53 form part of these financial statements.

MUSEUM OF LONDON GROUP AND MUSEUM BALANCE SHEETS

Expressed in £'000	Notes	Group		Museum	
		2019	2018	2019	2018
Fixed assets					
Heritage assets	12 & 13	5,864	6,037	5,864	6,037
Intangible assets	12	267	304	267	304
Other tangible assets	12	32,261	34,417	32,261	34,417
		38,392	40,758	38,392	40,758
Investments	14	3,492	3,406	-	-
Total fixed assets		41,884	44,164	38,392	40,758
Current assets					
Stock		225	207	-	-
Long term loan receivable	15	305	496	305	496
Debtors	15	2,978	2,870	4,963	5,415
Cash at bank and in hand		12,056	12,174	9,482	9,137
Total current assets		15,564	15,747	14,750	15,048
Current liabilities					
Creditors amounts falling due within one year	16	(6,108)	(6,611)	(5,674)	(6,216)
Net current assets		9,456	9,136	9,076	8,832
Total assets less current liabilities		51,340	53,300	47,468	49,590
Creditors amounts falling due after one year					
City of London Corporation	21 B	(7,181)	(8,046)	(7,181)	(8,046)
Net assets excluding pension liability		44,159	45,254	40,287	41,544
Defined benefit pension liability	22	(41,722)	(39,375)	(41,722)	(39,375)
Net assets including pension liability		2,437	5,879	(1,435)	2,169
The funds of the charity	18 & 19				
Endowment funds		1,807	1,762	-	-
Restricted income funds		8,723	8,748	6,705	6,852
Designated funds		26,348	27,194	26,348	27,194
Designated defined benefit pension reserve		(41,722)	(39,375)	(41,722)	(39,375)
		(4,844)	(1,671)	(8,007)	(5,329)
Reserves					
General reserve		7,281	7,550	7,234	7,498
Total funds and reserves		2,437	5,879	(1,435)	2,169

The notes on pages 31 to 53 form part of these financial statements.
The financial statements were approved by the Board of Governors on 9 October 2019.
Signed on its behalf by:

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

Alison Gowman
Governor of the Museum of London

CONSOLIDATED CASH FLOW STATEMENT

Expressed in £'000	Notes	2019	2018
Net cash inflow from operating activities	1	1,773	3,583
Returns on investment and servicing of finance			
Interest and dividends received		380	350
Interest paid		(115)	(126)
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(1,332)	(1,401)
Increase in cash and cash equivalents before financing		706	2,406
Financing – Repayments of long-term borrowing		(824)	(786)
Increase / (decrease) in cash and cash equivalents in the year		(118)	1,620

SUMMARY OF MOVEMENT IN CASH AND CASH EQUIVALENTS

Expressed in £'000	Balance 1 Apr 2018	Movement In the year	Balance 31 Mar 2019
Cash at bank	5,674	(118)	5,556
Cash on deposit	6,500	–	6,500
Total cash and cash equivalents	12,174	(118)	12,056

1. NOTE TO THE CASH FLOW STATEMENT

RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES

EXPRESSED IN £'000	2019	2018
Net expenditure before other recognised gains and losses	(4,119)	(3,395)
Interest and dividends receivable	(380)	(350)
Interest payable	115	126
(Gains) / losses on investments	(86)	10
Pension costs – see Note 22	3,024	2,566
Fixed assets scrapped	–	12
Depreciation	3,694	3,695
Net Operating Income	2,248	2,664
(Increase) / decrease in stock	(18)	38
Decrease / (increase) in debtors and long term contracts	83	(886)
(Decrease) / increase in creditors (excluding loans/overdrafts)	(540)	1,767
Net cash inflow from operating activities	1,773	3,583

NOTES TO THE FINANCIAL STATEMENTS

1) ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared, on a going concern basis as detailed on page 18, under the historical cost accounting convention, with the exception of investments which have been included at market value, and comply with the Charities Act 2011, the Statement of Recommended Practice Accounting and Reporting by Charities SORP (FRS 102) and applicable accounting standards in the United Kingdom. The Museum of London is a public benefit entity under FRS 102.

Consolidated financial statements have been prepared for the museum, which consolidate the financial statements of the Museum of London, Museum of London (Trading) Limited, the London Museum Fund, the Joicey Fund and the Mackenzie Bell Fund on a line by line basis. Uniform accounting policies have been applied across the group and have been applied consistently year on year. The functional currency is GBP Sterling.

B) INCOME

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

C) EXPENDITURE

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

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

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

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

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

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

As detailed in Note 9, support costs comprise finance, administration, human resources, information technology, Directorate and some premises costs. Support costs are apportioned across the

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

Resources expended are accounted for on an accruals basis.

D) IRRECOVERABLE VAT

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

E) FUND ACCOUNTING

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

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

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

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

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

F) FIXED ASSETS

Heritage Assets

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

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

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

Tangible Assets

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

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

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

Intangible Assets

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

G) INVESTMENTS

Listed investments are valued annually at mid–market price at the balance sheet date. Investments in subsidiaries are recognised at cost in the financial statements of Museum of London. The unrealised profit or loss on investments is shown on the Consolidated Statement of Financial Activities.

H) STOCK

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

I) RECOGNITION OF LIABILITIES

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

J) PENSION COSTS

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

Charges are made to the income and expenditure account based on the recommendations of the Fund’s actuary. They are applied between the Fund’s triennial valuations so as to include the expected cost of providing pensions on a systematic and rational basis over the period during which the museum derives benefit from the employees’ services.

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

K) HOLIDAY PAY

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

L) DONATED GOODS, FACILITIES AND SERVICES

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

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

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

M) CASH AT BANK AND IN HAND

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

N) KEY JUDGEMENTS AND ESTIMATES

In preparing these financial statements the following judgements have been made:

The present value of the museum's share of the City of London Corporation Pension Fund Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in Note 22, will impact the carrying amount of the pension liability. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 March 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The fair value of the investments recognised in the financial statements is based on the market value of the investments held at the year end. The investments are listed, and therefore their valuation is based on publicly available market information. As such, there is no estimation uncertainty in this area.

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

O) FINANCIAL INSTRUMENTS

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

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

(ii) Financial liabilities – Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

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

2) CONSOLIDATION OF SUBSIDIARY UNDERTAKINGS

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

The Museum of the Port of London and Docklands Limited was merged into the Museum of London in 2009 and became dormant. The Museum of the Port of London and Docklands Limited was closed in the year.

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

The results of the subsidiary entities for the year ended 31 March 2019 were as follows:

Expressed in £'000	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum of London (Trading)	Total 2019	Total 2018
Incoming resources	30	52	25	3,039	3,146	2,948
Resources expended	(12)	(3)	(17)	(3,039)	(3,071)	(2,890)
Net incoming / (outgoing) resources	18	49	8	-	75	58
Unrealised (loss) /gain on investments	24	41	22	-	87	(9)
Net movement in funds	42	90	30	-	162	49

Museum of London (Trading) resources expended includes gift aid of £366k (2018: £73k).

The assets, liabilities and funds of the subsidiary undertakings as at 31 March 2019 were as follows:

Expressed in £'000	Joicey Trust	Mackenzie Bell Trust	London Museum Trust	Museum of London (Trading)	Total 2019	Total 2018
Net Assets						
Investments	972	1,682	838	-	3,492	3,406
Current assets	85	239	60	2,961	3,345	3,659
Current liabilities	-	-	(5)	(2,961)	(2,966)	(3,355)
Total net assets	1,057	1,921	893	-	3,871	3,710
Funds employed						
Permanent endowment	974	-	833	-	1,807	1,762
Restricted funds	83	1,921	-	-	2,004	1,896
Unrestricted funds	-	-	60	-	60	52
Total funds	1,057	1,921	893	-	3,871	3,710

3) DONATIONS, GRANTS AND LEGACIES

Expressed in £'000

	MUSEUM OF LONDON GROUP			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
Greater London Authority Revenue grants	7,600	25	7,625	7,600
Greater London Authority Capital grants	–	465	465	495
City of London Corporation Revenue grants	5,292	660	5,952	5,372
Arts Council England and related programmes	1,362	19	1,381	1,461
Other grants	57	506	563	367
Other donations	484	156	640	474
Total	14,795	1,831	16,626	15,769

Included in Donations, Grants and Legacies Group income in the prior year is £2,445k of restricted funds. Gifts in kind and pro bono services received in the year were valued and recorded by the museum in accordance with the Accounting Policy Note 1 (L). Other donations include £22k for gifts and services in kind received during the year (2018: £38k).

Expressed in £'000

	MUSEUM OF LONDON			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
Greater London Authority Revenue grants	7,600	25	7,625	7,600
Greater London Authority Capital grants	–	465	465	495
City of London Corporation Revenue grants	5,292	510	5,802	5,372
Arts Council England and related programmes	1,345	19	1,364	1,461
Other grants	85	506	591	440
Other donations	850	101	951	516
Total	15,172	1,626	16,798	15,884

Included in Donations, Grants and Legacies Museum of London income in the prior year is £2,487k of restricted funds.

4) OTHER TRADING ACTIVITIES

Expressed in £'000

	MUSEUM OF LONDON GROUP	
	2019	2018
Shops	950	958
Private events and functions	1,713	1,604
Photographic library and licensing	68	73
Other	302	387
Total	3,033	3,022

Other Trading Activities income is split between Museum of London (Trading) Limited £2,783k (2018: £2,844k) and Museum of London £250k (2018: £178k), of which £nil is restricted (2018: £5k).

Other Trading Activities in the Museum of London also includes £1,360k of recharges from the Museum of London (Trading) Limited (2018: £1,720k), which are eliminated on consolidation.

5) NEW MUSEUM PROJECT

Expressed in £'000	MUSEUM OF LONDON AND MUSEUM OF LONDON GROUP	
	2019	2018
INCOME		
City of London Corporation	8,841	5,734
Other income	3,019	365
Total	<u>11,860</u>	<u>6,099</u>

Restricted funds of £11,860k (2018: £6,099k) were received during the year to fund specific activities for the New Museum project including RIBA Stage 2 project costs. Prior year income includes £18k for pro bono services received during the year (2019: £nil).

6) INVESTMENT INCOME

Expressed in £'000	MUSEUM OF LONDON GROUP	
	2019	2018
Interest on cash balances	89	61
Dividends received	104	102
Property income	187	187
Total	<u>380</u>	<u>350</u>

Investment Income is split Museum of London £273k and subsidiaries £115k.

Some of the cash balances for the Museum of London and the Trust Funds are invested by the Chamberlain of the City of London Corporation at competitive rates that averaged 0.965% in 2019 (2018: 0.521%). Included in Investment Income is £82k (2018: £78k) of restricted funds.

7) INCOME FROM CHARITABLE ACTIVITIES

Expressed in £'000	MUSEUM OF LONDON AND MUSEUM OF LONDON GROUP	
	2019	2018
Exhibitions and events	528	197
Other	39	54
Total	<u>567</u>	<u>251</u>

Included in Income from Charitable Activities is £40k (2018: £14k) of restricted funds.

8) EXPENDITURE

MUSEUM OF LONDON GROUP Expressed in £'000	Direct Staff Costs	Other Direct Costs	Support Costs	Total 2019	Total 2018
Expenditure on Raising funds					
Cost of generating voluntary income	180	196	390	766	675
Fundraising trading	1,029	1,454	725	3,208	2,867
	1,209	1,650	1,155	3,974	3,542
Expenditure on Charitable activities					
Communications	460	783	279	1,522	1,759
Programmes and learning	2,000	2,340	1,310	5,650	5,113
Galleries and exhibitions	2,117	3,571	1,840	7,528	7,100
Collections	2,497	2,185	1,645	6,327	6,449
Governance	32	68	28	128	107
	7,106	8,947	5,102	21,155	20,528
New Museum project	-	11,542	-	11,542	4,806
Total Expenditure	8,315	22,139	6,217	36,671	28,876

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

Expenditure is split Museum of London £35,355k (2018: £27,822k) and subsidiaries £1,316k (2018: £1,054k).

Expenditure includes £13,381k (2018: £7,424k) of restricted funds.

9) ALLOCATION OF SUPPORT COSTS

MUSEUM OF LONDON GROUP Expressed in £'000	Cost of Raising Funds	Charitable Activities	Governance Costs	Total 2019	Total 2018
Finance and administration	188	853	4	1,045	928
Management costs	188	855	5	1,048	1,032
Human resources and IT	197	898	5	1,100	1,078
Pension liability – finance costs, etc.	542	2,468	14	3,024	2,566
Group total support costs	1,115	5,074	28	6,217	5,604

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

10) EMPLOYEES

STAFF COSTS

Expressed in £'000	MUSEUM OF LONDON GROUP	
	2019	2018
Salaries and wages	9,454	8,877
Social security costs	944	895
Pension costs	1,343	1,206
Employment agencies	837	877
	12,578	11,855

The Governors neither received nor waived any emoluments during the year (2018: £nil). Reimbursements of expenses to the Governors of the Museum of London were in total £578, paid to two Governors (2018: £1,812, paid to two Governors).

Staff costs in 2019 include redundancy costs of £77k (2018: £176k).

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

	MUSEUM OF LONDON GROUP	
	2019	2018
£60,000 to £70,000	6	9
£70,001 to £80,000	3	3
£80,001 to £90,000	1	–
£90,001 to £100,000	2	1
£100,001 to £110,000	1	3
£110,001 to £120,000	1	1
£120,001 to £130,000	1	1
£160,001 to £170,000	1	1

Included in the 16 employees disclosed above is one employee whose role was made redundant during the year and their termination costs are included in 2018/19 staff costs.

Of the remaining employees disclosed above, retirement benefits are accruing to 14 staff under the museum's defined benefit pension scheme.

The compensation (including employer's national insurance contributions) of the key management personnel was £973k. (2018 key management personnel compensation: £1,027k).

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

	2019	2018
	£	£
Salary (including performance related bonus)	163,415	162,400
Contribution to pension scheme	25,826	24,370

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 52.7 (2018: 47.5) support staff, was:

	MUSEUM OF LONDON GROUP	
	2019	2018
Cost of Raising Funds		
Costs of generating voluntary income	16	15
Fundraising trading	31	31
	<u>47</u>	<u>46</u>
Charitable Activities		
Communications	12	13
Programmes and learning	58	51
Galleries and exhibitions	82	71
Collections	74	69
	<u>226</u>	<u>204</u>
Total	<u>273</u>	<u>250</u>

The increase in staff numbers is largely due to increased activity for the New Museum project. Staff costs above include casual staff equivalent to approximately 8 full time staff (2018: 5).

11) NET OUTGOING RESOURCES

Net outgoing resources is stated after charging:

Expressed in £'000	MUSEUM OF LONDON GROUP	
	2019	2018
Depreciation	3,694	3,695
Auditor's remuneration:		
Audit fees – statutory audit	52	51
Taxation compliance fees	5	2
Other fees paid to the Auditor:		
Taxation advisory fees	19	16

12) FIXED ASSETS

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

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

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

MUSEUM OF LONDON GROUP AND CHARITY Expressed in £'000	Leasehold property	Historic artefacts & museum exhibits	Assets under construction	Other assets	Total
Cost					
At 1 April 2018	55,255	16,771	53	17,926	90,005
Additions	487	512	32	301	1,332
Disposals	-	11	(32)	1	(20)
At 31 March 2019	55,742	17,294	53	18,228	91,317
Accumulated Depreciation					
At 1 April 2018	25,412	10,413	-	13,422	49,247
Charge	2,224	704	-	766	3,694
Disposals	-	-	-	(15)	(15)
At 31 March 2019	27,636	11,117	-	14,173	52,926
Net book value					
At 1 April 2018	29,843	6,358	53	4,504	40,758
At 31 March 2019	28,106	6,177	53	4,055	38,391

At 31 March 2019 no fixed assets were held by any subsidiary company and both the opening and the closing positions for fixed assets were identical in the charity and the group.

HERITAGE ASSETS

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

Expressed in £'000	2019	2018	2017	2016	2015
Cost of acquisitions	523	509	301	706	162
Disposals	-	-	2	-	-

Fixed assets divide into heritage, tangible and intangible assets.

MUSEUM OF LONDON GROUP Expressed in £'000	Heritage assets	Tangible assets	Intangible assets	Total 2019	Total 2018
Leasehold property (Museum of London)	–	28,106	–	28,106	29,843
Leasehold property (MoL Docklands)	3,525	–	–	3,525	3,957
Other historic artefacts & museum exhibits	2,336	316	–	2,652	2,401
Assets under construction	–	53	–	53	53
Other assets	–	3,788	267	4,055	4,504
	5,861	32,263	267	38,391	40,758

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

MUSEUM OF LONDON GROUP Expressed in £'000	2019	2018
150 London Wall	17,023	18,941
Mortimer Wheeler House, Eagle Wharf Road	11,083	10,902
1 West India Quay	3,525	3,957
	31,631	33,800

13) HERITAGE ASSETS NOT DISCLOSED IN THE BALANCE SHEET

Nature and scale of Heritage Assets held

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

Policies for acquisition, preservation management and disposal of Heritage Assets

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

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

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

Further details can be obtained from our website at:

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

14) INVESTMENTS

MUSEUM OF LONDON GROUP	2019	2018
Expressed in £'000	<hr/>	
Listed investments		
Market value at 1 April	3,406	3,416
Unrealised gains / (losses) on investments	86	(10)
Market value at 31 March	3,492	3,406
Less Cost at 31 March	1,159	(1,159)
Cumulative unrealised gain at 31 March	2,333	2,247

The above is represented by holdings in Charishare which is a common investment fund managed by BlackRock Investment Management in accordance with a scheme maintained under the provisions of Section 22(1) of the Charities Act 2011. Charishare contains investments in equities. All investments are held in the U.K. The Trustees believe that the carrying value of the investments is supported by their underlying assets.

Holdings in excess of 5% of the market value of the portfolio at 31 March 2019 are as follows and are all invested in the Charishare Common Investment Fund Income:

MUSEUM OF LONDON GROUP	Total	Total
Expressed in £'000	2019	2018
	<hr/>	
Joicey	972	948
Mackenzie Bell	1,682	1,641
London Museum	838	817
Market value at 31 March	3,492	3,406

15) DEBTORS DUE WITHIN ONE YEAR

Expressed in £'000	MUSEUM OF LONDON GROUP		MUSEUM OF LONDON	
	2019	2018	2019	2018
	<hr/>		<hr/>	
Loan receivable from related party	305	496	305	496
Trade debtors	550	553	211	262
Amounts owed by group undertakings	-	-	2,522	2,948
Other debtors	585	711	585	717
Prepayments and accrued income	1,843	1,606	1,645	1,488
	2,978	2,870	4,963	5,415

Included within Trade debtors is a provision for bad and doubtful debts of £nil (2018: £nil).

The loan receivable is due from MOLA (formerly the museum's field archaeology division) – see Note 21 for further details. The amount due from group undertakings is due from the Museum of London (Trading) Limited. The loan receivable from MOLA carries interest at Bank of England Base Rate plus 2.5%.

16) CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

Expressed in £'000	MUSEUM OF LONDON GROUP		MUSEUM OF LONDON	
	2019	2018	2019	2018
Trade creditors	1,359	2,946	1,230	2,863
Accruals	2,261	1,181	2,261	1,181
Debt repayable	865	824	865	824
Other creditors	1,567	1,594	1,262	1,282
Payments in advance	56	66	56	66
	6,108	6,611	5,674	6,216

Deferred income included in Other Creditors and Payments in advance represent income received in 2018/19 for ticketed events and venue hire occurring in the following financial year and rental income received in advance to June 2019. Movements from the prior year are shown below:

Expressed in £'000	MUSEUM OF LONDON GROUP		MUSEUM OF LONDON	
	2019	2018	2019	2018
Balance at 1 April	315	309	66	51
Released during the year	(315)	(309)	(66)	(51)
Newly assigned	337	315	56	66
Balance at 31 March	337	315	56	66

17) COMMITMENTS UNDER OPERATING LEASES

The Museum entered into an operating lease for the use of printing equipment in 2017/18. The minimum payments due under this contract within each of the following periods are:

Expressed in £'000	MUSEUM OF LONDON AND MUSEUM OF LONDON GROUP	
	2019	2018
Payments due:		
Within one year	13	13
Within two to five years	34	47
After five years	-	-
Total	47	60

During the year, payments of £13k (2018: £7k) were made under operating leases.

18) TOTAL FUNDS

A) FUNDS ANALYSIS – MUSEUM OF LONDON GROUP

Expressed in £'000	Balance at 1 April 2018	Income	Expendi- -ture	Transfer between funds	Other gains & losses	Balance at 31 March 2019
ENDOWMENT FUNDS						
London Museum Trust	812	-	-	-	21	833
Joicey Trust	950	-	-	-	24	974
Total Endowment funds	1,762	-	-	-	45	1,807
RESTRICTED FUNDS						
Museum of London						
Fixed Assets Fund	1,296	-	-	-	-	1,296
Major Projects Fund	330	1,856	(1,192)	(653)	-	341
New Museum Project Fund	1,695	11,860	(11,542)	-	-	2,013
ACE Programmes Fund	8	-	-	-	-	8
ACE Capital Fund	-	19	(19)	-	-	-
Museum in Docklands						
Capital fund	3,523	151	(613)	-	-	3,061
Trust funds						
Joicey Trust Income Fund	65	30	(12)	-	-	83
Mackenzie Bell Trust	1,831	52	(3)	-	41	1,921
Total restricted funds	8,748	13,968	(13,381)	(653)	41	8,723
DESIGNATED FUNDS						
Fixed Assets Fund	27,085	-	(3,086)	1,994	-	25,993
Arts Council England	109	1,363	(1,117)	-	-	355
Designated funds	27,194	1,363	(4,203)	1,994	-	26,348
Designated defined benefit pension reserve	(39,375)	-	(3,024)	-	677	(41,722)
GENERAL RESERVES						
Museum of London	7,498	17,110	(16,046)	(1,341)	-	7,221
London Museum Trust	52	25	(17)	-	-	60
Total General Reserves	7,550	17,135	(16,063)	(1,341)	-	7,281
TOTAL FUNDS	5,879	32,466	(36,671)	-	763	2,437

B) EXPLANATION OF FUNDS

Endowment Funds

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

Restricted Funds

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

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

Museum of London Major Projects Fund arises from a variety of external funding, ranging from major capital works at the museum to specialised work on the collections. This included an Art Happens project grant from the Art Fund for *Redressing the Pleasure Gardens*.

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

Museum of London ACE Capital Fund relates to a specific programme of Arts Council England capital grants provided to the Museum of London during the year for granting to regional museums.

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

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

Designated Funds

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

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

ACE Fund arises from funding from the Arts Council England 2018-22 National Portfolio Organisation (NPO) grants and 2018-22 Sector Support Organisation (SSO) grants, a four year grant covering primarily a spectrum of learning, community and regional programmes. It funds the museum's commitment to delivering on the programme agreed with ACE.

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

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

General Reserves

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

C) TRANSFERS BETWEEN RESERVES

Major Projects Fund – the transfer out of £0.7m is primarily to reflect the substantial completion of certain capital works funded partly or fully by external sources. Once the works have been completed the conditions attaching to the grants have been met and that amount can be transferred to general reserves.

Designated Fixed Assets Fund – the balance on this fund is maintained at a level representing the net book value of total fixed assets less the outstanding amount of related long-term loans. As the cover required each year is affected by a collection of factors, such as depreciation, loan repayments, fixed asset disposals and acquisitions, each year a specific calculation is made to determine the transfer required from general to designated funds. The transfer from general reserves for 2018/19 was £2.0m.

General Reserves – the transfer of £1.3m is the net balance of the two transfers referred to above.

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

Expressed in £'000	Tangible Fixed Assets	Invest- ments	Current Assets	Current Liabilities	Long term Liabilities and Provisions	Pension Liabilities	Total Net Assets
ENDOWMENT FUNDS							
London Museum Trust	-	838	-	(5)	-	-	833
Joicey Trust	-	972	2	-	-	-	974
Endowment funds total	-	1,810	2	(5)	-	-	1,807
RESTRICTED FUNDS							
Museum of London							
Fixed Assets Fund	1,296	-	-	-	-	-	1,296
Major Projects Fund	-	-	341	-	-	-	341
New Museum Project Fund	-	-	2,013	-	-	-	2,013
ACE Programmes Fund	-	-	8	-	-	-	8
ACE Capital Fund	-	-	-	-	-	-	-
Museum in Docklands							
Capital fund	3,061	-	-	-	-	-	3,061
Trust Funds							
Joicey Trust Income Fund	-	-	83	-	-	-	83
Mackenzie Bell	-	1,682	239	-	-	-	1,921
Restricted funds total	4,357	1,682	2,684	-	-	-	8,723
DESIGNATED FUNDS							
Fixed Assets Fund	34,035	-	-	(861)	(7,181)	-	25,993
Arts Council England	-	-	355	-	-	-	355
Designated funds total	34,035	-	355	(861)	(7,181)	-	26,348
Designated defined benefit pension reserve	-	-	-	-	-	(41,722)	(41,722)
GENERAL RESERVES							
Museum of London	-	-	12,463	(5,242)	-	-	7,225
London Museum Trust	-	-	60	-	-	-	60
General Reserves total	-	-	12,523	(5,242)	-	-	7,285
TOTAL FUNDS	38,392	3,492	15,564	(6,108)	(7,181)	(41,722)	2,437

20) TAX STATUS

The activities of the museum are undertaken for charitable purposes. Under Part 11 of CTA 2010 no liability to corporation tax has arisen for the year to 31 March 2019 (2018: £nil).

21) RELATED PARTIES

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

A) GREATER LONDON AUTHORITY (GLA)

The GLA is considered a related party since it has the right to appoint half of the Governing Body of the museum and is one of the two main sponsors of the museum along with the City of London Corporation (see below). The museum received grants from the GLA totalling £8.1m (2018: £8.1m) during the financial year ended 31 March 2019. Included in the 2019 figure above is £0.5m of capital funding (2018: £0.5m), which was for capital works carried out in 2018/19.

B) CITY OF LONDON CORPORATION (COL)

The City of London Corporation is considered a related party since it has the right to appoint half of the Governing Body of the museum and is one of the two main sponsors of the museum along with the GLA (see above). The museum received grants from the City of London Corporation during the year of £14.6m (2018: £11.1m). Included in the 2019 figure is £8.8m for the New Museum project (2018: £5.7m).

The City of London Corporation in accordance with the Museum of London Act 1965 is required from amongst the officers of the City of London Corporation to appoint persons who, whilst remaining officers of the City of London Corporation, act as Secretary and as Treasurer to the Board. Additionally, the Board has appointed other officers of the City of London Corporation to provide various services including legal, payroll and internal audit services. The provision of all these services by the COL is the subject of a charge in accordance with the 1965 Act. During the financial year ended 31 March 2019 the charges for these services were £0.1m (2018: £0.1m).

Outstanding loans from COL to the Museum of London totalled £8.0m at 31 March 2019 (2018: £8.9m). This total includes a balance of £123k on a loan originally made to the Museum of London Docklands (2018: £144k). Of these loans, £865k is due within one year (2018: £824k) and £7,181k is due after more than one year (2018: £8,046k). The museum incurred interest charges related to these loans of £115k (2018: £126k).

C) MOLA

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

Outstanding loans from the museum to MOLA amounted to £0.3m at 31 March 2019 (2018: £0.5m). The loan is repayable in 115 equal monthly instalments which commenced on 3 April 2012. It is secured by a floating charge over the assets of MOLA and carries a commercial rate of interest. These financial statements include interest of £12k received from MOLA during the year (2018: £17k). A charge of £265k was made by the museum to MOLA for a licence to occupy space in Mortimer Wheeler House (2018: £265k).

D) POGOVERNORS 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 £43k (2018: £16k) donations in total from a number of the Governors, in the normal course of charitable giving.

22) RETIREMENT BENEFITS

The Museum of London participates in the City of London Corporation Pension Fund, a defined benefit pension scheme. The amounts below relate to the Museum of London's share of the fund. The valuation used for the disclosures in this note has been based on the results of the last full actuarial valuation carried out at 31 March 2016, as updated to 31 March 2019 using financial assumptions that comply with FRS 102.

The contributions made by the employer over the financial year amounted to £1,410k (2018: £1,197k). The contribution rate set for the year was 15.7% (2018: 15.1%). The rate for 2019 excludes any supplementary employer's contribution, which was 0.01% in the prior year. This was in respect of the capitalised cost of added years plus the cost of early retirement and these additional costs were fully recoverable over a five-year period. For 2019/20 the employer contribution has been set at 16.1%.

ASSUMPTIONS

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

Valuation Method	2019	2018	2017
	%	%	%
RPI Increases	3.40%	3.30%	3.60%
CPI Increases	2.40%	2.30%	2.60%
Salary Increases	3.90%	3.80%	4.10%
Pension Increases	2.40%	2.30%	2.60%
Discount Rate	2.40%	2.55%	2.80%

The assumed life expectations from age 65 are:

Life expectations (years)	Males	Females
Retiring today	23.2	24.6
Retiring in 20 years	24.5	26.1

NET ASSETS OF THE SCHEME

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

Expressed in £'000	Assets at 31 March 2019	Assets at 31 March 2018	Assets at 31 March 2017
Equities	47,902	43,771	42,893
Cash	820	400	(11)
Infrastructure	3,980	3,910	2,957
Multi-asset fund	18,968	18,756	19,917
Total Assets (A)	71,670	66,837	65,756
Present Value of Scheme Liabilities	(112,933)	(105,718)	(102,735)
Present Value of Unfunded Liabilities	(459)	(494)	(524)
Total Value of Liabilities (B)	(113,392)	(106,212)	(103,259)
Net Pension (Liability) (A) – (B)	(41,722)	(39,375)	(37,503)

ANALYSIS OF PENSION SCHEME OUTGOING RESOURCES

Expressed in £'000	MUSEUM OF LONDON GROUP		
	2019	2018	2017
Analysis of the amount charged to resources expended			
Service Cost	2,750	2,716	1,581
Employer Contributions	(1,410)	(1,197)	(1,050)
Unfunded Pension Payments	(41)	(42)	(41)
Net interest on the defined liability	986	1,034	1,057
Administration expenses	77	55	39
Past service costs ^[1]	662	–	–
Net Resources Expended	3,024	2,566	1,586

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

^[1] Past service costs represent an allowance of £662k for the impact of any amendments that may be required to the Local Government Pension scheme as a result of the Court of Appeal judgement on the McCloud and Sargeant cases on the basis that there is a constructive obligation at 31 March 2019.

ANALYSIS OF AMOUNT RECOGNISED IN OTHER RECOGNISED GAINS AND LOSSES

Expressed in £'000	MUSEUM OF LONDON GROUP		
	2019	2018	2017
Return on assets less interest	3,365	(382)	9,174
Changes in financial assumptions	(5,529)	1,076	(15,985)
Changes in demographic assumptions	2,841	–	–
Actuarial gain / (loss) recognised in Consolidated Statement of Total Recognised Gains and Losses	677	694	(6,811)

MOVEMENT IN DEFICIT DURING THE YEAR

Expressed in £'000	MUSEUM OF LONDON GROUP		
	2019	2018	2017
Deficit at beginning of the year	(39,375)	(37,503)	(29,106)
Service Cost	(3,412)	(2,716)	(1,581)
Employer Contributions	1,410	1,197	1,050
Unfunded Pension Payments	41	42	41
Net interest on the defined liability	(986)	(1,034)	(1,057)
Administration expenses	(77)	(55)	(39)
Actuarial gain / (loss)	677	694	(6,811)
Deficit at end of the year	(41,722)	(39,375)	(37,503)

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

Expressed in £'000	MUSEUM OF LONDON GROUP	
	2019	2018
Opening defined benefit obligation	106,212	103,259
Service cost	2,750	2,583
Interest cost	2,688	2,871
Change in financial assumptions ^[2]	5,529	(1,076)
Change in demographic assumptions	(2,841)	-
Estimated benefits paid net of transfers in	(2,188)	(2,084)
Past service costs	662	133
Contributions by Scheme participants	621	568
Unfunded pension payments	(41)	(42)
Closing defined benefit obligation	113,392	106,212

^[2] Arising from changes in assumptions underlying the present value of the Fund liabilities.

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF SCHEME ASSETS

Expressed in £'000	MUSEUM OF LONDON GROUP	
	2019	2018
Opening fair value of Scheme assets	66,837	65,756
Interest on assets	1,702	1,837
Return on assets less interest	3,365	(382)
Administration expenses	(77)	(55)
Contributions by employer including unfunded benefits	1,451	1,092
Contributions by Scheme participants	621	568
Estimated benefits paid and unfunded net transfers	(2,229)	(1,947)
Fair value of Scheme assets at end of period	71,670	66,837

SENSITIVITY ANALYSIS

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

	<u>2019</u>	2018	2017
Adjustment to discount rate	+0.1%	+0.1%	+0.1%
- Present value of total obligation £'000	110,565	104,174	101,284
- Projected service cost £'000	2,813	2,476	2,318
Adjustment to mortality age rating assumption	+1 year	+1 year	+1 year
- Present value of total obligation £'000	116,841	110,113	107,055
- Projected service cost £'000	2,978	2,621	2,454

PROJECTED PENSION EXPENSE FOR THE YEAR TO 31 MARCH 2020

	<u>£ 000s</u>
Service cost ^[3]	2,969
Interest cost	968
Administration expenses	82
Total loss	<u>4,019</u>
Employer contributions	<u>1,375</u>

^[3] Projected service cost includes an allowance of £83k for the impact of any amendments that may be required to the Local Government Pension scheme as a result of the Court of Appeal judgement on the McCloud and Sargeant cases.

REFERENCE AND ADMINISTRATIVE DETAILS

Name	Museum of London
Address	150 London Wall, London EC2Y 5HN
Registered Charity number	1139250
Board of Governors	<p>A Board of Governors, consisting of 18 members of whom the Greater London Authority (GLA) (prior to April 2008: the Prime Minister) and the City of London Corporation (COL), each appoints 9 members, is responsible for the strategic direction and oversight of the museum. The following Governors served throughout the financial year, except where indicated.</p>
Appointed by the City of London	<p>Sonita Alleyne OBE Rt Hon the Lord Boateng DL Tijs Broeke CC (appointed 12 September 2019) Alderman Alison Gowman Tom Hoffman MBE CC (ceased to be a Governor 10 July 2019) Vivienne Littlechild JP MBE CC Paul Martinelli Judith Pleasance CC John Scott JP CC Councillor Richard Watts</p>
Appointed by the GLA	<p>Sally Balcombe (ceased to be a Governor 30 September 2018) Clive Bannister David Camp Evan Davis Simon Fanshawe OBE (ceased to be a Governor 30 September 2018) Douglas Gilmore (appointed 1 March 2019) Lindsay Herbert (appointed 1 March 2019) Sir Edward Lister (ceased to be a Governor 30 September 2018) Milyae Park (appointed 1 March 2019) Jörn Rausing (ceased to be a Governor 31 March 2019) Gail Tolley (appointed 1 April 2019) Professor Sir Richard Trainor KBE David Wormsley</p>
Administration	<p>Under the Museum of London Acts 1965 and 1986, the Board is required to appoint a Director of the museum to be responsible to the Board for:</p> <ul style="list-style-type: none">• The care of all property in possession of the Board;• The general administration of the collections vested in the Board and any place where those collections are kept; and• The administration of any services provided by the Board in the exercise of their functions. <p>The Treasurer and Secretary to the Board are required to be officers of the City of London Corporation.</p>
Director	Sharon Ament

Treasurer	Kate Limna, Guildhall, London EC2P 2EJ
Secretary	John Barradell, Guildhall, London, EC2P 2EJ
Bankers	Lloyds Bank, 25 Gresham Street, London EC2V 7HN Chamberlain of London, Guildhall, London, EC2P 2EJ
Legal Advisers	City of London Corporation, Guildhall, London, EC2P 2EJ Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3BR
Independent Auditor	Grant Thornton UK LLP Chartered Accountants and Statutory Auditor 30 Finsbury Square London, EC2A 1AG
Investment Adviser	BlackRock Investment Management 12 Throgmorton Avenue London, EC2N 2DL
SUBSIDIARY UNDERTAKINGS	The financial statements consolidate the accounts of the Museum of London together with its subsidiary undertakings which are listed below.
Museum of London (Trading) Limited	The Museum of London (Trading) Limited is a company limited by shares. Its principal activities are the provision of corporate hire and catering services and the retail function at the museum shops. The registered company number is 05423292.
The Trust Funds	<p>The Trust Funds were acquired from the London Museum in accordance with the provisions of Section 2 of the Museum of London Act 1965 and are separate legal entities. The Board of Governors appoints their Trustees. Individual financial statements are produced for each trust and they are also consolidated into the financial statements of the Museum of London.</p> <p>The trusts are:</p> <p>London Museum Fund – Registered Charity Number 312174 Joicey Fund – Registered Charity Number 314194 Mackenzie Bell Fund – Registered Charity Number 314195</p> <p>The appropriate clauses defining the control of their expenditure are:</p>
London Museum Fund	<p>“The Trustees shall hereof apply the income of the Charity for such charitable purposes as the Trustees shall from time to time consider best in the interests of the Museum including in particular:</p> <ul style="list-style-type: none">• 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”.