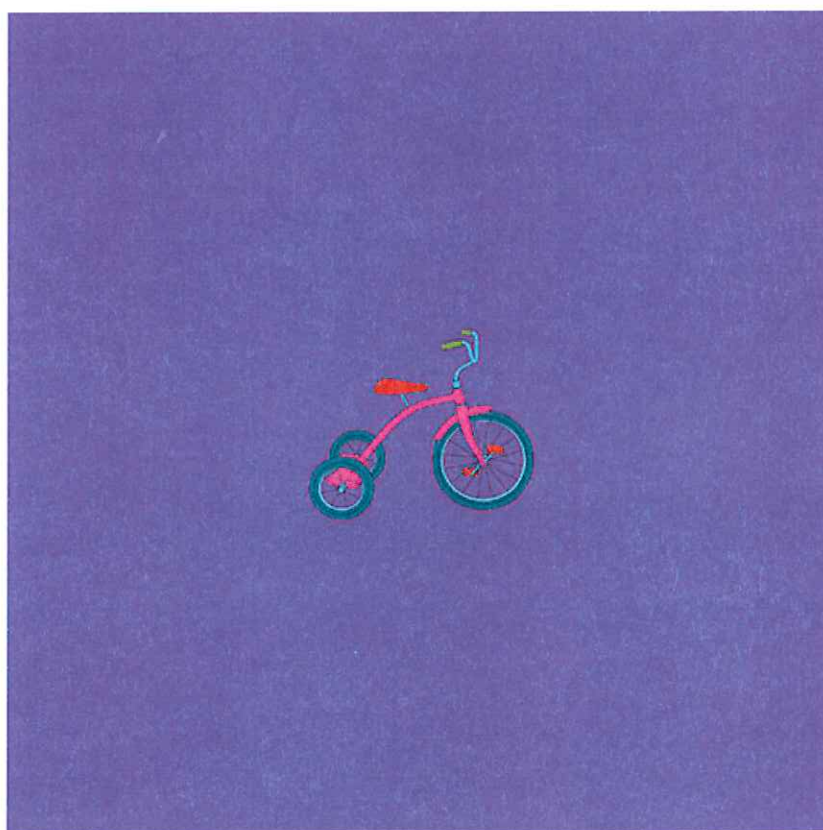

THE FOUNDLING MUSEUM

ANNUAL REPORT & FINANCIAL STATEMENTS

31 March 2017

Charity Registration Number 1071167

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



Michael Craig-Martin *Tricycle*, 2016
Commissioned by The Foundling Museum

The Foundling Museum Contents

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The Foundling Museum
Reference and administrative information

Trustees	Robert Aitken Anne Beckwith-Smith Geoff Berridge Judy Bollinger Alison Cole Christopher Cotton Jeremy Deller William Gore Ronald Gould Perdita Hunt Spencer Hyman Larissa Joy (Chair) Geraldine MacDonald Margaret Reynolds Lemn Sissay 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, SW1HoB

Chairman's Summary

The funding environment for arts organisations and charities remains challenging, with charities in all sectors across the UK looking for imaginative and new ways to raise funds to fulfil their objects, aspirations and ambitions. It is through innovation and the support of an increasing number of committed individuals and organisations that the Museum continues to thrive and develop. Following strategic investment, the Museum's trading activities have also improved on previous years. The Museum's Board remains vigilant to the continuing challenges.

The Museum's programme of activity over the past year has exemplified its commitment to both historical research and the creation of new work, with exhibitions and displays that have uncovered previously unknown aspects of the Foundling Hospital story, and a wide variety of creative and learning projects with children and young people led by some of the UK's leading contemporary artists and creative individuals.

None of these achievements would have been possible without the generous support of our creative collaborators and advisors; the many individuals, grant-giving bodies and companies who have funded the Museum's work; the dedicated staff team led by the Museum's Director Caro Howell, Trustees, Vice Presidents and President who dedicate their talent, commitment, time and talents to the Museum. I would like to extend my huge gratitude to all who continue year on year to support the Foundling Museum in achieving the impact it has and the work it does – work that is in equal measure vibrant, poignant and inspiring.

Director's Summary

This was a year of remarkable successes that saw ambitious programmes draw record audiences. Annual attendance grew again, boosted by our most successful exhibition to date, *FOUND*, which attracted unprecedented media coverage. Curated by Cornelia Parker, *FOUND* involved the display of 99 objects throughout the Museum, contributed by 68 leading contemporary artists, musicians and writers responding to the theme of 'found'.

Other curatorial highlights included a major commission from Michael Craig-Martin whose 2x2 metre painting *Tricycle* brought a bold reminder of children and childhood to the Picture Gallery. Three smaller but equally powerful commissioned works by Pablo Bronstein, Chris Haughton and Posy Simmonds were acquired for the Collection. Shown in 2015 as part of our exhibition *Drawing on Childhood*, they were secured thanks to generous donations from the artists and supporters.

Our ongoing research in the Foundling Hospital's archive produced two important projects; *Feeding the 400*, a major exhibition on food at the Hospital between 1740s and 1950s, and *So that they may be useful unto themselves*, a display exploring the care and education of disabled children at the Hospital. This was also the first

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research project undertaken by Museum volunteers. Our busy public events programme included nearly 50 live music events; 14 talks, courses and symposia; 4 film screenings and 6 special events, all of which showcased not just renowned experts and artists from across creative disciplines, but also exciting young talent.

Finally, our learning programmes continued to innovate as well as strengthen ongoing relationships with local pre-school children and their parents, local universities and art schools, and Great Ormond Street Hospital. We are particularly excited to be starting a paid training programme for young care-experienced adults, training them to devise and lead workshops at the Museum, especially groups of young people currently in care.

The Trustees present their report together with the financial statements of The Foundling Museum for the year to 31 March 2017.

The financial statements have been prepared in accordance with the accounting policies set out on pages 40 to 45 of the attached financial statements and comply with the charitable company's Articles of Association, the Companies Act 2006 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.

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

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

TRUSTEES

During the year, the Museum's Articles of Association were amended by a Written Resolution to increase the number of Trustees from 12 to 15. At 31 March 2017 the Board of Trustees comprised 14 members of whom 10 were trustees elected by the Membership from among persons nominated by the elected trustees, and 4 were appointed by Coram.

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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 (*Coram appointees)	Appointed/Term ended/Resigned
Robert Aitken*	
Anne Beckwith-Smith	Appointed 11 December 2017
Geoff Berridge*	
Judy Bollinger	Appointed 27 June 2016
James Close	Term ended 5 December 2016
Alison Cole	
Christopher Cotton	Appointed 13 March 2017
Jeremy Deller	
William Gore*	
Ronald Gould	Appointed 18 September 2017
Perdita Hunt	Appointed 18 September 2017
Spencer Hyman	
Larissa Joy (Chair)	
Geraldine MacDonald*	
Margaret Reynolds	
Monisha Shah	Resigned 5 December 2016
Lemn Sissay*	Appointed 13 March 2017
Paul Zuckerman	

None of the Trustees has any beneficial interest in the company. At 31 March 2017 the company had 15 members, comprising the 14 Trustees and Coram, who each guarantee to contribute £1 in the event of a winding up.

During the year James Close and Monisha Shah stepped down from the Board and Christopher Cotton and Lemn Sissay were appointed.

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

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

RELATIONSHIP WITH CORAM

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 £4,334,485. During the year under review the Museum purchased £5,000 of works from Coram.

The Chairs and Directors of the Foundling Museum and Coram meet regularly to ensure a smooth and productive working relationship between the two organisations. 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. It is jointly chaired by the Director of the Museum and the Chief Executive of Coram. 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 FOUNDATION

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.

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 difficult 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.

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

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- 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 charitable objects are:

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

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;
- enabling artists to work alongside children and young adults to support their emotional wellbeing and creative self-expression;
- 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 53,035 in 2016/17. 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

Attendance rose again with 53,035 people visiting The Foundling Museum in 2016/17. This was in part due to the popularity of the exhibition *FOUND* (27 May – 5 September 2016) which achieved extensive media coverage and record visitor numbers.

In the second quarter of the year the Museum introduced a nominal £2 charge for adult entry to the temporary exhibitions gallery. Children continued to be admitted free. This resulted in an additional £30,000 of admissions revenue. The Shop performed on target however Venue Hire fell just short as a result of the uncertainties in the business market surrounding the Brexit vote.

In 2016/17 as part of the Museum's commitment to engaging contemporary artists with the Foundling Hospital story and providing visitors with opportunities to view history through a contemporary lens, Foundling Fellow Cornelia Parker curated the summer exhibition *FOUND* in which 68 contemporary artists, musicians and writers contributed 99 objects that responded to the theme of 'found'; Sir Michael Craig-Martin was invited to create a new work, *Tricycle*, for temporary display in the Picture Gallery; artist Mark Neville created *Child's Play*, an activist project that involved an exhibition, a publication and a symposium aimed at improving provision for play in the UK; and a range of displays took place throughout the year featuring work by students from Chelsea School of Art.

Collection acquisitions included three works commissioned by the Museum for the Spring 2016 exhibition, *Drawing on Childhood*, by Pablo Bronstein, Chris Haughton and Posy Simmonds, in addition to £5,000 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. Press coverage of the museum, our exhibitions and commissions achieved an advertising value equivalent of over £3.5m in 2016/17.

A number of grants from trusts and foundations enabled the Museum to deepen its engagement with its local community and, thanks to a three-year grant from the Oak Foundation, to begin a pioneering training programme for young adults who grew up in care. The Museum also benefited from final 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 2016/17.

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As an independent museum that receives no core public funding, we have a considered approach to charging. Entry to the Museum is free for children aged sixteen and under, disabled people, Art Fund members, and adults accompanying children participating in family workshops, while National Trust members receive half price admission. Full price entry is £8.25 (with Gift Aid) and the concessionary price of £5.50 (with Gift Aid) is available to visitors who are over 60, unemployed or students. To address the rising exhibition costs whilst leaving price of general admission unchanged for the seventh consecutive year, the Museum introduced a new pricing structure, designed to generate more earned income against the cost of staging temporary exhibitions, without impacting on visitors who wished only to see the core Collection. Entry to the temporary exhibition was set at an additional nominal £2 for adults with no concessions (children free). *FOUND* was the first exhibition to have this structure. £30,000 additional revenue was raised by the exhibition charge.

The Collections

The Museum's Accreditation renewal was submitted to Arts Council England.

Acquisitions

The following items were purchased from the Foundling Hospital Collection: Emma Brownlow, Portrait of Lt Col Hyde, and a George II table with a total value of £5,000.

The Museum acquired through donation three works commissioned by the Museum for the Spring 2016 exhibition, *Drawing on Childhood: The Gatehouse Prison* (2015) by Pablo Bronstein, *A Good Countenance is a Letter of Recommendation* (2015) by Chris Haughton, and *Virtue, Charity* (2015) by Posy Simmonds. Haughton and Simmonds donated their works, while *The Gatehouse Prison* was acquired thanks to donations from the artist, and Victoria and Simon Robey. Also acquired through donation was a Norman Ackroyd print, *Infant Graves*, 1989 given by the artist, and a Foundling Hospital birth certificate for pupil James Lusby, donated by a family member. A coloured print, *Foundling Hospital Chapel*, 1808, by J Bluck after AC Pugin and T Rowlandson was acquired using funds donated by Museum guides and former pupils.

The Gerald Coke Handel Foundation acquired a number of items including the watercolour *John Bull at the Opera*, 1805, by Thomas Rowlandson, several early libretti and modern publications and recordings.

Loans

Charles Brooking's *A Flagship Before the Wind*, 1754 was loaned to the Yale Center for British Art for their exhibition *Spreading Canvas* (15 September – 4 December 2016), and five tokens and a print, *The Chapel*, 1774, after John Sanders was loaned to their exhibition *Enlightened Princesses* (1 February – 30 April 2017).

The tenor part of the *Messiah* manuscript was loaned to Handel and Hendrix in London for their exhibition *John Beard, Handel's Tenor* (14 September – 19 February 2017).

A selection of tokens was lent to the Southbank Centre for their What's Happening for the Young Festival (19-23 October 2016), to the Central Family Court for a display on children's rights that opened on 19 January 2017; and to the newly opened House of European History, Brussels.

The Gerald Coke Handel Collection loaned *Marie Sallé*, c.1740 by Gilles Edme Petit; Model for Handel's monument in Westminster Abbey, c.1760, by Louis François Roubiliac; The Musick for the Royal Fireworks, c.1749, printed music; and a bust of Handel, c.1784, by Ralph Wood to Boughton House, Leicestershire for the exhibition *Handel at Boughton* (9 July – 30 September 2016).

The Collection loaned Robert Hay, *Music Room, Vauxhall Gardens* (1752); *Masqued Ball, Soho Club*, 1775; tickets for Vauxhall Gardens from 1792 and 1789, and programmes for the *Messiah* performed in York Minster 17 August 1791, to Fairfax House for the exhibition *In Pursuit of Pleasure: Entertaining Polite Georgian Society* (29 July – 31 December 2016).

The vocal score of *Clio and Euterpe or British harmony*, and Thomas Hudson's *Portrait of John Beard* were loaned to Handel and Hendrix in London for their Beard exhibition (14 September 2016 – 19 February 2017).

Conservation

Conservation volunteers Anthony Baker, Sabine Brandt, Linda Kemp and Clare Jeeps continued to undertake conservation cleaning throughout the Museum. The Leather Conservation Centre, Northampton completed work on the case of the 1721 Coram Cup, enabling it to go on display. Carvers & Gilders Limited undertook investigation into the Sanderson table, while a bust of *Gentleman with side whiskers* was conserved by students at the City & Guilds of London Art School.

Research

The Gerald Coke Handel Collection is open approximately 150 days a year to scholars and students. Since opening it has received over 1,500 personal visits by readers and 1,200 enquiries for distant users. Use of the online catalogue continues to grow with 5,358 visits in the last twelve months. The librarians added volumes from the estate of Christopher Hogwood and the Anthony Hicks collection to the catalogue, and 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.

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 resulted in a display at the Museum in 2016/17.

Exhibitions and Displays

FOUND

27 May – 4 September 2016

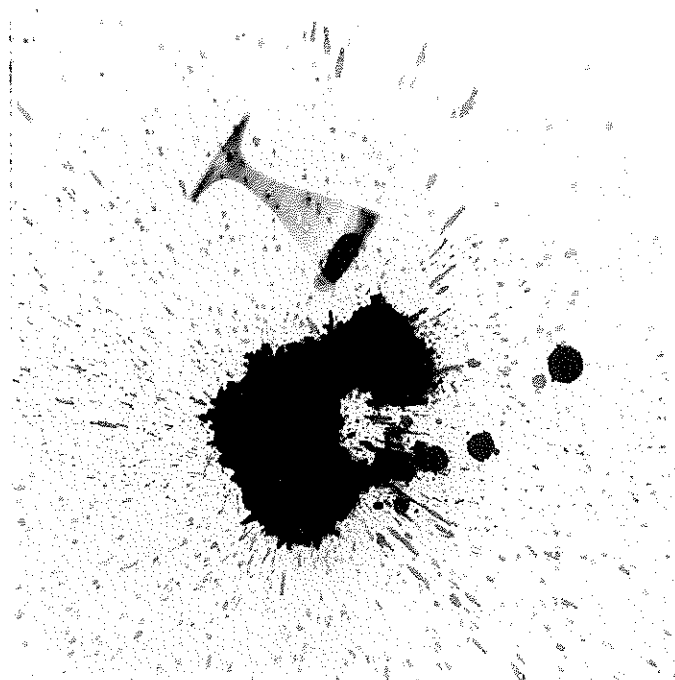
FOUND was curated by Foundling Fellow Cornelia Parker, who reflected on the Museum's heritage by inviting 68 outstanding artists, writers and musicians to respond to the theme of 'found'. Combining new and existing work with found objects kept for their significance, this major exhibition unfolded throughout the Museum, interacting with historic works in the Collection and with each other.

I can say without exaggeration that it's one of the most impressive, imaginative and moving group shows I've seen for many years. Brilliantly conceived, beautifully displayed. Visitor comment



Of the 99 objects exhibited, six were new works made for the exhibition: *There Must Be Some Kind of Way Out of Here*, 2016, Cornelia Parker; *Bottle Caps*, 2016, Christian Marclay; *Consistent and inconsistent thinking (Offcut bush Goldsmiths March 2016)*,

2016, Ryan Gander; *I Found Love*, 2016, Bob & Roberta Smith; *Music for Children*, 2016, Eileen Simpson and Ben White (Open Music Archive); and *Untitled*, 2015/16, Vicken Parsons. The other FOUND participants were: Ackroyd & Harvey, Norman Ackroyd RA, Dragan Aleksić, Polly Apfelbaum, Ron Arad RA, Fiona Banner, Phyllida Barlow RA, David Batchelor, Keggie Carew, Patrick Caufield RA, Cedric Christie, Jarvis Cocker, Keith Coventry, Michael Craig Martin RA, Martin Creed, Dorothy Cross, Richard Deacon RA, Tacita Dean RA, Jeremy Deller, Edmund de Waal, Brian Eno, Ceal Floyer, Laura Ford, Antony Gormley RA, Mona Hatoum, Thomas Heatherwick RA, Georgie Hopton, Gary Hume RA, Michael Landy RA, Darian Leader, Deborah Levy, Rachel Lowe, Jeff McMillan, Graeme Miller, David Nash RA, Mike Nelson, Humphrey Ocean RA, Miranda Pennell, Mike Perry, Justine Picardie, Jocelyn Pook, Ana Prada, Sue Prichard, Laure Prouvost, Pascal Rousson, Andrew Sabin, Yinka Shonibare MBE RA, David Shrigley, John Smith, Wolfgang Tillmans RA, Gavin Turk, Jessica Voorsanger, Mark Wallinger, Marina Warner, Gillian Wearing RA, Richard Wentworth, Rachel Whiteread, Alison Wilding RA, Richard Wilson RA, Bill Woodrow RA, Rose Wylie RA, and Silvia Ziranek.



To mark the exhibition and support the Museum's work, Parker generously made *A Little Drop of Gin*, 2016, a limited edition, photogravure etching featuring an eighteenth-century gin glass and a splash of gin.

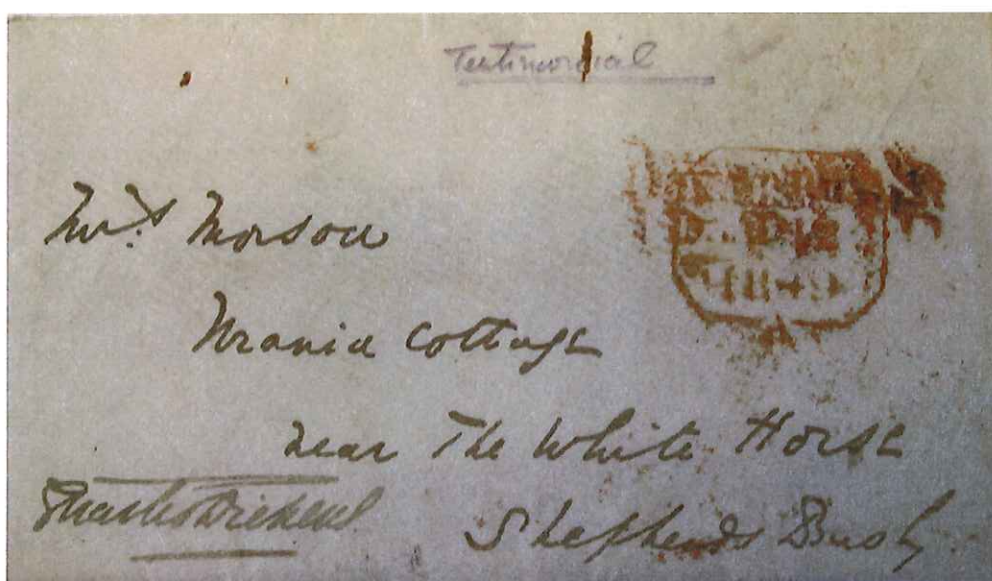
In keeping with Hogarth's democratisation of art through the popular print, Parker chose an edition size of 120 priced at £250, thereby enabling many more visitors to own her work. Sixty-seven editions sold during *FOUND*.

Cornelia Parker *A Little Drop of Gin*, 2016

FOUND was seen by 15,699 people, more than any other Museum exhibition to date, and received hundreds of positive comments in the Visitors' Book. It attracted a new, younger audience, with over 60% of visitors having come specifically to see the show and the website received 49,556 visitors, of which 70.9% were new users. Regular visitors to the Museum said that *FOUND* made them look afresh at familiar objects and notice things they had previously overlooked, while new visitors enjoyed discovering the Collection as part of their visit. Over 1,300 exhibition catalogues were sold. In November, Parker won the Apollo Magazine Artist of the Year Award, with *FOUND* cited among her achievements.

The exhibition was funded by Arts Council England, the *FOUND* Exhibition Supporters' Circle (Larissa Joy, Shalini Misra, Jim Moyes, Midge Palley, and Sian & Matthew Westerman), Johanna Molineus Architects, Andy Ash and Linda & Stephen Waterhouse, with Gander & White generously providing transport services in kind. At the private view guests were served Janisson & Fils Champagne provided by New Generation McKinley, and a gin punch made especially for the exhibition by The London Gin Club which recreated an 18th century recipe with the gin donated by 58 Gin Distillery.

FOUND engaged a wide range of media from specialist, local and regional, to national and international with an editorial value of £538,935 (excluding broadcast). It received approximately 25 pieces of coverage including articles in *The Guardian*, *The Telegraph*, *Time Out*, *Apollo*, *RA Magazine*, *The Art Newspaper* and *Art Monthly*. The exhibition secured a 4-star review in *The Telegraph*; was positively reviewed on BBC Radio 4's *Saturday Review*; featured on BBC Radio 4's *Start the Week*; and as part of a BBC1 *Imagine* programme on Parker.



Tempted to Virtue: Dickens and the Fallen Woman

1 – 22 May 2016

This display included a letter written by Charles Dickens to the Governors of the Foundling Hospital in support of an applicant for the position of matron. The letter was acquired by the Museum in May 2015 thanks to support from The Friends of the National Libraries and the Arts Council England/V&A Collection Purchase Fund and underwent conservation in 2016. It is the only object in the Collection that directly links Dickens' support of Urania Cottage, his home for 'fallen women', and the Foundling Hospital, since the applicant was Urania Cottage's matron at the time.

Tricycle

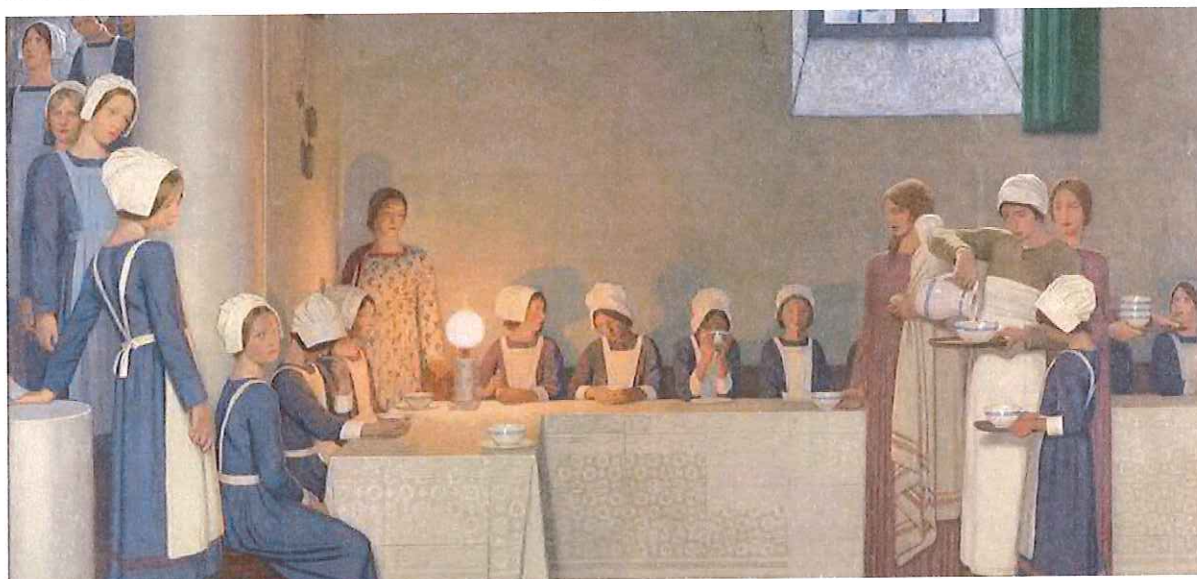
12 September 2016 – 19 February 2017

Acclaimed artist Michael Craig-Martin created *Tricycle*, 2016, a 2x2 metre painting for the Picture Gallery, in response to the history of the Foundling Hospital and the emotional resonance of the tokens. The loan of *A Flagship before the Wind*, 1754 by Charles Brooking to the Yale Center for British Art provided the opportunity for this temporary commission.

Feeding the 400

23 September 2016 – 8 January 2017

Feeding the 400 considered a fundamental yet little-examined aspect of life at the Foundling Hospital by exploring the impact of food on the lives of the foundlings from the 1740s – 1950s. Based on extensive new research into the Hospital's archive undertaken by food historian Dr Jane Levi, the exhibition showed with art, archival material, photographs and the voices of former pupils, how the Governors' choices around food were about more than just economy, nutrition and health, and how food is linked to individual and collective wellbeing, culture and socialisation.



Frederick Cayley Robinson, *Orphan girls entering the refectory of a hospital*, 1915 © Wellcome Library

The exhibition was accompanied by a free exhibition guide that gave additional background information and historic recipes. The exhibition was supported by a Wellcome Trust People Award and Verita. Olivier's Bakery in Borough Market provided rice bread made to a traditional recipe for the private view.

Events accompanying the exhibition included a performance from the Anarchist Chef George Egg, with guest Harry Hill; a hands-on cookery workshops; a programme of food-related films for children; and a panel discussion with food writer Claudia Roden. *Feeding the 400* was seen by just under 10,000 people, while over 7,000 people engaged with the show via the website and our social media audience grew by over 1,600. *Feeding the 400* achieved a high level of online engagement and

substantial social media coverage on Facebook, Twitter and Instagram. This was in addition to a dedicated blog and popular online resources such as the downloadable 'milk scandal report' produced by Verita and the *Feeding the 400* recipe book.



Take a Joke

20 September 2016 – 17 January 2017

Patients at Great Ormond Street Hospital created medical jokes with artist Davina Drummond in response to the hope embodied in the Museum's collection of eighteenth-century tokens. Joke dispensing machines were installed at the hospital and in the Museum, alongside customised whoopee cushions and digital displays giving instructions on how to deliver the lines. A paper on this project was presented at the 2017 Culture, Health & Wellbeing Conference in Bristol.

So That They May Be Usefull to Themselves

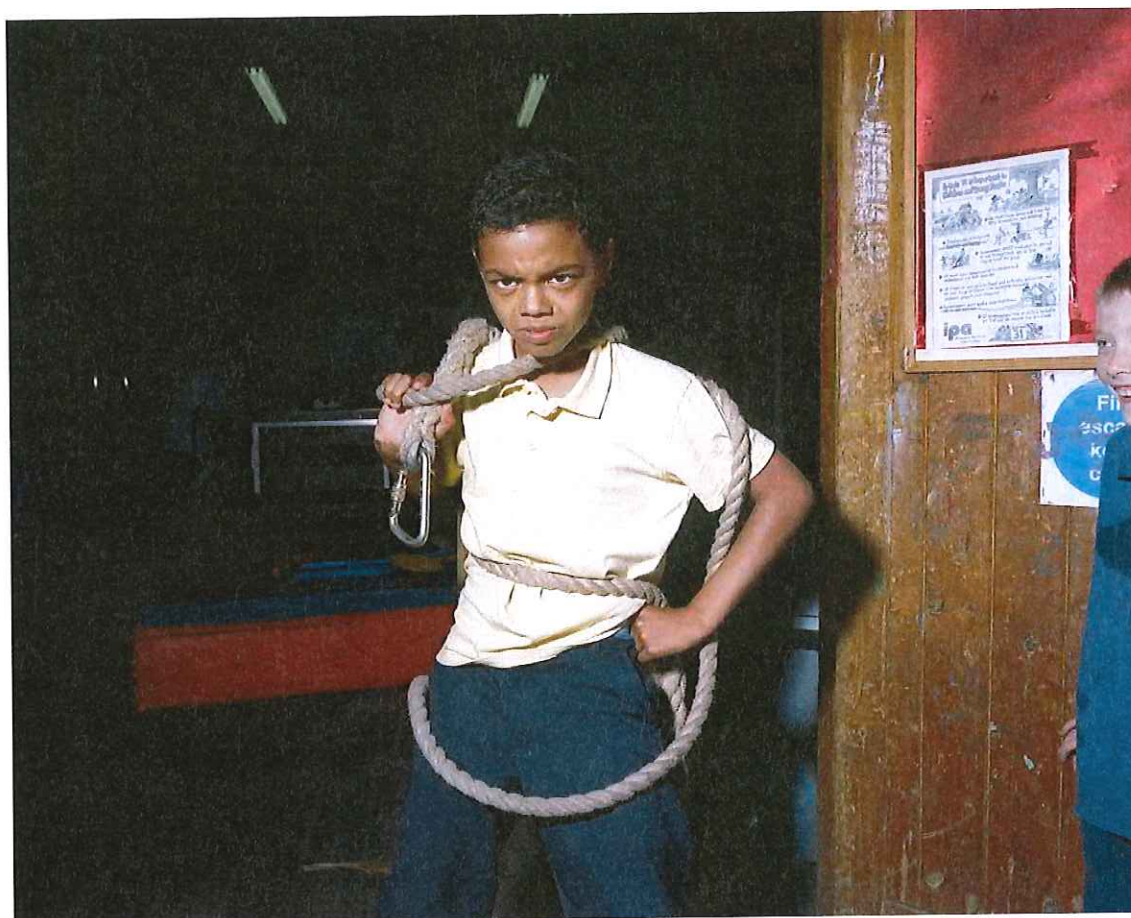
15 November 2016 – 7 May 2017

The Hospital's ground-breaking approach to educating and caring for disabled children was explored in this display, which was researched and developed by the Museum's volunteers. A team of 15 volunteers, over hundreds of hours, pored over the Hospital's archives to find forgotten stories of the support the governors and nurses gave disabled children right into adulthood. Supported by the Visitor Engagement team, the volunteers curated the content, requested loan items, gave talks around the subject and even designed an interactive display on an iPad.

Fortune Tellers

17 January – 21 May 2017

Children on the Bear cardiac ward at Great Ormond Street Hospital made fortune-telling games in response to *Child's Play* and the lack of toys at the Foundling Hospital. By creating games with each other, patients shared their hopes and wishes for the future. The Museum display featured an interactive wheel of fortune and paper fortune-telling games, enabling visitors to be included. The display was featured in Camden New Journal, Islington Tribune and West End Extra.



Mark Neville *Boy with a Rope* at Toffee Park Adventure Playground, London, 2016

Child's Play

3 February – 30 April 2017

Child's Play brought together an exhibition of photographs, a symposium and a book by artist Mark Neville. The project aimed to raise awareness and generate debate around the complex nature of children's play, and to advocate for improved provision. Neville captured moments of children engaged in free, spontaneous play in diverse environments around the world, including Port Glasgow, London, Afghanistan, the Ukraine and Kakuma refugee camp in Kenya. Featuring new and existing work, *Child's Play* was complemented by film footage from 1899 of sports day at the Foundling Hospital. The show was supported by the 1739 Club and to mark the exhibition and support the Museum, Neville made his first limited edition, *Boy with a Rope* at Toffee Park Adventure Playground, London, 2016.

The *Child's Play* book produced by Steidl and supported by Outset Family featured essays by Neville, Museum curator Nicola Freeman, and play specialist, Adrian Voce. It was disseminated to key policy makers, experts and each of the UK's 433 local councils, and the Museum's allocation of copies sold out.

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The Museum's well-attended symposium explored issues around spaces for play, the real and imagined barriers to play in our cities, and the privatisation of space. Speakers were Dr Wendy Russell, University of Gloucester; Maisie Rowe, Space for Childhood; Lucy Benson, Islington Play Association; Alice Ferguson, Playing Out; Jack James, South London Gallery; Betsy Dadd and Lydia CS, Kaleidoworks; Mark Coulson and Andrea Oskis, Middlesex University; Anna Douglas, University of Leeds; and Anna Douglas, University of Leeds. The Museum also collaborated with The British Library on a six-week course, 'Shooting War: Photography, History, Representation'.

The Museum received 9,101 visitors during *Child's Play* with 42,454 visiting the website during the run of the exhibition. A Facebook advertising campaign served over 88k impressions, with over 1k people visiting the exhibition page on the website as a result. During the campaign for the exhibition the Museum obtained 20 pieces of print coverage. Press coverage of *Child's Play* included major pieces in The Guardian and British Journal of Photography, with coverage also included in The Daily Telegraph, Culture Whisper (online), The Observer, Time Out London and Camden New Journal. The show was given 4 star reviews by both Time Out and Culture Whisper.

Dolls' House

9 February – 12 March 2017

Over 3 months, the Museum worked with more than 90 BA Interior & Spatial Design students from Chelsea College of Arts, University of the Arts London. Inspired by *Child's Play* and institutional life at the Foundling Hospital, students designed and made dolls' houses, 16 of which were displayed in the Committee Room.

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. The Museum's 2016 Foundling Fellows Lily Cole, Sam Lee and Bob and Roberta Smith were announced.

This year's guests included many of the FOUND artists as well as Foundling Fellows, refugee artists and creative people engaged with the refugee crisis both in the UK and abroad, and creative collaborators. Sam Lee sang a traditional song associated with All Hallows' Eve during the meal which was cooked by Foundling staff, bread was made by Dan Harris, and ingredients and flowers were provided by The People's Supermarket.



Guests at *Soup for 100*, 2016

Public Events

The busy public events programme encompassed lectures, discussions, conferences, study days, concerts and family film screenings. The Museum also took part in the Knowledge Quarter summer festival, *Curious?*

37 free concerts, 10 ticketed evening concerts, 11 talks, 3 symposia and courses, 4 film screenings and 6 special events were held, of which 13 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 Martin Musical Scholarship winners, Yeomen of the Musician's Company, Amadè Players, and the Eusebius Quartet, as well as a performance by Leafcutter John with Eileen Simpson and Ben White.

Folk at the Foundling continued to attract new audiences and exceptional performers including Alma, The Breath, Rachael Dadd, Lisa Knapp, Sam Lee, Nathaniel Mann, Julie Murphy, Lucy Farrell, The Rheingans Sisters, Cath and Phil Tyler, Sid & Jimmy, and Samantha Whates. Press coverage for *Folk* included Time Out, fRoots and Songlines.

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Event collaborators included the Amadè Players, Art Workers' Guild, Bach to Baby, the Bloomsbury Festival, the British Library, the London Handel Festival, the London Metropolitan Archive, the Martin Musical Scholarship Fund, the Museum Mile, The Nest Collective, The Philharmonia Orchestra, the Musicians' Company, the Royal Northern College of Music, and the Friends of Brunswick Square.

Classical performers at the Thursday lunchtime and Sunday afternoon concerts through the year were: Michael Liu, Holly Macdonald (flute), Olwen Foulkes (recorder), Heather Ryall, Jordan Black, Gordon Curtis (clarinet), Charlotte Rowan (violin), Liz Peskett (viola), Yaroslava Trofmychuk, Felicity Vincent, Jamal Aliyev (cello), Amanda Pitt, Johanna Harrison (voice), Grant Jameson (euphonium), Nelly von Alven (guitar), Laura Peh, Richard Allen (harp), Nathaniel Mander (harpsichord), Veronica Yen, Sophia Dee, Richard Allum, Gamal Khamis, Maria Razumovskaya, Catherine Leonard, Gisela Meyer, Charlotte Stevenson, Paul McKenzie, Maite Aguirre, Gaspar Hunt, Gavin Roberts, Sergei Podobedov, Ashley Beauchamp, Carole Presland (piano), and Miriam Kitchener (percussion) which was the first percussion recital to be held in the Picture Gallery.

Ensembles were the Ducasse Trio, the Anern Trio, Perrott Hill Prep School Choir, Take 2!, A Musical Banquet, Ayre Time, students of the Royal Northern College of Music, the Amadè Players, Musicke in the Ayre, and Duo Asteria.

The Museum hosted a number of annual events including the 2016 Handel Singing Competition Finalists' Showcase as part of the London Handel Festival; and 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.

Sunday Shorts complemented temporary exhibition and introduced families to non-mainstream and artists' films, these including for *FOUND*, Albert Larimosse's *The Red Balloon* (1956), Fischli/Weiss' *The Way Things Go* (1987), for *Feeding the 400*, Lotte Reiniger's *Hansel and Gretel* (1955), Run Wrake's *Rabbit* (2005), and for *Child's Play*, Margaret Tait's *On The Mountain* (1973), and Ben Rivers' *Ah Liberty* (2008).

In March the Museum took part in Disabled Access Day, which promotes accessible events nationwide. Over 50 people took part in activities designed to help people with different needs access the history of the Hospital. This included a BSL tour, a family friendly handling collection session for people with visual impairments and a talk by volunteers discussing the history of disabilities at the Hospital.

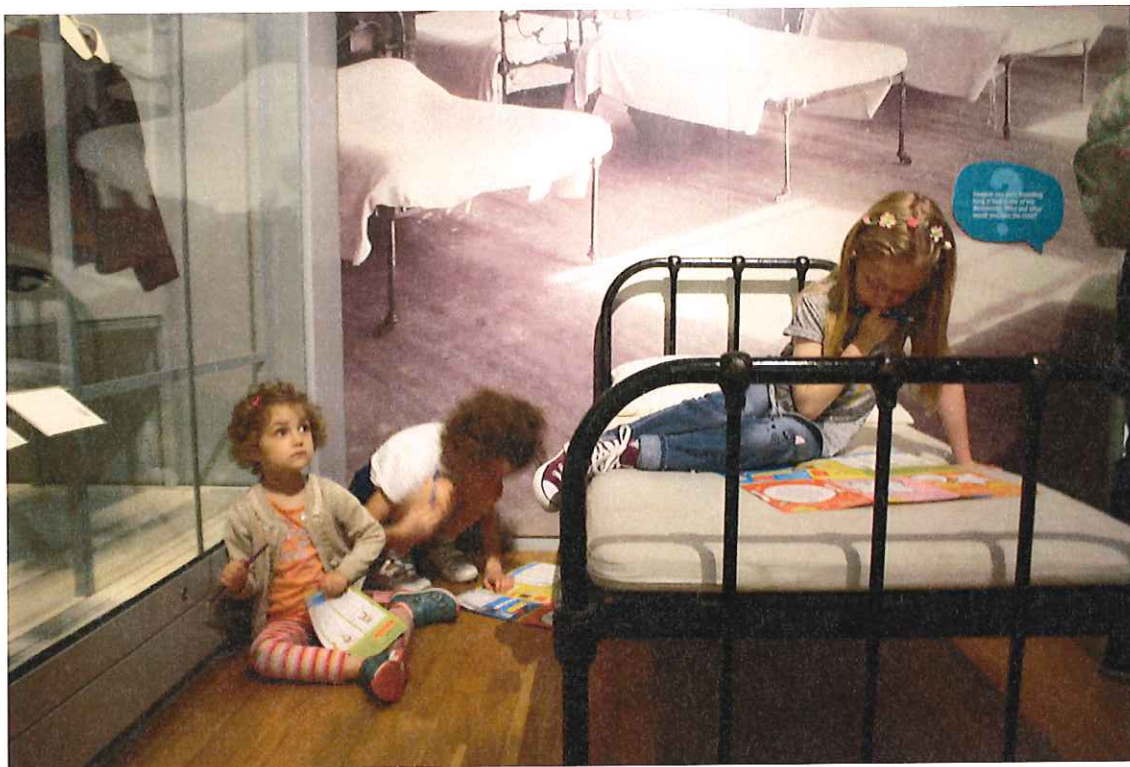
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In addition to volunteers, staff, and those already mentioned, speakers included Jenny Earle; Louise Jury; Adrian Voce; academics Rebecca Davies, Lynda Nead, Anne Marie Rafferty, Becky Shaw and Helen Wickstead; artists Gabriel Birch, Mark Neville, Cornelia Parker, Bob & Roberta Smith, Rachel Taylor, and Sophie Yetton; chef Tim Maddams; curator Iwona Blazwick; historians Jonathan Bardon, Tanya Harrod, Kate Gibson, Kate Gibson and Jane Levi; photographer Clare Bennett; and writers Deborah Jay, Rachel McCormack and Bee Wilson.

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 2016/17 programme were: Dani Bradstreet, Jan Cullen, Abigail Darton, Marysa Dowling, Davina Drummond, Chris Haughton, Daniel Lehan, Jane Levi, Isobel Manning, Raksha Patel, Paul Rubinstein, and Shelly Wain.



2008 Foundling Fellow Jacqueline Wilson returned to the Museum for a *Hetty Feather* Day to celebrate Hetty's story. Over 120 people attended Wilson's talk and book signing while many other families participated in events throughout the day including free drop-in workshops making Tanglefields circus and the Cavalcade music hall. Children also explored the Museum using our new Hetty Feather trail.

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 80 babies and parents. Many of these families return to participate in our regular family programme.

Every other week artists and musicians delivered workshops with pre-school children and their parents/carers from the Thomas 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. Throughout the year, each class will come three times, once with parents and the rest alone with care workers. In addition to our Museum based workshops, we led a series of 5 art workshops in the nursery in which our artist worked with 40 under 5's a day.

Schools

Seventy-two workshops were delivered to schools, sixty of which were led by artists, with 1,753 Key Stage 1 – 5 pupils participating in art, creative writing and critical discussion. New drama and practical art workshops were launched in 2017. Artist-led workshops are tailored to meet the needs of learners, including pupils at Special Needs Schools. New resource sheets were also developed for self-directed group focussing on KS1&2 and KS3&4 English and Art & Design.

Families

Free, artist-led, practical workshops for children aged 3 – 12 years are run during half-terms and holidays by artists of all disciplines, while the Art Trolley provided self-led activities linked to displays and temporary exhibitions throughout the year. 180 children took part in activities on Hetty Feather Day, while 120 adults and children attended a Jacqueline Wilson book reading. The Museum took part in the national Family Arts Festival; the Big Draw; the Knowledge Quarter 'Curious' Festival, which saw over 190 people participate; the Festival of Maps at the British Library; and a day for families with Deaf or hearing-impaired children, run in partnership with Camden Family Learning, Frank Barnes School for Deaf children and the British Museum.



Families participating in the Museum's flag-making workshop at the Curious Festival, Granary Square.

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 and art students.

Events and projects designed to support art students' careers within the museum sector included 60 Fine Art students from The Slade School of Art who undertook several visits to the Museum and the London Metropolitan Archive to learn how the Museum works with artists across its programmes; graduates from Central St Martins with collaborative practices observing and assisting on family workshops, with an aim to joining the Museum's team of activity leaders; and the Curator; Artists Projects speaking at the Royal College of Art on ways in which socially engaged artists can successfully collaborate with museums. The Museum also hosted training placements for two PGCE students from the Faculty of Education, Homerton College, University of Cambridge; and hosted four PGCE students from the Institute of Education. The Learning team worked with two groups of Swiss museum learning professionals and learning professionals from GEM and Engage.

Ninety 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. Fourteen students' work was selected for display in the Committee Room and the private view as attended by over 60 guests including the Dean of the School.

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The Gerald Coke Handel Collection continued its partnership with Goldsmiths University throughout the year, sharing resources and teaching. The Librarian is a Visiting Research Fellow. The Coke staff also led a seminar for postgraduate MA Archives students from University College, London, and has developed a partnership with West Dean College, University of Sussex, in which conservation students can work on items from the Collection as part of their studies.

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 the Royal Drawing School, who ran practical workshops throughout May and June at the Museum, with a number of places reserved for disadvantaged students from a local school.

The Museum delivered two projects on the wards at Great Ormond Street Hospital as part of its ongoing relationship with the hospital's Go Create! arts programme. The Museum worked with patients and their families in the Fox and Robin bone marrow transplant and Bear cardiac wards. These projects were presented at a Culture, Health & Wellbeing Conference in Bristol, a medical conference in Seville, Spain, and at the Encounters Film Festival. Supported by the Director of Transplants, GOSH and the Museum are developing a research project to investigate the impact of the practical art projects on the patients' wellbeing and quality of life. Throughout the year GOSH staff attended dedicated private views of the Museum's temporary exhibitions and displays.

Training Programme

Thanks to a three-year grant from the Oak Foundation, in April 2017 the Museum began an ambitious and innovative training programme, aimed at young adults who grew up in foster care or children's homes. The training programme will enable them to devise and deliver practical and discussion-based workshops at the Museum with young people currently in care. The training programme aims to give the young adults paid employment and valuable life skills, as well as providing inspiring role models to children currently in care, while enabling looked-after young people to learn about and take ownership of the Foundling Museum's story and Collection. The project was featured in the Museums Association's publication *Museums Change Lives*, highlighting the social impact of UK museums.

The Choir

The Foundling Community Choir has 31 adult members, drawn from the local community who also meet every Monday evening in term time. Choral Director Michael Veazey left in summer 2016 and was replaced by Richard Wilberforce. During the year the Choir performed at the Foundling Museum, including at the OCA Carol Service, and at the Brunswick Centre at the switching on of the Christmas lights. The Choir also began a collaboration with the Great Ormond Street Hospital Choir.

Guided Tours

106 guided tours for groups were given of the Museum and its Collections, with an additional 76 groups coming for unguided tours.

Access

Working alongside Roche Projects we have organised remote access sessions for patients at Chelsea and Westminster Hospital throughout the year. Using a video camera mounted on a remote-controlled mobile unit, patients could tour the Museum and its Collections. This has so far been used to allow 20 patients to engage with the collection and 'visit' the Museum without leaving their Hospital ward.

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.

Press coverage of FOUND was extensive and engaged a wide range of media from specialist, local and regional, to national and international with an advertising value of £538,935 (excluding broadcast). It received approximately 25 pieces of coverage including articles and reviews in The Guardian, The Telegraph, Time Out, Apollo, RA Magazine, Museums Journal, London Review of Books, Eurostar Metropolitan magazine, Times Literary Supplement online, The Art Newspaper and Art Monthly. The Telegraph's chief art critic gave the exhibition 4* along with Londonist, while Culture Whisper gave it 5*. Parker was interviewed for Radio 4's Start the Week programme and the exhibition was reviewed positively by Radio 4's Saturday Review. The BBC1 Imagine programme on Parker aired in July included a section on FOUND.

Feeding the 400 coverage included extensive articles in The Spectator, FT Weekend, The Times and a news article in The Observer. Online coverage included Pocket London, Comfortably Hungry, British Medical Journal and Borough Market.

Child's Play coverage included major articles in British Journal of Photography and Guardian G2, as well as coverage in Guardian Guide, The Telegraph, The Observer and House and Garden. Both Culture Whisper and Time Out online gave the exhibition a 4-star review. Broadcast coverage has included BBC London News, London Live and BBC World Service. ITN and Channel 4 editors attended a special breakfast viewing.

The BBC featured the Museum across its platforms in 2016/17. In addition to exhibition coverage, the Radio 4 programme 'A Portrait Of', featured Lemn Sissay who had his portrait painted in the Museum and spoke about his work with us. The Director spoke about Hogarth on BBC London News in October, and the BBC TV programme *Messiah at the Foundling Hospital* was repeated on BBC4. Sky Arts filmed an episode of Tate Walks here at the Museum, focusing on Hogarth and presented by Gus Casely-Hayford to be aired in May 2017.

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In the year under review the website received 161,142 visitors, an increase of 6.63% on the previous year, and had 218,540 sessions and 620,209 pages views. Visitors spent an average of 2.02mins on a page. 85% of visitors were from the UK, 4% from US, with a further 0.9% from Canada and Australia. The Museum's regular monthly e-mailings reach an audience of over 4,300, and the seasonal postal mailing reached over 1,300 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 4,480 to 5,809. Twitter followers have increased in the period from 10,121 to 12,925. At the end of the year our Instagram account had a total of 2,504 followers.

The Museum continued to be a member of the National Trust Partner Scheme, the London Pass, the 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. The Museum took part in trials for both the Love Music Pass, a membership scheme for music lovers, and Visit Britain's Visitor Oyster Card offer scheme. The Museum was also a partner in the trial employee benefits scheme ArtsCard which ended in September 2016.

Ventures

Income from the Museum's Shop was £72,209, which was in line with expectation. Sixty-seven editions of Cornelia Parker's limited edition *Little Drop of Gin* were sold during the exhibition, including one to the Yale Center for British Art. A number of new products were introduced during 2016/17, including a notebook featuring John Lennon's school detention record as the cover. The detention record was Jeremy Deller's contribution to FOUND. A novella by 2012 Foundling Fellow, Michael Morpurgo and illustrated by Michael Foreman went into development with Walker Books. Set in the eighteenth-century, *Lucky Button* tells the story of a foundling boy and his friendship with Mozart. The novella is due for publication in November 2017.

The artist Keith Newstead produced a bespoke musical automata donation box that featured a boy and girl foundling playing the Hallelujah Chorus. The commission was supported by the Hoare family and the Golden Bottle Trust.

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 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 the tradition of holding their annual Charter Day lunch and Christmas Carol Concert in the Picture Gallery.

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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. In June 2016 they kindly donated £2,400 towards the improvement of the Court Room lighting.

Staff and Volunteers

Staff at 31 March 2017 were Alison Duke; Anna Dimdore, Ben Wilsker, Caro Howell, Christina Wood, Chris Lerner, Colin Coleman, Elizabeth Lee, Emma Middleton, Emma Yandle, Hannah Thomas, Jen Dyer, Katy Hamilton, Katharine Hogg, Nigel Cudlipp, Nikki Fhalora, Kathleen Palmer, Sirisha Kunisetty, Susie Stirling, Tabitha Paterson, Tuz Morrison, Vincent Wright and Zosha Nash.

Over 230 volunteers, overseas work placements and local work experience students supported the Foundling Museum's work this year. Representing over 30 different nationalities, volunteers came from a range of social and economic backgrounds. The Museum worked with organisations including the Volunteer Services Unit Camden, CAPA International Education, Foundation for International Education, UCL, Mencap, Streetwise Opera, Birkbeck University, ERASMUS, Absolute Internship, AIFS Study Abroad, Waltham Forest College and Global Experiences to offer volunteering opportunities. Volunteers receive tailored support from the Visitor Engagement team, bespoke talks by external specialists, organised visits to other institutions, vocational training, and support with personal development.

The volunteers make a substantial contribution 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. Many volunteers also donate to the Museum's Collection acquisitions fund fees they receive from speaking engagements.

The Museum continues to work to improve accessibility to the Collection and displays through a series of initiatives, including audio described tours for visitors with visual impairments, magnifying glasses and large print guides. Volunteers run handling collection sessions each month and subtitle exhibition videos. Improvements have also been made to support for volunteers with physical and learning disabilities, and mental health problems.

Operations

Funding was secured through an AIM grant to install window film to reduce solar gain and reduce UV levels in the public galleries and café to improve environmental conditions. Meanwhile, the solar panels have generated almost £1,000 of profit via the Feed-in-Tariff programme.

A new lighting system installed in the Court Room, with support from Jane King and the Friends of Thomas Coram, which has greatly improved its overall appearance and spot lit the roundels. A grant from the Rose Foundation enabled the refurbishment of the Information Desk area, providing increased storage and cloakroom capacity, and a new display screen to promote events and exhibitions. Fire doors were upgraded, emergency signage improved, and the Health and Safety policy was fully reviewed. The Local Salvage Group, of which the Museum is a member, secured disaster recovery equipment from the Museum of London, which was augmented with additional equipment and relevant staff attending a three-day Historic England Salvage Training course. The Museum's IT back up capabilities were also improved.

Café

Management of the Café was taken over by Leafi, who have extensive experience of managing cafes at cultural venues including Foyles and The Courtauld. Leafi had previously been providing *pro bono* advice on menus. New Café furniture was purchased from London Reclaimed.

Training

Volunteers received training on research, securing loans, writing interpretation as part of their display on disability and the Foundling Hospital. Members of the curatorial team attended training on caring for both photographic collections and money and medals, and also working with artists and objects. The Director attended a Baroque Art in Britain study day, and The Coke librarians attended a study day on *Collectors, Collections and Collecting* at Senate House, and a study day at the British Library on *Musicians, publishers and pirates of the mid-Baroque*. They also attended the annual study weekend in Manchester of the UK branch of the International Association of Music Libraries, and the international conference of the Association in Rome. The Communications team attended training on capturing visitor data, taking quality photographs of collection items, developing social media strategies, Photoshop, as well as filming and training using the new camera in March 2016. Two members of the Visitor Services and Operations team attended a three-day salvage training course run by Historic England, and three members of staff attended a half-day disaster recovery course carried out by Harwell at the Charles Dickens Museum. The Visitor Engagement manager attended a series of Retail Resilience training sessions run by ACE, and the Assistant Visitor Engagement Manager attended Volunteer Management training at the Museum of London.

Public Speaking & Publications

Staff and volunteers provided guided tours of the Museum and exhibitions to visitors, peers and guests throughout the year. The Director chaired a session at the 'Art Is...' conference at Tate Modern and took part in a panel discussion on women in the arts at Art 16. The Director and Collections Manager delivered sessions on BA (Hons) Culture, Criticism and Curation course at Central St Martins. The Gerald Coke Handel Collection Librarian gave a paper at the Georgian Studies Symposium at Fairfax House, York, and led a seminar for postgraduate archives students from

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University College, London. The Curator: Artists' Projects co-wrote papers for the Culture Health and Wellbeing Conference in Bristol and the Arts and Humanities Research Council Conference in Seville, Spain. The Operations Manager wrote an article for AIM's magazine on the local Salvage Group. The Gerald Coke Handel Collection staff edited and published the *Handbook for studies in 18th-century English music*, an annual publication of recent research. The Assistant Librarian contributed to the international music library association as International Reviews Editor of the professional journal *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 1739 Club, AIM, Albert Mason, Art Market, the Blyth Charitable Trust, Bircham Dyson Bell, the Eranda Rothschild Foundation, the Golden Bottle Trust, Jocelyn Gamble, the JA Floyd Charitable Trust, Judy Bollinger, Julia & Jamie Korner, Peter Brown, the Rose Foundation and the Paul Mellon Centre for Studies in British Art. We are very grateful to these donors, as well as to our Friends and Patrons and those who wish to remain anonymous.

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 2017/18 will be:

- *Picturing Hetty Feather* (26 May – 3 September). This family-friendly exhibition explores how children's author and Foundling Fellow, Jacqueline Wilson has brought the history of the Foundling Hospital to life with her character Hetty Feather, a Victorian foundling girl. Using art works from the Collection, archive material and sets, costumes and props from the CBBC television series, visitors can consider the ways in which Museums, writers and film-makers tell stories using historical facts and gaps.

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- *Basic Instincts* (28 September 2017 – 7 January 2018). This major exhibition explores Georgian attitudes to love, desire and female respectability through the work of Joseph Highmore. During the 1740s Highmore's art shifted from portraiture to works that explored society's attitudes towards women and sexuality. Curated by Highmore expert, Dr Jacqueline Riding, *Basic Instincts* reflects upon his engagement with the work of the new Foundling Hospital and for the first time in the UK, displays a remarkable painting, *The Angel of Mercy*, that speaks directly to the controversial nature of the charity's work.
- *Lost Words* (26 January – 6 May 2018). Organized by Compton Verney, this exhibition is a collaboration between the writer Robert Macfarlane and the artist Jackie Morris, and celebrates the relationship between language and the living world and of nature's power to spark the imagination. The exhibition will be augmented by items from the Foundling Hospital archive that speak to children's education, language games and lost vocabulary.

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. In autumn 2017 during *Basic Instincts*, the Museum will be displaying *The Raft of the Medusa*, a series of 9 works by artist Rachel Kneebone not previously shown, while Michael Foreman's illustrations for Michael Morpurgo's novella, *Lucky Button*, will be displayed during *Lost Words* in spring 2017. Throughout 2018 to mark the centenary of female suffrage, the Museum will be staging a range of special displays, events and a major exhibition that view the Foundling Hospital story and Collection through the other end of the gender telescope. 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 recruiting new Trustees, further refining our marketing strategy, resolving issues around our lease on 40 Brunswick Square; consolidating our music offer in terms of both the Collection and public programme, finalising the 2019 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 2017 shows total income of £1,182,643 (2016 – £1,152,995).

The total expenditure in the year was £1,436,170 (2016 – £1,361,352) of which expenditure on conserving the Collection and developing and maintaining the Museum amounted to £1,385,102 (2016 – £1,315,504).

The net expenditure for the year was £253,527 (2016 – £208,357).

Net investment gains of £349,903 (2016 – losses of £47,077) were recognised in the year ended 31 March 2017 and actuarial losses of £3,612 have been recognised (2016 – losses of £94,049).

In accordance with Financial Reporting Standard 102, the financial statements include heritage assets with a total valuation of £9,148,730. Further details may be found in note 13 to the financial statements.

As at 31 March 2017, the net assets of The Foundling Museum Group were £11,969,017 (2016 – £11,876,253)

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 financial year, unrestricted general funds stood at £506,908 (comprising the net current assets together with the excess investment funds 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 £2,000 of reserves for known defects.

During the period when governance issues precluded fundraising, the Museum converted excess investments into cash and subsequently further cash draw-downs

have been made. The Trustees are minded to reinvest these sums however the recent investment climate was deemed unsuitable.

The amount designated for reinvestment is £430,000 and total designated funds therefore amount to £452,000, all of which is forecast to be expended in 2017/18.

The Trustees have made a provision of £95,598 for the pension-deficit contributions payable up to 2017, 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.

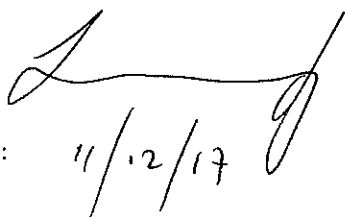
The Trustees have appointed Veritas Investment Management to manage, on a discretionary basis, a multi-asset portfolio which comprises, within defined and flexible ranges, a mixture of property, fixed interest, global equities and cash. To satisfy the Museum's financial objectives and targets, in which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

In 2016/2017 the managers achieved a return of 3.9%, which reflected the conservative mix of assets held.

Approved by the Trustees and signed on their behalf by:

Trustee

Approved on:

A handwritten signature in black ink, followed by the date "11/12/17" written in a similar cursive style.

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 2017 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 2017

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 2017 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Buzzacott LLP

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

14 December 2017

The Foundling Museum
Consolidated statement of financial activities Year to 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Income and expenditure					
Income from:					
Grants and donations	1	319,047	233,082	552,129	523,682
Investments	2	125,181	—	125,181	125,639
Other trading activities	3	265,004	—	265,004	270,940
Charitable activities					
. Admissions and other museum income	4	234,817	—	234,817	179,978
Other sources	5	5,512	—	5,512	52,756
Total income		949,561	233,082	1,182,643	1,152,995
Expenditure on:					
Raising funds	6	41,246	9,822	51,068	45,848
Charitable activities					
. Costs of developing and maintaining the Museum	7	1,222,569	162,533	1,385,102	1,315,504
Total expenditure		1,263,815	172,355	1,436,170	1,361,352
Net (expenditure) income before investment gains (losses)		(314,254)	60,727	(253,527)	(208,357)
Net gains (losses) on investment assets		349,903	—	349,903	(47,077)
Net income (expenditure) before transfers		35,649	60,727	96,376	(255,434)
Gross transfers between funds		3,900	(3,900)	—	—
Net income (expenditure)		39,549	56,827	96,376	(255,434)
Other recognised gains and losses					
Actuarial losses	22	(3,612)	—	(3,612)	(94,049)
Net movement in funds	10	35,937	56,827	92,764	(349,483)
Group reconciliation of funds:					
Fund balances brought forward at 1 April 2016		2,606,242	9,270,011	11,876,253	12,225,736
Fund balances carried forward at 31 March 2017		2,642,179	9,326,838	11,969,017	11,876,253

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 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Income and expenditure					
Income from:					
Grants and donations	1	522,059	233,082	755,141	713,095
Investments	2	125,011	—	125,011	125,639
Charitable activities					
. Admissions and other museum income	4	234,817	—	234,817	179,978
Other sources	5	5,512	—	5,512	52,756
Total income		887,399	233,082	1,120,481	1,071,468
Expenditure on:					
Raising funds	6	41,246	9,822	51,068	46,118
Charitable activities					
. Costs of developing and maintaining the Museum	7	1,160,407	162,533	1,322,940	1,233,705
Total expenditure		1,201,653	172,355	1,374,008	1,279,823
Net (expenditure) income before investment gains (losses)		(314,254)	60,727	(253,527)	(208,355)
Net gains (losses) on investment assets		349,903	—	349,903	(47,077)
Net income (expenditure) before transfers		35,649	60,727	96,376	(255,432)
Gross transfers between funds		3,900	(3,900)	—	—
Net income (expenditure)		39,549	56,827	96,376	(255,432)
Other recognised gains and losses					
Actuarial losses	22	(3,612)	—	(3,612)	(94,049)
Net movement in funds	10	35,937	56,827	92,764	(349,481)
Reconciliation of funds:					
Fund balance brought forward at 1 April 2016		2,606,244	9,270,011	11,876,255	12,225,736
Fund balance carried forward at 31 March 2017		2,642,181	9,326,838	11,969,019	11,876,255

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

The Foundling Museum
Balance sheets 31 March 2017

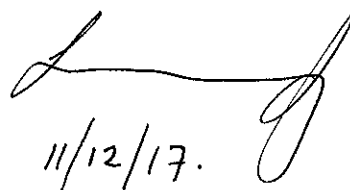
	Notes	2017		2016	
		Group £	Charity £	Group £	Charity £
Fixed assets					
Tangible fixed assets	12	1,778,869	1,778,869	1,957,879	1,957,879
Heritage assets	13	9,148,730	9,148,730	9,137,205	9,137,205
Investments	14	3,181,874	3,181,876	3,018,939	3,018,941
		<u>14,109,473</u>	<u>14,109,475</u>	<u>14,114,023</u>	<u>14,114,025</u>
Current assets					
Stocks		26,267	1,089	24,585	1,422
Debtors	15	109,911	198,734	114,849	248,144
Cash at bank and in hand		902,779	813,369	762,062	639,667
		<u>1,038,957</u>	<u>1,013,192</u>	<u>901,496</u>	<u>889,233</u>
Creditors: amounts falling due within one year	16	<u>(83,815)</u>	<u>(58,050)</u>	<u>(40,732)</u>	<u>(28,469)</u>
Net current assets		<u>955,142</u>	<u>955,142</u>	<u>860,764</u>	<u>860,764</u>
Total assets less current liabilities		<u>15,064,615</u>	<u>15,064,617</u>	<u>14,974,787</u>	<u>14,974,789</u>
Creditors: amounts falling due after more than one year	17	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Total net assets excluding pension liability		<u>12,064,615</u>	<u>12,064,617</u>	<u>11,974,787</u>	<u>11,974,789</u>
Provisions for liabilities	18	<u>(95,598)</u>	<u>(95,598)</u>	<u>(98,534)</u>	<u>(98,534)</u>
Total net assets including pension liability		<u>11,969,017</u>	<u>11,969,019</u>	<u>11,876,253</u>	<u>11,876,255</u>
The funds of the group and charity:					
Funds and reserves					
Restricted funds					
. Heritage assets fund	13	9,148,730	9,148,730	9,137,205	9,137,205
. Other restricted funds	19	178,108	178,108	132,806	132,806
Unrestricted funds					
. Tangible fixed assets fund	12	1,778,869	1,778,869	1,957,879	1,957,879
. Designated funds	20	452,000	452,000	241,000	241,000
. General fund		506,908	506,910	505,897	505,899
. Pension reserve fund	22	<u>(95,598)</u>	<u>(95,598)</u>	<u>(98,534)</u>	<u>(98,534)</u>
		<u>11,969,017</u>	<u>11,969,019</u>	<u>11,876,253</u>	<u>11,876,255</u>

Approved by the Trustees and signed on their behalf by:

Trustee



Trustee



Approved on:

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 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(139,590)	(167,975)
Cash flows from investing activities:			
Investment income received		125,181	125,639
Purchase of tangible fixed assets		(20,317)	(26,912)
Proceeds from the disposal of investments		763,790	1,112,682
Purchase of investments		(637,573)	(1,056,561)
Purchase of heritage assets		(11,525)	(44,950)
Net cash provided by investing activities		219,556	109,898
Change in cash and cash equivalents in the year		79,966	(58,077)
Cash and cash equivalents at 1 April 2016	B	904,379	962,456
Cash and cash equivalents at 31 March 2017	B	984,345	904,379

Notes to the statement of cash flows for the year to 31 March 2017.

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

	2017 £	2016 £
Net movement in funds (as per the statement of financial activities)	92,764	(349,483)
Adjustments for:		
Depreciation charge	199,327	191,256
(Gains) losses on investments	(349,903)	47,077
Investment income receivable	(125,181)	(125,639)
(Increase) decrease in stocks	(1,682)	7,131
Decrease in debtors	4,938	8,402
Increase (decrease) in creditors	43,083	(34,176)
(Decrease) increase in pension provision	(2,936)	87,457
Net cash used in operating activities	(139,590)	(167,975)

B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	902,779	762,062
Cash held by investment managers	81,566	142,317
Total cash and cash equivalents	984,345	904,379

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 2017 with comparative information provided in respect to 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 financial statements.

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

With regard to the next accounting period, the year ending 31 March 2018, 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 2017

1 Grants and donations

Group	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Grants	152,776	181,702	334,478	406,127
Other donations and gifts	166,271	51,380	217,651	117,555
2017 Total funds	319,047	233,082	552,129	523,682
2016 Total funds	290,850	232,832	523,682	

Charity	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Grants	152,776	181,702	334,478	406,127
Other donations and gifts	166,271	51,380	217,651	117,555
Donation from subsidiary undertaking	127,150	—	127,150	115,616
Management recharge	75,862	—	75,862	73,797
2017 Total funds	522,059	233,082	755,141	713,095
2016 Total funds	480,263	232,832	713,095	

2 Investment income and interest receivable

Group	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Investment income	124,212	—	124,212	124,150
Interest receivable	969	—	969	1,489
2017 Total funds	125,181	—	125,181	125,639
2016 Total funds	125,639	—	125,639	

Charity	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Investment income	124,212	—	124,212	124,150
Interest receivable	799	—	799	1,489
2017 Total funds	125,011	—	125,011	125,639
2016 Total funds	125,639	—	125,639	

3 Income from other trading activities

Group	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Events	192,578	—	192,578	207,275
Sales	72,209	—	72,209	59,683
Other	217	—	217	3,982
2017 Total funds	265,004	—	265,004	270,940
2016 Total funds	270,940	—	270,940	

The Charity had no trading activities during the year (2016: none).

4 Income from charitable activities

Group and charity	Unrestricted funds £	Restricted funds £	2017 £	2016 £
2017 Total funds: Admissions and other museum income	234,817	—	234,817	179,978
2016 Total funds	179,978	—	179,978	

5 Income from other sources

Group and charity	Unrestricted funds £	Restricted funds £	2017 £	2016 £
2017 Total funds: miscellaneous income	5,512	—	5,512	52,756
2016 Total funds	52,756	—	52,756	

6 Expenditure on raising funds

Group	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Fundraising expenses	21,348	9,822	31,170	22,118
Guide book: cost of sales	331	—	331	1,451
Investment manager fees	19,567	—	19,567	22,279
2017 Total funds	41,246	9,822	51,068	45,848
2016 Total funds	45,848	—	45,848	

6 Expenditure on raising funds (continued)

	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Charity				
Fundraising expenses	21,348	9,822	31,170	22,388
Guide book: cost of sales	331	—	331	1,451
Investment manager fees	19,567	—	19,567	22,279
2017 Total funds	41,246	9,822	51,068	46,118
2016 Total funds	46,118	—	46,118	

7 Expenditure on charitable activities: developing and maintaining the Museum

Group	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Museum operating costs	1,020,480	151,388	1,171,868	1,119,515
Depreciation	199,327	—	199,327	191,256
Conservation	2,762	11,145	13,907	4,733
2017 Total funds	1,222,569	162,533	1,385,102	1,315,504
2016 Total funds	1,093,412	222,092	1,315,504	

Charity	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Museum operating costs	958,318	151,388	1,109,706	1,037,716
Depreciation	199,327	—	199,327	191,256
Conservation	2,762	11,145	13,907	4,733
2017 Total funds	1,160,407	162,533	1,322,940	1,233,705
2016 Total funds	1,011,613	222,092	1,233,705	

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

8 Staff costs

Group and charity	2017 £	2016 £
Salaries	604,230	567,537
Social security costs	44,153	44,931
Pension costs	36,389	14,240
	684,772	626,708

8 Staff costs (continued)

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

Group and charity	2017	2016
Senior management	2	2
Museum administration	17	16

During the year two members of staff received annual remuneration (including taxable benefits but excluding employer's national insurance contributions) of between £60,000 and £70,000 (2016 – none).

No Trustee received reimbursement of expenses during the year in connection with services to the charity (2016 – none).

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

The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year was £170,344 (2016: £130,896). Executives' remuneration is set by the Finance & Audit Committee and reviewed annually.

9 Governance costs

Group and charity	2017 £	2016 £
Auditor's remuneration		
. Statutory audit – fee for the year	10,825	6,066
Other governance costs	6,013	13
	<u>16,838</u>	<u>6,079</u>

10 Net movement in funds

This is stated after charging:

Group and charity	2017 £	2016 £
Auditor's remuneration		
. Statutory audit	10,825	6,066
Depreciation of tangible fixed assets	199,327	191,256

The Foundling Museum
Notes to the financial statements 31 March 2017

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 Gift Aid each year.

12 Tangible fixed assets

Group and charity	Leasehold improve- ments £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2016	3,929,876	230,810	4,160,686
Additions	—	20,317	20,317
At 31 March 2017	3,929,876	251,127	4,181,003
Depreciation			
At 1 April 2016	2,026,285	176,522	2,202,807
Charge for the year	169,711	29,616	199,327
At 31 March 2017	2,195,996	206,138	2,402,134
Net book values			
At 31 March 2017	1,733,880	44,989	1,778,869
At 31 March 2016	1,903,591	54,288	1,957,879

13 Heritage Assets

Group and charity	Museum artefacts £
Cost or valuation	
At 1 April 2016	9,137,205
Additions	11,525
At 31 March 2017	9,148,730

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.

13 Heritage Assets (continued)

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

Other heritage assets acquired by the Museum are included on the balance sheet at cost. The Museum has acquired heritage assets totalling £134,899 in the last five years, with no disposals.

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

14 Fixed asset investments

Group	2017 £	2016 £
Listed investments		
. Market value as at 1 April 2016	2,876,622	2,979,819
. Additions at cost	637,573	1,056,561
. Disposals at book value (proceeds: £763,790; net realised gains: £26,587)	(737,203)	(1,191,501)
. Net unrealised investment gains	323,316	31,743
. Market value as at 31 March 2017	3,100,308	2,876,622
Cash held for reinvestment	81,566	142,317
Total investments at 31 March 2017	3,181,874	3,018,939
 Cost of listed investments	 2,684,519	 2,753,740
Charity	2017 £	2016 £
Listed investments		
. Market value as at 1 April 2016	2,876,622	2,979,819
. Additions at cost	637,573	1,056,561
. Disposals at book value (proceeds: £763,790; net realised gains: £26,587)	(737,203)	(1,191,501)
. Net unrealised investment gains	323,316	31,743
. Market value as at 31 March 2017	3,100,308	2,876,622
Cash held for reinvestment	81,566	142,317
	3,181,874	3,018,939
Investment in subsidiary undertaking (see below)	2	2
Total investments at 31 March 2017	3,181,876	3,018,941
 Cost of listed investments	 2,684,519	 2,753,740

14 Fixed asset investments (continued)

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 (£199,500 (6.43% of the portfolio)), the Trojan Investment Funds – Trojan Income Fund (£244,463 (7.9% of the portfolio)), and the Charities Property Fund (£301,330 (9.72% 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 2017, which have been included in the consolidated financial statements.

	2017 £	2016 £
Turnover	265,004	270,940
Cost of sales	(48,954)	(55,169)
Gross profit	216,050	215,771
Administrative costs	(89,070)	(100,223)
Operating profit	126,980	115,548
Donations made under gift aid	(127,150)	(115,819)
Loss on ordinary activities before interest and taxation	(170)	(271)
Other interest receivable and similar income	170	271
Profit on ordinary activities before taxation	—	—
Taxation	—	—
Profit for the financial year	—	—
Retained earnings at 31 March 2016	—	—
Retained earnings at 31 March 2017	—	—

At 31 March 2017 the company had total called up share capital and retained earnings of £2 (2016: £2).

15 Debtors

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Operating debtors	56,279	10,295	55,481	24,264
Gift aid tax recoverable	3,555	3,555	8,014	8,014
Other debtors	44,155	44,155	51,354	48,910
Prepayments and accrued income	5,922	3,827	—	—
Amounts due from subsidiary undertaking	—	136,902	—	166,956
	109,911	198,734	114,849	248,144

16 Creditors: amounts falling due within one year

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Expense creditors	44,573	42,904	18,995	18,995
Other creditors	20,047	15,146	18,043	9,474
Taxation and social security	19,195	—	3,694	—
	<u>83,815</u>	<u>58,050</u>	<u>40,732</u>	<u>28,469</u>

17 Creditors: amounts falling due after more than one year

Group and charity	2017 £	2016 £
Loan	<u>3,000,000</u>	<u>3,000,000</u>

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	2017 £	2016 £
Provision for pension scheme deficit reduction payments (note 22)	<u>95,598</u>	<u>98,534</u>

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 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Conservation fund	43,376	5,000	(11,145)	—	37,231
Paul Mellon Centre/Pilgrim Trust fund	30,868	—	(210)	—	30,658
The Clore Duffield Foundation fund	20,063	—	(2,477)	—	17,586
Exhibitions fund	10,063	105,849	(105,770)	—	10,142
Learning running costs fund	7,079	47,860	(32,748)	—	22,191
The Leverhulme Trust fund	114	—	(114)	—	—
Arts Council England Strategic fund	772	—	(772)	—	—
Rose Foundation/John Lyons Charity fund	1,098	5,000	(5,000)	—	1,098
Collection purchases fund	14,107	13,758	(4,945)	(11,525)	11,395
Gerald Cooke Handel Foundation fund	4,601	4,682	(5,992)	—	3,291
Oak Foundation fund	—	32,033	—	—	32,033
Other funds	665	18,900	(3,182)	(3,900)	12,483
	<u>132,806</u>	<u>233,082</u>	<u>(172,355)</u>	<u>(15,425)</u>	<u>178,108</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, furniture and other artworks exhibited by the Museum.
- **Paul Mellon Centre fund**
The Paul Mellon Centre for Studies in British Art have funded the creation of a catalogue of the collection.
- **The Clore Duffield Foundation fund**
The Clore Duffield Foundation has funded the Foundling Fellowship, a scheme to find the contemporary Coram, Hogarth and Handel to work with the Museum to develop original, creative initiatives for children and to raise the profile of the museum in those areas.

19 Other restricted funds (continued)

- **Exhibitions fund**
The Exhibitions Fund is for the costs of various upcoming exhibitions and displays.
- **Learning running costs fund**
The Education Running Costs Fund is to finance the day to day operating activities of the Education Centre, including the Museum's Nursery Project.
- **Leverhulme Trust fund**
The Leverhulme Trust provided funding for the Artist in Residence.
- **Arts Council England Strategic fund**
The Arts Council grant has funded 2 new tills, back office IT systems, new chairs and solar panels.
- **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**
The Collection purchases fund comprises donations from a variety of sources for the enhancement of the collections.
- **Gerald Cooke Handel Foundation fund**
The Gerald Cooke Handel Foundation fund is for expenditure directly related to the Gerald Cooke Handel collection
- **Oak Foundation fund**
The Oak Foundation is funding a three-year training programme aimed at young adults who grew up in foster care or children's homes.
- **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 2016 £	Utilised £	At 31 March 2017 £
Buildings repair fund	49,000	(47,000)	2,000
Refurbishment fund – front desk	12,000	(12,000)	—
Exhibition shortfall fund	20,000	—	20,000
Reinvestment fund	160,000	270,000	430,000
	<u>241,000</u>	<u>211,000</u>	<u>452,000</u>

Full details of the purpose of the above funds are provided on page 30 of the Trustees' Report.

21 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total 2017 £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	1,778,869	—	1,778,869
Investments	3,181,874	—	3,181,874
Heritage assets	—	9,148,730	9,148,730
Current assets	860,849	178,108	1,038,957
Creditors: amounts falling due within one year	(83,815)	—	(83,815)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)
Pension deficit	(95,598)	—	(95,598)
Total	<u>2,642,179</u>	<u>9,326,838</u>	<u>11,969,017</u>

Charity	Unrestricted funds £	Restricted funds £	Total 2017 £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	1,778,869	—	1,778,869
Investments	3,181,876	—	3,181,876
Heritage assets	—	9,148,730	9,148,730
Current assets	835,084	178,108	1,013,192
Creditors: amounts falling due within one year	(58,050)	—	(58,050)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)
Pension deficit	(95,598)	—	(95,598)
Total	<u>2,642,181</u>	<u>9,326,838</u>	<u>11,969,019</u>

21 Analysis of net assets between funds (continued)

Unrealised gains included above:

Investments	£
Reconciliation of movements in unrealised gains	
Unrealised gains at 1 April 2016	122,882
Net unrealised gains in year	323,316
In respect to disposals	(30,409)
Unrealised gains at 31 March 2017	<u>415,789</u>

22 Pensions

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

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 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:

Deficit contributions	
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 2015 to 31 April 2017	£1,152,000 per annum (payable monthly and increasing by 3.0% each year on 1 July)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

	2017 £	2016 £	2015 £
Present value of provision	95,568	98,534	11,077

Reconciliation of opening and closing provisions:

	2017 £	2016 £
Provision at start of period	98,534	11,077
Unwinding of the discount factor (interest expense)	2,102	124
Deficit contribution paid	(8,650)	(6,716)
Remeasurements - impact of any change in assumptions	3,612	(3,475)
Remeasurements - amendments to the contribution schedule	—	97,524
Provision at end of period	95,598	98,534

Income and expenditure impact

	2017 £	2016 £
Interest expense	2,102	124
Remeasurements - impact of any change in assumptions	3,612	(3,475)
Remeasurements - amendments to the contribution schedule	—	97,524
Costs recognised in statement of financial activities	5,714	94,173

22 Pensions (continued)

Assumptions

	2017 %	2016 %	2015 %
Rate of discount	1.47	2.24	1.61

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 15 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 £7,655 in respect to insurance (2016 - £7,268). The Museum purchased Heritage Assets at a cost of £5,000 from Coram during the year (2016 - £34,950).

The Museum also paid Coram £3,336 in respect of rent, room hire and other services (2016 - £6,934).

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: £26,594 in respect of grants (2016 - £46,452), £50,187 in respect of reimbursement of librarians' employment costs (2016 - £50,187) and £26,065 in relation to premises costs (2016 - £29,430).

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.