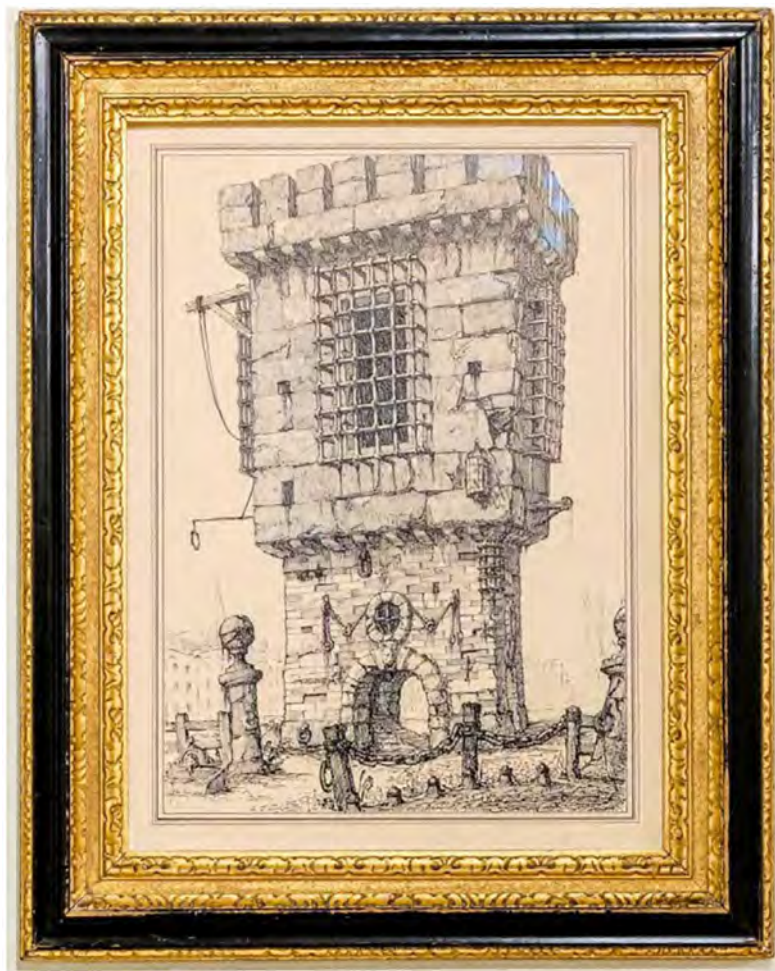

THE FOUNDLING MUSEUM

ANNUAL REPORT & FINANCIAL STATEMENTS

31 March 2016

Charity Registration Number 1071167

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



Pablo Bronstein *The Gatehouse Prison*, 2015
Commissioned by The Foundling Museum for *Drawing on Childhood*

**The Foundling Museum
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Trustees	Robert Aitken Geoff Berridge Judy Bollinger James Close Alison Cole Jeremy Deller William Gore Spencer Hyman Larissa Joy Geraldine MacDonald Margaret Reynolds Monisha Shah 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 50 Broadway Westminster London SW1HoBL

The Foundling Museum
Trustees' report 31 March 2016

The Trustees present their report together with the financial statements of The Foundling Museum for the year to 31 March 2016.

The financial statements have been prepared in accordance with the accounting policies set out on pages 45 to 56 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), effective from accounting periods commencing 1 January 2015 or later.

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.

TRUSTEES

At 31 March 2016 the Board of Trustees comprised 12 members of whom 8 were trustees elected by the Membership from among persons nominated by the elected trustees, and 4 were appointed by Coram.

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:

Trustees	Appointed/Term ended/Resigned
Robert Aitken*	
Geoff Berridge*	
Judy Bollinger	Appointed 27 June 2016
James Close	
Alison Cole	
Jeremy Deller	
William Gore*	
Spencer Hyman	
Larissa Joy (Chair)	Appointed 28 September 2015
Geraldine MacDonald*	
Margaret Reynolds	Appointed 24 November 2014
Monisha Shah	
Regina Sutton	Resigned 28 September 2015
Paul Zuckerman	

* Coram appointees

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None of the Trustees has any beneficial interest in the company. At 31 March 2016 the company had 13 members, comprising the 12 Trustees and Coram, who each guarantee to contribute £1 in the event of a winding up.

During the year Regina Sutton stepped down from the Board as Independent Trustee and Larissa Joy was appointed Chair of Trustees by the Board.

The recruitment of Trustees is focused on securing a range of individuals with high level skills in museum, art, heritage and cultural activities. Amongst those reside particular skills related to the management and running of museums, galleries and other heritage organisations, together with experience in education, public relations, marketing, finance and general management. This enables the Trustee body to provide high level focus on the central role of running a charity holding and exhibiting its nationally important collection. The Coram appointed Trustees bring similar high level skills including those relating to Coram's child care services. New Trustees are trained over a period of time in meetings with the existing Trustees and senior staff at the Museum, in order to familiarise them with the running of the Museum, its aims and objectives and its financial results.

RELATIONSHIP WITH CORAM

The Foundling Museum is an independent museum. Coram owns the Foundling Hospital Collection which the Museum is in the process of acquiring and also the building at 40 Brunswick Square which the Museum rents from Coram. It is the long-term aim of the Museum to acquire the Foundling Hospital Collection from Coram, thereby securing these works for the nation whilst directly benefitting Coram's childcare work. To date the Museum has acquired paintings, furniture and artefacts at a cost of £4,329,485. During the year under review the Museum purchased £34,950 of works from Coram.

A Liaison Group was established in September 2014 in order to resolve any issues that might arise between Coram and the Museum. The Group is working well and meets quarterly. Its members comprise two Coram Trustees, one of whom may be Chair and Coram's Chief Executive, and two independent Trustees of the Museum, one of whom may be the Chair and the Museum's Director.

RELATIONSHIP WITH THE GERALD COKE HANDEL COLLECTION

The Gerald Coke Handel Collection 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.

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The endowment accompanying the Collection is managed by the Gerald Coke Handel Foundation (registered charity number 1058589) which was formed in 1996 to administer the endowment that accompanies the Collection and assist the Museum with its care. The Foundation's primary aim is to ensure the maintenance,

conservation and development of the Gerald Coke Handel Collection. The objects 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 £126,069 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.

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.

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Trustees' report 31 March 2016

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); and
- 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.

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.

CHARITABLE OBJECTS

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 Museum's successful capital appeal for £11.4 million enabled the necessary refurbishment of 40 Brunswick Square. The Museum subsequently took ownership of the Gerald Coke Handel Collection which is also housed in the building.

The Foundling Museum's 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

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Trustees' report 31 March 2016

- 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.

AIM AND OBJECTIVES

The Foundling Hospital 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.

The Foundling Museum aims to inspire people to make a positive contribution to society by celebrating the power of individuals and the arts to change lives. We do this by:

- enabling visitors of all ages and abilities to engage with our Collections and the stories they tell;
- creating innovative, thoughtful and inspiring exhibitions, displays and creative projects that celebrate the agency of the artist in society, now and in the past;
- encouraging creative philanthropy;
- caring for the building and the Collections; and
- securing the Foundling Hospital Collection for the Nation, thereby preserving the first great public collection of work by British artists as a complete entity in its historical context.

The Foundling Museum speaks to the role that artists of all disciplines play in improving the lives of young people – now and in the past. Since opening in 2004, our visitor figures have grown from 21,309 in our first year of operation to 47,425 in 2014/15. Temporary exhibitions have focussed on historical subjects in the fields of music, art and social history, as well as the work of emerging and established contemporary artists and looked after young people. These exhibitions have achieved significant critical and commercial success, both in the UK and abroad.

Believing that the arts have the ability to enhance people's lives, particularly those on society's margins, we place a particular emphasis on working with vulnerable young people. In doing so, we honour the legacy established by the artist-Governors of the Foundling Hospital.

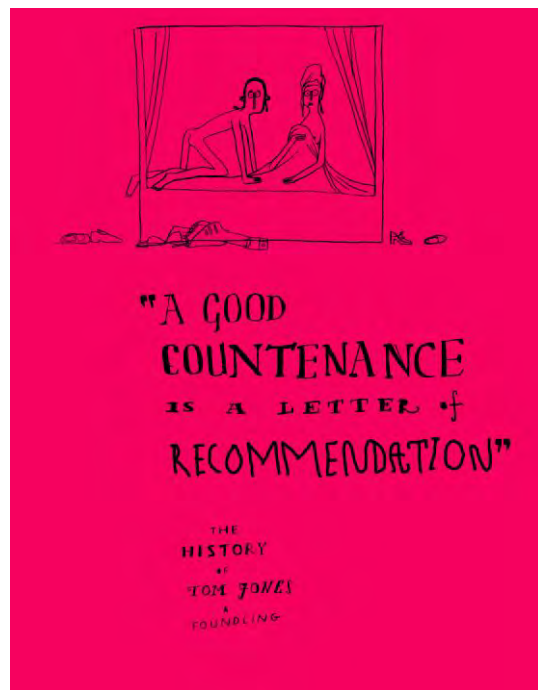
The Museum's Collection has grown to include paintings, furniture and artefacts from the Foundling Hospital Collection, as well as donations of contemporary art, ceramics and archival material relating to the Foundling Hospital.

ACHIEVEMENTS AND PERFORMANCE

For the first time in its history, The Foundling Museum achieved over 50,000 visitors in 2015/16, a 16% increase on the previous year. This was due to the popularity of our exhibitions *The Fallen Woman* (25 September 2015 – 3 January 2016) and *Drawing on Childhood* (22 January – 1 May 2016) which achieved extensive media coverage and very positive visitor feedback.

Increased visitor numbers resulted in admissions revenue 44% ahead of target, the Shop 27% ahead of target, and venue hire up 40% on the previous year.

The Museum is committed to engaging contemporary artists with the Foundling Hospital story and to providing visitors with opportunities to view history through a contemporary lens. In 2015/16 musician and composer Steve Lewinson created a sound installation for our Autumn 2015 exhibition *The Fallen Woman*, and artists Pablo Bronstein, Chris Houghton and Posy Simmonds were commissioned to create new illustrations for Henry Fielding's novel *The History of Tom Jones, a Foundling* for our Spring 2016 exhibition, *Drawing on Childhood*. In addition a range of displays took place throughout the year featuring work by students from Central St Martins, the London College of Communication and Chelsea School of Art.



Posy Simmonds, *Virtue, Charity*, 2015 and Chris Houghton, *A Good Countenance is a Letter of Recommendation*, 2015 commissioned by the Museum for the exhibition *Drawing on Childhood*.

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Collection acquisitions included a 1721 silver gilt cup given by Thomas Coram to his godson. The cup was secured for the Museum thanks to support from Peter and Henrietta Fudakowski, Peter and Rosemary Brown and The Goldsmiths' Company. The Museum also purchased £34,950 of artworks and objects from the Foundling Hospital Collection.

The Museum's media profile has continued to rise thanks to the involvement of communications consultancy, Brunswick Arts. Exhibitions and commissions coverage equivalent to an advertising value of over £3,500,000 was achieved in 2015/16, including 4 star reviews in *The Times* and *Time Out*. Several major multi-year grants received in 2014/15 from trusts and foundations ensured that the Museum built on its 10th anniversary achievements, and it continues to plan strategically for the decade ahead. The Museum also benefited from instalments of core cost grants from the Esmée Fairbairn Foundation, the Foyle Foundation and the Garfield Weston Foundation. The Museum's corporate partner Verita continued its support in 2015/16.

As an independent museum receiving no core public funding, we have a considered approach to charging and prices have not increased since 2009. Entry to the Museum is free for children aged sixteen and under, disabled people and Art Fund members. Full price entry is £7.50 and the concessionary price of £5 is available to visitors who are over 60, unemployed or students. In order to promote learning as a family activity, adults accompanying children participating in family workshops, enter free.

The Collections

Acquisitions

The following items were purchased from the Foundling Hospital Collection: the eighteenth-century Apothecary's Mortar; a George III silver salver, London, 1775; *Portrait of Patrick Kelly*, attributed to John Hazlitt; Emma Brownlow, *Taking Leave*, 1868; Sir John Everett Millais, *Portrait of Luther Holden*, c.1880; and George Rose, *Entrance to the Foundling Hospital in Guilford Street*, 1925. Total value £34,950.

The Museum acquired through purchase a 1721 silver gilt cup by Richard Bayley and case which was a given by Thomas Coram to his godson and namesake, thanks to support from Peter and Henrietta Fudakowski, Peter and Rosemary Brown and The Goldsmiths' Company. This significant acquisition is the only object in the Collection to come from the period of Coram's campaign to establish the Foundling Hospital, and it demonstrates to visitors Coram's relative wealth on his return to London from America, his generosity to children, and the esteem in which he was held by others.



George I silver-gilt cup and cover by Richard Bayley, London 1721.

The Museum acquired through donation *The Foundling Hospital's Court Room* from the London Illustrated News, 1860, and a page from the *Penny Magazine* no. 365 9 December 1837 containing an article about Thomas Coram, both from David Coke; a number of documents from former pupil Sam Mold; the Imperial Family Bible, 1844 used in the Roselawn domestic training house from Peter Brown; and a print of Henry Nelson O'Neill's *The Return of the Wanderer*, c1855 from an anonymous donor.

The Gerald Coke Handel Foundation acquired a number of items. Highlights included a collection of 140 scores and books, an 18th century pastel of Handel, and memorial ring from 1784 depicting Handel, all from the late Christopher Hogwood's estate; a pastel of Handel by John Russell; a nineteenth-century bronze copy of Roubiliac's statue of Handel in the Vauxhall Gardens; and a 1752 libretto of *Messiah* from Oxford.

Loans

One volume and two parts of the *Messiah* manuscript, the conducting score of the *Anthem for the Foundling Hospital* and a token engraved with 'Maria Augusta Handel', 1758, were loaned to Händelhaus, Halle, Germany for an temporary exhibition *Händel mit Herz. Der Komponist und die Kinder des Londoner Foundling Hospital*, (23 February–12 June 2016). Thomas Benjamin Kennington's *A Pinch of Poverty* returned from loan to the Geffrye Museum's exhibition *Homes for the Homeless*. The Gerald Coke Handel Foundation loaned a number of items to Handel House, London for two exhibitions; the scores *Suites de pieces : pour le clavecin. Premier volume* and *Belshazzar : an oratorio for Handel: a life with friends* (1 July 2015 – 10 January 2016), and a printed score of *Flavio* and a manuscript score of *Let God Arise for A Year in the Life of Handel: 1723* (13 January – 31 August 2016).

Conservation

Conservation volunteers Anthony Baker, Sabine Brandt, Linda Kemp and Clare Jeeps continued to undertake conservation cleaning throughout the Museum, including two days conservation cleaning of the staircase. Anthony Baker also completed conservation work on a George IV mahogany bow-fronted writing chest from the Gerald Coke Handel Collection, while Nicole Ryder completed conservation work on a number of paintings, and Ben Pearce completed conservation work of G Chester's *A Village Scene*.

The Gerald Coke Handel Collection established a new partnership with West Dean College enabling a conservation student to work on one of the Collection's volumes.

Research

The Gerald Coke Handel Collection is open approximately 150 days a year to scholars and students. Since opening it has received 1,346 personal visits by readers and 1,075 enquiries. Use of the online catalogue continues to grow with 4,453 visits in the last twelve months. The Librarians catalogued most of the volumes from the estate of Christopher Hogwood and continue to catalogue items from the Hicks collection; over 880 of these have now been added to the online catalogue. The Librarians have also begun to add items from Collection to the English Short Title Catalogue. This international union catalogue of letterpress publications in English or published in English-speaking countries before 1800 has nearly half a million titles but about a third of the Gerald Coke Handel Collection's libretti are not represented at all.

The Curator: Exhibitions & Displays continues to chair the Research Forum whose aim is to facilitate the sharing of knowledge about the Foundling Hospital Archive amongst professional, academic and volunteer researchers.

A significant research project on the care and experience of disabled foundlings began, undertaken by some of the Museum's volunteers. This research into the Foundling Hospital's Archives will result in a display at the Museum in 2016/17.

Exhibitions and Displays

26 Pairs of Eyes

4 June – 6 September

26 writers, including former Poet Laureate Sir Andrew Motion, were paired with 26 Collection objects and they responded with 26 'sestudes' – texts 62 words long. The sestudes brought fresh perspectives to familiar objects and put lesser-known ones in the spotlight. This temporary display took the form of a trail throughout the Museum created by 26 distinct yellow labels that featured the texts. These also formed a small booklet. A number of the writers gave performances of their works at points throughout the display and at the *Lines of Beauty* private view.

The Line of Beauty

4 June – 6 September 2015

The Line of Beauty explored the rich tradition of decorative architectural plasterwork, from the Rococo splendour of the Foundling Hospital Court Room to the contemporary designs of master craftsman Geoffrey Preston. Featuring Preston's work in the Rococo style, the show included modelled relief panels, a new geometrical drawing of the Court Room ceiling showing the 'net' underpinning its design, and highlighted the restoration of the Court Room and the work of Georgian entrepreneur William Wilton. The exhibition attracted over 10,000 visitors and some excellent press coverage with an advertising value equivalent of over £180,000. This included articles and reviews in *Country Life*, the *Lady*, *Harper's Bazaar* online, the *Word of Interiors* and the *Daily Mail*. Preston gave an illustrated talk as part of the public events programme and also joined in a plaster cast-making workshop with Coram Nursery.



Geoffrey Preston, A new rococo ceiling based on stucco at Ottobeuren Abbey, Bavaria.
Photo © nickcarterphotography.com

Foundlings at War: the Napoleonic Wars

16 June – 4 October 2015

The third display in the HLF-funded *Foundlings at War* research project explored the effect of the Napoleonic Wars on the Hospital through stories of two young foundlings who served at sea; one at the Battle of Trafalgar, the other alongside Nelson about the *HMS Victory*. Their personal experiences were considered alongside the stories of children brought to the Hospital after their fathers were killed at the

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Battle of Waterloo. A free *Foundlings at War* iBook was launched in 2014 alongside the display and updated with additional content for each subsequent displays. All the displays were accompanied by workshops and resources for schools.

The Fallen Woman

25 September 2015 – 3 January 2016

The exhibition explored the idea of the 'fallen woman' in Victorian Britain through the previously unseen testimonies of mothers petitioning the Foundling Hospital to take their babies, and the art and popular media of the time which played a powerful role in mythologizing the idea. Curated by Lynda Nead, Pevsner Chair of History of Art, Birkbeck College, University of London, the show received 15,542 visitors; the highest number of any exhibition to date.

The Museum borrowed work from overseas for the first time – two paintings from the Makins Collection in Washington. Paintings, prints and stereoscope slides were exhibited alongside petitions and documents from the Hospital's archive, in both the



G F Watts, Found Drowned, c1848-50 ©Watts Gallery

Temporary Exhibition Gallery and the Committee Room. The voices of the petitioning mothers were brought to life through a sound installation created by musician and composer Steve Lewinson, featuring actors Renée Castle, Adrian Dunbar, Marianne Jean-Baptiste, Ruth Jones, Maxine Peake and cellist Sarah Suckling. The exhibition was accompanied by a free 14-page booklet and due to the exhibition's popularity the Past Exhibitions section of the Museum's website was augmented to include exhibition texts, digital media and photographs.

The Fallen Woman received approximately 43 pieces of coverage with a reach of 9,598,312 and an Advertising Value Equivalent of c£3,351,055. Coverage included

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articles and reviews in FT Weekend magazine, The Guardian, The Telegraph, The Independent, Apollo Magazine, The Burlington Magazine and Art Quarterly, as well as radio coverage on BBC Radio 3's Free Thinking show and BBC Radio 2's Arts Show.

The Fallen Woman was funded through the Art Fund's Art Happens crowdfunding campaign, the Heritage Lottery Fund, Verita, The London Community Foundation and Cockayne – Grants for the Arts, The Paul Mellon Centre for Studies in British Art, The Idlewild Trust, Old Coram Association, The Honorable Eugene Johnston III, Jim Moyes, David Pike, Frederick and Connie Sheetz, The Maas Gallery, The Midtown Business Club and *The Fallen Woman* Exhibition Supporters' Circle.

Mead's Mysterious Medicines

September – November 2015

Children from Great Ormond Street Hospital's bone marrow transplant and dialysis wards created animations and medicine bottles inspired by the eighteenth-century medical recipes of the Foundling Hospital Governor, Dr Richard Mead. Working with artist Shelly Wain, the children compared the medicines of the past to the present, before inventing their own imaginary medicine using ingredients that address their personal experiences of treatment. The resulting film and installation of bottles was displayed in the Introductory Gallery.

Foundlings at War: Through the Ages

6 October 2015 – 3 January 2016

The final display in the HLF-funded series of research displays took an overview of the Hospital's relationship with the military from the eighteenth to the twentieth centuries, highlighting stories of boys who served across the globe in conflicts including the Boer War, the Crimean War and the two World Wars.

Unpinned

26 October – 31 January 2015

First year BA Jewellery Design students from Central St Martins made jewellery and art in response to the Foundling Hospital story. Their work was displayed throughout the Anteroom and in the first floor Ante Room. Four students' jewellery was selected to be sold in the Museum Shop.

Papaver Rhoëas

3-29 November 2015

Papaver Rhoëas, 2015 by artist Paddy Hartley was displayed in the Introductory Gallery alongside the *Foundlings at War* display. Made from lamb's heart muscle tissue, horsehair and vintage WW1 suture cotton, this temporary installation was part of an initiative funded by the Wellcome Trust that saw Hartley's poppies displayed at cultural institutions across London as part of the 14-18 NOW commemorations.



Paddy Hartley, *Papaver Rhoëas*, 2015 © Paddy Hartley

Foundling Stories

November – December 2015

BA Illustration and Visual Media students from the London College of Communication made objects in response to the Foundling Hospital story and the Museum's Collection. Their work formed a hand-printed book produced by the students which went on display in the Introductory Gallery.

Drawing on Childhood

22 January – 1 May 2016

Drawing on Childhood brought together the work of artists and illustrators from the eighteenth century to the present day who have created powerful images of fictional orphaned adopted, fostered or foundling characters. Inspired by Foundling Fellow Lemn Sissay's 2014 Café mural *Superman was a Foundling*, the show considered how illustrators of different generations chose key moments in stories from European folklore and fiction to bring these child heroes to life. Featuring original drawings and paintings, first editions, and special illustrated editions, the exhibition included work by Angela Barrett, Nancy Ekholm Burkert, Quentin Blake, George Cruikshank, David Hockney, Phiz, Arthur Rackham, Thomas Rowlandson, Nick Sharratt and Stref.



Angela Barrett *Snow White's Mother*, 1991 © Angela Barrett

In addition contemporary artists Pablo Bronstein, Chris Haughton and Posy Simmonds were commissioned to create new illustrations for Henry Fielding's novel *The History of Tom Jones, A Foundling* first published without illustrations in 1749.

The exhibition was extremely popular with critics and the public, receiving 13,722 visitors and 24 pieces of print coverage with a reach of over 3.4 million people and an advertising value equivalent of over £194,000. Coverage included pieces in *The Independent*, *The Guardian*, *The Telegraph* and the exhibition received 4 star reviews in *The Times*, *Time Out* and *Londonlist*.



Nursery children attending a story-telling workshop during *Drawing on Childhood*, 2016

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We ran an illustration competition via Instagram for people aged 13 – 18 and 18+ with winners having workshops with illustrators Chris Haughton and Jim Kay. Chris Haughton also ran family workshops during the show.

Finding Yourself

September – 31 December

Screened in the Introductory Gallery and addressing issues of identity, this film was made by young people aged 15-17 from Camden and Islington. Working alongside professional film-makers as part of 1A Arts and Holborn Community Association's youth film-making and editing workshops, the young people took inspiration from the Museum's Collections and the Hospital story. The final film was premiered at Warner Brothers and later shown at Tate Britain as part of *Loud Tate i.d.* an annual art, music and performance event for 15-25 year olds.



Still from the animated film *Transplant*, created by children at Great Ormond Street Hospital.

Transplant

January – March 2016

Children from Great Ormond Street Hospital's dialysis wards created a collaborative animation, inspired by the Foundling Hospital's history of medical innovation and GOSH's ground-breaking transplant processes. Working with animator Shelly Wain, the children used their own experience to create an animation describing the process from dialysis to a kidney transplant. Their film was displayed in the Introductory Gallery and screened at GOSH. The project was covered by the Daily Mail online and was also featured in The Independent.

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Handel's Performers

January – April 2016

This display of portraits and documents in the Handel Gallery brought together images of celebrities of the day, along with some lesser-known singers, who brought Handel's music to the public in the eighteenth century.

Design Explorations: Dolls' Houses

2 February – 3 April

Inspired by the Foundling Hospital pupils' lack of toys, traditional home life and a loving family, BA Interior and Product Design students from Chelsea College of Arts, University of the Arts, London designed dolls' houses for imaginary foundlings which were displayed on the refectory table in the Committee Room.

Shakespeare Solved

15 April – 9 June

To mark the 400th anniversary of Shakespeare's death, a manuscript of William Boyce's *Ode to the Memory of Shakespeare* was displayed in the Handel Gallery. Composed in 1756, the work was performed annually at the Theatre Royal in Drury Lane. The first page of the manuscript was thought to be lost until it was acquired by the Gerald Coke Handel Foundation in 2006; the manuscript formerly belonged to Samuel Arnold, the compiler of the first complete edition of Handel's works.

Artists-in-Residence

The Museum's third artist-in-residence, run in association with ArtQuest, received 128 applications. Pavilion (artists Sophie Yetton and Gabriel Birch) was selected to undertake a six month research-based residency in Autumn 2015. The residency ran until April 2016 and focussed on William Wilton's plasterwork in the Court Room.

Composer-in-residence Luke Styles completed his year-long residency in February 2016 with a promenade performance through the Museum featuring pupils from Argyle Primary School and musicians from early music ensemble La Nuova Musica, performing a new Foundling Museum Anthem composed by Styles. The Anthem was developed from Styles' research in the Gerald Coke Handel Collection and from a series of composing and music-making workshops with Argyle Primary school and Thomas Coram Nursery. The project was covered by BBC Classical Music Magazine, Classical Music Magazine, Classical Music and Music Teacher and the residency was supported by the Leverhulme Trust.

Soup for 100

Richard Wentworth's Fellowship project *Soup for 100* is an annual event and takes place on 5 November, the date chosen by Hogarth for his annual artist governors' dinner. *Soup* enables creative people who share an interest in enhancing the lives of young people to meet and exchange ideas. This year's guests included Ron Arad, Emily Druiff, Antony Gormley, Georgie Hopton, Gary Hume, Sam Lee, Sasha Morgan,

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Mark Neville and members of Assemble, who joined other emerging and established creative supporters of the Museum. Foundling staff cooked the meal, bread was provided by a new community start-up Populate Co-operative, and ingredients and flowers were provided with support from The People's Supermarket.



Soup for 100, 2015. Photo: Dan Weill

Public Events

The busy public events programme encompassed lectures, discussions, conferences, study days, walks, concerts and family film screenings. The Museum also took part in Curious?, the first festival to be held by the Knowledge Quarter.

37 free concerts, 10 ticketed evening concerts, 15 talks, 3 film screenings and 5 special events were held, of which 25 provided a public platform for recent graduates and young musicians to showcase their work. Fortnightly Sunday afternoon chamber concerts, monthly midweek concerts and one-off performances were given by classical musicians including The Martin Musical Scholarship winners, Amadè Players and the Eusebius Quartet.

Folk at the Foundling continued to attract new audiences and exceptional performers including Tom Moore, Archie Churchill-Moss, Jack Rutter, Steve Tilston, The Askew Sisters, Martin Carthy, Dave Swarbrick and the Emily Portman Trio.

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Event collaborators included 26, the Amadè Players, Art Quest, Bach to Baby, the Bloomsbury Festival, Cinema of Childhood, the Emma 200 Festival, Goldsmiths College, the London Handel Festival, the Handel Institute, the London Community Baroque Orchestra, the Martin Musical Scholarship Fund, the Museum Mile, and the Friends of Brunswick Square.

Classical performers at the Thursday lunchtime and Sunday afternoon concerts were: Maite Aguirre, Ancern Trio, Charlotte Ashton, James Brawn, Willard Carter, Stephanie Childress, Louise Cournarie, Glain Daffyd, The Darwin Trio, Oliver Davies, Yuki Ito, Kingsway Quartet, Leander Kippenberg, Laefer Quartet, Fatima Lahham, Jack Lambert, Bea Leclere Weiss, Zoe Lethbridge, Alexandra Lomeiko, Pedro Merchan Correias, Mathilde Milwidsky, Musical Banquet, Musicke in the Ayre, Masachi Nishiyama, Kiyoka O'Hara, Laura Peh, Perrot Hill Choir, Sergei Podobedov, Julia Pusker, Maria Razumovskaya, Hugh Roberts, Kristina Rokashevic, Felicity Vincent and the Waldegrave Ensemble.

The Museum hosted a number of annual events including the 2015 Handel Singing Competition Finalists' Concert as part of the London Handel Festival; the annual Music in Eighteenth-Century Britain study day attracted a record number of scholars and research students for a day of academic papers and discussion; and the international triennial Handel Institute conference on Handel and his eighteenth-century performers.



Musical instrument-making family workshops held as part of Band Day, 2015.

To accompany the *Foundlings at War: Military Bands* display a special Band Day was held to celebrate the Foundling Hospital's Boys' Band. Over 250 people attended a day that featured musical instrument making family workshops, talks, and performances by Camden Concert Band. The Band members, aged between 13 and 19 years, took part in workshops to learn about the history of the Boys' Band and attended a reception afterwards with former Foundling Hospital pupils

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The Cinema of Childhood screenings, curated by Mark Cousins and programmed in partnership with the London Schools of Paediatrics, Public Health and General Practice, continued with screenings of Clio Barnard's *The Selfish Giant* (2013) and the Dardennes Brothers' *The Kid with a Bike* (2011). In Spring 2016 the Museum introduced a strand of Foundling Sunday Screenings designed to complement the temporary exhibition and introduce families to non-mainstream and artists' films. The strand was launched during *Drawing on Childhood* with the *Hedgehog in the Fog* (1975) and *Tale of Tales* (1979) by acclaimed Russian animator Yuriy Norshteyn.

Foundling Walks were led during the summer by Blue Badge Guide Janice Liverseidge and explored the architecture of the Bloomsbury and Kings Cross areas, from the Regency period to the present day.

In March the Museum took part in Disabled Access Day, which promotes accessible events nationwide. 100 people took part in activities designed to help people with different needs access the history of the Hospital including free hourly guided tours run with Camden Tour Guide Association, BSL interpreted talks, and family workshops designed to be accessible for visually impaired people.

In addition to volunteers and staff, speakers included artists Angela Barrett, Geoffrey Preston, Jacob Sam-La Rose and Toni Stuart; academics Dr Robert Clark, University of East Anglia, Prof Lynda Nead, Birkbeck College, Dr Victoria Mills, Darwin College, Cambridge, Dr Sara Read, University of Loughborough and Prof Jessica Scheetz-Nguyen, University of Central Oklahoma; authors Jane Robinson and Jacqueline Wilson; readers from the Jane Austen Society London Group; a performance by Odd Eyes Theatre; and tour guide Janice Liverseidge.

Engagement and Learning

Children aged 16 and under enter free of charge and adults accompanying a child taking part in a family workshop also enter free.

All projects and learning programmes are devised and led by practising artists. Artists working on the 2015/16 programme were: Dani Bradstreet, Davina Drummond, Chris Haughton, Giles Leaman, Daniel Lehan, Isobel Manning, Alex Murphy, Raksha Patel, Anna Steeden, Luke Styles, Rachel Emily Taylor, Shelly Wain and Daniel Wallis.

2008 Foundling Fellow, Jacqueline Wilson returned to the Museum for a *Hetty Feather and Little Stars* day to celebrate the paperback release of *Little Stars*, the fifth book in the Hetty Feather series. Over 130 people attended Wilson's talk while many other families participated in events throughout the day including free drop-in workshops making puppet theatres.



Parents and children from Coram Nursery taking part in a storytelling workshop.

Pre-School

Monthly concerts for babies and carers run in association with Bach to Baby went from strength to strength and regularly had attendance of 50 babies and parents. These families are also encouraged to return to participate in our regular programme of activities for families.

Every other week artists and musicians delivered workshops with pre-school children and their parents/carers from Coram Nursery. The programme is designed to introduce local families to the Foundling, many of whom have little or no experience of visiting museums. The workshops are often themed to the current temporary exhibition and enable adults and children under 5 years to learn new creative skills, gain practical experience of different materials and techniques, and build their confidence as museum visitors.

Schools

52 workshops were delivered to schools, 37 of which were led by artists, with 1,606 Key Stage 1 – 5 pupils participating in art, creative writing and critical discussion. New workshops were introduced that focused on both the permanent Collections and temporary exhibitions, and linked to the National Curriculum. Workshops linked to *The Fallen Woman* were particularly popular and explored Victorian entertainments including stereoscopic images and magic lanterns. Workshops are tailored to meet the needs of learners, including pupils at Special Needs Schools. There has been a decline in bookings for artist-led school workshops (as supposed to self-led visits), with the most likely cause being cuts to pupil premium funding in schools, and the

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National Curriculum's emphasis on STEM subjects. In response we are running pilot programmes with local London schools that place a greater emphasis on practical art skills to see if this improves take up of artist-led schools' workshops. There has also been a decline in attendance at twilight and morning teachers' exhibition private views. As a result continuing professional development programmes were refocused to workshops and placements for PGCE students. We currently have regular bookings from Cambridge University, the Institute of Education and Kingston University.

Families



Down the Rabbit Hole and Rococo Plaster Casts family workshops, 2015

Workshops for children aged 3 - 12 years involve free, artist-led practical activities. They run during school half-terms and holidays, as well as on the fourth Saturday of each month. Children worked with artists across disciplines including painting, sculpture, plasterwork, sewing, installation and photography, to make art inspired by the Hospital, the Collections and temporary exhibitions. The workshops continued



Family workshops making comic strips (left) and stereoscopes (right), 2015

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to grow in popularity, frequently attracting over 100 participants The Art Trolley is in regular use too, providing self-led activities linked to the Collection displays and temporary exhibitions throughout the year. The Museum once again took part in the national Family Arts Festival and the Big Draw over the autumn half-term. The Museum also commissioned a bespoke double-sided rail for the children's foundling dressing up clothes enabling more outfits to be available for a wider age-range and with the girls' and boys' uniforms separated, reflecting the Hospital's segregation.

The Gerald Coke Handel Collection hosted a group of students from Cheadle Hulme School as part of their A-level music course.

Higher Education

Reflecting the supportive relationship that existed between Hogarth and his contemporaries and the twenty one year old Thomas Gainsborough, the Museum places an emphasis on supporting the careers of emerging artists, including those at art school.

40 BA Interior and Spatial Design students from Chelsea School of Art worked with the Museum on a three-month project that resulted in the students designing dolls' houses inspired by the foundling's lack of toys and home life. 11 students' work was selected for display in the Committee Room and the private view as attended by over 50 guests including the Dean and Head of School.

50 students from the BA Jewellery Design course at Central St Martins worked with the Museum researching the Hospital and the Collections. The resulting exhibition of jewellery, *Unpinned*, was displayed in the Introductory Gallery and the Ante Room, many alongside the objects that had inspired them. Students also worked with the Museum's Retail Buyer to develop products for the Museum's Shop. Four students' work was selected and produced for sale, with many of the items proving very popular with visitors.

The Museum also extended its partnership with Central St Martins and worked with the BA (Hons) Culture, Criticism and Curation second year students who created project proposals based on the Foundling Hospital Collections and story. The collaboration was facilitated by the Collections Manager who gave the students introductory tours of the Museum, attended group tutorials and final presentations and along with the Director gave presentations to the students.

A six-month project with staff and 25 second year BA Illustration and Visual Media students from the London College of Communication concluded with a pop-up exhibition in the Creative Studio and Lower Ground Floor Foyer, and the students' hand-printed book going on display in the Anteroom.



'This is a tribute to every foundling who dreamt of being extraordinary' *Unpinned* exhibition, 2015

The Museum hosted a placement for two PGCE students from the Faculty of Education, Homerton College, University of Cambridge. This highly regarded initiative involves a number of London museums, and aims to encourage teachers to make use of cultural institutions as part of their future professional practice.

The Gerald Coke Handel Collection continued its partnership with Goldsmiths University throughout the year, sharing resources and teaching and the Librarian is Visiting Research Fellow. The Coke staff also led a seminar for postgraduate archives students from University College London and hosted a visit from the choir school of Westminster Cathedral.

Artists' Projects

Long-term projects devised and led by artists working alongside marginalised and vulnerable young people are central to our learning programmes. Over the course of the year, the Learning team collaborated with a range of community and youth organisations including 1A Arts, The Challenge National Citizenship Service, Argyle Primary School, IntoArt, and Great Ormond Street Hospital.

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Children on Eagle Ward creating an animated guide to dialysis and kidney transplant, 2015

The Museum's ongoing relationship with Great Ormond Street Hospital's arts programme, Go Create!, was formalised with the Museum agreeing to deliver three projects a year. In July the third animation project began on Eagle Ward with children undergoing kidney transplants and dialysis. The children made an animated guide to dialysis and the process of undergoing a kidney transplant. The film went into post-production in the autumn before having a special screening at GOSH and being put on display at the Museum in January.

Thanks to the active support of Paul Veys, Director of Transplants, GOSH consultants and nurses enabled children from Fox and Robin Wards to visit the Museum to see their work *Mead's Mysterious Medicines* on display in the Introductory Gallery. These visits had to be conducted out of hours to minimise the risk of infection due to the children's suppressed immune systems. The Museum also hosted a private view of *Lines of Beauty* for GOSH Culture Club – 20 doctors and nurses – who also came to see the children's work on display.

A previous project at the GOSH, *Waiting*, created by children waiting for procedures was selected for the ACE-funded *Generation Art: Young Artists on Tour* exhibition run by Engage. The exhibition began at Turner Contemporary in Margate, before touring to New Walk Museum & Art Gallery in Leicester and Quay Arts in the Isle of Wight. Children, parents, GOSH staff and the Go Create! team were delighted that an image of the children's medicine bottles created as part of the *Dr Mead's Magical Medicines* project was selected to be the image for the Museum's 2015 Christmas card.

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The Choir

The Foundling Community Choir has 20-30 adult members, drawn from the local community who also meet every Monday evening in term time. In the autumn the Choir Master, James Day, left and an interim Choir Master, Michael Veazey, took over. He will remain with the Choir until summer 2016. During the year the Choir performed at the Foundling Museum and at Camden Lock.

Guided Tours

128 guided tours for groups were given of the Museum and its Collections, a 14% increase on the previous year, with 126 groups coming for unguided tours, a 40% increase on 2014/15.

Marketing & Communications

Brunswick Arts continued to support the Museum's communications strategy in relation to the temporary exhibitions, which had a significant impact on coverage.

Lines of Beauty obtained 20 pieces of coverage with an advertising value equivalent of £180,835, including articles or reviews in *Country Life*, *The Lady*, *Harpers Bazaar* online, *The World of Interiors* and *The Daily Mail*. The exhibition was also listed in *The Times*, *Homes & Antiques* and *Apollo Magazine* online. An advert was also placed in the *Best of British* supplement in the *Mail on Sunday*.



Frank Holl *Study for Deserted - The Foundling*, 1874 © Mercer Art Gallery

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Coverage for *The Fallen Woman* was extensive, amounting to an advertising value equivalent of £3,351,055, and included coverage in The Guardian, the Daily Telegraph, FT Weekend magazine, The Independent, the Mail on Sunday, The Tablet, Art Quarterly, The Burlington Magazine, Apollo, The Lady, The Burlington Magazine and Tate Etc. The exhibition was also covered by BBC Radio 3's Free Thinking show (22 Sept) and BBC Radio 2's Arts Show (25 Sept). The exhibition's Art Happens crowdfunding campaign also received coverage in the Guardian and the Evening Standard. The Director was also interviewed by East London Radio, Camden Radio, and for a piece in Birkbeck University's annual review magazine, BBK. The exhibition was covered in 26 blogs and websites including the Royal Academy website.

Drawing on Childhood received very good coverage with an advertising value equivalent of £194,000 with articles and reviews in The Independent, The Guardian, The Telegraph, The Times, Eye Magazine and Time Out. The exhibition received 4 star reviews in The Times, Time Out and Londonlist. The Museum reached out to bloggers which resulted in additional coverage including Amelia's Magazine, Le Cool and Jacksons Art Blog. To coincide with the opening of the exhibition the Museum organised a celebration of alternative childhoods on Twitter. 19 museums and galleries took part including the British Library, the National Portrait Gallery and the Fitzwilliam Museum. The campaign resulted in 271 retweets and 307 likes, and we gained 50 followers from the campaign, giving January 2016 our highest monthly follower increase since 2014.

Composer Luke Styles' new Foundling Anthem created as part of his year-long residence was featured in BBC Classical Music Magazine (online), Classical Music Magazine, Classical Music (website) and Music Teacher (online).

The BBC featured the Museum across its platforms in 2015/16. BBC4's entertainment programme *The Quizeum* was filmed at the Museum and aired on 15 April; BBC Radio 4's *Archive on 4* programme on 30 May told the story of the Hospital through the Museum's oral history archive and was presented by the Director, it was also included in Radio 4's *Pick of the Week*; a segment of BBC4's three-part series *A Very British Romance* presented by Dr Lucy Worsley featured the Museum and the mothers' petitions; BBC Radio 4's *Sunday Worship* was recorded at the Museum to mark the start of National Adoption Week in October; items from the Gerald Coke Handel Collection were filmed for a BBC documentary *Full Steam Ahead* in reference to the Handel festivals at Crystal Palace; and Foundling Fellow Lemn Sissay was a guest on Radio 4's *Desert Island Discs*, which earned 10,715 impressions and 469 engagements on Twitter. ITV also filmed a section of *Long Lost Family* at the Museum for broadcast on 8 July. The Gerald Coke Handel Collection Librarian contributed to a radio programme on *Messiah* for the US radio station Haven Today. Items from the Collection featured in a documentary about Handel and the *Messiah* on Dutch TV.

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The Museum, working with Design Culture, launched its new website in April. Throughout the year the website was expanded with additional pages and information including donations, governance, friends and patrons, past appeals, and information on the tokens and foundlings.

In the year under review the website received 151,117 visitors, an increase of 23,423 on the previous year, and had 205,495 sessions and 613,569 pages views. Visitors spent an average of 2:04mins on a page. 84% of visitors were from the UK, 6% from US, with a further 1% from Canada, Germany, France and Australia. The Museum's regular monthly e-mailings reach an audience of over 5,000, and the seasonal postal mailing reached over 1,200 subscribers. The Museum continued to distribute both season What's On and general guides through the company London Calling to cultural venues, libraries, community centres, colleges, shops, and food and drinks outlets across London. On social media, the Museum's Facebook audience rose from 3,131 likes to 4,480. Twitter followers have increased in the period from 7,878 to 10,121. The Museum also revived its Instagram account and is posting on a regular basis.

A search engine optimisation project has been completed to increase the Museum's visibility in Google search results, with a particular focus on venue hire. Working with Design Culture the Museum redesigned the venue hire section of the website with separate pages for each of the Museum's offers including image galleries, floorplans, videos, testimonials and room details. PDFs providing details of venue hire packages for weddings, Christmas and meeting room hire are also available to download from the site, along with a dedicated weddings brochure. The Museum also worked closely with Design Culture to develop a past exhibitions section for the website, with the added ability to include video, audio, press quotes and downloadable content.

In addition to the seasonal What's On guides and the general leaflet, several new pieces of print were produced including new friends and patrons leaflets, table talkers in the café, and postcards to support venue hire.

The Museum continued to be a member of the National Trust Partner Scheme, which gives the Trust's 4 million+ members half-price entry. In addition to being featured in the annual National Trust Handbook, the Museum is also featured on the website with events also publicised in e-newsletters. The Museum also continues to be an Art Fund member, giving Art Fund members reduced admission to the Museum. The Museum and the exhibition *Drawing on Childhood* were featured in the Fund's autumn and spring London Underground campaign, with visibility at major stations throughout the city.

The Museum continues to be a member of Museum Mile, the Knowledge Quarter and the group London Museums of Health and Medicine, and continues to be a part of National Rail's 2-for-1 entry scheme. Since November the Museum has been part of the ArtsCard trial, a new employee benefits programme offering access to a range of offers from arts/cultural venues across London.

Ventures

Income from the Museum's Shop was £59,683, 13% up on expectation. A number of new products were introduced during 2015/16 including a new licensed Hetty Feather range comprising a child's tote bag, exercise book, ruler, rubber and badges which has sold well throughout the year. The popularity of Lemn Sissay's Café mural *Superman was a Foundling* led to the production of a T-towel and mug using a detail of the mural and this has sold very well too. A silk scarf based on the Court Room ceiling made by Gloucestershire-based Beckford Silk proved less successful, due to the higher price point. Mini prints were introduced for *Drawing on Childhood* featuring illustrations in the exhibition by Quentin Blake and Angela Barrett; these sold well.

Four BA Jewellery Design students from Central St Martins – Kristy Fan, Lily Harte, Polly Coventry-Brooker, Elena Lara Bonanomi, and Jieun Kim – created products for the Shop. These proved popular although the students struggled to keep up with



Necklace by CSM student Kristy Fan and items from the Museum's Hetty Feather range

orders, leading to a waiting list for some items. Income from the products went to the students. A sale table is now set up in the Picture Gallery or outside the Café between exhibitions to move clearance stock. Visitors are asked for a £1 minimum donation and this raises income whilst freeing up space for new stock.

Limited edition prints by Yinka Shonibare MBE and Quentin Blake continued to sell; a Shonibare *Party Boy* edition was bought by the Yale Center for British Art. The Trading Company continued to explore ways to maximise retail income and the Museum is now working with Walker Books on the development of a number of publications which will be produced and distributed by Walker, the first of which is expected in 2018.

The Old Coram Association

The Museum gives former pupils of the Foundling Hospital School a sense of pride in their history. Many consider 40 Brunswick Square to be their spiritual home; the place to which they were first brought as babies and a place to which they can now return, bringing friends and family with them. To enable staff and visitors to mark the death

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of a former pupil, the Museum places a vase of flowers and a simple 'In Memory' notice in the Foyer. This commemoration is much appreciated by the family and friends of the deceased.

The Old Coram Association continued its support of the Museum, and the tradition of holding their annual Charter Day lunch and Christmas Carol Concert in the Picture Gallery. In 2015/16 the OCA produced a CD of band music that was played by pupils in the Foundling Hospital's Boys' Band. This was launched over Band Day with all profits going to the Museum. The OCA also generously supported *The Fallen Woman*.

The Friends of Thomas Coram

The Friends of Thomas Coram is a group of philanthropic individuals who lend their help and support to the Museum and Coram. The members continue to provide invaluable support for the Museum, including a donation towards the *Lines of Beauty* exhibition publication.

Staff and Volunteers

Staff leaving the Museum included: Hazel Shaw, Marketing and Communications Manager; Anna Steeden, Events Manager; Kate Bowden, Individual Giving Manager; Nick Castell, Front of House Manager; and Marianne Rance, Head of Development.

The following staff joined the Museum: Ben Wilsker, Operations Assistant; Hannah Thomas, Marketing and Communications Manager; Susie Stirling, Assistant to the Director; Emma Yandle, Communications Assistant; Clare Bennett, Front of House Manager; Vincent Wright, Assistant Front of House Manager; Charlotte Kirkland, Assistant Venue Hire Sales & Events Manager; Nicola Fhalora, Venue Sales & Events Manager; Nicola Freeman, Curator: Exhibitions & Displays (maternity cover); Esme Loukota, Development Assistant; Zosha Nash, Head of Development; and Anna Dimdore, Retail Buyer. Alison Duke returned from sabbatical.

209 volunteers and 21 work placements supported the Foundling Museum's work this year. This diverse group represent almost 30 different nationalities, with volunteers coming from a range of social and economic backgrounds. The Museum actively works with organisations including Volunteer Services Unit Camden, CAPA International Education, Foundation for International Education, UCL, Birkbeck University, SOAS, ERASMUS, Absolute Internship, AIFS Study Abroad and Global Experiences to offer work opportunities.

The volunteers contribute hugely to the Museum's visitor services, including researching, maintaining and safeguarding the Collection; giving specialised talks; and supporting our income targets at front desk through admissions and Gift Aid donations. At the same time, they receive the benefit of tailored support from the Visitor Engagement team, bespoke talks by external specialists, organised visits to other institutions, vocational training, and support with personal development.

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The Museum continues to work to improve accessibility to the Collection and displays.

Operations

Thanks to a grant from the Museum of London, environmental consultant Wilma Bouwmeester was commissioned to produce a report on how the Museum might improve environmental conditions in the building, particularly temperature and humidity. Her suggestions will be taken forward as funding allows, with one trial of recommendations begun in the Museum Store.

Work began on developing a Capital Renewal Plan and one of the Museum's two boilers was replaced. The Emergency Plan was regularly updated, an evacuation chair for disabled people was purchased and staff trained in its use, fire risk assessments were carried out, and two fire drills were run successfully. The Museum continues to be part of the Local Salvage Group whose members are small museums including Sir John Soane's Museum, Charles Dickens Museum, The Museum of the Order of St John and Dr Johnson's House. The group shares best practice and advice around emergency planning, including modelling how each might offer assistance to the others in the event of a disaster. The Operations Manager attended the inaugural meeting of the London Operation Managers (LOMA) whose members including the Whitechapel Gallery, South London Gallery, ICA, Camden Arts Centre and Parasol Unit. The aim of the group is to share best practice and provide recommendations for contractors and services.

The Museum continued to ensure that contracted services were rigorously tendered and savings made wherever possible. We continue to be a member of the Association of Independent Museums Energy Action Group in order to secure competitive prices for gas and electricity, as part of our ongoing plan to improve our environmental sustainability. The solar panels continue to work well and over the year have generated 2,029 kWh, worth £302 in feed-in-tariff. Total production to date is 5,727 kWh worth £853 in Feed in Tariff, while the solar panels also reduce our electricity bills. With the replacement of bulbs in the Handel Gallery the Museum has almost completed its switch over to LED bulbs as part of its ongoing efforts to reduce energy consumption and our carbon footprint.

Funding was received from the Rose Foundation to refurbish the area around the Museum's Front Desk including the cloakroom. This work will be undertaken in 2016. A second till was installed at front desk to cope with increased visitor numbers, thereby speeding up admission and shop sales by allowing for both contactless payment and more Gift Aid payments to be taken. Wi-fi was extended throughout the building and the Clore Creative Studio projection blind was upgraded to allow 16:9 ration projection to support both the public events programme and venue hire.

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Café featuring Lemn Sissay's *Superman was a Foundling* mural and tables by London Reclaimed

Café

The not-for-profit, sustainable community interest company The People's Supermarket continued to run the Museum's Café, with support from the catering company Leafi who provided *pro bono* advice on menus. New bespoke Café tables were commissioned from the youth employment charity London Reclaimed, who train 16-25 year olds from South East London to be carpenters whilst also offering mentoring and employment support.

Administration

The Museum continued to be a member of the Knowledge Quarter, a partnership of over 70 academic, cultural, research, scientific and media organizations based in the King's Cross area. Members work together to share information and research for the benefit of researchers, creative people, students and the local community. The Museum also continues to be a member of the Creative Industries Federation, a national lobbying and research organization for the public arts, cultural education and creative industries.

Training

Staff and volunteers attended a disability training day at the Museum run by Shape Arts to develop skills and confidence in supporting the needs of disabled people.

The Curator: Exhibitions & Displays attended a one-day conference at the Wallace

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Collection, 'Challenging Materials: Sir Joshua Reynolds and Artistic Experiment in the 18th Century'. The Collection's Manager attended the International Council of Museums UK AGM, a course held at the British Library and run by West Dean about 'Writing and Using a Preservation Policy', and Soutron catalogue training.

The Curator: Artists' Projects attended the Challenge Citizenship conference, and attended family training at the Museum of London. The Learning Assistant attended family training at the Museum of London; attended early years training at the October Gallery, had regular information sharing meetings at the National Portrait Gallery with their Family Manager and observed family dates at the Geffrye Museum and the National Portrait Museum as part of her early years training; observed artist-led SEN workshops at Tate Modern; attended Top of the Class, a sustainable learning conference led by the Museums' Association; and observed schools' workshops at the Horniman Museum and the V&A Museum of Childhood.

The Front of House Manager attended an access morning at the Wellcome Collection to share information with other museum managers. Assistant Front of House Manager attended two-day Vocal Eyes audio description training.

The Communications Manager attended the Arts Marketing Association's Retreat 1 marketing leadership programme; digital marketing training run by the AMA; and attended the Media Trust conference. The Communications Assistant I attended a media training workshop as part of the Digital Future Skills programme, run by the Development Team at the Museum of London.

The Operations Assistant attended an art handling and conservation course at Dulwich Picture Gallery, and two-day audio description training run by Vocal Eyes.

Public Speaking & Publications

Staff provided guided tours of the Museum and exhibitions to visitors, peers and guests throughout the year.

In addition, the Director wrote a catalogue essay, 'Hogarth's Hospitals: Fact, fiction and philanthropy', for a graduate exhibition on Hogarth and the Bethlem Hospital curated by students on the London Metropolitan University/Whitechapel Gallery MA, Curating Contemporary Arts; spoke at the Arts & Health South West Awards held at Bristol City Art Gallery; at Europa Nostra's UK Annual Conference at the University of Cambridge; at London Metropolitan University's colloquium on the theme of 'excellence, rigour and relevance in non-profit arts, heritage and social marketing'; at a Museum's Association seminar on the subject of text in museum; and to students at Central St Martin's about her work.

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The Curator: Artists' Projects spoke at the Share Academy Conference about the benefits of higher education institutions working with small museums, at a session of the National Alliance for Museums about the GOSH project in relation to health and wellbeing, at conference held at Leicester University about cultural organisations working with looked after children, and at the Kids in Museums 'Family Fortunes' workshop about the Museum's Early Years' Programme.

The Gerald Coke Handel Collection Librarian gave a paper in New York on 'Small Music Libraries in the Digital World' at the annual International Association of Music Librarians conference, and contributed an article on the challenges of cataloguing music in a special collections library for the journal *Catalogue and Index*. The Librarian presented a paper at the annual conference of the Rare Books and Special Collections Group of the Library Association on the theme of 'hidden collections' held at the British Library. Gerald Coke Handel Collection staff led a seminar for postgraduate archives students from the University College, London. They also contributed to the national and international music library associations as National Editor and International Reviews Editor of the respective professional journals, *Brio* and *Fontes Artis Musicae*.

Donors & Supporters

The Trustees would like to thank the staff of the Museum for their hard work over the past year.

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. In addition to those already mentioned, the Museum was supported by the Michael Bishop Foundation and the Alfred Gillett Trust.

The Trustees would also like to thank the Museum's President, Patrick Walker and Vice Presidents Brian Allen, Alan Borg, David Coke, Jamie Korner and Carolyn Steen for their continuing active support of the Museum and its activities.

Thanks are also due to the many excellent advisers whose invaluable expertise contributes greatly to the success of the Foundling Museum, especially in the fields of conservation, exhibitions, retail, catering and communications.

FUTURE PLANS

We continue to develop programmes that support our ability to deliver our wider strategic aims of increasing and diversifying our visitors, raising our profile, improving our sustainability and championing creativity and research. Major temporary exhibitions in 2016/15 will be:

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- *FOUND* (27 May – 4 September 2016) will be curated by 2014 Foundling Fellow, Cornelia Parker. Parker has asked 69 artists, designers, writers and musicians including Ron Arad, Phyllida Barlow, Jarvis Cocker, Richard Deacon, Tacita Dean, Jeremy Deller, Edmund de Waal, Brian Eno, Antony Gormley, Mona Hatoum, Thomas Heatherwick, Christian Marclay, Mike Nelson, Laure Prouvost, David Shrigley, bob and Roberta Smith, Wolfgang Tillmans, Marina Warner and Rachel Whiteread to respond to the idea of 'found'. The exhibition will be shown throughout the Museum as well as in the Temporary Exhibition Gallery.
- *Feeding the 400* (23 September 2015 – 8 January 2016) considers the food served at the Foundling Hospital from the 1740s – 1950s and explores not only what the foundlings ate, but why and how they ate what they did, and how this related to other sections of society. The show's guest curator is food historian Dr Jane Levi who has been conducting research into the Foundling Hospital's archives and uncovering previously unknown aspects of the foundlings' care and the Governors' thinking in relation to nutrition and health.
- *Child's Play* (3 February – 21 May 2016) explores the texture of childhood play, particularly the importance of free, spontaneous play that is independent of adults, through the work of Mark Neville. The exhibition contains photographs and films of communities in Port Glasgow and North London; children caught in the war zones of Helmand, Afghanistan; and new work around child refugees in Ukraine. These images show how children claim a place of power, safety and freedom through play and are set against images of institutional play, including archive photographs and footage of children at the Foundling Hospital. The exhibition will be accompanied by a major publication produced by Steidl, funded by Outset.

We continue to mount smaller temporary displays within the main galleries as these enable us to respond quickly to curatorial opportunities, to engage visitors with our activities beyond the Museum's walls, and to reflect the contemporary relevance of our historic Collection and story. Michael Craig-Martin will be making a large scale work for temporary display in the Picture Gallery (13 September – 8 January), replacing Charles Brooking's *A Flagship before the Wind, under Easy Sail, with a Cutter, a Ketch and other Vessels*, 1754 when it goes to the Yale Center for British Art for their major exhibition on eighteenth-century British maritime painting. A display highlighting findings from the volunteers' research project into the lives of disabled children at the Foundling Hospital will be staged in late 2016. The Introductory Gallery displays will continue to be refreshed, including regular rotation of items from the London Metropolitan Archive, thanks to the new flexible display system.

Over the coming year we will be finding ways to maximise the value of our assets in terms of raising our profile, increasing our sustainability and engaging new and diverse audiences with our work. Priorities include expanding the Board and recruiting new Trustees, further refining our marketing strategy, resolving issues around our lease on

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40 Brunswick Square; developing a contemporary acquisitions policy and an ethics policy, consolidating our music offer in terms of both the Collection and public programme, finalising the 2018 exhibition programme, and continuing our rolling programme of building maintenance.

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 2016 shows total income of £1,152,995 (2015 – £1,534,686).

The total expenditure in the year was £1,361,352 (2015 – £1,370,816) of which expenditure on conserving the Collection and developing and maintaining the Museum amounted to £1,315,504 (2015 – £1,243,177).

The net expenditure for the year was £208,357 (2015 – net income of £163,870).

Net investment losses of £47,077 (2015 – gains of £108,800) were recognised in the year ended 31 March 2016. Following changes to accounting practice (FRS 102), actuarial losses of £94,049 have also been recognised.

In accordance with Financial Reporting Standard 102, the financial statements include heritage assets with a total valuation of £9,137,205. Further details may be found in note 13 to the financial statements.

As at 31 March 2016, the net assets of The Foundling Museum Group were £11,876,253 (2015 - £12,225,736)

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 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

The Foundling Museum
Trustees' report 31 March 2016

financial year, unrestricted general funds stood at £486,958 (comprising the net current assets less amounts attributable to the restricted and designated funds) which is in line with the policy.

The Museum has a full repairing lease on 40 Brunswick Square and the Trustees have designated £12,000 of reserves for known defects and a further £37,000 for general repairs.

During the previous period when governance issues precluded fundraising, the Museum converted £380,000 of its investment into cash. The Trustees are minded to replace these investments over time and as funds allow. In 2014/15 the Trustees designated £160,000 to be reinvested during 2015/16 however the investment climate was deemed unsuitable and this amount remains designated until such time as the climate is considered favourable.

Total designated funds therefore amount to £241,000 all of which is forecast to be expended in 2016/17.

Following changes to accounting practice (FRS 102), the Trustees have made a provision of £98,534 for the next ten years' pension-deficit contributions, 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.

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 in real terms 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

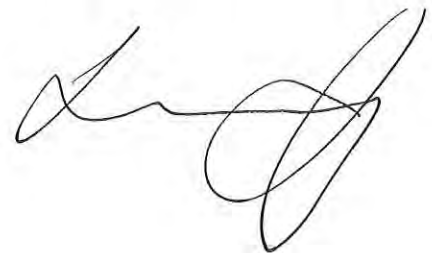
The Foundling Museum
Trustees' report 31 March 2016

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. The objective of the portfolio is to generate over the longer term annualised returns of RPI plus 3.5% and the managers' returns are compared regularly to a composite benchmark comprised of various indices.

In 2015/2016 the managers achieved a return of 4.1%, which reflected the conservative mix of assets held.

Approved by the trustees and signed on their behalf by:

Trustee *Judith Bollinger*
Approved on: *5/12/16*



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

We have audited the financial statements of The Foundling Museum for the year ended 31 March 2016 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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.

Respective responsibilities of Trustees and auditor

The Trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies, we consider the implications for our report.

The Foundling Museum
Independent auditor's report 31 March 2016

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2016 and of the group's and charitable 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements. Also in our opinion, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' report.

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate and sufficient accounting records; or
- the charitable company's financial statements are not in agreement with the accounting records; 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 take advantage of the small companies exemption to prepare a Strategic Report.

Bzzacott LLP

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

20 December 2016

The Foundling Museum
Consolidated statement of financial activities Year to 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Income and expenditure					
Income from:					
Grants and donations	1	290,850	232,832	523,682	974,324
Investments	2	125,639	—	125,639	160,716
Other trading activities	3	270,940	—	270,940	225,213
Charitable activities					
. Admissions and tour income	4	179,978	—	179,978	167,823
Other income	5	52,756	—	52,756	6,610
Total income		<u>920,163</u>	<u>232,832</u>	<u>1,152,995</u>	<u>1,534,686</u>
Expenditure on:					
Raising funds	6	45,848	—	45,848	48,058
Charitable activities					
. Costs of developing and maintaining the Museum	7	1,093,412	222,092	1,315,504	1,322,758
Total expenditure		<u>1,139,260</u>	<u>222,092</u>	<u>1,361,352</u>	<u>1,370,816</u>
Net (expenditure) income before investment (losses) gains		(219,097)	10,740	(208,357)	163,870
Net (losses) gains on investment assets		(47,077)	—	(47,077)	108,800
Net (expenditure) income before transfers		(266,174)	10,740	(255,434)	272,670
Gross transfers between funds		(9,955)	9,955	—	—
Net (expenditure) income		(276,129)	20,695	(255,434)	272,670
Other recognised gains and losses					
Actuarial losses	22	(94,049)	—	(94,049)	(383)
Net movement in funds	10	(370,178)	20,695	(349,483)	272,287
Group reconciliation of funds:					
Fund balances brought forward at 1 April 2015		2,976,420	9,249,316	12,225,736	11,953,449
Fund balances carried forward at 31 March 2016		<u>2,606,242</u>	<u>9,270,011</u>	<u>11,876,253</u>	<u>12,225,736</u>

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

The Foundling Museum
Charity statement of financial activities Year to 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 £	2015 (as restated) £
Income and expenditure					
Income from:					
Grants and donations	1	480,263	232,832	713,095	1,119,954
Investments	2	125,639	—	125,639	160,716
Charitable activities					
. Admissions and tour income	4	179,978	—	179,978	167,823
Other income	5	52,756	—	52,756	6,610
Total income		838,839	232,832	1,071,671	1,455,107
Expenditure on:					
Raising funds	6	46,118	—	46,118	48,058
Charitable activities					
. Costs of developing and maintaining the Museum	7	1,011,613	222,092	1,233,705	1,243,179
Total resources expended		1,057,934	222,092	1,280,026	1,291,237
Net (expenditure) income before investment (losses) gains		(219,095)	10,740	(208,355)	163,870
Net (losses) gains on investment assets		(47,077)	—	(47,077)	108,800
Net (expenditure) income before transfers		(266,172)	10,740	(255,432)	272,670
Gross transfers between funds		(9,955)	9,955	—	—
Net (expenditure) income		(276,127)	20,695	(255,432)	272,670
Other recognised gains and losses					
Actuarial losses	22	(94,049)	—	(94,049)	(383)
Net movement in funds	10	(370,176)	20,695	(349,481)	272,287
Reconciliation of funds:					
Fund balance brought forward at 1 April 2015		2,976,420	9,249,316	12,225,736	11,953,449
Fund balance carried forward at 31 March 2016		2,606,244	9,270,011	11,876,255	12,225,736

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

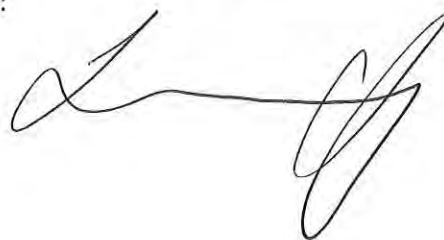
The Foundling Museum
Balance sheets 31 March 2016

	Notes	2016		2015	
		Group £	Charity £	Group £	Charity (as restated) £
Fixed assets					
Tangible fixed assets	12	1,957,879	1,957,879	2,122,223	2,122,223
Heritage assets	13	9,137,205	9,137,205	9,092,255	9,092,255
Investments	14	3,018,939	3,018,941	3,086,850	3,086,852
		<u>14,114,023</u>	<u>14,114,025</u>	<u>14,301,328</u>	<u>14,301,330</u>
Current assets					
Stocks		24,585	1,422	31,716	2,871
Debtors	15	114,849	248,144	123,251	229,786
Cash at bank and in hand		762,062	639,667	855,425	746,601
		<u>901,496</u>	<u>889,233</u>	<u>1,010,392</u>	<u>979,258</u>
Creditors: amounts falling due within one year	16	(40,732)	(28,469)	(74,907)	(43,775)
Net current assets		<u>860,764</u>	<u>860,764</u>	<u>935,485</u>	<u>935,483</u>
Total assets less current liabilities		14,974,787	14,974,789	15,236,815	15,236,815
Creditors: amounts falling due after more than one year	17	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Total net assets excluding pension liability		11,974,787	11,974,789	12,236,815	12,236,815
Provisions for liabilities	18	(98,534)	(98,534)	(11,077)	(11,077)
Total net assets including pension liability		11,876,253	11,876,255	12,225,736	12,225,738
The funds of the group and charity:					
Funds and reserves					
Restricted funds					
. Heritage assets fund	13	9,137,205	9,137,205	9,092,255	9,092,255
. Other restricted funds	19	132,806	132,806	157,061	157,061
Unrestricted funds					
. Tangible fixed assets fund		1,957,879	1,957,879	2,122,223	2,122,223
. Designated funds	20	241,000	241,000	280,000	280,000
. General fund		505,897	505,899	585,274	585,276
. Pension reserve fund	22	(98,534)	(98,534)	(11,077)	(11,077)
		<u>11,876,253</u>	<u>11,876,255</u>	<u>12,225,736</u>	<u>12,225,738</u>

Approved by the trustees and signed on their behalf by:

Trustee  Trustee

Approved on: 5/12/16



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 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(167,975)	122,185
Cash flows from investing activities:			
Investment income		125,639	160,716
Purchase of tangible fixed assets		(26,912)	(27,870)
Proceeds from the disposal of investments		1,112,682	1,918,002
Purchase of investments		(1,056,561)	(1,658,106)
Purchase of heritage assets		(44,950)	(107,722)
Net cash provided by investing activities		109,898	285,020
Change in cash and cash equivalents in the year		58,077	407,205
Cash and cash equivalents at 1 April 2015	B	962,456	555,251
Cash and cash equivalents at 31 March 2016	B	904,379	962,456

Notes to the statement of cash flows for the year to 31 March 2016.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2016 £	2015 £
Net movement in funds (as per the statement of financial activities)	(349,483)	272,287
Adjustments for:		
Depreciation charge	191,256	186,908
Losses (gains) on investments	47,077	(108,800)
Investment income	(125,639)	(160,716)
Decrease in stocks	7,131	5,150
Decrease (increase) in debtors	8,402	(32,957)
Decrease in creditors	(34,176)	(38,878)
Increase (decrease) in pension provision	87,457	(809)
Net cash (used in) provided by operating activities	(167,975)	122,185

B Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	762,062	855,425
Cash held by investment managers	142,317	107,031
Total cash and cash equivalents	904,379	962,456

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 2016.

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 accounts.

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 (FRS 102) (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 date of transition to Charities SORP FRS 102 was 1 April 2014. The end of the accounting reference date in respect to the charity's last annual financial statements determined in accordance with the previous financial reporting framework was 31 March 2015. These financial statements are the first prepared by the charity in accordance with the Charities' SORP FRS102.

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.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

The following restatements were required:

- ◆ Governance costs which were previously reported as a separate line of expenditure within the statement of financial activities are now allocated to expenditure on raising funds and on charitable activities.
- ◆ The charity makes contributions to its pension scheme partially to fund a deficit in the scheme. As required by section 28 of FRS 102, the charity has included, as a liability, the present value of the expected contributions that relate to the pension scheme deficit as at 31 March 2015 using the current deficit repayment rate. The amount provided will be reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Reconciliation with previous Generally Accepted Accounting Practice (continued)

As required by section 35 of FRS 102, the final balance sheets for 2015 and 2014 have been restated as if FRS 102 were in force at the beginning of the previous accounting period. The reconciliations for 2015 and 2014 have been shown in order to demonstrate the effect of the change in reporting framework for the opening balances as at 1 April 2015 and 1 April 2014. This was required for both the group and the charity.

Group reconciliation

Reconciliation of reported funds	2015 (restated) £	2014 (restated) £
Net funds at end of period as previously stated	12,236,813	11,965,335
CARE Pension Scheme additional contribution liability	<u>(11,077)</u>	<u>(11,886)</u>
Net funds at end of period as restated	<u>12,225,736</u>	<u>11,953,449</u>

Charity reconciliation

Reconciliation of reported funds	2015 (restated) £	2014 (restated) £
Net funds at end of period as previously stated	12,236,815	11,965,335
CARE Pension Scheme additional contribution liability	<u>(11,077)</u>	<u>(11,886)</u>
Net funds at end of period as restated	<u>12,225,738</u>	<u>11,953,449</u>

The adjustments shown above and the investment gains adjustment have had the following effect on the net income per the statement of financial activities for the year to 31 March 2015:

Reconciliation of reported income:	2015 £
Net income as previously stated	162,678
Adjustment for gains on investments now treated as a component of net income	108,800
Adjustment for change in analysis of CARE Pension Scheme interest income under FRS 102	<u>1,192</u>
2015 net income as restated	<u>272,670</u>

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;

Critical accounting estimates and areas of judgement (continued)

- ◆ estimating any necessary provision against slow moving or obsolete stock held at year-end;
- ◆ assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- ◆ determining the basis for the allocation of support and governance costs between expenditure on raising funds and on charitable activities.

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 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 accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2017, 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 general economic conditions on visitor numbers. The trustees are seeking to mitigate this latter risk by increasing the appeal of the Museum through carefully selected events 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.

Income recognition (continued)

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.

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

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.

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

Investments (continued)

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 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 19 to these financial statements and designated funds in note 20.

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.

The Foundling Museum
Notes to the financial statements 31 March 2016

1 Grants and donations

Group	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Grants	241,069	165,058	406,127	812,596
Other donations and gifts	49,781	67,774	117,555	161,728
2016 Total funds	290,850	232,832	523,682	974,324
2015 Total funds	563,885	410,439	974,324	

Charity	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Grants	241,069	165,058	406,127	812,596
Other donations and gifts	49,781	67,774	117,555	217,973
Donation from subsidiary undertaking	115,616	—	115,616	89,385
Management recharge	73,797	—	73,797	56,245
2016 Total funds	480,263	232,832	713,095	1,119,954
2015 Total funds	709,515	410,439	1,119,954	

2 Investment income and interest receivable

Group and charity	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Investment income	124,150	—	124,150	159,334
Interest receivable	1,489	—	1,489	1,382
2016 Total funds	125,639	—	125,639	160,716
2015 Total funds	160,716	—	160,716	

3 Income from other trading activities

Group	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Events	207,275	—	207,275	148,547
Sales	59,683	—	59,683	74,602
Other	3,982	—	3,982	2,065
2016 Total funds	270,940	—	270,940	225,213
2015 Total funds	225,213	—	225,213	

The charity had no trading activities during the year (2015: none).

The Foundling Museum
Notes to the financial statements 31 March 2016

4 Income from charitable activities

	Unrestricted funds	Restricted funds	2016	2015
Group and charity	£	£	£	£
Admissions and tour income	179,978	—	179,978	167,823
2016 Total funds	179,978	—	179,978	167,823
2015 Total funds	167,823	—	167,823	

5 Other income

	Unrestricted funds	Restricted funds	2016	2015
Group and charity	£	£	£	£
2016 Total funds: miscellaneous income	52,756	—	52,756	6,610
2015 Total funds	6,610	—	6,610	

6 Expenditure on raising funds

Group	Unrestricted funds	Restricted funds	2016	2015
	£	£	£	£
Fundraising expenses	22,118	—	22,118	30,086
Guide book: cost of sales	1,451	—	1,451	2,095
Investment manager fees	22,279	—	22,279	15,877
2016 Total funds	45,848	—	45,848	48,058
2015 Total funds	48,058	—	48,058	

Charity	Unrestricted funds	Restricted funds	2016	2015
	£	£	£	£
Fundraising expenses	22,388	—	22,388	30,086
Guide book: cost of sales	1,451	—	1,451	2,097
Investment manager fees	22,279	—	22,279	15,877
2016 Total funds	46,118	—	46,118	48,058
2015 Total funds	48,058	—	48,058	

7 Charitable activities: developing and maintaining the Museum

Group	Unrestricted funds	Restricted funds	2016	2015
	£	£	£	(as restated) £
Museum operating costs	897,423	222,092	1,119,515	1,131,270
Depreciation	191,256	—	191,256	186,908
Conservation	4,733	—	4,733	4,580
2016 Total funds	1,093,412	222,092	1,315,504	1,322,758
2015 Total funds	989,601	333,157	1,322,758	

7 Charitable activities: developing and maintaining a Museum (continued)

Charity	Unrestricted	Restricted	2015	
	funds	funds	(as restated)	
	£	£	2016	£
Museum operating costs	815,624	222,092	1,037,716	1,051,691
Depreciation	191,256	—	191,256	186,908
Conservation	4,733	—	4,733	4,580
2016 Total funds	1,011,613	222,092	1,233,705	1,243,179
2015 Total funds	910,022	333,157	1,243,179	

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

8 Staff costs

Group and charity	2015	
	2016 (as restated)	£
	£	£
Salaries	567,537	500,323
Social security costs	44,931	34,594
Pension costs	14,240	24,867
	626,708	559,784

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

Group and charity	2016	2015
Senior management	2	2
Museum administration	16	16

During the year no member of staff received annual remuneration (including taxable benefits but excluding employer's national insurance contributions) of over £60,000 (2015 – none).

No trustee received reimbursement of expenses during the year in connection with services to the charity (2015 – one trustee received £112).

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 but excluding the employer's national insurance contributions) payable to key management personnel during the year was £109,834 (2015: £93,498). Executives' remuneration is set by the Finance & Audit Committee and reviewed annually.

9 Governance costs

Group and charity	2016 £	2015 £
Auditor's remuneration		
. Statutory audit – fee for the year	6,066	6,017
Other governance costs	13	41
	6,079	6,058

10 Net movement in funds

This is stated after charging:

Group and charity	2016 £	2015 £
Auditor's remuneration		
. Statutory audit	6,066	6,017
Depreciation of tangible fixed assets	191,256	186,908
	191,256	186,908

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 GiftAid each year.

12 Tangible fixed assets

Group and charity	Leasehold improve- ments £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2015	3,929,876	203,898	4,133,774
Additions	—	26,912	26,912
At 31 March 2016	3,929,876	230,810	4,160,686
Depreciation			
At 1 April 2015	1,856,574	154,977	2,011,551
Charge for the year	169,711	21,545	191,256
At 31 March 2016	2,026,285	176,522	2,202,807
Net book values			
At 31 March 2016	1,903,591	54,288	1,957,879
At 31 March 2015	2,073,302	48,921	2,122,223

13 Heritage Assets

Group and charity	Museum artefacts £
Cost or valuation	
At 1 April 2015	9,092,255
Additions	<u>44,950</u>
At 31 March 2016	<u>9,137,205</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 acquired heritage assets totalling £123,374 in the last four 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 donors have placed legal restrictions on the assets’ sale or disposal.

14 Fixed asset investments

Group	2016 £	2015 £
Listed investments		
. Market value as at 1 April 2015	2,979,819	3,130,915
. Additions at cost	1,056,561	1,658,106
. Disposals at book value (proceeds: £1,112,681 ; net realised losses: £78,820)	(1,191,501)	(1,880,687)
. Net unrealised investment gains	<u>31,743</u>	<u>71,485</u>
. Market value as at 31 March 2016	2,876,622	2,979,819
Cash held for reinvestment	<u>142,317</u>	107,031
Total investments at 31 March 2016	3,018,939	3,086,850
Cost of listed investments	<u>2,753,740</u>	<u>2,766,704</u>

14 Fixed asset investments (continued)

	2016 £	2015 £
Charity		
Listed investments		
. Market value as at 1 April 2015	2,979,819	3,130,915
. Additions at cost	1,056,561	1,658,106
. Disposals at book value (proceeds: £1,112,681; net realised losses: £78,820)	(1,191,501)	(1,880,687)
. Net unrealised investment gains	31,743	71,485
. Market value as at 31 March 2016	2,876,622	2,979,819
Cash held for reinvestment	142,317	107,031
	3,018,939	3,086,850
Investment in subsidiary undertaking (see below)	2	2
Total investments at 31 March 2016	3,018,941	3,086,852
Cost of listed investments	2,753,742	2,766,706

Both group and charity listed investments equating to more than 5% of the total listed investment portfolio comprise units in the J O Hambro Capital Management UK Equity Income Fund (£186,978 (6.5% of the portfolio)), the M&G Global Dividend Fund (£202,358 (7.0% of the portfolio)), the Trojan Investment Funds – Trojan Income Fund (£224,996 (7.8% of the portfolio)), and the Charities Property Fund (£299,474 (10.4% 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 2016, which have been included in the consolidated financial statements.

	2016 £	2015 £
Turnover	270,940	224,981
Cost of sales	(55,169)	(61,247)
Gross profit	215,771	163,734
Administrative costs	(100,223)	(74,581)
Operating profit	115,548	89,153
Donations made under gift aid	(115,819)	(89,385)
Loss on ordinary activities before interest and taxation	(271)	(232)
Other interest receivable and similar income	271	232
Profit on ordinary activities before taxation	—	—
Taxation	—	—
Profit for the financial year	—	—
Retained earnings at 31 March 2015	—	—

The Foundling Museum
Notes to the financial statements 31 March 2016

Retained earnings at 31 March 2016

— —

14 Fixed asset investments (continued)

At 31 March 2016 the company had a total called up share capital and retained earnings of £2 (2015: £2).

15 Debtors

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Operating debtors	55,481	24,264	28,108	10,118
Gift aid tax recoverable	8,014	8,014	25,188	25,188
Other debtors	51,354	48,910	67,702	66,802
Prepayments and accrued income	—	—	2,253	2,253
Amounts due from subsidiary undertaking	—	166,956	—	125,425
	114,849	248,144	123,251	229,786

16 Creditors: amounts falling due within one year

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Expense creditors	18,995	18,995	42,148	34,068
Other creditors	21,737	9,474	27,110	9,707
Taxation and social security	—	—	5,649	—
	40,732	28,469	74,907	43,775

17 Creditors: amounts falling due after more than one year

Group and charity	2016 £	2015 £
Loan	3,000,000	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.

18 Provision for liabilities

Group and charity	2016 £	2015 £
Provision for pension scheme deficit reduction payments (note 22)	98,534	11,077

19 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:

	At 1 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Conservation fund	45,170	1,000	(2,794)	—	43,376
Paul Mellon Centre/Pilgrim Trust fund	46,702	—	(15,834)	—	30,868
The Clore Duffield Foundation fund	22,313	—	(2,250)	—	20,063
Exhibitions fund	204	120,124	(110,265)	—	10,063
Learning running costs fund	17,893	39,910	(44,724)	(6,000)	7,079
The Leverhulme Trust fund	12,235	1,500	(13,621)	—	114
Monument Trust fund	—	15,000	(15,000)	—	—
Arts Council England Strategic fund	2,260	—	(4,731)	3,243	772
Arts Council England Renaissance fund	2,547	—	(2,547)	—	—
Rose Foundation/John Lyons Charity fund	5,954	—	(4,856)	—	1,098
Collection purchases fund	—	45,227	(44,950)	13,830	14,107
Gerald Cooke Mandel Foundation fund	—	10,071	(5,470)	—	4,601
Other funds	1,783	—	—	(1,118)	665
	<u>157,061</u>	<u>232,832</u>	<u>(267,042)</u>	<u>9,955</u>	<u>132,806</u>

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 exhibited by the Museum.
- Paul Mellon Centre fund**
The Paul Mellon Centre for Studies in British Art and the Pilgrim Trust provide research funding for the post of Curator of Exhibitions and Displays.

19 Other restricted funds (continued)

- **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 exhibitions and displays including By George!, Foundlings at War, Dr Mead, and the upcoming Lines of Beauty and The Fallen Woman.
- **Learning running costs fund**
The Education Running Costs Fund is to finance the day to day operating activities of the Education Centre.
- **Leverhulme Trust fund**
The Leverhulme Trust provides funding for the Artist in Residence.
- **Monument Trust fund**
The Monument Trust provided funding for the Exhibitions Organiser post.
- **Arts Council England Strategic fund**
The Arts Council grant has funded 2 new tills, back office IT systems, new chairs and solar panels.
- **Arts Council England Renaissance fund**
The Arts Council grant is funding for capital projects of the Museum, in particular the refurbishment of the Introduction Gallery.
- **Rose Foundation/John Lyons Charity fund**
The Rose Foundation/John Lyons Charity provided funding for the refurbishment of the Clore Creative Studio and the Museum's offices.
- **Collection purchases fund**
- **Gerald Cooke Mandel Foundation fund**
- **Other funds**
Other funds comprise items of miscellaneous restricted income to be spent on various museum projects.

20 Designated funds

Group and charity	At 1 April 2015 £	Utilised £	At 31 March 2016 £
Buildings repair fund	56,000	(7,000)	49,000
Refurbishment fund – café	8,000	(8,000)	—
Refurbishment fund – front desk	12,000	—	12,000
Website upgrade fund	12,000	(12,000)	—
Exhibition shortfall fund	20,000	—	20,000
IT upgrade fund	12,000	(12,000)	—
Reinvestment fund	160,000	—	160,000
	280,000	(39,000)	241,000

Full details of the purpose of the above funds are provided on pages 36 and 37 of the Trustees' Report.

21 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total 2016 £
Fund balances at 31 March 2016 are represented by:			
Tangible fixed assets	1,957,879	—	1,957,879
Investments	3,018,939	—	3,018,939
Heritage assets	—	9,137,205	9,137,205
Current assets	768,690	132,806	901,496
Creditors: amounts falling due within one year	(40,732)	—	(40,732)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)
Pension deficit	(98,534)	—	(98,534)
Total	2,606,242	9,270,011	11,876,253

Charity	Unrestricted funds £	Restricted funds £	Total 2016 £
Fund balances at 31 March 2016 are represented by:			
Tangible fixed assets	1,957,879	—	1,957,879
Heritage assets	—	9,137,205	9,137,205
Investments	3,018,941	—	3,018,941
Current assets	756,427	132,806	889,233
Creditors: amounts falling due within one year	(28,469)	—	(28,469)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)
Pension deficit	(98,534)	—	(98,534)
Total	2,606,244	9,270,011	11,876,255

21 Analysis of net assets between funds (continued)

Unrealised gains included above:

<u>Investments</u>	<u>£</u>
Reconciliation of movements in unrealised gains	
Unrealised gains at 1 April 2015	213,115
Net unrealised gains in year	31,743
In respect to disposals	<u>(121,976)</u>
Unrealised gains at 31 March 2016	<u>122,882</u>

22 Pensions

The charity participates in a scheme operated by The Pensions Trust, a multi-employer scheme which provides benefits to some 41 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 2010. This actuarial valuation showed assets of £21.33m, liabilities of £23.97m and a deficit of £2.64m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

<u>Deficit contributions</u>	
From 1 April 2012 to 31 March 2022	£208,000 per annum (payable monthly and increasing by 3.0% each year on 1 April)

22 Pensions (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2013. This actuarial valuation showed assets of £35.56m, liabilities of £51.94m and a deficit of £16.38m. 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

From 1 July 2014 to 31 April 2017	£1,152,000 per annum (payable monthly and increasing by 3.0% each year on 1 July)
-----------------------------------	--

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.

	2016 £	2015 £	2014 £
Present value of provision	98,534	11,077	11,886

Reconciliation of opening and closing provisions:

	2016 £	2015 £
Provision at start of period	11,077	11,886
Unwinding of the discount factor (interest expense)	124	293
Deficit contribution paid	(6,716)	(1,485)
Remeasurements - impact of any change in assumptions	(3,475)	383
Remeasurements - amendments to the contribution schedule	97,524	—
Provision at end of period	98,534	11,077

Income and expenditure impact

	2016 £	2015 £
Interest expense	124	293
Remeasurements - impact of any change in assumptions	(3,475)	383
Remeasurements - amendments to the contribution schedule	97,524	—
Costs recognised in statement of financial activities	94,173	676

22 Pensions (continued)

Assumptions

	2016 %	2015 %	2014 %
Rate of discount	2.24	1.61	2.64

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.

23 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.

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, the Museum paid Coram £7,268 in respect to insurance (2015 - £7,087). The Museum purchased Heritage Assets at a cost of £34,950 from Coram during the year (2015 - £102,597).

The Museum also paid Coram £6,934 in respect of rent, room hire and other services (2015 - £7,668).

23 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: £46,452 in respect of grants (2015 - £33,162), £50,187 in respect of reimbursement of librarians' employment costs (2015 - £48,951) and £29,430 in relation to premises costs (2015 - £20,171).

24 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.