
THE FOUNDLING MUSEUM

Annual Report & Financial Statements

31 March 2019

Charity Registration Number 1071167

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



Andrea Soldi (1703-1771), *Portrait of Isabella, Duchess of Manchester*, 1738.

Isabella was one of Thomas Coram's twenty-one 'ladies of quality and distinction'; the first supporters to sign his petition calling for the establishment of a foundling hospital.

Purchased for the Foundling Museum by Art Fund, Arts Council England/V&A Purchase Grant Fund, the Friends of Thomas Coram, Anne-Marie Craven, Andrew Fane, the Baroness Hale of Richmond, Jammy Hoare, the Baroness Neuberger, Jim Moyes, Jane Wentworth and a number of other generous individual donors.

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The Foundling Museum

Reference and administrative information

Trustees	Robert Aitken Anne Beckwith-Smith Alison Cole Christopher Cotton Jeremy Deller William Gore Ronald Gould Perdita Hunt	Spencer Hyman Claire Jeffers Larissa Joy (Chair) Geraldine Macdonald Margaret Reynolds Lord Simon Russell of Liverpool 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 LLP 50 Broadway Westminster London, SW1 HoB	

Chairman's Summary

The Trustees, Director and Museum team were honoured to welcome Her Royal Highness The Duchess of Cambridge to the Museum in March, for the announcement of the Duchess's patronage of the Foundling Museum. The Duchess's support of the Museum's pioneering and life-enhancing work with young people from all walks of life, is a powerful endorsement of the impact of its work.

The Museum is exceptionally fortunate in benefitting from the support and inspiration of its staff team, led by Director, Caro Howell, and its dedicated and committed team of over 150 volunteers, without whom it could not exist. The Foundling Museum is known for punching above its weight and this past year was no exception. In addition to a packed programme of temporary exhibitions, special displays, learning programmes, public events and a major re-hang of the Collection, the Museum continued to find innovative ways to generate significant income, in order to diversify its income sources and continue to build an exciting long-term future. Alongside growing Memberships, a number of commercial ventures, and increasing numbers of individuals and organisations hiring the Museum's charming and creative spaces for events, workshops and celebrations, the Museum successfully launched a Supporters' Loan Endowment Scheme enabling it to benefit from the yield on the investment of the loans.

We hugely value the continued commitment of our Corporate Supporter, Verita, and were delighted to also have the support of Saxton Bampfylde, Taylor Wessing and Art Fund, which enabled the Museum to stage one of its most ambitious exhibitions to date, *Ladies of Quality and Distinction*. TM Lighting and Little Greene supported the refurbishment of the Picture Gallery and together, these projects provided a spectacular culmination to the Museum's year-long celebration of women's contribution to the Foundling Hospital story. *Ladies of Quality and Distinction* struck a chord with visitors and the media alike. So we are particularly grateful to Art Fund and the Arts Council England/V&A Purchase Grant Fund who made it possible for the Museum to acquire the portrait of Isabella, Duchess of Manchester, one of the 21 eponymous Ladies who first supported Thomas Coram's campaign. The Museum also acquired a portrait of one of its Foundling Fellows, Dame Jacqueline Wilson, painted by Saied Dai. This was a landmark acquisition, as the Foundling Hospital did not commission any portraits of women, so we are deeply grateful to Dame Stephanie Shirley for enabling this commission.

In February we were saddened to announce the death of the Museum's President and founding Chairman, Patrick Walker OBE, who for twenty years was a committed champion of the Museum. We are deeply indebted to Patrick and all the Museum's many funders, advisors, volunteers and creative partners, for it is their generosity that underpins our ambition and our success.

Director's Summary

The centenary of female suffrage provided a resonant context in which to reassess the Museum's core story, by bringing the overlooked contribution of women to the fore. What began as a simple 'What if?' proposition, resulted in the re-hang of over 80% of the displays; substantial new research in the Foundling Hospital's archives; the acquisition of the first portrait of one of the Foundling Hospital's early female supporters and the long-term loan of two others; the commissioning of three large-scale sculptures and a portrait of our Foundling Fellow, Dame Jacqueline Wilson; a major gallery refurbishment; and a year-long programme of exhibitions, special displays, public events and learning programmes that explored women's impact on 300 years of British social history, culture and philanthropy.

The centenary also enabled us to bring a wide and diverse range of female voices into the galleries, through our *First Amongst Equals* project. Over 30 remarkable 'female firsts' who have shaped contemporary British society, chose an object from the collections that spoke to them and wrote an accompanying text. These responses brought fresh perspectives to familiar items, made connections between the past and the present, and provided an opportunity for visitors to reflect on women's ongoing struggle for equality.

By contrast, *Bedrooms of London*, provided a platform for some of London's most vulnerable children to be heard. Working in partnership with the Childhood Trust, this photographic exhibition exposed the reality of childhood poverty and the damaging consequences of a lack of affordable housing. Set in the context of our historic story and with creative interventions by Scriberia and Foundling Fellow, Lauren Child MBE, visitors were encouraged to donate to the Childhood Trust, become better informed, and get involved in grassroots projects.

Behind the scenes, the Museum's pioneering programmes continue to transform the life chances of disadvantaged children through the arts. From free, drop-in family workshops, concerts and special events, and year-long creative programmes with local nursery children and their families, to children on acute care hospital wards, and care-experienced young adults, our commitment to working over sustained periods of time enables our creative projects to have a lasting impact. In the year ahead we will be building on this success through strategic partnerships, which will enable us to extend our impact and reach even more children. At the same time, by extending free admission from 16 to 21 years and under, even greater numbers of young people can have access to the Museum's inspiring exhibitions, displays and events.

Trustees' report 31 March 2019

The Trustees present their report together with the financial statements of The Foundling Museum for the year to 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 59 of the attached financial statements and comply with the charitable company's Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Structure, Governance and Management

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

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

The Board of Trustees is supported in its work by Committees of the Board; namely the Finance and Audit Committee which meets formally every three months and includes reports from the Trading Company and the Investment Committee; and the Nominations Committee which meets approximately twice a year to discuss appointment to the Board of Trustees. 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

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

Trustees	Appointed/Term ended/Resigned
Robert Aitken	
Anne Beckwith-Smith	
Geoff Berridge	Resigned 02/03/2019
Judy Bollinger	Resigned 09/12/2019
Alison Cole	
Christopher Cotton	
Jeremy Deller	
William Gore	
Ronald Gould	
Perdita Hunt	
Spencer Hyman	
Claire Jeffers	Appointed 30/09/2019
Larissa Joy (Chair)	
Geraldine Macdonald	
Margaret Reynolds	
Lord Simon Russell of Liverpool	Appointed 09/12/2019
Lemn Sissay MBE	
Paul Zuckerman	

None of the Trustees has any beneficial interest in the company. At 31 March 2019 the company had 17 members, comprising the 16 Trustees and Coram, who each guarantee to contribute £1 in the event of a winding up. Trustees are appointed following a review by the Nominations Committee and the Board of the relevant skills and experience required by the Museum. Trustees' contribution is assessed formally every two years by the Chairman. The Chair and the Nominations Committee formally review Board effectiveness every other year. A formal review of the Chair's performance is carried out every other year by a Trustee, taking feedback from Trustees and senior leadership team members.

Trustee recruitment focusses on securing a committed and engaged Board of individuals from diverse backgrounds and with broad experience across finance, the arts, architecture, business and commerce, communications, education, childcare and risk management. New Trustees receive induction, including extensive background material to

ensure they are familiar with the history of the Museum and its relationship with Coram, as well as Charity Commission documents outlining their responsibilities under charity law. Trustees also meet with the Director to familiarise themselves with the Museum's running, its aims, objectives and financial results.

Charitable Objects

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

The Foundling Museum's charitable objects are:

To establish and maintain a museum for the advancement of the education of the general public and of scholars by the documentation, maintenance, conservation, exhibition, study and interpretation of the Collection; and

To support such of the purposes of the charity now known as Coram as the Museum, in consultation with Coram, shall from time to time determine.

Aims and Objectives

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

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

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

Achievement and Performance

‘This marvellous museum that keeps reinventing itself.’ The Times, 21 September 2018

On 19 March 2019, Kensington Palace announced that HRH The Duchess of Cambridge had become Royal Patron of the Foundling Museum. To celebrate this announcement, the Duchess made a visit to the Museum.

The Duchess has a special interest in early-years, mental health and children’s wellbeing. On her first visit to the Museum in 2017, she met children who benefit from our pre-school programmes, school residencies, and practical art projects on acute paediatric wards. This time, The Duchess met graduates of *Tracing Our Tales*, the Museum’s innovative training programme for care-experienced young adults, who described the training’s positive impact on their lives, their pride in running family workshops at the Museum, and their new-found hope in the future. Before joining a training workshop, the Duchess was shown around the *Bedrooms of London* exhibition by *Tracing Our Tales* graduates, Callum, Ameera and Rohima.



HRH The Duchess of Cambridge with *Tracing Our Tales* graduate trainees. Photo © Dan Weill.

In her speech, the Duchess spoke of her pride in becoming our Patron and her belief in the power of art to transform young lives;

‘Your work connects and celebrates two subjects that are deeply important to me: children and art. Your Museum here powerfully links these two forces for good. By weaving together the moving stories of looked after children, with art and artists of all genres, you create meaningful learning experiences which will have a lasting, and often transformational, impact on young lives.’

Transforming Young Lives

The Museum is a pioneer in the field of museum learning, particularly in relation to pre-school children; looked after and care-experienced children and young adults; and acute care paediatric in-patients. Our ‘inch wide, mile deep’ philosophy involves working over sustained periods of time, to enable significant and lasting improvements to young people’s wellbeing and life chances.



Tracing Our Tales trainees exploring the Foundling Hospital records at the London Metropolitan Archives



Children participating in a nursery workshop

Tracing Our Tales: the UK’s only museum training programme for care-experienced young adults. The year-long training gives 18-25 year olds the skills and confidence to deliver family workshops at the museum, find jobs and return to education.

‘It has helped me to realize my potential. I never thought I would be able to get through the traineeship but now I believe more in myself and am ready to take the next step towards future careers.’ Graduate trainee.

‘This is the first museum I have ever liked, that I have had a connection with. It is about me and my life.’ Graduate trainee.

Evelina Children’s Hospital: weekly practical art workshops with young dialysis patients, culminating in a display of their art in the Museum’s Introductory Gallery.

‘[The project managed] to engage two patients that were in quite a dark place...it was a learning journey packed with fun for children who are in a situation which can be painful, worrying, tiring and boring.’ Teacher, Evelina Children’s Hospital School, 2018.

Nursery Programme: year-long, fortnightly artist-led creative workshops for pre-schools children, their parents and staff from 4 local nurseries.

‘By giving children new and unique experiences, they are given the opportunity to learn a much broader range of vocabulary. There is a huge amount of evidence that links vocabulary size to greater educational achievement. The regularity of our visits mean that the children can rehearse and become confident to use these new words. In this way, the Museum is actively supporting children to achieve well’. Deputy Head Teacher of Thomas Coram Nursery, 2018

Newham Hospital, Coborn Unit: weekly practical art workshops with 11-18 year-olds in an acute adolescent mental health unit.

Family workshops: providing free, artist-led creative workshops that explore our exhibitions and displays, to many hundreds of children and adults.

Young Artists’ Platform: enabling gifted young musicians to explore the Gerald Coke Handel Collection, develop programming skills, and gain public performance experience.

‘It was really a pleasure to play in such an amazing venue with a fantastic history.’ Young Artists’ Platform performer, 2019



Performers from Chineke! Youth Orchestra performing for HRH The Duchess of Cambridge. Photo © Rachel Cherry.

Re-framing the Narrative

Celebrating the centenary of female suffrage by exploring our 300 year-old story from a female perspective, with new research, exhibitions and an 80% re-hang of the displays.

‘It is glorious to see a room of bold, social progress staring down at you.’

The Times, 21 September 2018



Ladies of Quality & Distinction celebrated the Foundling Hospitals original, female supporters. The exhibition was shortlisted for Temporary and Touring Exhibition of the year in the 2019 Museums & Heritage Awards and received a Highly Commended. Photo © Peter Mallet Photography.

Acquiring the first portrait of one of Thomas Coram’s original female supporters, *Isabella, Duchess of Manchester*, 1738, by Andrea Soldi, with support from Art Fund, Arts Council England/V&A Purchase Grant Fund and other generous donors.

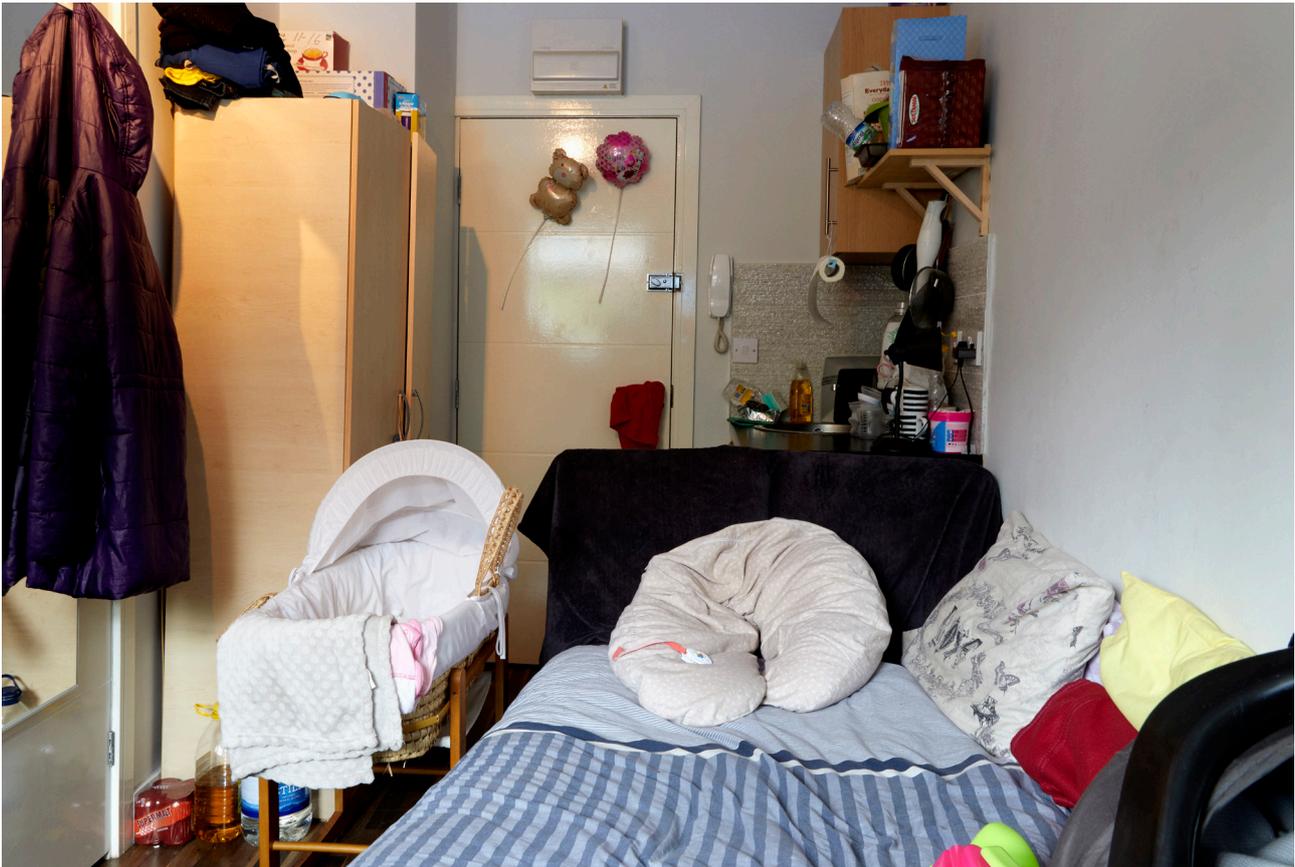
Securing the long-term loan of the *Portrait of Charlotte, Duchess of Somerset*, 1720-40 attributed to Charles d’Agar and lent by Lord Egremont, and the *Portrait of Ann, Duchess of Bolton*, c1720, by Sir Godfrey Kneller and lent by Camarthenshire County Museum.

Establishing a community Fire Choir with Foundling Fellow, Sam Lee, to take old and new songs of protest against social injustice, from the Museum to the streets.

Framing the contemporary issue of child poverty in London through the lens of our historic story, with a major campaigning exhibition, *Bedrooms of London*, in partnership with The Childhood Trust. *Bedrooms of London* was named as one of Time Out's most exciting museum exhibitions in 2019.

An exhibition that could be one of the most challenging of 2019.

The Guardian, 1 January 2019



Detail, Katie Wilson, *Bedrooms of London-Jane*, 2017 © Katie Wilson. From *Bedrooms of London*, an exhibition created in collaboration with The Childhood Trust.

Bringing New Voices to the Conversation

34 'female firsts' responded to our 2018 displays as part of our celebration of the centenary of female suffrage. *First Amongst Equals* selectors included Baroness Valerie Amos CH PC, Dr Maria Balshaw CBE, Eileen Cooper RA OBE, Her Honour Judge Anuja Dhir QC, Sian Edwards, Dame Liz Forgan, Baroness Brenda Hale DBE PC FBA, Francesca Hayward, Lady Barbara Judge CBE, Linda Kitson, Alex Mahon, Heather Maizels, Dame Clare Marx DL FRCS SFFMLM, Lady Nicola Mendelsohn CBE, Rt Hon Nicky Morgan MP, Rabbi Baroness Julia Neuberger DBE, Frances O'Grady and Judith Weir CBE.



Members of the Fire Choir performing in the Picture Gallery for their Christmas concert. Photo © Will Jacobs



Tracing Our Tales trainee aids in delivering a family art workshop.

Enabling care-experienced young adults to deliver family workshops and public tours.

‘The input, energy, the helpfulness of the artist & trainees was amazing. What a brilliant idea to use care leavers to teach about the Museum. Fantastic work!’

Family workshop parent

‘I never thought I could give a talk to all those parents and children, I was so terrified I was sweating. I faced my fears and I got better at it. It’s good for my anxiety and I have asked to do more.’ Graduate trainee

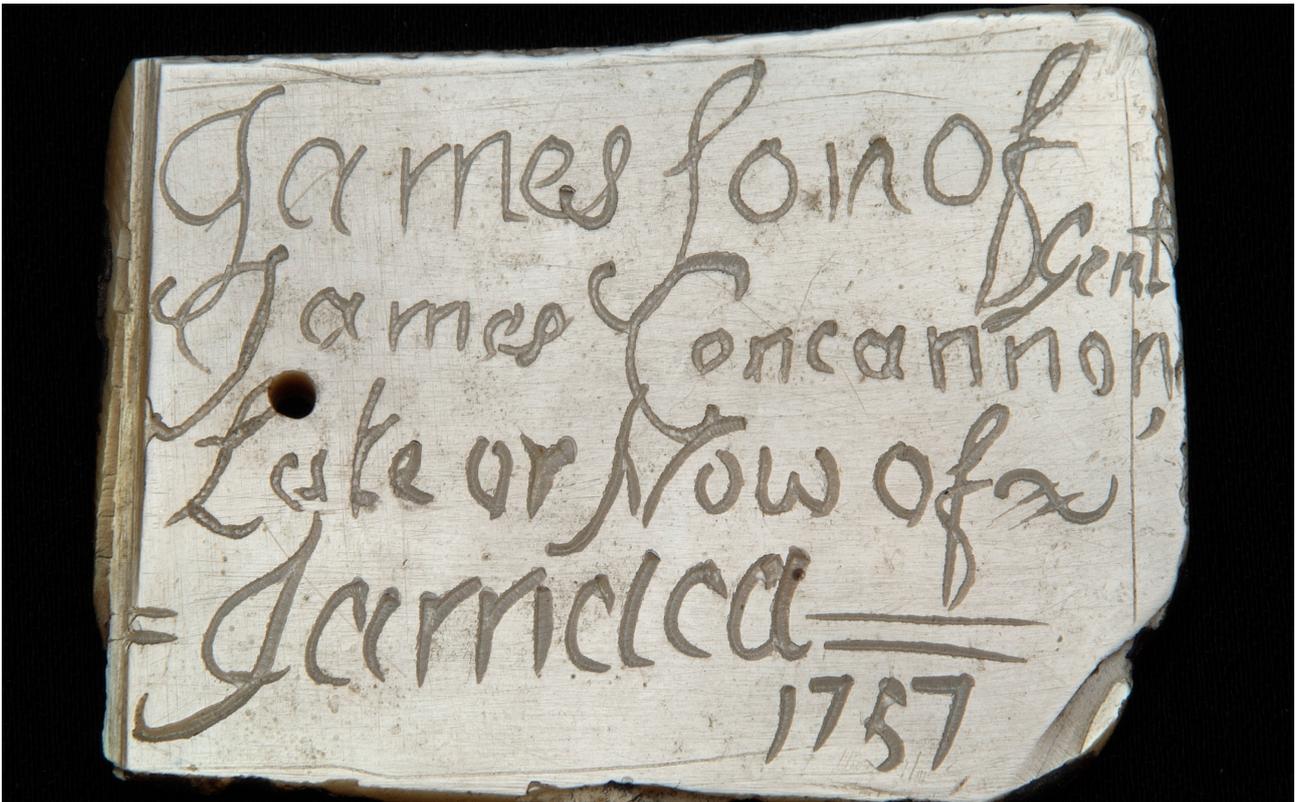
Providing a platform for subject specialists and renowned performers to reveal new research and interrogate our programmes through talks, study days, conferences, screenings, tours and concerts, with diverse audiences.

Loaning objects and works of art to exhibitions in the UK and abroad, including *The Charterhouse* by Thomas Gainsborough to Gainsborough’s House, and Gerald Coke Handel Collection items to the V&A’s exhibition *Opera: Passion Power and Politics* touring to Oman, Madrid and Barcelona.

Securing funding for two collaborative PhDs, whose outcomes will enrich public understanding and shape our work.

Displaying work by Central St Martin’s BA Jewellery Design students alongside the collection objects that inspired them, and selling items of their jewellery in the Shop.

Benefitting from the insights of our volunteers though an annual survey, which informs our visitor and volunteer care strategies.



Uncovering the lives of Black and Asian children in London's 18th century archives is a new collaborative PhD with the University of Warwick, which will explore the Foundling Hospital's funding, and the ethnicity, training and employment of the children in its care, in relation to the Triangular Trade and Empire.

Expanding Audiences and Growing Our Profile

Extending free admission from 16 to 21 years, enabling thousands more young people to experience our remarkable story and creative programmes.

Investing in external PR support delivered extensive media coverage, including The Times, The Telegraph, The Guardian, The Evening Standard, The Art Newspaper, Apollo, Country Life, The Lady, Time Out and the Big Issue, and broadcast coverage on the BBC.

Launching a strand of exhibition-themed film screenings and panel discussions, in collaboration with paediatrician and film expert, Dr Robin Basu Roy.

Improving and extending our provision for visually impaired visitors with regular object handling sessions and audio description tours.

Staging a *Ladies of Quality & Distinction* Wiki-thon in collaboration with Birkbeck's Centre for Nineteenth-Century Study, as part of the Being Human Festival.

Developing a range of work placements with schools and universities to provide students with a practical understanding of work in museums.



Babies and toddlers enjoying our regular Bach To Baby music sessions in the Picture Gallery.

Photo © Bach to Baby.

Launching Smartify, an image recognition app that enables visitors to access further interpretation about works of art on display.

Partnering with Art Fund's Art Tickets platform to eliminate booking fees.

Partnering with Google Art and Culture to highlight the Museum's displays and promote *First Amongst Equals* and *Ladies of Quality and Distinction* as part of Google's highlights for the centenary of female suffrage.

Running student promotions with Birkbeck College, University College London and Kings College London.

Increasing our social media profile on Twitter, Instagram and Facebook, running Instagram takeovers on the websites of Art UK and the Knowledge Quarter, and featuring in the e-newsletters of organisations as diverse as St Paul's Cathedral, the Zabłudowicz Collection, the British Library, Sadler's Wells, Kettles Yard, the Design Museum, and the London Natural History Society.



Bedrooms of London graphic by Scriberia visualising childhood poverty research data. Photo © Peter Mallet Photography

Producing a new, free interpretation guide to enhance visitors' enjoyment and understanding of our displays, and expanding our foreign language guides.

Raising the profile of the Museum's work and collections through conference presentations in the UK and abroad, participation on judging panels, leadership roles in the sector, and public speaking, including a HENI talk.

Growing Support

Expanding membership of our high level supporters' circle; the 1700 Clubs.

Establishing an innovative Supporters' Loan Endowment Scheme.

Establishing a Corporate Advisory Board to support the Museum's commercial activities and partnerships.

Exceeding our Big Give Christmas Challenge target, to secure over £13,000 for art projects in paediatric hospitals, with 60% of donors being new supporters.

Increasing the diversity of the 150-strong volunteer team by partnering with organisations representing young and learning disabled people.

Inspiring remarkable creative support from artists, writers and patrons including Sir Quentin Blake, Coralie Bickford-Smith, Lauren Child MBE and Michael Foreman.



Young dialysis patient at Evelina Hospital making art in response to their treatment and the foundlings' story.



Michael Foreman, illustration from *Lucky Button* by Michael Morpurgo for Walker Books 2017 © Michael Foreman.

Caring for the Collections

Undertaking major conservation projects on two paintings, as well as works on paper, furniture, and the Founding Hospital staircase.

Purchasing items from the Foundling Hospital Collection to the value of £38,750, including the *Portrait of Taylor White*, 1758, by Francis Cotes and *The Christening*, 1863 by Emma Brownlow.

Supporting conservation students' study through partnerships with West Dean College and University of the Arts at Camberwell.

Upgrading the Picture Gallery to enable more ambitious displays.

Relocating collection items to a specialist external storage site, to improve on-site storage access and our ability to acquire significant works of art.

Celebrating Artists

Acquiring Said Dai's portrait of Foundling Fellow, Dame Jacqueline Wilson, and six illustrations by Michael Foreman, made for Michael Morpurgo's novella, *Lucky Button*.

Commissioning Jodie Carey to create three major site-responsive sculptures for our summer exhibition, and Coralie Bickford-Smith to create our 2018 Christmas card.



Saied Dai, *Dame Jacqueline Wilson*, 2018, commissioned for the Museum by Dame Stephanie Shirley.
Photo © Peter Stone.



Jodie Carey, detail of *Sea*, 2018.
Photo © Peter Mallet Photography.

‘Spectacular! Absolutely loved it. Both my 8-year-old daughter and I very moved by this stunning work. She said ‘it looks like the sea’ (without knowing the title of the exhibition).’

Visitor response to Jodie Carey’s installation, 19 July 2018

‘Very beautiful exhibition – always the same poignant theme, always an evocative, sharply realised response by your commissioned artists, all different.’

Visitor response to Jodie Carey’s installation, 6 June 2018

Appointing Lauren Child MBE, Chi-chi Nwanoku OBE and Andria Zafirakou MBE to be our 2018 Foundling Fellows.

Commemorating the visit of HRH The Duchess of Cambridge with a poem by Foundling Fellow and Museum Trustee, Lemn Sissay MBE, responding to the hopes expressed by young people participating in our projects.

Welcoming 100 artists at all career stages to our annual celebration of creativity and social action, *Soup for 100*.

Screening *Balls* by Foundling Fellow, Lily Cole, in partnership with the Brontë Parsonage Museum. The film explored the links between the Foundling Hospital story and Emily Brontë's character, Heathcliff.

'Old words are put into new mouths to shattering effect.'

The Observer, 11 August 2018



Sarah Gadon in *Balls* by Lily Cole. Photo © Eoin McLoughlin/Fury Films

Future Plans

Over the coming year the Museum will be pursuing a range of strategic opportunities designed to expand and strengthen its work in line with objectives. In particular, it will be:

Applying for national recognition for the quality of our collection, with an application to Arts Council England for Designation of the Gerald Coke Handel Collection.

Launching a new partnership with Decca that will embed music and music making in our pre-school and family workshops, and extend our successful nursery programme to include two local primary schools.

Removing barriers and welcoming more young people into the Museum.

Growing the Supporters' Loan Endowment Scheme and increase membership of the Friends, Patrons, 1700 Clubs and exhibition circles.

Staging three major temporary exhibitions and displays that engage visitors, extend public understanding of our collections, and bring the past alive with interventions that highlight the continuing relevance of our historic story:



Hogarth & The Art of Noise (24 May – 1 September 2019) reveals Hogarth's innovative use of sound and introduces visitors to a previously unexplored but important aspect of his art. With a specially commissioned 3D soundscape by Martyn Ware.

Detail William Hogarth, *The March of the Guards to Finchley*, 1750 © The Foundling Museum



A New Song (To An Old Tune) (24 May – 1 September 2019) a display of new work by British artist, Nicola Bealing, inspired by eighteenth century broadside ballads.

Detail Nicola Bealing, *The Lusty Lad of London*
© Nicola Bealing



Two Last Nights! Show Business in Georgian Britain (20 September 2019 – 5 January 2020) delves into the mechanics of theatre and concert going in the long eighteenth century, and showcases treasures from the Gerald Coke Handel Collection.

Detail John Nixon, *Audience at Westminster Abbey*, 1787
© Gerald Coke Handel Foundation



Portraying Pregnancy (24 January – 26 April 2020); the first major exhibition to explore through portraits representations of the pregnant female body, from the fifteenth to the twenty-first centuries.

Detail William Hogarth, *The March of the Guards to Finchley*, 1750 © The Foundling Museum

Creating a new five-year strategic plan.

Reviewing the Museum's brand and messaging proposition.

Securing continuation funding for the *Tracing Our Tales* training programme beyond 2020, and funding to cover the extension of free admission for visitors aged 21 and under.

Growing the Corporate Advisory Board.

Increasing ticketed visitor admissions, and income from venue hire and retail.

Investing in IT and website development.

Furthering our environmental sustainability by working alongside Julie's Bicycle.

Supporters

The Museum is an independent charity and receives no core public funding. The Trustees would like to pay tribute to the generosity of the many donors, including our valued 1700 Club members and Patrons, supporters and volunteers, without whom the Museum would be unable to realise its ambitions and run its programmes.

Trusts and Foundations

Arts Council England/V&A Purchase Grant Fund

Art Fund

Blyth Watson Charitable Trust

CHK Charities

Derek Hill Foundation

Earl Fitzwilliam Charitable Trust

Loveday Charitable Trust

Oak Foundation

Sackler Trust

Sir Denis Mahon Charitable Trust

The Charles Hayward Foundation

The Childhood Trust

The Friends of Thomas Coram

The Golden Bottle Trust

The Headley Trust

The John R Murray Charitable Trust

The Mason Family Charity

The Old Coram Association

The R&I Pilkington Charitable Trust

Vernon Ellis Foundation

Corporate Supporters

Charles Russell Speechlys
Feilden Clegg Bradley Studios
Gander & White
Hamish Dewar Ltd
Little Greene
Taylor Wessing

TM Lighting
Saxton Bampfylde
Scriberia
Verita

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

The Trustees would also like to acknowledge the continuing active support of the Museum's Vice Presidents, Brian Allen, Alan Borg, David Coke, Jamie Korner and Carolyn Steen, and the many advisers whose invaluable expertise contributes greatly to the Museum's success.

Donors & Supporters

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

The Museum undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year under review, the Museum received no complaints about its fundraising activities. The Museum's fundraising activities are also conducted in line with its Ethics Policy which includes Ethical Fundraising, requiring the Museum to proactively carry out due diligence on prospective donors and sponsors.

The Ethics Policy is regularly reviewed by Trustees and is consistent with the Museums Association's Code of Ethics for Museums and the Code of Ethics for Museums Worldwide produced by ICOM, and the Seven Principles of Public Life (Nolan Committee, March 1996).

Risk Management

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

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

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

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

Statement of Trustees' Responsibilities

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

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

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

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

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

Each of the Trustees confirms that:

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

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

The Foundling Museum Trading Company Limited

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

FINANCIAL REVIEW

The statement of financial activities for the year ended 31 March 2019 shows total income of £1,346,424 (2018 – £1,125,383).

The total expenditure in the year was £1,596,110 (2018 – £1,488,282) of which expenditure on conserving the Collection and developing and maintaining the Museum amounted to £1,554,074 (2018 – £1,448,689).

The net expenditure for the year was £249,686 (2018 – £362,899).

Net investment gains of £270,112 (2018 – gains of £40,657) were recognised in the year ended 31 March 2019 and actuarial losses of £2,000 have been recognised (2018 – losses of £41,000).

In accordance with Financial Reporting Standard 102, the financial statements include heritage assets with a total valuation of £9,445,822. Further details may be found in note 13 to the financial statements.

As at 31 March 2019, the net assets of The Foundling Museum Group were £11,624,201 (2018 - £11,605,775).

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.

FINANCIAL REVIEW (continued)

Reserves policy (continued)

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

Total designated funds amount to £22,000 all of which is forecast to be utilised in 2019/20.

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 £715,363 (comprising the net current assets together with the excess investment funds less amounts attributable to the restricted and designated funds). Free reserves at 31 March 2019 therefore were in line with the policy.

The Trustees have made a provision of £122,000 for the pension-deficit contributions payable up to 2019, which is shown on the balance sheet. This liability does not fall due immediately, and the expectation is that it is met annually from income earned. Therefore, the pension provision is regarded as part of free reserves.

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

FINANCIAL REVIEW (continued)

Investment policy

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

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

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

In 2018/19 the managers achieved a return of 3.6%, which reflected the conservative mix of assets held.

Approved by the Trustees and signed on their behalf by:

Trustee

Approved on:

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

Opinion

We have audited the financial statements of The Foundling Museum (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the group statement of financial activities, the charitable parent company's statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 March 2019 and of the group's and charitable parent company's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The Foundling Museum
Consolidated statement of financial activities
(incorporating the income and expenditure account) Year to 31 March 2019

Notes	Un- restricted funds £	Restricted funds £	2019 £	Un- restricted funds £	Restricted funds £	2018 £	
Income and expenditure							
Income from:							
Grants and donations	1	284,025	401,246	685,271	197,332	327,181	524,513
Investments	2	110,310	—	110,310	113,310	—	113,310
Other trading activities	3	315,470	—	315,470	264,121	—	264,121
Charitable activities							
. Admissions and other museum income	4	198,403	—	198,403	197,284	—	197,284
Other sources	5	36,970	—	36,970	26,155	—	26,155
Total income		945,178	401,246	1,346,424	798,202	327,181	1,125,383
Expenditure on:							
Raising funds	6	42,036	—	42,036	39,593	—	39,593
Charitable activities							
. Costs of developing and maintaining the Museum	7	1,255,794	298,280	1,554,074	1,283,985	164,704	1,448,689
Total expenditure		1,297,830	298,280	1,596,110	1,323,578	164,704	1,488,282
Net (expenditure) income before investment gains		(352,652)	102,966	(249,686)	(525,376)	162,477	(362,899)
Net gains on investment assets		270,112	—	270,112	40,657	—	40,657
Net (expenditure) income		(82,540)	102,966	20,426	(484,719)	162,477	(322,242)
Other recognised gains and losses							
Actuarial losses	23	(2,000)	—	(2,000)	(41,000)	—	(41,000)
Net movement in funds	10	(84,540)	102,966	18,426	(525,719)	162,477	(363,242)
Group reconciliation of funds:							
Fund balances brought forward at 1 April 2018		2,116,460	9,489,315	11,605,775	2,642,179	9,326,838	11,969,017
Fund balances carried forward at 31 March 2019		2,031,920	9,592,281	11,624,201	2,116,460	9,489,315	11,605,775

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

The Foundling Museum
Charity statement of financial activities
(incorporating the income and expenditure account) Year to 31 March 2019

	Notes	Un- restricted funds £	Restricted funds £	2019 £	Un- restricted funds £	Restricted funds £	2018 £
Income and expenditure							
Income from:							
Grants and donations	1	520,751	401,246	921,997	379,215	327,181	706,396
Investments	2	110,256	—	110,256	113,267	—	113,267
Charitable activities							
. Admissions and other museum income	4	198,403	—	198,403	197,284	—	197,284
Other sources	5	36,970	—	36,970	26,155	—	26,155
Total income		866,380	401,246	1,267,626	715,921	327,181	1,043,102
Expenditure on:							
Raising funds	6	42,036	—	42,036	39,593	—	39,593
Charitable activities							
. Costs of developing and maintaining the Museum	7	1,176,996	298,280	1,475,276	1,201,704	164,704	1,366,408
Total expenditure		1,219,032	298,280	1,517,312	1,241,297	164,704	1,406,001
Net (expenditure) income before investment gains		(352,652)	102,966	(249,686)	(525,376)	162,477	(362,899)
Net gains on investment assets		270,112	—	270,112	40,657	—	40,657
Net (expenditure) income		(82,540)	102,966	20,426	(484,719)	162,477	(322,242)
Other recognised gains and losses							
Actuarial losses	23	(2,000)	—	(2,000)	(41,000)	—	(41,000)
Net movement in funds	10	(84,540)	102,966	18,426	(525,719)	162,477	(363,242)
Reconciliation of funds:							
Fund balance brought forward at 1 April 2018		2,116,462	9,489,315	11,605,777	2,642,181	9,326,838	11,969,019
Fund balance carried forward at 31 March 2019		2,031,922	9,592,281	11,624,203	2,116,462	9,489,315	11,605,777

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

The Foundling Museum
Balance sheets 31 March 2019

	Notes	2019		2018	
		Group £	Charity £	Group £	Charity £
Fixed assets					
Tangible fixed assets	12	1,416,267	1,416,267	1,594,987	1,594,987
Heritage assets	13	9,445,822	9,445,822	9,292,932	9,292,932
Investments	14	3,032,849	3,032,851	2,942,294	2,942,296
		13,894,938	13,894,940	13,830,213	13,830,215
Current assets					
Stocks		42,787	3,158	32,671	383
Investments	15	603,733	603,733	—	—
Debtors	16	202,635	359,673	129,709	189,583
Cash at bank and in hand		539,401	409,699	860,632	774,906
		1,388,556	1,376,263	1,023,012	964,872
Creditors: amounts falling due within one year	17	(537,293)	(525,000)	(118,450)	(60,310)
Net current assets		851,263	851,263	904,562	904,562
Total assets less current liabilities					
		14,746,201	14,746,203	14,734,775	14,734,777
Creditors: amounts falling due after more than one year	18	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Total net assets excluding pension liability		11,746,201	11,746,203	11,734,775	11,734,777
Provision for liabilities	19	(122,000)	(122,000)	(129,000)	(129,000)
Total net assets including pension liability		11,624,201	11,624,203	11,605,775	11,605,777
The funds of the group and charity:					
Funds and reserves					
Restricted funds					
. Heritage assets fund	13	9,445,822	9,445,822	9,292,932	9,292,932
. Other restricted funds	20	146,459	146,459	196,383	196,383
Unrestricted funds					
. Tangible fixed assets fund	12	1,416,267	1,416,267	1,594,987	1,594,987
. Designated funds	21	22,000	22,000	212,000	212,000
. General fund		715,653	715,655	438,473	438,475
. Pension reserve fund	23	(122,000)	(122,000)	(129,000)	(129,000)
		11,624,201	11,624,203	11,605,775	11,605,777

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 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(297,070)	(283,972)
Cash flows from investing activities:			
Investment income received		110,310	113,310
Purchase of tangible fixed assets		(7,405)	(7,520)
Purchase of heritage assets		(152,890)	(144,202)
Proceeds from the disposal of investments		660,878	845,307
Purchase of investments		(823,228)	(504,012)
Net cash (used in) provided by investing activities		(212,335)	302,883
Cash flows from financing activities:			
Cash inflows from new borrowing		450,000	—
Net cash provided by financing activities		450,000	—
Change in cash and cash equivalents in the year		(59,405)	18,911
Cash and cash equivalents at 1 April 2018	B	1,003,256	984,345
Cash and cash equivalents at 31 March 2019	B	943,851	1,003,256

Notes to the statement of cash flows for the year to 31 March 2019.

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

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	18,426	(363,242)
Adjustments for:		
Depreciation charge	186,125	191,404
Gains on investments	(270,112)	(40,657)
Investment income receivable	(110,310)	(113,310)
Increase in stocks	(10,116)	(6,406)
Increase in debtors	(72,926)	(19,798)
(Decrease) increase in creditors	(31,157)	34,635
Increase in pension provision	2,000	41,000
Pension scheme costs	(9,000)	(7,598)
Net cash used in operating activities	(297,070)	(283,972)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	539,401	860,632
Cash held by investment managers	404,450	142,624
Total cash and cash equivalents	943,851	1,003,256

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 2019 with comparative information provided in respect to the year to 31 March 2018.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Critical accounting estimates and areas of judgement (continued)

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

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 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information) and the impact of UK economic trends on visitor numbers. The Trustees are seeking to mitigate this latter risk by developing new sources of income and new markets and through continued careful budgeting and cost control.

Consolidation

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

Income recognition

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

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

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

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

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

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

Heritage assets

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

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

Investments (fixed assets and current assets)

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

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

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

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund structure

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

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

Pensions

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

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

1 Grants and donations

Group	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Grants	132,149	252,254	384,403	87,309	227,267	314,576
Other donations and gifts	151,876	148,992	300,868	110,023	99,914	209,937
Total funds	284,025	401,246	685,271	197,332	327,181	524,513

Charity	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Grants	132,149	252,254	384,403	87,309	227,267	314,576
Other donations and gifts	151,876	148,992	300,868	110,023	99,914	209,937
Donation from subsidiary undertaking	163,156	—	163,156	113,750	—	113,750
Management recharge	73,570	—	73,570	68,133	—	68,133
Total funds	520,751	401,246	921,997	379,215	327,181	706,396

2 Investment income and interest receivable

Group	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Investment income	109,610	—	109,610	113,020	—	113,020
Interest receivable	700	—	700	290	—	290
Total funds	110,310	—	110,310	113,310	—	113,310

Charity	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Investment income	109,610	—	109,610	113,020	—	113,020
Interest receivable	646	—	646	247	—	247
Total funds	110,256	—	110,256	113,267	—	113,267

3 Income from other trading activities

Group	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Events	255,487	—	255,487	188,787	—	188,787
Sales	59,958	—	59,958	75,202	—	75,202
Other	25	—	25	132	—	132
Total funds	315,470	—	315,470	264,121	—	264,121

The charity had no trading activities during the year (2018: none).

4 Income from charitable activities

Group and charity	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Total funds: Admissions and other museum income	198,403	—	198,403	197,284	—	197,284

5 Income from other sources

Group and charity	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Total funds: Miscellaneous income	36,970	—	36,970	26,155	—	26,155

Miscellaneous income includes £25,503 (2018 – £13,968) being tax recoverable under the Exhibition Tax Relief Scheme for charities.

6 Expenditure on raising funds

Group and charity	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Fundraising expenses	21,033	—	21,033	19,623	—	19,623
Guide book: cost of sales	2,181	—	2,181	705	—	705
Investment manager fees	18,822	—	18,822	19,265	—	19,265
Total funds	42,036	—	42,036	39,593	—	39,593

7 Expenditure on charitable activities: developing and maintaining the Museum

Group	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Museum operating costs	1,050,156	298,280	1,348,436	1,091,065	158,226	1,249,291
Depreciation	186,125	—	186,125	191,404	—	191,404
Conservation	19,513	—	19,513	1,516	6,478	7,994
Total funds	1,255,794	298,280	1,554,074	1,283,985	164,704	1,448,689

Charity	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Museum operating costs	971,358	298,280	1,269,638	1,008,784	158,226	1,167,010
Depreciation	186,125	—	186,125	191,404	—	191,404
Conservation	19,513	—	19,513	1,516	6,478	7,994
Total funds	1,176,996	298,280	1,475,276	1,201,704	164,704	1,366,408

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

8 Staff costs

Group and charity	2019 £	2018 £
Salaries	680,920	631,555
Social security costs	57,128	48,297
Pension costs	26,092	24,852
	764,140	704,704

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

Group and charity	2019	2018
Senior management	2	2
Museum administration	18	17

During the year one member of staff received annual remuneration (including taxable benefits but excluding employer's national insurance contributions) of between £70,000 and £80,000 (2018 – two members of staff, between £60,000 and £70,000).

No Trustee received reimbursement of expenses during the year in connection with services to the charity (2018 – none).

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

The total remuneration (including taxable benefits and employer's pension and national insurance contributions) payable to key management personnel during the year was £160,799 (2018: £150,224). Executives' remuneration is set by the Finance & Audit Committee and reviewed annually.

9 Governance costs

Group and charity	2019 £	2018 £
Auditor's remuneration		
. Statutory audit – fee for the year	10,550	8,350
Other governance costs	1,963	1,113
	12,513	9,463

10 Net movement in funds

This is stated after charging:

Group and charity	2019 £	2018 £
Auditor's remuneration		
. Statutory audit	10,550	8,350
Depreciation of tangible fixed assets	186,125	191,404

11 Taxation

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

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

12 Tangible fixed assets

Group and charity	Leasehold improve- ments £	Office equipment, fixtures and fittings £	2019 Total £
Cost			
At 1 April 2018	3,929,876	258,649	4,188,525
Additions	—	7,405	7,405
At 31 March 2019	3,929,876	266,054	4,195,930
Depreciation			
At 1 April 2018	2,365,707	227,831	2,593,538
Charge for the year	169,711	16,414	186,125
At 31 March 2019	2,535,418	244,245	2,779,663
Net book values			
At 31 March 2019	1,394,458	21,809	1,416,267
At 31 March 2018	1,564,169	30,818	1,594,987

13 Heritage Assets

Group and charity	Museum artefacts £
Cost or valuation	
At 1 April 2018	9,292,932
Additions	152,890
At 31 March 2019	<u>9,445,822</u>

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

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

Other heritage assets acquired by the Museum are included on the balance sheet at cost. The Museum has acquired heritage assets totalling £431,991 in the last seven 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	2019 £	2018 £
Listed investments		
. Market value as at 1 April 2018	2,799,670	3,100,308
. Additions at cost	496,134	504,012
. Disposals at book value (proceeds: £660,878, net realised gains: £81,094)	(579,784)	(723,325)
. Net unrealised investment gains (losses)	185,275	(81,325)
. Market value as at 31 March 2019	<u>2,901,295</u>	<u>2,799,670</u>
Cash held for reinvestment	131,554	142,624
Total investments at 31 March 2019	<u>3,032,849</u>	<u>2,942,294</u>
Cost of listed investments	<u>2,516,565</u>	<u>2,487,628</u>
Charity	2019 £	2018 £
Listed investments		
. Market value as at 1 April 2018	2,799,670	3,100,308
. Additions at cost	496,134	504,012
. Disposals at book value (proceeds: £660,878, net realised gains: £81,094)	(579,784)	(723,325)
. Net unrealised investment gains (losses)	185,275	(81,325)
. Market value as at 31 March 2019	<u>2,901,295</u>	<u>2,799,670</u>
Cash held for reinvestment	131,554	142,624
	<u>3,032,849</u>	<u>2,942,294</u>
Investment in subsidiary undertaking (see below)	2	2
Total investments at 31 March 2019	<u>3,032,851</u>	<u>2,942,296</u>
Cost of listed investments	<u>2,516,565</u>	<u>2,487,628</u>

Both group and charity listed investments (comprising the above and those classified as current assets – see note 15) which equate to more than 5% of the total listed investment portfolios (fixed and current) comprise units in the the Trojan Investment Funds – Trojan Income Fund (£170,163 (5.87% of the portfolio)), and the Charities Property Fund (£325,536 (11.22% 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 2019, which have been included in the consolidated financial statements.

14 Fixed asset investments (continued)

	2019 £	2018 £
Turnover	315,470	264,121
Cost of sales	(62,133)	(70,898)
Gross profit	253,337	193,223
Administrative costs	(90,235)	(79,516)
Operating profit	163,102	113,707
Donations made under gift aid	(163,156)	(113,750)
Loss on ordinary activities before interest and taxation	(54)	(43)
Other interest receivable and similar income	54	43
Profit on ordinary activities before taxation	—	—
Taxation	—	—
Profit for the financial year	—	—
Retained earnings at 31 March 2018	—	—
Retained earnings at 31 March 2019	—	—

At 31 March 2019 the company had total called up share capital and retained earnings of £2 (2018: £2).

15 Current asset investments

Group and Charity	2019 £	2018 £
Listed investments		
. Market value as at 1 April 2018	—	—
. Additions at cost	327,094	—
. Net unrealised investment gains	3,743	—
. Market value as at 31 March 2019	330,837	—
Cash held for reinvestment	272,896	—
Total investments at 31 March 2019	603,733	—
Cost of listed investments	327,094	—

16 Debtors

	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Operating debtors	128,857	98,649	32,950	15,045
Gift aid tax recoverable	3,930	3,930	14,630	14,630
Other debtors	51,342	140,480	69,409	69,409
Prepayments and accrued income	18,506	14,999	12,720	11,290
Amounts due from subsidiary undertaking	—	101,615	—	79,209
	202,635	359,673	129,709	189,583

17 Creditors: amounts falling due within one year

	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Expense creditors	31,198	48,848	53,087	43,775
Supporters' loan endowment scheme (note 25)	450,000	450,000	—	—
Other creditors	56,095	26,152	65,363	16,535
	537,293	525,000	118,450	60,310

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

18 Creditors: amounts falling due after more than one year

Group and charity	2019 £	2018 £
Loan	3,000,000	3,000,000

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

19 Provision for liabilities

Group and charity	2019 £	2018 £
Provision for pension scheme deficit reduction payments (note 23)	122,000	129,000

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

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Conservation fund	37,231	5,000	(6,479)	—	35,752
Paul Mellon Centre/Pilgrim Trust fund	30,658	—	(50)	—	30,608
The Clore Duffield Foundation fund	17,586	—	(7,011)	—	10,575
Exhibitions fund	10,142	68,323	(66,272)	—	12,193
Learning running costs fund	22,191	34,591	(25,447)	—	31,335
Cadogan fund	—	10,000	(10,000)	—	—
Rose Foundation/John Lyons Charity fund	1,098	5,000	(6,098)	—	—
Collection purchases fund	11,395	201,877	(4,234)	(144,202)	64,836
Gerald Coke Handel Foundation fund	3,291	5,390	(6,545)	—	2,136
Oak Foundation fund	32,033	—	(19,730)	—	12,303
Other funds	12,483	(3,000)	(12,838)	—	(3,355)
	178,108	327,181	(164,704)	(144,202)	196,383

20 Restricted funds (continued)

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

- **Conservation fund**
The conservation fund is for the restoration and maintenance of the paintings, furniture and other artworks exhibited by the Museum.
- **Paul Mellon Centre fund**
The Paul Mellon Centre for Studies in British Art have funded the creation of a catalogue of the collection.
- **The Clore Duffield Foundation fund**
The Clore Duffield Foundation has funded the Foundling Fellowship, a scheme to find the contemporary Coram, Hogarth and Handel to work with the Museum to develop original, creative initiatives for children and to raise the profile of the museum in those areas.
- **Exhibitions fund**
The Exhibitions Fund is for the costs of various upcoming exhibitions and displays.
- **Learning running costs fund**
The Education Running Costs Fund is to finance the day to day operating activities of the Education Centre, including the Museum's Nursery Project.
- **Cadogan fund**
The Cadogan charity provided funding to be used towards the cost of fundraising.
- **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 Coke Handel Foundation fund**
The Gerald Coke Handel Foundation fund is for expenditure directly related to the Gerald Coke Handel collection

20 Restricted funds (continued)

- **Oak Foundation fund**

The Oak Foundation is funding a three-year training programme aimed at young adults who grew up in foster care or children's homes.

- **Music Fund**

The Music Fund is funds raised by the 1750 club to sponsor a wide range of music events.

- **Trustee of JR Murray fund**

The Trustee of JR Murray fund is to fund the salary of The Director.

- **Other funds**

Other funds comprise items of miscellaneous restricted income to be spent on various museum projects.

21 Designated funds

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

Group and charity	At 1 April 2017 £	Utilised £	At 31 March 2018 £
Buildings repair fund	2,000	—	2,000
Exhibition shortfall fund	20,000	—	20,000
Reinvestment fund	430,000	(240,000)	190,000
	452,000	(240,000)	212,000

Full details of the purpose of the above funds are provided on page 24 and 25 of the Trustees' report.

22 Analysis of net assets between funds

Charity	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Fund balances at 31 March 2019 are represented by:						
Tangible fixed assets	1,416,267	—	1,416,267	1,594,987	—	1,594,987
Investments	3,032,851	—	3,032,851	2,942,296	—	2,942,296
Heritage assets	—	9,445,822	9,445,822	—	9,292,932	9,292,932
Current assets	1,229,804	146,459	1,376,263	768,489	196,383	964,872
Creditors: amounts falling due within one year	(525,000)	—	(525,000)	(60,310)	—	(60,310)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)	(3,000,000)	—	(3,000,000)
Pension deficit	(122,000)	—	(122,000)	(129,000)	—	(129,000)
Total	2,031,922	9,592,281	11,624,203	2,116,462	9,489,315	11,605,777

Group	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Fund balances at 31 March 2019 are represented by:						
Tangible fixed assets	1,416,267	—	1,416,267	1,594,987	—	1,594,987
Investments	3,032,849	—	3,032,849	2,942,294	—	2,942,294
Heritage assets	—	9,445,822	9,445,822	—	9,292,932	9,292,932
Current assets	1,242,097	146,459	1,388,556	826,629	196,383	1,023,012
Creditors: amounts falling due within one year	(537,293)	—	(537,293)	(118,450)	—	(118,450)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)	(3,000,000)	—	(3,000,000)
Pension deficit	(122,000)	—	(122,000)	(129,000)	—	(129,000)
Total	2,031,920	9,592,281	11,624,201	2,116,460	9,489,315	11,605,775

Unrealised gains included above:

	2019 £	2018 £
Investments		
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 April 2018	312,042	415,789
Net unrealised gains (losses) in year	185,275	(81,325)
In respect to disposals	(112,587)	(22,422)
Unrealised gains at 31 March 2019	384,730	312,042

23 Pensions

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

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

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

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

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

Deficit contributions

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

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

23 Pensions (continued)

	2019 £	2018 £	2017 £	2016 £
Present value of provision	122,000	129,000	95,568	98,534

Reconciliation of opening and closing provisions:

	2019 £	2018 £
Provision at start of period	129,000	95,598
Unwinding of the discount factor (interest expense)	3,000	1,000
Deficit contribution paid	(12,000)	(8,598)
Remeasurements - impact of any change in assumptions	2,000	(3,000)
Remeasurements - amendments to the contribution schedule	—	44,000
Provision at end of period	122,000	129,000

Income and expenditure impact

	2019 £	2018 £
Interest expense	3,000	1,000
Remeasurements – impact of any change in assumptions	2,000	(3,000)
Remeasurements – amendments to the contribution schedule	—	44,000
Costs recognised in statement of financial activities	5,000	42,000

Assumptions

	2019 %	2018 %	2017 %	2016 %
Rate of discount	1.58	1.93	1.47	2.24

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

24 Connected charities

Coram

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

Coram is one of 17 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, excluding VAT, the Museum paid Coram £7,830 in respect of insurance (2018 - £7,690), £3,540 (2018 - £3,400) for rent and service charge and £1,440 (2018 - £960) for waste collection. In addition, the Museum purchased £38,750 of Heritage assets from Coram during the year.

Coram paid the Museum £567 (2018 - £347) in respect of admissions and also paid the Foundling Museum Trading Company £3,762 (2018 - £1,859) for venue hire. Coram Children's Legal Centre paid £521 to the Trading Company in respect of venue hire.

At 31 March 2019, the Museum owed Coram £720 (2018 - £360).

24 Connected charities (continued)

The Gerald Coke Handel Foundation

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

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

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

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

Under the terms of a Management Deed dated 23rd July 2003, the Museum received the following sums from The Foundation during the year: £34,815 in respect of licence fees (2018 - £36,815), £51,984 in respect of reimbursement of librarians' employment costs (2018 - £51,375) and £45,349 in relation to premises costs (2018 - £33,674).

25 Related party transactions

Supporters' loan endowment scheme

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

The amount loaned to the Museum by the Trustees in the year under the scheme and invested in the fund was £175,000 (2018 - £nil), and the accrued interest due to the Trustees was £1,089 (2018 - £nil). Therefore, the amounts due to the Trustees at 31 March 2019 was £176,089 (2018 - £nil).

25 Related party transactions (continued)

Chinese Connections Limited

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

Other related party transactions

Total trustee donations in the year amounted to £21,667 (2018: £nil).

A grant of £10,000 was received from a charity in the year for which a trustee of the Museum also acted as a trustee (2018: £nil).

No trustee received reimbursement of expenses during the year in connection with services to the charity (2018: none). The Museum purchased conservation materials from City and Guilds of London Art School, for which one of the trustees of the Museum is also a trustee, at a cost of £150 (2018: £nil).

There were no further related party transactions (2018: none).

26 Members liability

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