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# THE FOUNDLING MUSEUM

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## Annual Report & Financial Statements

**31 March 2020**

Charity Registration Number 1071167

Company Limited by Guarantee Registration Number 03621861 (England and Wales)



Nicola Bealing *Mulberry Bush*, 2019

**The Foundling Museum  
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**The Foundling Museum**  
**Reference and administrative information**

**Trustees**

Robert Aitken  
Anne Beckwith-Smith  
Alison Cole  
Christopher Cotton  
Jeremy Deller  
William Gore  
Ronald Gould  
Perdita Hunt  
Spencer Hyman  
Claire Jeffers  
Larissa Joy (Chair)  
Professor Geraldine Macdonald  
Professor Margaret Reynolds  
Lord Simon Russell of Liverpool  
Lemn Sissay  
Dr Paul Zuckerman

**Company Secretary**

Nigel Cudlipp

**Registered and principal office**

40 Brunswick Square  
London, WC1N 1AZ

**Charity registration number**

1071167

**Company registration number**

03621861 (England and Wales)

**Auditor**

Buzzacott LLP  
130 Wood Street  
London, EC2V 6DL

**Bankers**

National Westminster Bank Plc  
Chancery Lane & Holborn Branch  
332 High Holborn, WC1V 7PS

CAF Bank Limited  
25 Kings Hill Avenue  
West Malling  
Kent, ME19 4JQ

**Solicitors**

Bircham Dyson Bell LLP  
50 Broadway  
Westminster  
London, SW1 H0B

## **The Foundling Museum Chairman's summary and Director's summary**

### **Chairman's Summary**

Alongside unprecedented challenges, the year under review also saw many successes. The museum's ability to manage the disruption caused by Covid-19 was thanks in large part to the far-sighted investment of our funders and supporters, who earlier in the year had supported a range of projects designed to improve further the organisation's long-term sustainability. These included the museum's rapid and smooth transition to home working at the start of lockdown, achieved as a result of an IT upgrade that was funded by the Foyle Foundation. Similarly, a Jonathan Ruffer Curatorial Travel Grant from Art Fund that supported the Director's visit to Moscow, helped expedite the planning of the museum's first exhibition tour to Russia. In December, the opportunity to be one of the nominated charities for the 2019 ICAP Charity Day, has ensured the continuation of our pioneering training programme for care-experienced young adults, after three years' of exceptional support from Oak Foundation. Lastly, a new programme of art and music workshops for Reception and Primary pupils is continuing to support the development and wellbeing of disadvantaged local children, despite lockdown, thanks to support from the Decca Foundation.

The museum is also hugely grateful for the continued commitment of many valued supporters. Members of the 1700 Clubs, who provide generous multi-year support, drive the scope and ambition of the museum's curatorial programmes, from major exhibitions and commissions, to long-term projects designed to lessen the impact of systemic inequality on young lives and support creative talent. In addition, our exhibition, *Two Last Nights! Show Business in Georgian Britain*, which revealed the museum's exceptional collection of eighteenth-century theatre and concert ephemera to new audiences, was made possible with the support of the Gerald Coke Handel Foundation and members of the Two Last Nights! Supporters' Circle, while the ambitious and ground-breaking, *Portraying Pregnancy: from Holbein to Social Media*, received invaluable support from Taylor Wessing, The Drapers' Company and Norland College.

Looking to the future, two important acquisitions will strengthen the museum's efforts to give a more diverse and inclusive account of its historic story. Matheus Verheijden's *Portrait of the Duchess of Portland*, one of the Foundling Hospital's important female supporters, came as a bequest via the Art Fund, while a Naval General Service Medal belonging to William South, an eighteenth-century foundling pupil who served aboard the HMS Victory, was purchased with the assistance of the National Heritage Memorial Fund and individual donors. Both objects put names and faces to people who have previously been denied a place in the historical record, due their gender or class.

## **The Foundling Museum**

### **Chairman's summary and Director's summary**

Pursuing a strong, clear strategy in line with the museum's charitable objects will continue to be important for the museum in the coming year, especially in light of the turbulence the Covid-19 pandemic will bring. The year ahead expects to see further significant investments in the museum's digital and technology capability to ensure that it continues to reach broad and diverse audiences.

The Museum could not achieve its objectives without the energy and talents of its staff, volunteers and Trustees. It continues to be inspiring to see at first hand the level of their commitment to the Museum. The Board is particularly indebted to the museum Director, Caro Howell for her inspiring leadership of a small but very talented staff team. Finally, I would like to take the opportunity to thank the museum's Trustees for their expertise and insight. Their oversight and support has been critical to supporting the museum in achieving its goals in these uncertain times.

### **Director's Summary**

After eleven months of dynamic programming, Covid-19 brought the year to a terrible and abrupt end. The premature closure of our landmark exhibition, *Portraying Pregnancy: from Holbein to Social Media*, and the cancellation of a major symposium on maternal mental health, which was to have brought together people with lived experience and experts from the fields of science, medicine, social policy, business and the arts, to raise awareness and improve support, was especially disheartening. However, it is important to acknowledge the achievements that went before, many of which will underpin and sustain the museum's progress through the uncertainty that lies ahead.

Lockdown immediately highlighted many of the structural inequalities that our learning and outreach programmes address, which brought an increased urgency to our work, especially with those communities who live in digital poverty. The museum's smooth transition to home-working, enabled it's support of vulnerable children, families and young adults to continue into lockdown, thereby ensuring that our efforts to help reduce the education attainment gap, increase emotional resilience and mental wellbeing, and develop vocational skills, was not lost. Another notable success was the rapid transformation of our creative programmes' delivery. The longevity and strength of our relationships with our community partners, funders, artists and collaborators, ensured there was a shared commitment to see projects continue, even in the most challenging circumstances.

**The Foundling Museum**  
**Chairman's summary and Director's summary**

Efforts to bring our fascinating story and collection to a wider national and international audience achieved great results in 2019/20. *Portraying Pregnancy* received significant media coverage in Europe and the US, while the Pushkin State Museum of Fine Art in Moscow are taking our innovative summer exhibition, *Hogarth & The Art of Noise*, which will be the first Foundling Museum show to tour to Russia. Also under development is a touring exhibition inspired by Lemn Sissay's 2014 installation in the museum, *Superman was a Foundling*, which is being supported by an Artisa Foundation Curatorial Fellow. Although the timetable for the Russia tour has delayed by the pandemic, the touring show is on track for 2022.

I would like to acknowledge the creative support of the many exceptional artists, musicians, curators and writers, who enhanced our work immeasurably over the course of the year. In particular, I would like to thank Nicola Bealing, for the donation of her beautiful and resonant limited edition print, *Mulberry Bush*, in support of our work with disadvantaged children; Martyn Ware, whose skill enabled visitors to immerse themselves in the three dimensional sound-world of Hogarth's London; and Karen Hearn, whose dedicated research revealed the overlooked and moving story of pregnancy in portraiture.

**The Foundling Museum**  
**Trustees' report** Year to 31 March 2020

The Trustees present their report together with the financial statements of The Foundling Museum for the year to 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 35 to 42 of the attached financial statements and comply with the charitable company's Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Foundling Museum ('The Museum') was incorporated at the instigation of The Thomas Coram Foundation for Children ('Coram' – registered charity number 312278) on 20 August 1998 as a company limited by guarantee and is governed by its Articles of Association. It was registered with the Charity Commission on 24 August 1998 (registered charity number 1071167). Coram was formerly known as The Foundling Hospital. In July 2014 the Museum filed new Articles with the Charity Commission. These removed Coram's sole membership, thereby guaranteeing the Museum's independence.

The Museum's Board of Trustees meets every three months. It considers an extensive report from the Director about past, current and future activity and, as appropriate, additional papers on future and long term strategy, education, fundraising and development. The Board receives and considers management accounts and financial reports presented by the Chair of the Finance & Audit Committee and the Chair of the Trading Company. The Director and Finance Director attend Board meetings.

The Board of Trustees is supported in its work by Committees of the Board; namely the Finance and Audit Committee which meets formally every three months and includes reports from the Trading Company and the Investment Committee; and the Nominations Committee which meets approximately twice a year to discuss appointment to the Board of Directors. All Committees of the Board are comprised of Trustees plus at least one independent member. The Board receives advice through the Director from an Exhibitions Advisory Group.

**The Foundling Museum**  
**Trustees' report** Year to 31 March 2020

## Trustees

The Board of Trustees comprised 16 members. The Trustees, who are also the directors of the charitable company for the purposes of company law, who served up until the date of signing the financial statements were as follows:

<b>Trustees</b>	<b>Appointed/Term ended/Resigned</b>
Robert Aitken	
Anne Beckwith-Smith	
Judy Bollinger	Resigned December 2019
Alison Cole	
Christopher Cotton	
Jeremy Deller	
William Gore	
Ronald Gould	
Perdita Hunt	
Spencer Hyman	
Claire Jeffers	
Larissa Joy (Chair)	
Geraldine Macdonald	
Margaret Reynolds	
Simon Russell	
Lemn Sissay	
Paul Zuckerman	

None of the Trustees has any beneficial interest in the company. At 31 March 2020 the company had 17 members, comprising the 16 Trustees and Coram, who each guarantee to contribute £1 in the event of a winding up.

Trustees are appointed following a review by the Nominations Committee and the Board of the relevant skills and experience required by the Museum. Trustees' contribution is assessed formally every two years by the Chairman. The Chair and the Nominations Committee formally review Board effectiveness every other year. A formal review of the Chair's performance is carried out every other year by a Trustee, taking feedback from Trustees and senior leadership team members.

Trustee recruitment focusses on securing a committed and engaged Board of individuals from diverse backgrounds and with broad experience across finance, the arts, architecture, business and commerce, communications, education, childcare and risk management. New Trustees receive induction, including extensive background material to ensure they are familiar with the history of the Museum and its relationship with Coram, as well as Charity Commission documents outlining their responsibilities under charity law. Trustees also meet with the Director to familiarise themselves with the Museum's running, its aims,



objectives and financial results.

## **CHARITABLE OBJECTS**

The Museum was established in 1998 to safeguard the Foundling Hospital Collection; to preserve its integrity in its original context and to provide public access. The Museum subsequently took ownership of the Gerald Coke Handel Collection which is also housed in the building.

The Foundling Museum's charitable objects are:

- To establish and maintain a museum for the advancement of the education of the general public and of scholars by the documentation, maintenance, conservation, exhibition, study and interpretation of the Collection; and
- To support such of the purposes of the charity now known as Coram as the Museum, in consultation with Coram, shall from time to time determine.

## **AIMS AND OBJECTIVES**

The Foundling Museum aims to transform the lives of disadvantaged young people through the arts and to inspire people to make the world a better place.

The Museum celebrates the ways in which artists of all disciplines improve the lives of young people – now and in the past. Our compelling exhibitions and displays explore the historic story of the Foundling Hospital, the UK's first children's charity and first public art gallery, while our programmes place a particular emphasis on supporting vulnerable and marginalised young people today. By so doing, we keep alive the legacy of the Hospital's remarkable creative supporters, who included William Hogarth, George Frideric Handel and Charles Dickens.

The Museum works to:

- widen access to the collections and the diverse stories they tell;
- improve the life chances of vulnerable and marginalised young people;
- create innovative, thoughtful and inspiring ways to celebrate artists' agency in society;
- encourage creative philanthropy; and
- care for and secure the Foundling Hospital Collection for the Nation.

## **ACHIEVEMENT AND PERFORMANCE**

Thanks to a successful Christmas Big Give campaign, the museum was able to fund the extension of its free admission for young people from 16 to 21 years, thereby providing increased opportunities for more young adults to see our exhibitions and displays, and to participate in our free workshops, talks and concerts. The expansion of our Corporate Advisory Board, to include senior representatives from major employers in London and the Kings Cross area, enabled the museum to broaden its offer to new audiences.

### **Exhibitions & Displays**

Supported by The 1739 Club, the first major exhibition of the year was *Hogarth & the Art of Noise* (24 May – 1 September), which considered an overlooked aspect of Hogarth's art – his innovative use of sound. Taking as its focus Hogarth's masterpiece, *The March of the Guards to Finchley*, the show unpacked the painting's rich social, cultural and political commentary, from the Jacobite uprising and the situation for chimney boys, to the origins of God Save the King. Using sound, wall-based interpretation, engravings, and a specially commissioned immersive 3D soundscape by acclaimed musician and producer, Martyn Ware, the exhibition revealed how Hogarth orchestrated the natural and man-made sounds of London, to capture the vibrancy and complexity of contemporary 18<sup>th</sup>-century life, as well as the context in which the Foundling Hospital was established.

*This invigorating exhibition shows how the artist's appetite for life bursts off the canvas and makes you see, hear and smell his time...* The Guardian

*I can't recommend [it] highly enough. Absolutely fascinating!* BBC Radio 3 In Tune

## **ACHIEVEMENT AND PERFORMANCE** (continued)

### **Exhibitions & Displays** (continued)

The exhibition was due to be travelling to the Pushkin State Museum of Fine Arts, Moscow, in autumn 2020, although this has had to be postponed due to Covid. Complementing *Hogarth & The Art of Noise* was *A New Song (To An Old Tune)*, a display of new work by the contemporary British artist, Nicola Bealing. Her prints and paintings were inspired by subjects and narratives found in 18<sup>th</sup>-century broadside ballads – bawdy, vibrant and surreal popular songs, sold on the street as cheap sheet music, by characters who frequently feature in Hogarth's paintings and engravings, including *The March of the Guards To Finchley*. Bealing generously created a beautiful limited edition, *Mulberry Bush*, 2019, inspired by the story of Hogarth letting children take the mulberries from the tree in his garden, the sales of which will support the museum's creative work with vulnerable young people.

Also on display in during the summer of 2019 was art created by young dialysis patients from Evelina Children's Hospital, who worked alongside artist, Isobel Manning, and in the Handel Gallery, *Women of Note*, which demonstrated the vital role of female singers in establishing Handel's musical legacy.

*Two Last Nights! Show Business in Georgian Britain*, (20 September 2019 – 5 January 2020), shone a bright light on the richness of the museum's Gerald Coke Handel Collection, in an exhibition that spanned all four floors of the museum and included remarkable, rare and previously unseen treasures. Supported by the Gerald Coke Handel Foundation, the Two Last Nights! Supporters Circle and The 1739 Club, *Two Last Nights!* revealed the fascinating origins of commercial theatre and benefit concerts, the mechanics of theatre and concert going in the 18<sup>th</sup> and early 19<sup>th</sup> centuries, and the birth of the West End. It provided visitors with a behind-the-scenes guide to the work of theatre managers, set designers and refreshment sellers, revealed the logistics of ticket collecting and toilets, and showed how leading artists of the day, including Hogarth, Francis Hayman and George Lambert, spanned the worlds of high art and show business, as set designers and scenery painters.

*This terrific exhibition does something very difficult and does it very well...*

Evening Standard

*...they have some amazing artefacts there at the exhibition, I highly recommend a visit...*

BBC Radio 3 In Tune

## **ACHIEVEMENT AND PERFORMANCE** (continued)

### **Exhibitions & Displays** (continued)

On display at the same time, in the Introductory Gallery, was a 3-D installation of work made by care-experienced young adults taking part in the museum's pioneering *Tracing Our Tales* training programme. *Fear* powerfully described their ideas of sanctuary and fear using linocut prints, letter stamps and bamboo.

Prior to Covid-19 forcing its closure on 17 March, the museum was on course to having its most successful exhibition ever: *Portraying Pregnancy, from Holbein to Social Media*, (24 January – 26 April). Supported by Taylor Wessing, The Drapers' Company, Norland College and The 1739 Club, *Portraying Pregnancy* was the first exhibition to explore the representation of the pregnant female body in portraiture, over 500 years. With remarkable loans, exceptionally positive media coverage in the UK, Europe and USA, strong sales of Karen Hearn's accompanying publication, and buoyant visitor figures, this show was set to be the fitting end to a year of impactful, innovative and popular exhibitions.

★★★★ *a moving portrait of women's bravery.* The Daily Telegraph

Opening alongside *Portraying Pregnancy* in January, was an immersive, large-scale sound and image installation called *A Voice*, which was created by care-experienced young adults and artist, Albert Potrony. Exploring ideas of identity, belonging and a life in care, and informed by interviews with a former pupil of the Foundling Hospital, *A Voice* was a poignant bridge between past, present and future that brought together experiences of care across time.

### **Learning, Training & Research**

The museum's highly-regarded learning programme continued to support and improve the life chances of some of London's most vulnerable and marginalised children and young adults, through its successful early years programme, training programme for care-leavers, and free, drop-in activities and half term and holiday workshops for local families.

## **ACHIEVEMENT AND PERFORMANCE** (continued)

### **Learning, Training & Research** (continued)

Our 'inch wide, mile deep' philosophy - working in a highly targeted way, with small numbers facing complex challenges, over long periods of time - ensures that the positive impact on young people's educational development, confidence and mental health, is significant and lasting.

Our pre-school programme which partners with four local nurseries and primary schools, was boosted by support from the Decca Foundation. This enabled bi-weekly creative workshops to be regularly augmented by musicians, enabling children to not only make and experience live music, but also to develop their language skills through lyric composition. Our pre-school programme, which has been running for several years, is designed to help reduce the education attainment gap, through a focus on developing children's vocabulary, speaking and listening skills, fine and gross motor skills, confidence, and ability to collaborate. At the same time, the regular involvement of parents ensures that children's learning is embedded through creative play at home, while parents' confidence in accessing the museum and other local cultural venues, grows.

*We found that our ESL [English as a Second Language] children really thrived in this environment as it allows them to express themselves in other ways. They really love it and talk about the sessions and the museum a lot. Introducing parents to their local museum through these sessions breaks down barriers and new families begin to see the benefits of their children accessing art. – Deputy Head, Thomas Coram Nursery*

Free, drop-in family workshops, run during half-terms and holidays, responded to themes from the temporary exhibitions. This led to dynamic sessions that included digital set designing, wig-making, special effects, and green screen workshops. Family workshops were all supported by *Tracing Our Tales* graduates and trainees. An annual highlight of the year, Hetty Feather Day, was another sell-out success, with Foundling Fellow, Jacqueline Wilson, reading from her new novel *Dancing the Charleston*.

## **ACHIEVEMENT AND PERFORMANCE** (continued)

### **Learning, Training & Research** (continued)

*Tracing Our Tales*, our training programme for care-experienced young adults, goes from strength to strength, with trainees and graduates devising and delivering workshops within the museum, as well as at a UCL conference, Celebrating Children's Rights. The Year 2 cohort graduated in the summer and Year 3 was underway when training was suspended by Covid. Care-leavers learn life skills commensurate with regular engagement in education, training or employment. Alongside developing art skills, they concentrate on employment skills, including public speaking, time keeping, event planning and delivery, and team working, through weekly training sessions and the delivery of public events and workshops. Among Year 2 trainees, three successfully secured 12-month paid Civil Service traineeships, with the Department of Housing, the Department of Work and Pensions and the Cabinet Office, while others have re-entered education, including studying law at the University of East London.

*'...with Law, I've always wanted to do it from a kid, but 'cos of being in care, I never really thought. And this traineeship has played such a huge part in it, it's insane, that self-belief that they instil'.*

We were extremely grateful to be nominated as one of TP ICAP's 2019 Charity Day partners. Their generous support is enabling *Tracing Our Tales* to continue beyond 2020/2021.

This year, our artist-led practical art projects in hospitals included patients aged 12-18 years at the Coborn Centre, an adolescent acute psychiatric hospital in Newham, and children on the dialysis ward at Evelina Children's Hospital. Responding to their treatments and the story of the foundlings, the children worked collaboratively to create poems, a sound piece and animations that expressed their hopes for the future, which were subsequently displayed in the Museum's Introductory Gallery. Our growing reputation in this field has led to the establishment of a new partnership with the Maudsley Hospital School.

## **ACHIEVEMENT AND PERFORMANCE** (continued)

### **Learning, Training & Research** (continued)

The museum continued to collaborate with universities, including Central St Martins, teaching on the Culture, Criticism and Curating BA Hons; Goldsmiths University Department of Music, whose BA and MA students visit for seminars with Gerald Coke Handel Collection Librarians; West Dean College, University of Sussex and the University of the Arts at Camberwell MA in Book Conservation, whose students undertake conservation projects on objects in our collection; University College London's Archives and Records Management and in Library and Information Studies MA and SOAS Institute of English Studies' The History of the Book MA, whose students undertake work placements. In addition, the museum is jointly supervising two collaborative PhDs, one with Royal Holloway College (*Concerts, Commerce and Charity in 18<sup>th</sup>-century London*) and one with the University of Warwick (*Forgotten Foundlings: Black Lives and the 18<sup>th</sup>-century Foundling Hospital*).

### **Public Events**

The Museum's Public Programme draws together exhibition-specific events with a yearly season of concerts and talks that relate to the history of the Foundling Hospital and life in Georgian Britain. We are proud to bring together established and emerging artists, and offer paid opportunities for those starting out in their creative careers. We also work with a wide range of partners in London and further afield.

Over the year we hosted ten Young Artist Platform performances, featuring 29 musicians, offering paid performance opportunity to musicians at the beginning of their careers (from school-age to postgraduate level). We are delighted to work with such a distinguished – and ever-expanding – list of musical partners who this year included the Philharmonia Orchestra, the Royal Academy of Music, Music for Youth, the Menuhin School, and the Royal College of Music. An important aspect of this series is to encourage the development of programme-building skills, with musicians theming their concerts around the history, artwork, and objects of the Foundling Hospital.

## **ACHIEVEMENT AND PERFORMANCE** (continued)

### **Public Events** (continued)

Professional evening concerts included appearances from the Brook Street Band, Rowan Pierce with The English Concert, the London Handel Players, Olwen Foulkes, London Early Opera, a day-long collaboration with the Open University and London Handel Festival, jazz musicians led by Kate Williams and Georgia Mancio, performing on the theme of home, homelessness and displacement; and performers from The Nest Collective. This variety attracted diverse music-lovers and provided diverse ways to think about – and listen to – the world of the Foundling Hospital. Sunday concerts featured 27 musicians, including specialist eighteenth-century ensembles, experienced chamber groups, young soloists, a mandolin quartet, our annual partnering with the piano students of CityLit, and a world premiere by pianist and composer Alessandro Viale.

Talks, screenings and discussions – many of them free – welcomed specialists in military, medical and art history, musicologists, sound technicians, contemporary artists and acclaimed authors. In a new annual project, Central St Martin's BA Culture, Criticism and Curation students created a spoken word event featuring established and aspiring poets. As part of our efforts to broaden accessibility, we launched a new strand of exhibition curator tours for parents with babies under 18 months, as part of *Portraying Pregnancy*, while partnerships with the Bloomsbury Festival, Being Human Festival, Make Music Day, London Handel Festival and MARCH Centre (Centre for Maternal, Adolescent, Reproductive, & Child Health at London School of Hygiene and Tropical Medicine) helped reach new audiences and broaden the impact of our events.

### **Loans**

Ten of the museum's eighteenth-century tokens were lent to the House of European History, Brussels, as part of an ongoing long-term loan agreement. Several objects and manuscripts from the Gerald Coke Handel Collection were lent to Headstone Manor & Museum, Harrow, between September 2019 and January 2020, while other items relating to Handel's *Rinaldo*, included in the V&A's *Opera: Passion, Power and Politics* touring exhibition, were lent to the CaixaForum, Madrid, and CaixaForum, Barcelona, between April 2019 and January 2020.



## **ACHIEVEMENT AND PERFORMANCE** (continued)

### **Acquisitions**

Following the success of the museum's 2018 exhibition *Ladies of Quality & Distinction*, which drew attention to the role of 21 aristocratic women in the foundation of the Foundling Hospital in the eighteenth-century, the museum received a bequest via the Art Fund, of a beautiful drawing by Matheus Verheijden (1700-1776), *Portrait of the Duchess of Portland*. Research is underway into the origins of Verheijden's commission and its acquisition means the museum now holds portraits of two of the founding supporters, greatly enhancing its ability to give a more complete account of its historic beginnings. Also acquired through purchase at auction, with the assistance of the National Heritage Memorial Fund and a number of individual donors, was a Naval General Service Medal awarded to William South, an eighteenth-century foundling pupil who served aboard the HMS Victory. This object is the first to enter the collection that is known to have belonged to an identifiable founding and in due course, it will form a central part of our exhibition, *A Foundling at Trafalgar*. Conservation on both these objects was successfully undertaken. Also completed was conservation treatment on Peter Lely's *Portrait of the Duchess of Bolton*, lent by Carmarthenshire County Museum in autumn 2018 to *Ladies of Quality & Distinction*. Following conservation, the painting is now on loan for five years. Finally, the museum was able to acquire through purchase from Coram, Benjamin Wilson's *Portrait of Francis Fauquier*, who was the first Governor of Virginia, thanks to the generous support of Sir Andrew and Lady Cunynghame and the Colonial Dames of America.

### **Income Generation**

The museum was fortunate to secure significant funding from a number of charitable trusts and foundations, companies and individuals, to enable it to undertake a range of significant facilities upgrades, including to our IT systems. With the museum forced to close on 17 March, this upgrade proved to be extremely timely and ensured that the museum was able to transition to home-working remarkably smoothly. Early in lockdown we received a significant lead gift to support a digital upgrade, to be delivered in 2020/21. Retail sales were boosted by the development of a number of bespoke, artist-designed products, including our commissioned Christmas card for 2019, which was created by the acclaimed artist and illustrator, Angela Barrett, as well as the *Portraying Pregnancy* book.

## **FUTURE PLANS**

While the pandemic has significantly impacted on strategic planning, many mid to long term objectives remain, while others have been given increased urgency.

It is clear the effects of Covid-19 will be felt most severely by communities already facing systemic disadvantage and inequality. The museum is already working closely with many of these communities and over the year ahead, we will be looking to increase our reach and impact. We will do this through:

- our partnerships with local nurseries and schools, delivering and augmenting the recovery curriculum, with a particular focus on early years
- provision of free, high-quality resources for disadvantaged families that support emotional and mental wellbeing, and educational development
- reducing loneliness and social isolation, particularly among older people
- creating skills development employment opportunities for local residents
- collaborating with local organisations and aligning with borough-wide initiatives to maximise impact and support recovery across education, training, employment, tourism, social cohesion, health and wellbeing
- maintaining training and contact with our care-experienced trainees and graduates, to ensure their progress is sustained, their mental wellbeing is supported, and their pathways to creative employment are more accessible.

All three major exhibitions planned for 2020/21 have been postponed by at least a year. We are grateful that Arts Council England has agreed to convert the grant awarded to our planned summer 2020 exhibition, curated by Foundling Fellow, Lauren Child, to summer 2021. Our autumn exhibition, *A Foundling at Trafalgar*, will now take place in autumn 2021 and in its place, we will be showing *The Covid Letters: A Vital Update*, an exhibition curated by Jeremy Deller, of art created by over 200 children during lockdown as part of a project by the designer Sports Banger. Finally, in spring 2022, we will be staging a series of collection interventions, special displays and screenings, under the heading, *In Search of Lost Time*. Drawing on our historic story's core themes of separation, loss and resilience, this season of programmes will provide an opportunity to collectively acknowledge the trauma caused by the pandemic and creatively support its processing.

## **FUTURE PLANS** (continued)

The museum continues to develop a major international touring exhibition for 2022, with support from a Curatorial Fellowship funded by the Artisa Foundation. We hope too, to be able to reschedule the tour of *Hogarth & the Art of Noise* to the Pushkin State Museum of Fine Art, Moscow, which was due to take place in autumn 2020.

Over the coming year the Museum will also be pursuing a number of strategic opportunities, designed to expand and strengthen its work in line with objectives, which were interrupted or overtaken by Covid. In particular:

- Developing our digital offer, including the development of an online catalogue of our eighteenth-century tokens.
- Transitioning our learning provision from exclusively museum-based, to blended museum/classroom/virtual, and exploring the potential for growing its impact.
- Developing a 'hyper-local' approach to our audience development and social impact work.
- Appointing three new Foundling Fellows and securing new funding for the Fellowship.
- Applying for national recognition for the quality of our collection, with an application to Arts Council England for Designation of the Gerald Coke Handel Collection.
- Creating a new five-year strategic plan.
- Reviewing the Museum's brand and messaging proposition, embodied in a new museum publication and refreshed website.
- Growing the Supporters' Loan Endowment Scheme and increasing membership of the Friends, Patrons, 1700 Clubs and exhibition circles.
- Growing the Corporate Advisory Board.
- Furthering our environmental sustainability by working alongside Julie's Bicycle.

## **SUPPORTERS**

The Museum is an independent charity and receives no core public funding. The Trustees would like to pay tribute to the generosity of donors, supporters and volunteers, without whom the Museum would be unable to realise its ambitions and run its programmes.

### **1700 Club Members**

David Bernstein  
Charles Russell Speechleys  
Andrew Fane  
Grant and Brigitte Gordon  
Ron Gould  
David and Jammy Hoare  
Larissa Joy  
Carol Walsh Knutson and Kelly Knutson  
Julia & Jamie Korner  
Annie Mackerson-Sandbach  
Jim Moyes  
David Pike  
Sir Simon and Lady Robey  
Sir David and Lady Verey  
Vernon Ellis Foundation  
Paul Zuckerman

### **Individual Supporters**

Robert Aitken  
Richard and Diana Allen  
Sir Quentin Blake  
Judith and William Bollinger  
Claire Brisby  
Hugo Brown  
Peter Brown  
John Caldicott  
Tim Clark  
Andrea Dinnick  
Spencer Hyman  
Lady Barbara Judge

## **SUPPORTERS** (continued)

### **Individual Supporters** (continued)

Jane King  
Steven and Sonya Larcombe  
Geraldine Macdonald  
Peggy Reynolds  
Rhoderick Voremberg  
John Wynter

### **Corporate Supporters**

Taylor Wessing  
TP ICAP  
Verita

### **Charitable Trusts & Foundations**

Art Fund  
Blyth Watson Charitable Trust  
Chartered Accountants Livery Company  
Decca  
Drapers' Charitable Fund  
Foyle Foundation  
Garfield Weston Foundation  
Gerald Coke Handel Foundation  
Golden Bottle Trust  
John R Murray Charitable Trust  
Matrix Causes Fund  
National Lottery Heritage Fund  
National Heritage Memorial Fund  
Norland College  
Oak Foundation  
The Britwell Trust  
The Joe Hyman Charitable Trust  
The New College of Humanities  
The Open University  
The Robin Leith Charitable Trust

All those who donated as part of The Big Give Christmas Challenge and those who wish to remain anonymous.

## **SUPPORTERS** (continued)

### **Charitable Trusts & Foundations** (continued)

The Trustees would also like to thank the many guides and members of the OCA, who donate their speakers' fees to support Collection acquisitions, as well as the Museum's wonderful team of volunteers, who undertake research and help care for visitors and the collections.

The Trustees would also like to acknowledge the continuing active support of the Museum's Vice Presidents, Brian Allen, Alan Borg, David Coke, Jamie Korner and Carolyn Steen, and the many advisers whose invaluable expertise contributes greatly to the Museum's success. The Trustees were delighted that former Trustee, Judith Bollinger, accepted the Board's invitation to become the museum's first International Trustee Emeritus

## **DONORS AND SUPPORTERS**

The Museum takes care with both the tone of its communications and the accuracy of its data, it never swaps data with other organisations and ensures that its communication preferences can be changed at any time. Broadly speaking, the Museum uses data of a personal nature to keep in touch with people who are interested in its activities; to keep them informed about activities and developments; to provide services to visitors and supporters; and to identify ways in which people can support the Museum, through donations and/or other forms of financial and non-financial support. The Museum manages its own fundraising activities and does not employ the services of external professional fundraisers.

The Museum undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year under review, the Museum received no complaints about its fundraising activities. The Museum's fundraising activities are also conducted in line with its Ethics Policy which includes Ethical Fundraising, requiring the Museum to proactively carry out due diligence on prospective donors and sponsors. The Ethics Policy is regularly reviewed by Trustees and is consistent with the Museums Association's *Code of Ethics for Museums* and the *Code of Ethics for Museums Worldwide* produced by ICOM, and the *Seven Principles of Public Life* (Nolan Committee, March 1996).

## **DONORS AND SUPPORTERS (continued)**

### **Relationship with the Gerald Coke Handel Foundation**

The Gerald Coke Handel Collection is owned by the Museum. It is an internationally-important collection of material relating to Handel and his contemporaries, including manuscripts, printed music and books, libretti, artworks and ephemera. It was assembled by Gerald Coke and left to the nation by his widow, and came to the Museum through the Government's Allocation in Lieu scheme in 2008. The endowment accompanying the Collection is managed by the Gerald Coke Handel Foundation (registered charity number 1058589), formed in 1996 to administer the endowment and assist the Museum with the Collection's care. The Foundation's primary aim is to ensure the maintenance, conservation and development of the Collection. Its objectives are to advance public education by providing research facilities in relation to Handel and his contemporaries. The Foundation continues to acquire heritage assets. The Museum receives funding from the Foundation in relation to services provided, amounting to £126,109 in the year under review.

## **RISK MANAGEMENT**

The Trustees have assessed the major risks to which the charity is exposed, which include the financing of the Museum's operations and safeguarding the Museum's exhibits. The Trustees are satisfied that systems are in place to mitigate the exposure to the major risks which are:

**The uncertain economic climate:** The Museum has a six-month reserves policy to cover operational costs. After salaries, exhibitions are the Museum's biggest expenditure. They have to be confirmed 18-24 months in advance of opening and usually before funding is in place. Therefore, the Museum has designated reserves to cover the risk of shortfalls in exhibition funding.

**Loss of key personnel:** The Museum's staff team is small, many work part-time, and most staff have sole responsibility for their area of work. Succession planning is therefore hard and the loss of senior staff can be particularly problematic. To mitigate this risk, senior managers have a three month notice period, staff are prevented from building up untaken leave, salaries are in line with sector-equivalent institutions, and every effort is made to provide an environment in which staff feel supported, valued and developed.

## **RISK MANAGEMENT** (continued)

Pensions deficit: The Museum participates in a scheme operated by The Pensions Trust which is classified as a 'last man standing arrangement'. To mitigate this risk the Museum is exploring options to protect its heritage assets.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of The Foundling Museum for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable company and the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in Accounting and Reporting by Charities:
- Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **STATEMENT OF TRUSTEES' RESPONSIBILITIES** (continued)

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **The Foundling Museum Trading Company Limited**

The Foundling Museum Trading Company Limited is the trading subsidiary of The Foundling Museum selling promotional goods and organising events. The company donates its taxable profits to The Foundling Museum each year under Gift Aid.

## **FINANCIAL REVIEW**

The statement of financial activities for the year ended 31 March 2020 shows total income of £1,368,789 (2019 – £1,346,424).

The total expenditure in the year was £1,543,223 (2019 – £1,596,110) of which expenditure on conserving the Collection and developing and maintaining the Museum amounted to £1,511,676 (2019 – £1,554,074).

The net expenditure for the year was £174,434 (2019 – £249,686).

Net investment losses of £142,466 (2019 – gains of £270,112) were recognised in the year ended 31 March 2020 and actuarial gains of £5,000 have been recognised (2019 – losses of £2,000).

In accordance with Financial Reporting Standard 102, the financial statements include heritage assets with a total valuation of £9,453,198. Further details may be found in note 13 to the financial statements.

As at 31 March 2020, the net assets of The Foundling Museum Group were £11,312,301 (2019 – £11,624,201).

## **FINANCIAL REVIEW** (continued)

### **Reserves policy**

The Trustees have considered the scale, complexity and risk profile of the charity and taken account of the funding base which consists of grants from trusts and foundations, investment income, donations and self-generated income. Account has been taken of the effects of economic downturns particularly on self-generated income and the time bars on applications to trusts and foundations especially for core funding. In addition the Trustees have recognised that the Museum has to commit to temporary exhibition expenditure prior to fundraising and, as a result, it carries a risk that exhibitions may not be fully funded. The Trustees have therefore designated £20,000 to cover the risks associated with exhibitions.

The Museum has a full repairing lease on 40 Brunswick Square and the Trustees have designated £2,000 of reserves for known defects.

The Museum has a £3 million endowment loan from the National Heritage Memorial Fund, repayable in 2027. The NHLF Shortfall designated fund is set aside to cover any difference between the loan balance and the listed investment portfolio. At 31 March 2020, this designated fund balance was £225,986.

Total designated funds amount to £247,986.

The Trustees consider it prudent for the Museum to carry free reserves equivalent to approximately six months budgeted operating expenditure to deal with short-term fluctuations in income and to provide adequate working capital. At the end of the financial year, unrestricted general funds stood at £258,740 (comprising the net current assets less amounts attributable to the restricted and designated funds). Free reserves at 31 March 2020 were not in line with the policy, however the Trustees are satisfied that the reserves target was met post year-end.

The Trustees have made a provision of £107,000 for the pension-deficit contributions payable up to 2020, which is shown on the balance sheet. This liability does not fall due immediately, and the expectation is that it is met annually from income earned. Therefore, the pension provision is regarded as part of free reserves.

The reserves policy is reviewed by the Trustees annually as part of the planning and budget process.

## **FINANCIAL REVIEW** (continued)

### **Investment policy**

Under the Memorandum and Articles of Association, the charity has powers to invest in any way the Trustees wish.

The Museum has a £3 million endowment loan from the National Heritage Memorial Fund, repayable in 2027. The investment policy applied to the endowment fund reflects the Trustees' commitment to sustain the objects of the Museum by maintaining the capital and income of the endowment and to grow both of these over time. In this manner the Trustees aim to realise their ambitions to promote the Museum, to expand its activities to an increasing visitor base and to purchase the assets from its sister charity, Coram Family. The achievement of these and other aims requires continuous capital and income improvement.

The Trustees have appointed Veritas Investment Management to manage, on a discretionary basis, a multi-asset portfolio which comprises, within defined and flexible ranges, a mixture of property, fixed interest, global equities and cash. To satisfy the Museum's financial objectives and targets, in which returns from the investment of the endowment loan play an essential role, the Trustees have focussed on total return, to which reliable and sustainable income make an important contribution.

In 2019/20 the managers achieved a return of 3.5%, which reflected the conservative mix of assets held.

Approved by the Trustees and signed on their behalf by:



Trustee                      Larissa Joy  
Approved on:                15.03.2021

## **Independent auditor's report to the members of The Foundling Museum**

### **Opinion**

We have audited the financial statements of The Foundling Museum (the 'charitable parent company') and The Foundling Museum and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the group statement of financial activities, the charitable parent company's statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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's and of the charitable parent company's affairs as at 31 March 2020 and of the group's and charitable parent company's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company'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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Chairman's summary and Director's summary, and the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Chairman's summary and Director's summary, and the Trustees' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's summary and Director's summary and in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

## **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the charitable parent company'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 Trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

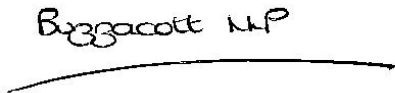
## **Auditor's responsibilities for the audit of the financial statements**

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](http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Bzzacott LLP  


Amanda Francis (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

29 March 2021



**The Foundling Museum**  
**Consolidated statement of financial activities**  
(incorporating the income and expenditure account) Year to 31 March 2020

	Notes	Un- restricted funds £	Restricted funds £	2020 £	Un- restricted funds £	Restricted funds £	2019 £
<b>Income and expenditure</b>							
<b>Income from:</b>							
Grants and donations	1	269,860	417,870	687,730	284,025	401,246	685,271
Investments	2	128,686	—	128,686	110,310	—	110,310
Other trading activities	3	314,011	—	314,011	315,470	—	315,470
Charitable activities							
. Admissions and other museum income	4	203,625	—	203,625	198,403	—	198,403
Other sources	5	34,737	—	34,737	36,970	—	36,970
<b>Total income</b>		<b>950,919</b>	<b>417,870</b>	<b>1,368,789</b>	<b>945,178</b>	<b>401,246</b>	<b>1,346,424</b>
<b>Expenditure on:</b>							
Raising funds	6	31,547	—	31,547	42,036	—	42,036
Charitable activities							
. Costs of developing and maintaining the Museum	7	1,172,368	339,308	1,511,676	1,255,794	298,280	1,554,074
<b>Total expenditure</b>		<b>1,203,915</b>	<b>339,308</b>	<b>1,543,223</b>	<b>1,297,830</b>	<b>298,280</b>	<b>1,596,110</b>
<b>Net (expenditure) income before transfers and investment (losses) gains</b>		<b>(252,996)</b>	<b>78,562</b>	<b>(174,434)</b>	<b>(352,652)</b>	<b>102,966</b>	<b>(249,686)</b>
Net (losses) gains on investment assets		(142,466)	—	(142,466)	270,112	—	270,112
<b>Net (expenditure) income before transfers</b>		<b>(395,462)</b>	<b>78,562</b>	<b>(316,900)</b>	<b>(82,540)</b>	<b>102,966</b>	<b>20,426</b>
Gross transfers between funds		19,813	(19,813)	—	—	—	—
<b>Net (expenditure) income</b>		<b>(375,649)</b>	<b>58,749</b>	<b>(316,900)</b>	<b>(82,540)</b>	<b>102,966</b>	<b>20,426</b>
<b>Other recognised gains and losses</b>							
Actuarial gains (losses)	23	5,000	—	5,000	(2,000)	—	(2,000)
<b>Net movement in funds</b>	10	<b>(370,649)</b>	<b>58,749</b>	<b>(311,900)</b>	<b>(84,540)</b>	<b>102,966</b>	<b>18,426</b>
<b>Group reconciliation of funds:</b>							
Fund balances brought forward at 1 April 2019		2,031,920	9,592,281	11,624,201	2,116,460	9,489,315	11,605,775
Fund balances carried forward at 31 March 2020		1,661,271	9,651,030	11,312,301	2,031,920	9,592,281	11,624,201

All of the group's activities derived from continuing operations during the two financial periods.

**The Foundling Museum**  
**Charity statement of financial activities**  
(incorporating the income and expenditure account) Year to 31 March 2020

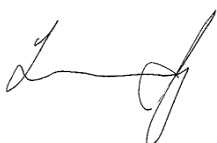
	Notes	Un- restricted funds £	Restricted funds £	2020 £	Un- restricted funds £	Restricted funds £	2019 £
<b>Income and expenditure</b>							
<b>Income from:</b>							
Grants and donations	1	506,285	417,870	924,155	520,751	401,246	921,997
Investments	2	128,363	—	128,363	110,256	—	110,256
Charitable activities							
. Admissions and other museum income	4	203,625	—	203,625	198,403	—	198,403
Other sources	5	34,737	—	34,737	36,970	—	36,970
<b>Total income</b>		<b>873,010</b>	<b>417,870</b>	<b>1,290,880</b>	<b>866,380</b>	<b>401,246</b>	<b>1,267,626</b>
<b>Expenditure on:</b>							
Raising funds	6	31,547	—	31,547	42,036	—	42,036
Charitable activities							
. Costs of developing and maintaining the Museum	7	1,094,459	339,308	1,433,767	1,176,996	298,280	1,475,276
<b>Total expenditure</b>		<b>1,126,006</b>	<b>339,308</b>	<b>1,465,314</b>	<b>1,219,032</b>	<b>298,280</b>	<b>1,517,312</b>
<b>Net (expenditure) income before investment gains</b>		<b>(252,996)</b>	<b>78,562</b>	<b>(174,434)</b>	<b>(352,652)</b>	<b>102,966</b>	<b>(249,686)</b>
Net (losses) gains on investment assets		(142,466)	—	(142,466)	270,112	—	270,112
<b>Net (expenditure) income before transfers</b>		<b>(395,462)</b>	<b>78,562</b>	<b>(316,900)</b>	<b>(82,540)</b>	<b>102,966</b>	<b>20,426</b>
Gross transfers between funds		19,813	(19,813)	—	—	—	—
<b>Net (expenditure) income</b>		<b>(375,649)</b>	<b>58,749</b>	<b>(316,900)</b>	<b>(82,540)</b>	<b>102,966</b>	<b>20,426</b>
<b>Other recognised gains and losses</b>							
Actuarial gains (losses)	23	5,000	—	5,000	(2,000)	—	(2,000)
<b>Net movement in funds</b>	10	<b>(370,649)</b>	<b>58,749</b>	<b>(311,900)</b>	<b>(84,540)</b>	<b>102,966</b>	<b>18,426</b>
<b>Reconciliation of funds:</b>							
Fund balance brought forward at 1 April 2019		2,031,922	9,592,281	11,624,203	2,116,462	9,489,315	11,605,777
Fund balance carried forward at 31 March 2020		1,661,273	9,651,030	11,312,303	2,031,922	9,592,281	11,624,203

All of the charity's activities derived from continuing operations during the two financial periods.

**The Foundling Museum**  
**Balance sheets 31 March 2020**

	Notes	2020		2019	
		Group £	Charity £	Group £	Charity £
<b>Fixed assets</b>					
Tangible fixed assets	12	1,261,545	1,261,545	1,416,267	1,416,267
Heritage assets	13	9,453,198	9,453,198	9,445,822	9,445,822
Investments	14	2,774,011	2,774,013	3,032,849	3,032,851
		<b>13,488,754</b>	<b>13,488,756</b>	13,894,938	13,894,940
<b>Current assets</b>					
Stocks		47,813	5,778	42,787	3,158
Investments	15	565,394	565,394	603,733	603,733
Debtors	16	190,040	311,560	202,635	359,673
Cash at bank and in hand		653,598	568,669	539,401	409,699
		<b>1,456,845</b>	<b>1,451,401</b>	1,388,556	1,376,263
<b>Creditors:</b> amounts falling due within one year	17	<b>(526,298)</b>	<b>(520,854)</b>	(537,293)	(525,000)
<b>Net current assets</b>		<b>930,547</b>	<b>930,547</b>	851,263	851,263
<b>Total assets less current liabilities</b>		<b>14,419,301</b>	<b>14,419,303</b>	14,746,201	14,746,203
<b>Creditors:</b> amounts falling due after more than one year	18	<b>(3,000,000)</b>	<b>(3,000,000)</b>	(3,000,000)	(3,000,000)
<b>Total net assets excluding pension liability</b>		<b>11,419,301</b>	<b>11,419,303</b>	11,746,201	11,746,203
Provision for liabilities	19	<b>(107,000)</b>	<b>(107,000)</b>	(122,000)	(122,000)
<b>Total net assets including pension liability</b>		<b>11,312,301</b>	<b>11,312,303</b>	11,624,201	11,624,203
<b>The funds of the group and charity:</b>					
<b>Funds and reserves</b>					
<b>Restricted funds</b>					
. Heritage assets fund	13	9,453,198	9,453,198	9,445,822	9,445,822
. Other restricted funds	20	197,832	197,832	146,459	146,459
<b>Unrestricted funds</b>					
. Tangible fixed assets fund	12	1,261,545	1,261,545	1,416,267	1,416,267
. Designated funds	21	247,986	247,986	22,000	22,000
. General fund		258,740	258,742	715,653	715,655
. Pension reserve fund	23	<b>(107,000)</b>	<b>(107,000)</b>	(122,000)	(122,000)
		<b>11,312,301</b>	<b>11,312,303</b>	11,624,201	11,624,203

Approved by the Trustees and signed on their behalf by:




Trustee Larissa Joy      Trustee Jeremy Deller

Approved on: 15.03.2021

The Foundling Museum

Company Limited by Guarantee

Registration Number 03621861 (England and Wales)

**The Foundling Museum**  
**Consolidated statement of cash flows** Year to 31 March 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(131,904)</b>	(297,070)
<b>Cash flows from investing activities:</b>			
Investment income received		<b>128,686</b>	110,310
Purchase of tangible fixed assets		<b>(29,920)</b>	(7,405)
Purchase of heritage assets		<b>(7,376)</b>	(152,890)
Proceeds from the disposal of investments		<b>641,589</b>	660,878
Purchase of investments		<b>(588,357)</b>	(823,228)
<b>Net cash provided by (used in) investing activities</b>		<b>144,622</b>	(212,335)
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		—	450,000
<b>Net cash provided by financing activities</b>		—	450,000
<b>Change in cash and cash equivalents in the year</b>		<b>12,718</b>	(59,405)
<b>Cash and cash equivalents at 1 April 2019</b>	B	<b>943,851</b>	1,003,256
<b>Cash and cash equivalents at 31 March 2020</b>	B	<b>956,569</b>	943,851

**Notes to the statement of cash flows for the year to 31 March 2020.**

**A Reconciliation of net movement in funds to net cash used in operating activities**

	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(311,900)</b>	<b>18,426</b>
<b>Adjustments for:</b>		
Depreciation charge	<b>184,642</b>	186,125
Losses (gains) on investments	<b>142,466</b>	(270,112)
Investment income receivable	<b>(128,686)</b>	(110,310)
Increase in stocks	<b>(5,026)</b>	(10,116)
Decrease (increase) in debtors	<b>12,595</b>	(72,926)
Decrease in creditors	<b>(10,995)</b>	(31,157)
(Decrease) increase in pension provision	<b>(5,000)</b>	2,000
Pension scheme costs	<b>(10,000)</b>	(9,000)
<b>Net cash used in operating activities</b>	<b>(131,904)</b>	(297,070)

**B Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<b>653,598</b>	539,401
Cash held by investment managers	<b>302,971</b>	404,450
<b>Total cash and cash equivalents</b>	<b>956,569</b>	943,851

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2020 with comparative information provided in respect to the year to 31 March 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation;
- ◆ estimating the value of heritage assets as at the date they were acquired where this information is not available;
- ◆ estimating any necessary provision against slow moving or obsolete stock held at year-end;

### **Critical accounting estimates and areas of judgement (continued)**

- ◆ assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme;
- ◆ determining the basis for the allocation of support and governance costs between expenditure on raising funds and on charitable activities;
- ◆ estimating taxation recoverable under the Exhibition Tax Relief Scheme for charities; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the charity, its stakeholders and on wider society. Consequently, they will continue to be alert to the challenges presented by Covid-19, especially in respect to admissions. They will also continue to keep both income and expenditure under review.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

With regard to the next accounting period, the year ending 31 March 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information) and the impact of the Covid-19 pandemic and UK economic trends on visitor numbers. The Trustees are seeking to mitigate this latter risk by developing new sources of income and new markets and through continued careful budgeting and cost control.

## **Consolidation**

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking, The Foundling Museum Trading Company Limited, made up to the balance sheet date. Intragroup transactions are eliminated in full.

## **Income recognition**

Income is recognised in the period in which the group or charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the group or charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants and donations, investment income and interest receivable, income from trading activities (including events and shop sales), visitors' admission fees and general miscellaneous income.

Grants and donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of grants and donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the group or charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the group or charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from trading activities and visitors' admission fees are recognised to the extent that it is probable that the economic benefits will flow to the group or charity and the income can be reliably measured. They are measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is classified as follows:

- a) Expenditure on raising funds includes all expenditure associated with raising funds for the group and charity. This includes costs associated with fundraising and the costs of trading activities including the operating costs of The Foundling Museum Trading Company Limited.
- b) Expenditure on charitable activities comprises expenditure on developing and maintaining the Museum.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, provision of office services and equipment and a suitable working environment.

Governance costs are the costs associated with the governance of the charity and its assets.



### **Allocation of support and governance costs (continued)**

All support and governance costs incurred by the charity are allocated to the cost of developing and maintaining the Museum whereas those of its trading subsidiary are allocated to the cost of raising funds.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

- Leasehold improvements From the date of completion of the relevant improvement to the end of the lease term
- Office equipment, fixtures and fittings 25% on cost

### **Heritage assets**

The Museum safeguards the Foundling Hospital Collection and offers the public access to the Collection preserving its integrity in its original context. The Museum's artefacts include paintings, furniture and items from the Foundling Hospital Collection as well as items of contemporary art, ceramics and archival material relating to the Foundling Hospital. The assets are defined as Heritage Assets for the purpose of these financial statements as they are held as part of the primary purposes of the charity and to further an understanding of social history and culture.

Heritage assets are included on the balance sheet at cost, or where cost is not available, a valuation that reflects the value of the asset at the time it was acquired by the charity. Such assets are not depreciated. Any impairment in the value of an asset is treated as charitable expenditure in the year in which it arises.

### **Investments (fixed assets and current assets)**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

### **Investments (fixed assets and current assets) (continued)**

The group and charity do not acquire put options, derivatives or other complex financial instruments.

As noted above, one of the financial risks faced by the group and charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on listed investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The charity's investment in its subsidiary company is valued at cost.

### **Stocks**

Stocks of brochures and items for resale in the Museum's shop are stated at the lower of cost and net realisable value.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund structure**

The charitable company's funds comprise the heritage asset fund, a restricted fund which represents its heritage assets, other restricted funds which must be applied for specific purposes in accordance with donors' wishes, designated funds which are unrestricted funds set aside for specific purposes and a number of unrestricted income funds which are available for application towards the charity's objectives. Within unrestricted funds the Trustees have identified those non-liquid funds represented by tangible fixed assets.

Details of the other restricted funds are given in note 20 to these financial statements and designated funds in note 21.

## **Pensions**

The charity contributed to a defined benefit scheme operated by The Pensions Trust, which provides benefit based on average pensionable salary. The charity ceased to offer the scheme to its employees on 31 December 2011. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contribution payable.

Contributions in respect to personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

## 1 Grants and donations

Group	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Grants	169,304	267,467	436,771	132,149	252,254	384,403
Other donations and gifts	100,556	150,403	250,959	151,876	148,992	300,868
<b>Total funds</b>	<b>269,860</b>	<b>417,870</b>	<b>687,730</b>	<b>284,025</b>	<b>401,246</b>	<b>685,271</b>

Charity	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Grants	169,304	267,467	436,771	132,149	252,254	384,403
Other donations and gifts	100,556	150,403	250,959	151,876	148,992	300,868
Donation from subsidiary undertaking	100,527	—	100,527	163,156	—	163,156
Management recharge	135,898	—	135,898	73,570	—	73,570
<b>Total funds</b>	<b>506,285</b>	<b>417,870</b>	<b>924,155</b>	<b>520,751</b>	<b>401,246</b>	<b>921,997</b>

## 2 Investment income and interest receivable

Group	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Investment income	127,587	—	127,587	109,610	—	109,610
Interest receivable	1,099	—	1,099	700	—	700
<b>Total funds</b>	<b>128,686</b>	<b>—</b>	<b>128,686</b>	<b>110,310</b>	<b>—</b>	<b>110,310</b>

Charity	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Investment income	127,587	—	127,587	109,610	—	109,610
Interest receivable	776	—	776	646	—	646
<b>Total funds</b>	<b>128,363</b>	<b>—</b>	<b>128,363</b>	<b>110,256</b>	<b>—</b>	<b>110,256</b>

## 3 Income from other trading activities

Group	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Events	259,711	—	259,711	255,487	—	255,487
Sales	54,277	—	54,277	59,958	—	59,958
Other	23	—	23	25	—	25
<b>Total funds</b>	<b>314,011</b>	<b>—</b>	<b>314,011</b>	<b>315,470</b>	<b>—</b>	<b>315,470</b>

The charity had no trading activities during the year (2019: none).

#### 4 Income from charitable activities

Group and charity	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
<b>Total funds:</b> Admissions and other museum income	<b>203,625</b>	<b>—</b>	<b>203,625</b>	198,403	—	198,403

#### 5 Income from other sources

Group and charity	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
<b>Total funds:</b> Miscellaneous income	<b>34,737</b>	<b>—</b>	<b>34,737</b>	36,970	—	36,970

Miscellaneous income includes £24,085 (2019 – £25,503) being tax recoverable under the Exhibition Tax Relief Scheme for charities.

#### 6 Expenditure on raising funds

Group and charity	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Fundraising expenses	7,233	—	7,233	21,033	—	21,033
Guide book: cost of sales	3,257	—	3,257	2,181	—	2,181
Investment manager fees	21,057	—	21,057	18,822	—	18,822
<b>Total funds</b>	<b>31,547</b>	<b>—</b>	<b>31,547</b>	42,036	—	42,036

#### 7 Expenditure on charitable activities: developing and maintaining the Museum

Group	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Museum operating costs	971,749	339,308	1,311,057	1,050,156	298,280	1,348,436
Depreciation	184,642	—	184,642	186,125	—	186,125
Conservation	15,977	—	15,977	19,513	—	19,513
<b>Total funds</b>	<b>1,172,368</b>	<b>339,308</b>	<b>1,511,676</b>	1,255,794	298,280	1,554,074

Charity	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Museum operating costs	893,840	339,308	1,233,148	971,358	298,280	1,269,638
Depreciation	184,642	—	184,642	186,125	—	186,125
Conservation	15,977	—	15,977	19,513	—	19,513
<b>Total funds</b>	<b>1,094,459</b>	<b>339,308</b>	<b>1,433,767</b>	1,176,996	298,280	1,475,276

Museum operating costs include governance costs (see note 9) in respect to the charity.

## 8 Staff costs

Group and charity	2020 £	2019 £
Salaries	<b>669,528</b>	680,920
Social security costs	<b>46,372</b>	57,128
Pension costs	<b>11,850</b>	26,092
	<b>727,750</b>	764,140

The average number of employees (excluding temporary and agency staff), analysed by function, was as follows:

Group and charity	2020	2019
Senior management	<b>2</b>	2
Museum administration	<b>17</b>	18

During the year two members of staff received annual remuneration (including taxable benefits but excluding employer's pension and national insurance contributions) of between £60,000 and £70,000 (2019 – one member of staff, between £70,000 and £80,000).

No Trustee received reimbursement of expenses during the year in connection with services to the charity (2019 – none).

The key management personnel of the Museum in charge of directing and controlling, running and operating the Museum on a day to day basis comprise the Trustees together with the Chief Executive and the Finance Director.

The total remuneration (including taxable benefits and employer's pension and national insurance contributions) payable to key management personnel during the year was £162,433 (2019 – £160,799). Executives' remuneration is set by the Finance & Audit Committee and reviewed annually.

## 9 Governance costs

Group and charity	2020 £	2019 £
Auditor's remuneration		
. Statutory audit – fee for the year	<b>10,600</b>	10,550
Other governance costs	<b>1,713</b>	1,963
	<b>12,313</b>	12,513

## 10 Net movement in funds

This is stated after charging:

Group and charity	2020 £	2019 £
Auditor's remuneration		
· Statutory audit	<b>10,600</b>	10,550
Depreciation of tangible fixed assets	<b>184,642</b>	186,125

## 11 Taxation

The Foundling Museum is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The Foundling Museum Trading Company Limited donates its taxable profits (if any) to The Foundling Museum via a Gift Aid compliant deed of covenant.

## 12 Tangible fixed assets

Group and charity	Leasehold improve- ments £	Office equipment, fixtures and fittings £	2020 Total £
<b>Cost</b>			
At 1 April 2019	3,929,876	266,054	<b>4,195,930</b>
Additions	—	29,920	<b>29,920</b>
At 31 March 2020	3,929,876	295,974	<b>4,225,850</b>
<b>Depreciation</b>			
At 1 April 2019	2,535,418	244,245	<b>2,779,663</b>
Charge for the year	169,711	14,931	<b>184,642</b>
At 31 March 2020	2,705,129	259,176	<b>2,964,305</b>
<b>Net book values</b>			
At 31 March 2020	1,224,747	36,798	<b>1,261,545</b>
At 31 March 2019	1,394,458	21,809	1,416,267



### 13 Heritage Assets

Group and charity	Museum artefacts £
<b>Cost or valuation</b>	
At 1 April 2019	9,445,822
Additions	7,376
At 31 March 2020	<u>9,453,198</u>

The Museum has in the past obtained various assets where the donors have placed conditions or legal charges to restrict their use. Primarily these assets are allowed to be displayed to the public, but the Museum cannot benefit from the intrinsic value of these assets other than from the income they generate. In the event that the Museum were no longer to comply with the conditions imposed by the donors, the assets would be removed from the Museum and offered to other charities, without compensation being due to the Museum for the loss of those assets.

The Museum holds two assets which fall into this category, a painting obtained with funding from The National Heritage Memorial Fund (“NHMF”) and The Gerald Coke Handel Collection received from The Museums and Libraries Archives Council. In accordance with the requirement of the Charities SORP FRS 102, both these assets are recognised in the financial statements. The painting is included at £4,000,000 which reflects the value when acquired by the NHMF in 2003 and The Gerald Coke Handel Collection is included at £4,825,240 as valued by Christie’s in 2006.

Other heritage assets acquired by the Museum are included on the balance sheet at cost. The Museum has acquired heritage assets totalling £439,367 in the last eight years, with no disposals.

Heritage assets are held in a separate fund as this represents assets where the charity owns the legal title but where the original owners or the donors of the assets have placed legal restrictions on the assets’ sale or disposal.

## 14 Fixed asset investments

Group	2020 £	2019 £
Listed investments		
. Market value as at 1 April 2019	<b>2,901,295</b>	2,799,670
. Additions at cost	<b>341,301</b>	496,134
. Disposals at book value (proceeds: £583,905, net realised gains: £2,804)	<b>(581,101)</b>	(579,784)
. Net unrealised investment (losses) gains	<b>(108,764)</b>	185,275
. Market value as at 31 March 2020	<b>2,552,731</b>	2,901,295
Cash held for reinvestment	<b>221,280</b>	131,554
<b>Total investments at 31 March 2020</b>	<b>2,774,011</b>	3,032,849
Cost of listed investments	<b>2,372,011</b>	2,516,565
Charity	2020 £	2019 £
Listed investments		
. Market value as at 1 April 2019	<b>2,901,295</b>	2,799,670
. Additions at cost	<b>341,301</b>	496,134
. Disposals at book value (proceeds: £583,905, net realised gains: £2,804)	<b>(581,101)</b>	(579,784)
. Net unrealised investment (losses) gains	<b>(108,764)</b>	185,275
. Market value as at 31 March 2020	<b>2,552,731</b>	2,901,295
Cash held for reinvestment	<b>221,280</b>	131,554
	<b>2,774,011</b>	3,032,849
Investment in subsidiary undertaking (see below)	<b>2</b>	2
<b>Total investments at 31 March 2020</b>	<b>2,774,013</b>	3,032,851
Cost of listed investments	<b>2,372,011</b>	2,516,565

Both group and charity listed investments (comprising the above and those classified as current assets – see note 15) which equate to more than 5% of the total listed investment portfolios (fixed and current) comprise units in the Trojan Investment Funds – Trojan Income Fund (£163,270 (6.40% of the portfolio)), and the Charities Property Fund (£316,682 (12.40% of the portfolio)).

### Investment in subsidiary

The charity has one wholly owned trading subsidiary - The Foundling Museum Trading Company Limited - which is incorporated in the UK and sells promotional goods and organises events for the benefit of The Foundling Museum. The trading results of the subsidiary have been incorporated into the consolidated financial statements.

The following is a summary of the financial statements of The Foundling Museum Trading Company Limited for the year ended 31 March 2020, which have been included in the consolidated financial statements.

## 14 Fixed asset investments (continued)

	2020 £	2019 £
<b>Turnover</b>	<b>314,011</b>	315,470
Cost of sales	<b>(60,696)</b>	(62,133)
<b>Gross profit</b>	<b>253,315</b>	253,337
Administrative costs	<b>(153,111)</b>	(90,235)
<b>Operating profit</b>	<b>100,204</b>	163,102
Donations made under gift aid	<b>(100,527)</b>	(163,156)
<b>Loss on ordinary activities before interest and taxation</b>	<b>(323)</b>	(54)
Other interest receivable and similar income	<b>323</b>	54
<b>Profit on ordinary activities before taxation</b>	<b>—</b>	—
Taxation	<b>—</b>	—
<b>Profit for the financial year</b>	<b>—</b>	—
Retained earnings at 31 March 2019	<b>—</b>	—
<b>Retained earnings at 31 March 2020</b>	<b>—</b>	—

At 31 March 2020 the company had total called up share capital and retained earnings of £2 (2019 – £2).

## 15 Current asset investments

Group and Charity	2020 £	2019 £
Listed investments		
. Market value as at 1 April 2019	<b>330,837</b>	—
. Additions at cost	<b>247,056</b>	327,094
. Disposals at book value (proceeds: £57,684; gains: £19,313)	<b>(38,371)</b>	—
. Net unrealised investment (losses) gains	<b>(55,819)</b>	3,743
. Market value as at 31 March 2020	<b>483,703</b>	330,837
Cash held for reinvestment	<b>81,691</b>	272,896
<b>Total investments at 31 March 2020</b>	<b>565,394</b>	603,733
Cost of listed investments	<b>505,019</b>	327,094

## 16 Debtors

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Operating debtors	<b>56,039</b>	<b>24,339</b>	128,857	98,649
Gift aid tax recoverable	<b>23,999</b>	<b>23,999</b>	3,930	3,930
Other debtors	<b>93,652</b>	<b>93,652</b>	51,342	140,480
Prepayments and accrued income	<b>16,350</b>	<b>13,922</b>	18,506	14,999
Amounts due from subsidiary undertaking	<b>—</b>	<b>155,648</b>	—	101,615
	<b>190,040</b>	<b>311,560</b>	202,635	359,673

## 17 Creditors: amounts falling due within one year

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Expense creditors	12,089	11,249	31,198	48,848
Supporters' loan endowment scheme (note 25)	424,044	424,044	450,000	450,000
Other creditors	90,165	85,561	56,095	26,152
	<b>526,298</b>	<b>520,854</b>	<b>537,293</b>	<b>525,000</b>

Loans from supporters have been invested with Veritas and are held as current asset investments (note 15) as they are repayable with a minimum of two months' notice.

## 18 Creditors: amounts falling due after more than one year

Group and charity	2020 £	2019 £
Loan	<b>3,000,000</b>	3,000,000

An endowment loan of £3 million was awarded to the Museum by The National Heritage Memorial Fund. The entire loan is interest free and repayable in full on 31 March 2028.

## 19 Provision for liabilities

Group and charity	2020 £	2019 £
Provision for pension scheme deficit reduction payments (note 23)	<b>107,000</b>	122,000

## 20 Other restricted funds

The income funds of the group and charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

Group and Charity	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Conservation fund	33,766	—	(15,135)	(6,244)	12,387
Paul Mellon Centre/Pilgrim Trust fund	30,608	—	(23,617)	—	6,991
The Clore Duffield Foundation fund	6,290	—	(2,499)	—	3,791
Exhibitions fund	1,385	83,224	(82,609)	(2,000)	—
Learning running costs fund	29,626	58,000	(65,842)	—	21,784
Collection purchases fund	24,764	12,083	—	(6,620)	30,227
Gerald Cooke Handel Foundation fund	(2,183)	15,730	(11,743)	—	1,804
Oak Foundation fund	20,653	32,133	(52,786)	—	—
Music funds	—	11,250	(11,250)	—	—
Trustee of JR Murray fund	—	40,000	(40,000)	—	—
ICAP fund	—	51,675	—	—	51,675
China Project fund	—	76,107	(30,839)	—	45,268
Foyle Foundation fund	—	35,000	—	(12,325)	22,675
Other funds	1,550	2,668	(2,988)	—	1,230
	<b>146,459</b>	<b>417,870</b>	<b>(339,308)</b>	<b>(27,189)</b>	<b>197,832</b>

Group and Charity	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Conservation fund	35,752	15,250	(17,236)	—	33,766
Paul Mellon Centre/Pilgrim Trust fund	30,608	—	—	—	30,608
The Clore Duffield Foundation fund	10,575	—	(4,285)	—	6,290
Exhibitions fund	12,193	120,126	(130,934)	—	1,385
Learning running costs fund	31,335	21,330	(18,389)	—	34,276
Collection purchases fund	64,836	112,818	—	(152,890)	24,764
Gerald Cooke Handel Foundation fund	2,136	2,623	(6,942)	—	(2,183)
Oak Foundation fund	12,303	35,291	(26,941)	—	20,653
Music funds	—	19,750	(19,750)	—	—
Trustee of JR Murray fund	—	40,000	(40,000)	—	—
Other funds	(3,355)	34,058	(33,803)	—	(3,100)
	<b>196,383</b>	<b>401,246</b>	<b>(298,280)</b>	<b>(152,890)</b>	<b>146,459</b>

## **20 Other restricted funds (continued)**

The specific purposes for which the funds are to be applied are as follows:

- **Conservation fund**  
The conservation fund is for the restoration and maintenance of the paintings, furniture and other artworks exhibited by the Museum.
- **Paul Mellon Centre fund**  
The Paul Mellon Centre for Studies in British Art have funded the creation of a catalogue of the collection.
- **The Clore Duffield Foundation fund**  
The Clore Duffield Foundation has funded the Foundling Fellowship, a scheme to find the contemporary Coram, Hogarth and Handel to work with the Museum to develop original, creative initiatives for children and to raise the profile of the museum in those areas.
- **Exhibitions fund**  
The Exhibitions Fund is for the costs of various upcoming exhibitions and displays.
- **Learning running costs fund**  
The Education Running Costs Fund is to finance the day to day operating activities of the Education Centre, including the Museum's Nursery Project.
- **Collection purchases fund**  
The Collection purchases fund comprises donations from a variety of sources for the enhancement of the collections.
- **Gerald Cooke Handel Foundation fund**  
The Gerald Cooke Handel Foundation fund is for expenditure directly related to the Gerald Cooke Handel collection
- **Oak Foundation fund**  
The Oak Foundation is funding a three-year training programme aimed at young adults who grew up in foster care or children's homes
- **Music Fund**  
The Music Fund is funds raised by the 1750 club to sponsor a wide range of music events.

## 20 Other restricted funds (continued)

- Trustee of JR Murray fund**  
 The Trustee of JR Murray fund is to fund the salary of The Director.
- ICAP fund**  
 The ICAP fund is for a bespoke training and mentorship programme for care-experienced young adults.
- China project fund**  
 The China project fund is for establishing new ways of generating income.
- Foyle Foundation fund**  
 The Foyle Foundation fund is for replacing IT equipment.
- Other funds**  
 Other funds comprise items of miscellaneous restricted income to be spent on various museum projects.

## 21 Designated funds

Group and charity	At 1 April 2019 £	New designations £	At 31 March 2020 £
Buildings repair fund	2,000	—	2,000
Exhibition shortfall fund	20,000	—	20,000
NHLF Shortfall fund	—	225,986	225,986
	<b>22,000</b>	<b>225,986</b>	<b>247,986</b>

Group and charity	At 1 April 2018 £	Utilised £	At 31 March 2019 £
Buildings repair fund	2,000	—	2,000
Exhibition shortfall fund	20,000	—	20,000
Reinvestment fund	190,000	(190,000)	—
	<b>212,000</b>	<b>(190,000)</b>	<b>22,000</b>

Full details of the purpose of the above funds are provided on page 24 of the Trustees' report.

## 22 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Fund balances at 31 March 2020 are represented by:</b>						
Tangible fixed assets	1,261,545	—	1,261,545	1,416,267	—	1,416,267
Investments	2,774,011	—	2,774,011	3,032,849	—	3,032,849
Heritage assets	—	9,453,198	9,453,198	—	9,445,822	9,445,822
Current assets	1,259,013	197,832	1,456,845	1,242,097	146,459	1,388,556
Creditors: amounts falling due within one year	(526,298)	—	(526,298)	(537,293)	—	(537,293)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)	(3,000,000)	—	(3,000,000)
Pension deficit	(107,000)	—	(107,000)	(122,000)	—	(122,000)
<b>Total</b>	<b>1,661,271</b>	<b>9,651,030</b>	<b>11,312,301</b>	<b>2,031,920</b>	<b>9,592,281</b>	<b>11,624,201</b>

Charity	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Fund balances at 31 March 2020 are represented by:</b>						
Tangible fixed assets	1,261,545	—	1,261,545	1,416,267	—	1,416,267
Investments	2,774,013	—	2,774,013	3,032,851	—	3,032,851
Heritage assets	—	9,453,198	9,453,198	—	9,445,822	9,445,822
Current assets	1,253,569	197,832	1,451,401	1,229,804	146,459	1,376,263
Creditors: amounts falling due within one year	(520,854)	—	(520,854)	(525,000)	—	(525,000)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)	(3,000,000)	—	(3,000,000)
Pension deficit	(107,000)	—	(107,000)	(122,000)	—	(122,000)
<b>Total</b>	<b>1,661,273</b>	<b>9,651,030</b>	<b>11,312,303</b>	<b>2,031,922</b>	<b>9,592,281</b>	<b>11,624,203</b>

Unrealised gains included above:

	2020 £	2019 £
<b>Investments</b>		
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 April 2019	384,730	312,042
Net unrealised gains (losses) in year	(108,764)	185,275
In respect to disposals	20,273	(112,587)
Unrealised gains at 31 March 2020	<b>296,239</b>	<b>384,730</b>



## **23 Pensions**

The charity participates in the Career Average Revalued Earnings ('CARE') Scheme operated by The Pensions Trust, a multi-employer scheme which provides benefits to some 37 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2016. This actuarial valuation showed assets of £60.45m, liabilities of £85.30m and a deficit of £24.86m. To eliminate this funding shortfall, the Trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

### Deficit contributions

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From 1 April 2018 to 30 November 2028	£1,400,000 per annum (payable monthly and increasing by 3.0% each year on 1 April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

## 23 Pensions (continued)

	2020 £	2019 £	2018 £	2017 £
Present value of provision	<b>107,000</b>	122,000	129,000	95,568

### *Reconciliation of opening and closing provisions:*

	2020 £	2019 £
Provision at start of period	<b>122,000</b>	129,000
Unwinding of the discount factor (interest expense)	<b>2,000</b>	3,000
Deficit contribution paid	<b>(12,000)</b>	(12,000)
Remeasurements - impact of any change in assumptions	<b>(5,000)</b>	2,000
<b>Provision at end of period</b>	<b>107,000</b>	122,000

### *Income and expenditure impact*

	2020 £	2019 £
Interest expense	<b>2,000</b>	3,000
Remeasurements – impact of any change in assumptions	<b>(5,000)</b>	2,000
Costs recognised in statement of financial activities	<b>(3,000)</b>	5,000

### *Assumptions*

	2020 %	2019 %	2018 %	2017 %
Rate of discount	<b>2.58</b>	1.58	1.93	1.47

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

## **24 Connected charities**

### ***Coram***

The Foundling Hospital (subsequently the Thomas Coram Foundation and now known as Coram) was established in 1739 by the philanthropist Thomas Coram. Instrumental in helping Coram realise his vision were the artist, William Hogarth and the composer, George Frideric Handel. Hogarth initiated the donation of artworks and Handel gave fundraising performances of Messiah in the Hospital's Chapel. In the process, they created the UK's first public art gallery and set the template for the way the arts could support philanthropy. In 1998 Coram created the Museum to safeguard the Foundling Hospital Collection, to offer public access to the Collection, and to preserve its integrity in its original context. The Foundling Museum's objects include the ability "to support such of the purposes of the charity now known as Coram as the Museum, in consultation with Coram, shall from time to time determine."

Coram is one of 13 company members of The Foundling Museum and nominates up to one third of the trustees of The Foundling Museum and holds retained powers to safeguard its founding principles.

Many of the paintings and other artefacts housed within The Foundling Museum Collection belong to the Foundling Hospital Collection which is owned by Coram but they are held and managed by The Foundling Museum in accordance with a legal agreement for a period of 25 years which commenced in June 2002. Whilst Coram is able to sell any item it owns from the Foundling Hospital Collection to a third party during the period to June 2027, any such sale must be at full market value and the purchaser would have to accept that the item would be sold subject to the unexpired term of the agreement. In addition, The Foundling Museum has the automatic right to be given twelve months in which to raise the money to buy any item that Coram has indicated that it wishes to sell.

During the year, excluding VAT, the Museum paid Coram £11,144 in respect of insurance (2019 - £7,830), £3,766 (2019 - £3,540) for rent and service charge and £1,260 (2019 - £1,440) for waste collection.

Coram paid the Museum £798 (2019 - £567) in respect of admissions, £50 for printed invitations and also paid the Foundling Museum Trading Company £3,114 (2019 - £3,762) for venue hire. Coram Children's Legal Centre paid £521 to the Trading Company in respect of venue hire.

At 31 March 2020, the Museum owed Coram £405 (2019 - £720). The Foundling Museum Trading Company was owed £1,470 by Coram.

## **24 Connected charities** (continued)

### ***The Gerald Coke Handel Foundation***

The Gerald Coke Handel Collection is an internationally-important collection of material relating to composer George Frideric Handel and his contemporaries, including manuscripts, printed music and books, libretti, artworks and ephemera.

The Collection was assembled by Gerald Coke over a period of sixty years and left to the nation by his widow with a wish that it be allocated to the Museum in the care of the Handel Institute. The endowment accompanying the Collection is managed by the Gerald Coke Handel Foundation.

Formed in 1996, the Gerald Coke Handel Foundation administers the endowment that accompanies the Gerald Coke Handel Collection and assists the Foundling Museum with the care of the Collection, which came to the Museum through the Government's Allocation in Lieu scheme.

The Foundation's objectives are to advance public education by providing research facilities for academics, musicologists, musicians, students, writers, researchers and all those interested in the life and work of Handel, his associates and contemporaries, the musical environment of his time, the printing and publishing of music in the eighteenth century, and related subjects.

Under the terms of a Management Deed dated 23rd July 2003, the Museum received the following sums from The Foundation during the year: £38,015 in respect of licence fees (2019 – £34,815), £53,251 in respect of reimbursement of librarians' employment costs (2019 – £51,984) and £34,843 in relation to premises costs (2019 – £45,349).

## **25 Related party transactions**

### ***Supporters' loan endowment scheme***

The Museum established a supporters' loan endowment scheme during the prior year to enable it to benefit from the income generated by the investment of the loaned funds (notes 15 and 17). The Museum withdraws the income on the fund on a monthly basis and applies such monies towards its charitable objectives. Lenders may withdraw the loan principle by giving 60 days' notice in advance of each quarter date and they are entitled to the original capital plus any capital gains (payable as interest) up to a maximum of 1.5% over the Bank of England base rate over the duration of their loan, or less any capital losses.

The amount loaned to the Museum by the Trustees in the year under the scheme and invested in the fund was £nil (2019 – £175,000), and the accrued interest due to the Trustees was £nil (2019 – £1,089). The amounts due to the Trustees at 31 March 2020 was £70,674 (2019 – £176,089).

## **25 Related party transactions (continued)**

### **Chinese Connections Limited**

On 4 June 2019, a private limited company wholly owned by a former Trustee, Judy Bollinger (who resigned as a Trustee in December 2019), and the charity secretary and Finance Director, Nigel Cudlipp, was established with the aim of generating income for the Museum. No income was generated by the new company during the year. Income is expected to be generated in Chinese Connections Limited in future, with any taxable profits donated to the Museum.

### **Other related party transactions**

Total trustee donations in the year amounted to £24,200 (2019 – £21,667).

A grant of £nil was received from a charity in the year for which a trustee of the Museum also acted as a trustee (2019 – £10,000).

No trustee received reimbursement of expenses during the year in connection with services to the charity (2019 – none). The Museum purchased conservation materials from City and Guilds of London Art School, for which one of the trustees of the Museum is also a trustee, at a cost of £nil (2019 – £150).

There were no further related party transactions (2019 – none).

## **26 Members liability**

The charitable company is constituted as a company limited by guarantee. In the event of the charitable company being wound up, the member is required to contribute an amount not exceeding £1.

## **27 Post balance sheet events**

Following the year end, the Museum has been successful in a grant of £1,050,000 towards core funding from Oak Foundation, payable over the period 2020-2023. The charity's insurers have agreed that the business interruption claim related to COVID-19 is liable to fall under their policy with the Museum and they have appointed loss adjusters to deal with the claim. The claim is likely to be financially significant to the Museum.