
THE FOUNDLING MUSEUM

Annual Report & Financial Statements

31 March 2018

Charity Registration Number 1071167

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



Yinka Shonibare MBE *Trumpet Boy*, 2010

Purchased for The Foundling Museum with the assistance of Art Fund (with a contribution from the Wolfson Foundation), the Arts Council England/V&A Purchase Grant Fund, the artist, and individual donors

The Foundling Museum Contents

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The Foundling Museum
Reference and administrative information

Trustees	Robert Aitken Anne Beckwith-Smith Geoff Berridge Judy Bollinger Alison Cole Christopher Cotton Jeremy Deller William Gore Ronald Gould Perdita Hunt Spencer Hyman Larissa Joy (Chair) Geraldine Macdonald Margaret Reynolds Lemn Sissay Paul Zuckerman
Company Secretary	Nigel Cudlipp
Registered and principal office	40 Brunswick Square London WC1N 1AZ
Charity registration number	1071167
Company registration number	03621861 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London, EC2V 6DL
Bankers	National Westminster Bank Plc Chancery Lane & Holborn Branch 332 High Holborn, WC1V 7PS CAF Bank Limited 25 Kings Hill Avenue West Malling Kent , ME19 4JQ
Solicitors	Bircham Dyson Bell LLP 50 Broadway Westminster London, SW1 H0B

Chairman's Summary

The Museum continued to thrive and attract new audiences despite a funding climate that remains challenging. The growth of Memberships and of the Museum's Director's Circles for exhibitions, music and learning, together with other supporter generosity, enabled the Museum to pursue its mission and work with ambition and purpose, in the fulfilment of its charitable objects. We are indebted to the Museum's many generous donors – individuals, companies and charitable bodies – who share our commitment to improve young lives through the arts. Thanks to them, we can continue our vital work, supporting the wellbeing and life chances of some of London's most vulnerable children and young adults.

We are particularly grateful to the Art Fund who in the year under review supported two major acquisitions, and also ran an Art Happens crowdfunding campaign for the Museum's Autumn 2018 exhibition, *Ladies of Quality & Distinction*. We were delighted to see it achieve 186% over its target and in doing so, become the Art Fund's most successful Art Happens campaign to date. *Ladies of Quality & Distinction* exemplifies the Museum's continuing commitment to uncovering hidden stories and overlooked contributors in the history of the Foundling Hospital – in this case the women who were so fundamental to the founding and running of the charity – through a combination of meticulous research and bold curatorial programming. It is therefore very rewarding to see that this pursuit of excellence struck such a chord with the general public. I would like to take this opportunity to thank them and all the Museum's many other funders, advisors, volunteers and creative partners, for their crucial and catalytic support over the past year. Thanks to them, the Museum's dedicated staff were able to continue providing every visitor with a dynamic, enriching and inspiring experience.

Director's Summary

The Museum celebrates its creative history in order to inspire positive change, now and in the future. During the year, our work received a number of hugely energising and encouraging endorsements. In November, HRH The Duchess of Cambridge came to see the impact our programmes were having on the development and wellbeing of vulnerable and marginalised children and young adults. Among the many participants she met were a group of care-experienced young adults, who were about to begin their paid traineeship to become leaders of museum workshops. The training programme, *Tracing Our Tales*, is unique in the UK and powerfully embodies the Museum's mission to improve the lives of disadvantaged young people through the arts. By working with three London Boroughs, *Tracing Our Tales* not only improves the life skills and life chances of the trainees, it also guarantees that children currently in local authority care have the opportunity to discover and take ownership of their heritage, alongside inspiring role models.

Director's Summary (continued)

The Museum's ability to tell its core creative story has been transformed by the acquisition of two major contemporary works of art. Sir Michael Craig-Martin's bold and moving painting, *Tricycle*, 2016, which was commissioned by the Museum, and Yinka Shonibare MBE's joyous and resonant sculpture *Trumpet Boy*, 2010, which was shown as part of our 2016 exhibition *FOUND*, highlight the role that contemporary artists played in the Foundling Hospital's establishment in the eighteenth century. By directly addressing the experience of children and childhood, both works enable younger visitors to connect with our displays. *Trumpet Boy* also situates the Hospital, its supporters, and its work, within the wider context of Empire. Without the support of both artists, the Art Fund, the Arts Council England/V&A Purchase Grant Fund, and several individual donors, neither acquisition would have been possible. Thanks to the combined generosity of all these supporters, the Museum is able to bring new ideas, new voices and new relevance to our historic displays.

In the year under review, the Museum staged three major exhibitions and eight temporary displays, alongside a rich and varied programme of talks, concerts, symposia and special events. The exhibitions revealed previously unseen aspects of the Hospital's administration, collection and archive; enabled visitors to make connections between the past and the present; encouraged children to see history as a dynamic resource for their creativity and imagination; revealed the richness of our Gerald Coke Handel Collection; and bewitched audiences with works of great beauty. A particular highlight was the presentation of Joseph Highmore's extraordinary painting *The Angel of Mercy*, c1746, as part of *Basic Instincts*. This picture, on loan from the Yale Center for British Art, featured the Foundling Hospital and had never been publicly displayed in Britain before. Dr Jacqueline Riding's compelling research and a resonant display of sculpture by Rachel Kneebone, showcased the Museum's exceptional ability to harness its remarkable creative history to address urgent contemporary concerns.

The Foundling Museum
Trustees' report 31 March 2018

The Trustees present their report together with the financial statements of The Foundling Museum for the year to 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 38 to 58 of the attached financial statements and comply with the charitable company's Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

TRUSTEES

The Board of Trustees comprised 16 members of whom 11 were trustees elected by the Membership from among persons nominated by the elected trustees, and 5 were appointed by Coram.

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

Trustees (*Coram appointees)	Appointed/Term ended/Resigned
Robert Aitken*	
Anne Beckwith-Smith	
Geoff Berridge*	
Judy Bollinger	
Alison Cole	
Christopher Cotton	
Jeremy Deller	
William Gore*	
Ronald Gould	
Perdita Hunt	
Spencer Hyman	
Larissa Joy (Chair)	
Geraldine Macdonald*	
Margaret Reynolds	
Lemn Sissay*	
Paul Zuckerman	

None of the Trustees has any beneficial interest in the company. At 31 March 2018 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.

RELATIONSHIP WITH CORAM

Coram owns the Foundling Hospital Collection and also the building at 40 Brunswick Square which the Museum rents. It is the long-term aim of the Museum to acquire the Foundling Hospital Collection, thereby securing the works of art for the nation, and directly benefitting Coram's childcare work. To date the Museum has acquired paintings, furniture and artefacts at a cost of £4,341,985. During the year under review the Museum purchased works from Coram with a total value of £7,500.

The Chairs and Directors of the Foundling Museum and Coram meet regularly to ensure a smooth and productive working relationship between the two organisations. A Liaison Group was established in September 2014 in order to resolve any issues that might arise between Coram and the Museum.

RELATIONSHIP WITH THE GERALD COKE HANDEL FOUNDATION

The Gerald Coke Handel Collection is owned by the Museum. It is an internationally-important collection of material relating to Handel and his contemporaries, including manuscripts, printed music and books, libretti, artworks and ephemera. It was assembled by Gerald Coke and left to the nation by his widow, and came to the Museum through the Government's Allocation in Lieu scheme in 2008. The endowment accompanying the Collection is managed by the Gerald Coke Handel Foundation (registered charity number 1058589), formed in 1996 to administer the endowment and assist the Museum with the Collection's care. The Foundation's primary aim is to ensure the maintenance, conservation and development of the Collection. Its objectives are to advance public education by providing research facilities in relation to Handel and his contemporaries. The Foundation continues to acquire heritage assets. The Museum receives funding from the Foundation in relation to services provided, amounting to £119,865 in the year under review.

RISK MANAGEMENT

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

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

RISK MANAGEMENT (continued)

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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

Each of the Trustees confirms that:

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

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

CHARITABLE OBJECTS

In 1998 Coram created the Museum to safeguard the Foundling Hospital Collection, to offer public access to the Collection, and to preserve its integrity in its original context. The Museum's successful capital appeal for £11.4 million enabled the necessary refurbishment of 40 Brunswick Square. The Museum subsequently took ownership of the Gerald Coke Handel Collection which is also housed in the building.

The Foundling Museum's charitable objects are:

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

AIM AND OBJECTIVES

The Foundling Hospital was established in 1739 by the philanthropist Thomas Coram. Instrumental in helping Coram realise his vision were the artist, William Hogarth and the composer, George Frideric Handel. Hogarth initiated the donation of artworks and Handel gave fundraising performances of *Messiah* in the Hospital's Chapel. In the process, they created the UK's first public art gallery and set the template for the way the arts could support philanthropy.

AIM AND OBJECTIVES (continued)

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

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

The Foundling Museum speaks to the role that artists of all disciplines play in improving the lives of young people – now and in the past. Temporary exhibitions focus on historical subjects in the fields of music, art and social history, as well as the work of emerging and established contemporary artists. These exhibitions have achieved significant critical and commercial success, both in the UK and abroad.

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

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

ACHIEVEMENTS AND PERFORMANCE

In November, HRH The Duchess of Cambridge visited the Museum to see the extent and range of the work we do with art and artists to improve young people's development and wellbeing. The Duchess joined in with local children from the Thomas Coram Nursery, who attend practical workshops at the Museum every other week, including with their parents and carers. She spoke with a group of care-experienced young adults who were about to begin the *Tracing Our Tales* traineeship at the Museum. This innovative, paid training programme enables them to devise and deliver museum workshops. Partnering with three London boroughs, ensures that looked-after children in these boroughs visit the Museum, engage with history from their unique personal experience, are inspired by the trainees, and take ownership of our story. The Duchess met children from a local primary school who had benefitted from working alongside the Museum's composer-in-residence. She heard about the impact of our work on the transplant wards at Great Ormond Street Hospital, from a former patient and her parents. Before leaving, the Duchess met Museum supporters, including Foundling Fellows, Cornelia Parker, Yinka Shonibare MBE, and Lemn Sissay.

The Museum's Collection acquired two major works of art, transforming our ability to engage visitors with the contemporary aspect of our historic story; Michael Craig Martin's painting *Tricycle*, and Yinka Shonibare MBE's sculpture *Trumpet Boy*. Both works had been shown in 2016 and both were acquired thanks to support from the Art Fund, the Arts Council England/V&A Purchase Grant Fund, the artists, and individual donors. The Museum also launched a new annual artist Christmas card commission. The first card was created by Michael Foreman, whose illustrations for *Lucky Button*, a novella by Foundling Fellow, Michael Morpurgo, were subsequently displayed at the Museum. Foreman's card, *Lucky Button*, and *The Lost Words* publication, all ensured that the Museum's Shop had a very successful year.

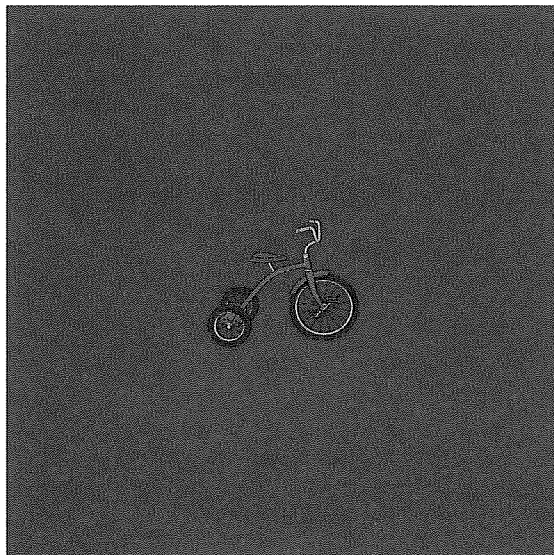
For his Fellowship project, Foundling Fellow, Sam Lee, launched a Fire Choir at the Museum in February 2018. The Choir draws its members from communities across London. Its repertoire covers songs of protest and change from the past, as well as new music commissioned in response to contemporary events.

2017/18 saw a total of 38,727 visitors to the Museum, a 26% fall on 2016/17 figures. This reflects the impact of the terrorist attacks which affected our family-friendly summer exhibition, *Picturing Hetty Feather*, particularly badly. Exhibition coverage achieved an advertising value equivalent of approximately £497,754, and exhibitions featured in *The Guardian* and *The Burlington Magazine*, and *The Times*, *The Art Newspaper* and *The Evening Standard* all covered the Museum's successful Art Happens campaign.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Collections

The Museum's Accreditation renewal was approved by Arts Council England.



Michael Craig-Martin, *Tricycle*, 2017
2010



Yinka Shonibare MBE, *Trumpet Boy*,

Acquisitions

A refectory table with a value of £7,500 was purchased from Coram. The Museum acquired through donation seven prints from the Government Art Collection; an eighteenth-century diary belonging to Robert Walker; seven items belonging to former pupil, Constance Millard; a nineteenth-century map; and seven Foundling Hospital prize cups. The Museum acquired through purchase Yinka Shonibare MBE's *Trumpet Boy*, 2010, with the assistance of Art Fund (with a contribution from the Wolfson Foundation), the Arts Council England/V&A Purchase Grant Fund, the artist, Larissa Joy, Chris Cotton, Jamie & Julia Korner, Annie Mackeson Sandbach, Caro Howell, an anonymous donor and others; and Michael Craig Martin's *Tricycle*, 2016, with the assistance of Art Fund, the Arts Council England/V&A Purchase Grant Fund, the artist, and Judy Bollinger; and a letter to the Foundling Hospital from a mother, Charlotte Moore.

Loans

The following were loaned to Kensington Palace's exhibition *Enlightened Princesses* (22 June – 12 November 2017): Richard Wilson, *The Foundling Hospital*, 1746; *The Chapel*, 1774, after John Sanders; *Captain Thomas Coram*, 1751, after Balthasar Nebot; *A View of the Foundling Hospital*, 1756, by Benjamin Cole; and five tokens.

ACHIEVEMENTS AND PERFORMANCE (continued)

Loans (continued)

The long-term loan of several pieces of silver to the Victoria and Albert Museum was renewed. Several items from the Gerald Coke Handel Collection relating to the composer John Hebdon, were loaned to Fairfax House in York for the exhibition *Made in York* (5 May-12 November 2017). A portrait of Handel by William Hoare has been placed on long-term loan at Handel & Hendrix in London.

Conservation

Conservation was supported by volunteers Anthony Baker, Sabine Brandt, Jane King, Hilary Pugh and Clare Jeeps. A Gerald Coke Collection, manuscript of music from Handel's opera, *Teseo*, was digitised for preservation, due to its fragility from fire damage in the 19th century. Programmes from the 1828 York Festival were rebound for loan to Fairfax House, a score of *Messiah* from the first complete edition of Handel's works was conserved, and students from West Dean College, University of Sussex conserved several volumes.

Exhibitions and Displays

Picturing Hetty Feather

26 May – 3 September 2017

Costumes, set and props from the popular CBBC TV series *Hetty Feather*, were displayed alongside Collection items and objects from the Hospital archives, to explore the ways in which curators, writers, directors and designers have used historical evidence and gaps in knowledge to bring the nineteenth-century Foundling Hospital to life. A special edition of *Hetty Feather* was commissioned with Penguin to coincide with the exhibition, which achieved extensive online media coverage with a combined reach of 56,200.

Handel's Water Music

7 July – 6 October 2017

The earliest manuscript of Handel's *Water Music* was borrowed from the Royal Society of Musicians to mark its 300th anniversary, and formed the centrepiece of a display in the Handel Gallery.

Hetty's Hospital

6 June – 10 September 2017

This display explored acts of kindness and was created by patients on the cardiac wards at Great Ormond Street Hospital. Plasters stamped with messages of healing and thanks, and stethoscopes playing recordings of the children's voices, described the kindness of Hospital staff. Supported by The D'Oyly Carte Charitable Trust.

ACHIEVEMENTS AND PERFORMANCE (continued)

Exhibitions and Displays (continued)

Basic Instincts

29 September 2017 – 7 January 2018

Curated by Dr Jacqueline Riding, *Basic Instincts* explored Georgian attitudes to love, desire and female respectability through the paintings of Joseph Highmore. Focussing on 1740s, the exhibition considered the radical shift in Highmore's subject matter in relation to his involvement with the Hospital, culminating in the painting, *The Angel of Mercy*, which had never been displayed in the UK before. A linked public programme included a study day run in collaboration with the Royal Museums Greenwich, a symposium, specialist talks and related concerts. The accompanying publication was one of the year's best-selling items in the Shop.

Features were included in *The Guardian* and *The Burlington Magazine*, with further online mentions in *The Spectator*, *Wall Street International Magazine* and *Apollo*. Broadcast coverage included London Live, and the Director and Dr Riding were interviewed on Radio 4's *Woman's Hour*. Supported by the Paul Mellon Centre for Studies in British Art and Verita.



Joseph Highmore, *The Angel of Mercy*, c.1746. © Yale Center for British Art, Paul Mellon Collection and Rachel Kneebone, *Raft of the Medusa I*, 2015 © The artist

ACHIEVEMENTS AND PERFORMANCE (continued)

Exhibitions and Displays (continued)

Raft of the Medusa

29 September 2017 – 7 January 2018

A display of five previously unseen works by Rachel Kneebone provided a resonant counterpoint to *Basic Instincts*. The porcelain sculptures distilled and abstracted the Foundling Hospital's suppressed narratives of sexual desire, emotional damage and female strength, whilst also referencing ideas of displacement, refuge and resilience.

Handel's Rodelinda

26 October – 15 November 2017

A display of material relating to *Rodelinda* complemented performances at ENO.

Goodnight Night Lights

7 November – 21 January 2018

Displayed in the Committee Room and made in response to the imagined loneliness of foundlings at bedtime, pre-school children created a soundscape and bedtime lanterns decorated with drawings of people who said goodnight to them.

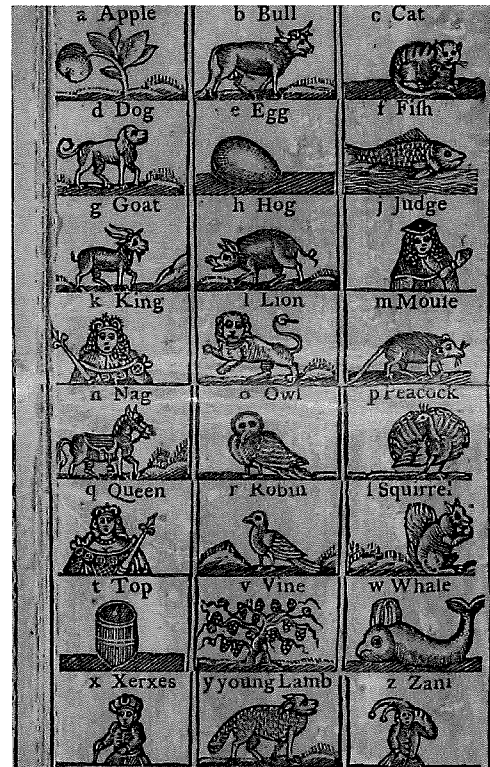
Writeback

7 November - 21 January 2018

This film showed the development of short plays written by young people from Somers Town, Kings Cross, in response to the Museum's displays. Part of a collaboration between the Museum and Scene & Heard.

ACHIEVEMENTS AND PERFORMANCE (continued)

Exhibitions and Displays (continued)



Jackie Morris, *Kingfisher*, 2017, from *The Lost Words* © The artist, and an eighteenth-century battledore left by a mother with her baby as an identifying token © Coram

The Lost Words

19 January – 6 May 2018

The Lost Words was created by artist, Jackie Morris and author, Robert Macfarlane, in response to nature's retreat from children's stories and imaginations. Paintings and poems, on tour from Compton Verney, were joined by items objects from the Hospital's archive that showed the importance of nature in the foundlings' upbringing. *The Lost Words* book was the year's best-selling item and social media channels saw a significant uplift. The show featured in *The Week Junior*, *i paper*, *Artists & Illustrators* and *Time Out*, with further online coverage in *The Daily Telegraph*, *Town & Country*, *Creative Boom* and *Eye Magazine*. Supported by The Ernest Cook Trust.

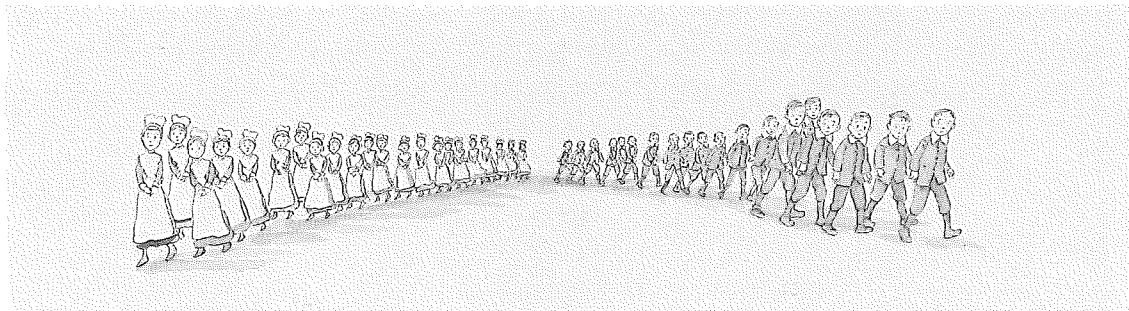
ACHIEVEMENTS AND PERFORMANCE (continued)

Exhibitions and Displays (continued)

Lucky Button

19 January – 6 May 2018

A display of preparatory sketches, drawings and paintings by Michael Foreman, illustrating Michael Morpurgo's 2017 novella, *Lucky Button*, a story about a twenty-first-century school boy meeting the ghost of an eighteenth-century foundling.



Michael Foreman, illustration for *Lucky Button*, 2017.

Handel's *Giulio Cesare*

9 January 2018 onwards

A display relating to Handel's opera, complemented performances at Glyndebourne, the London Handel Festival, and Bury Court Opera, and included the British Library's autograph manuscript.

First Amongst Equals

16 January 2018 onwards

To mark the centenary of female suffrage, 'female firsts' selected items from the Collections accompanied by a short explanatory text. Press coverage included *The Art Newspaper*, *Time Out*, *BBC History Magazine* and *Country Life*. Online coverage included *Country & Town House*, *Evening Standard*, *The Pool* and *Culture Whisper*.

Soup for 100

Richard Wentworth's Fellowship project *Soup for 100* is an annual event and enables creative people who share an interest in enhancing the lives of young people to meet and exchange ideas. Guests included; Jake Arnott, Katriona Beales, Shumi Bose, Matt Collishaw, Tom Emerson, Cedric Christie, Toni Grisoni, Rose Gibbs, Mona Hatoum, Peter Kennard, Hew Locke, Peter Liversidge, Tasha Marks, Nick Merriman, Cornelia Parker, Yinka Shonibare MBE, Kathleen Soriano, and Stephen Witherford.

ACHIEVEMENTS AND PERFORMANCE (continued)

Public Events

24 free concerts, 13 ticketed concerts, 9 talks, 3 symposia and courses, 1 screening and 7 special events, forged creative connections between temporary exhibitions, displays and the core story, and provided an opportunity for performers and speakers to engage with the Collections and new research in ways that widen public access.

11 events provided a public platform for recent graduates and young musicians to showcase their work. Partnerships with organisations that support musicians at the start of their career increased to include the Musicians' Company, Philharmonia Orchestra, Music for Youth, Yehudi Menuhin School and Royal College of Music. Notable performances were given by Red Priest, The Brook Street Band, Amadè Players, Juliet Fraser and Jamie Akers, and Louise Kemény and Ed Liddall. The Museum also took part in several national events, including London History Day, Heritage Open Day, the Bloomsbury Festival, BBC Civilisations, the London Handel Festival and Being Human Festival, for which we received funding to hold two creative workshops. Other event collaborators included the Charles Dickens Museum, City Lit, Royal Museums Greenwich, Birkbeck (University of London), The Nest Collective, the British Library, the London Metropolitan Archive, the Museum Mile, and the Friends of Brunswick Square.

Folk at the Foundling enabled audiences to enjoy music from high-quality performers including Jimmy & Sid, Samantha Whates, Josienne Clarke & Kit Downes, Jeff Warner, Ranagri, Solasta, Jack Cookson and the India Electric Company. In addition, Kerry Andrew performed original compositions to complement *The Lost Words* exhibition as part of a special event with Robert Macfarlane and Jackie Morris.

Classical performers at the Thursday lunchtime (Young Artists' Platform) and Sunday afternoon concerts through the year were: Josephine Goddard, Jacqueline Dias (voice), Alexei Watkins (horn), Ewan Zuckert (clarinet), Charlotte Cox, Angharad Thomas (bassoon), Hannah Laurens, Ryan Howland (violin), Carola Krebs (cello), Hao Zi Yoh, Beatrice Stelzmüller, Antonio Oyarzabal, Tom McCoy, Chad Vindin, Guthrie Luke, Michelle Yen-Howland, Imma Setiadi, Jonathan Musgrave (piano) and Ian Kelleher (guitar). Pianist Alex Woolf composed a new piece inspired by the Foundling Hospital story as part of his performance with Alexei Watkins.

Ensembles were the Amadè Players, the choir of King's College London, A Musical Dreame, the students of City Lit's Piano Repertoire class, the Lodore Trio, the Anern Trio, the DoReMi Quartet, students from the Yehudi Menuhin School, the Waldegrave Ensemble, Gemini Duo, duo Siren, and the Hermes Experiment, who performed a new improvised work inspired by a Museum painting by Charles Brooking. The Waldegrave Ensemble's December concert was a family-friendly concert, paired with a Christmas cracker-making workshop.

ACHIEVEMENTS AND PERFORMANCE (continued)

Public Events (continued)

The annual study day on *Music in Eighteenth-Century Britain* attracted a full house and more proposals for papers than could be accommodated.

In addition to volunteers, staff, and those already mentioned, speakers included artists Mark Neville, Rachel Kneebone and Jackie Morris; writers Dame Jacqueline Wilson, Robert Macfarlane, Deanna Rodger and Hallie Rubenhold; historians Janette Bright, Dr. Andrew Rudd and Dr. Emma Newport; musician Kerry Andrew, and actors and directors Eva Pope, Chloe Thomas.

Engagement and Learning

Children aged 16 and adults accompanying a child taking part in a family workshop, enter free. All projects and learning programmes are devised and led by practising artists. Artists working on the 2017/18 programme were: Albert Potrony, Anne Harild, Isobel Manning, Jan Cullen, Raksha Patel, Daniel Lehan and Lydia Hardwick

Pre-School

Monthly concerts for babies and carers run in association with Bach to Baby were regularly attended by 100 babies and parents; many returning to participate in our family programme. Every other week, artists and musicians delivered workshops with pre-school children and their parents/carers from Thomas Coram Nursery and Coram's Fields Nursery. Workshops introduce the Museum to local families with little or no experience of visiting museums, and are themed around exhibitions, and enable adults and children under 5 to learn new creative skills, gain practical experience of different art materials and techniques, and build their confidence as museum visitors.

Schools

Artist-led workshops are tailored to meet the needs of learners, including pupils at Special Needs Schools. 62 schools workshops were delivered with 1,574 Key Stage 1 – 5 pupils participating in art, creative writing and critical discussion.

Families

Free, artist-led, practical workshops for children aged 3 - 12 years ran during half-terms and holidays, while the Art Trolley provided self-led activities throughout the year. The Museum took part in the national Family Arts Festival; the Big Draw; the British Library Festival; and a day for families with Deaf or hearing-impaired children, run in partnership with Camden Family Learning, Frank Barnes School for Deaf children and the British Museum. Foundling Fellow, Jacqueline Wilson, returned to the Museum for two *Hetty Feather Days*, which celebrated the launch of *Clover Moon* and *Hetty Feather at Christmas*.

ACHIEVEMENTS AND PERFORMANCE (continued)

Higher Education

The Museum hosted training placements for 6 PGCE students from the Faculty of Education, Homerton College, University of Cambridge; hosted 4 PGCE students from the Institute of Education, and 20 Social Science students from UCL. The Learning team also worked with Swiss museum learning curators, and members of GEM and Engage. The Gerald Coke Handel Collection Librarian is a Visiting Research Fellow at Goldsmiths, and the Collection continued its partnership with Goldsmiths University, supporting postgraduate and undergraduate students. The Curatorial Team continued the collaboration with the Central St Martins BA (Hons) Culture, Criticism and Curation course and over 50 students created proposals for potential events and displays. Conservation students from West Dean College, University of Sussex, also worked on items from the Collection as part of their studies.

Artists' Projects

The Museum collaborated with Scene & Heard, a mentoring charity that pairs children from Somers Town, in Kings Cross, with theatre professionals. 15 children aged 12-14 years took part in a playwriting course, writing plays inspired by objects in the Collections which were performed by professional actors.

Artist, Davina Drummond, ran a five-week project on the cardiac wards at Great Ormond Street Hospital, working with 15 patients and their families to create sound works and art inspired by *Hetty Feather* and the idea of kindness. This work was displayed in the Museum with a private view for staff and patients.



HRH The Duchess of Cambridge meeting *Tracing Our Tales* trainees.

ACHIEVEMENTS AND PERFORMANCE (continued)

Artists' Projects (continued)

***Tracing Our Tales* Training Programme**

15 care leavers aged 19-25 from Hackney, Islington and Lambeth were enrolled as paid trainees onto *Tracing our Tales*. Artist Albert Petrony, led weekly workshops designed to equip care-experienced young adults with the art, teaching and social skills needed to devise and deliver the Museum's learning programmes. Over 3 years, the aim is to develop a team of workshop leaders who can devise programmes that explore the Foundling story from their unique perspective. The programme is supported by an advisory board of external specialists: the heads of the three local authorities' virtual schools, Nick Coker and Sonia Delal from Hackney, Victor Searle from Lambeth and Matthew Blood from Islington; Juli Beatie, founder of The Art Room; Trustee, Lemn Sissay; foster-carer, Ros Kerslake; and Prof Claire Cameron, Head of Social Pedagogy at the Thomas Coram Research Unit, UCL, who is leading the evaluation of the programme's impact and outcomes. The project's announcement was widely shared on social media with tweets from the Children's Commissioner, Ed Vaizey, radio DJ Nicky Campbell, and several national charities including Catch 22 and The Care Leavers Foundation. *Tracing Our Tales* is supported by the Oak Foundation.

The Choir

The Foundling Community Choir ended in December 2017. In February 2018 Foundling Fellow, Sam Lee, launched a Fire Choir, a demonstration and activism choir exploring the history of musical demonstration. 100 people joined. The Fire Choir is led by choir leaders Sam Lee, Blythe Pepino, Ben Crawley and Alex Etchart.

Guided Tours

There were 111 group guided tours and an additional 122 unguided group tours.

Marketing & Communications

The website received 165,210 visitors, an increase of 14,093 on the previous year. 162,538 were new users and 83% of visitors were from the UK. Twitter audiences increased by 18%, Facebook by 21%, and Instagram by 67%. The website was relaunched in December 2017. New pages highlighted the Museum Collection, learning programme and Shop. Mailing lists and literature was reviewed and reprinted to reflect new GDPR legislation

ACHIEVEMENTS AND PERFORMANCE (continued)

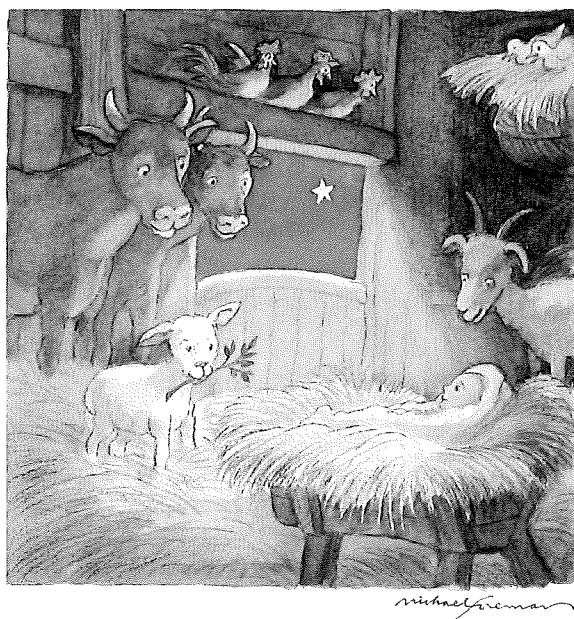
Marketing & Communications (continued)

Brunswick Arts continued to support the Museum's exhibitions communications strategy. A year-ahead press release was distributed in December which received significant positive comment. The Art Happens marketing strategy included a social media campaign using specially-designed digital assets, which attracted much press interest and articles in *The Times*, *Camden New Journal*, and on the websites of the *Evening Standard*, *The Art Newspaper* and *Mental Floss*.

The Museum continued to be a member of the National Trust Partner Scheme, the London Pass, Museum Mile, Knowledge Quarter, the London Museums of Health and Medicine, National Rail's 2-for-1 scheme, and Visit Britain's Oystercard scheme. New partnerships included Smartify, to showcase the Collections via a phone app using image recognition technology; Google's global Arts & Culture platform; and Penguin Random House. The BBC filmed at the Museum for the series *A Stitch in Time*. HENI Talks filmed an interview with the Director for the launch of their online platform. Classic FM filmed Baroque group, Red Priest, performing in the Picture Gallery, prior to their performance here in February 2018.

Ventures

Income from the Museum's Shop exceeded expectation. New products included an exclusive hardback special edition of *Hetty Feather*, featuring a specially designed cover and forward by Jacqueline Wilson. Michael Morpurgo's *Lucky Button* sold particularly well during the display of Michael Foreman's illustrations.



Artist, Michael Foreman was commissioned to create the first Christmas card for the Museum. Foreman's charming picture, *The Foundling Lamb at the first Christmas*, 2017, featured the lamb from the Foundling Hospital's coat of arms, which was designed by William Hogarth. The card was sold under licence to Museums & Galleries Ltd with the Museum receiving royalties for three years. The Museum's Christmas card commission will be annual from this year.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Old Coram Association

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

of a former pupil, the Museum places a vase of flowers and a simple 'In Memory' notice in the Foyer. This commemoration is much appreciated by the family and friends of the deceased. The Old Coram Association also hold their annual Charter Day lunch and Christmas Carol Concert in the Picture Gallery.

The Friends of Thomas Coram

The Friends of Thomas Coram is a group of philanthropic individuals who lend their help and support to the Museum and Coram. In December 2017 they gave £5,000 for the purchase of three original *Lucky Button* illustrations by Michael Foreman. As a result of this gift, Michael Foreman donated a further two illustrations.

Staff and Volunteers

The Trustees would like to thank the staff of the Museum for their hard work over the past year. Staff at 31 March 2018 were Alison Duke; Anna Dimdore, Ben Wilsker, Caro Howell, Christina Wood, Chris Lerner, Colin Coleman, Elizabeth Lee, Emma Middleton, Emma Yandle, Hannah Thomas, Jen Dyer, Katy Hamilton, Katharine Hogg, Nigel Cudlipp, Nikki Fhalora, Kathleen Palmer, Sirisha Kunisetty, Susie Stirling, Tabitha Paterson, Tuz Morrison, Vincent Wright and Zosha Nash.

Over 240 volunteers, overseas work placements and local work experience students supported the Museum. Representing over 35 different nationalities, volunteers came from a range of social and economic backgrounds, and 25% came from Camden. The Museum worked with organisations including Global Experiences, ERASMUS, CAPA International Education, AIFS Study Abroad, UCL, Birkbeck, King's College London, Westminster Kingsway College, Volunteer Services Unit Camden, and The ACE Project to offer volunteering opportunities. Volunteers receive tailored support from the Visitor Engagement team, bespoke talks by external specialists, organised visits to other institutions, vocational training, and support with personal development.

The volunteers make a substantial contribution to the Museum's visitor services, including researching, maintaining and safeguarding the Collection; giving specialised talks; and supporting our income targets at front desk through admissions and Gift Aid donations. Many volunteers also donate to the Museum's Collection acquisitions fund fees they receive from speaking engagements.

ACHIEVEMENTS AND PERFORMANCE (continued)

Staff and Volunteers (continued)

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

Operations

Support from the Rose Foundation enabled external repairs to the second storey sash windows. Fire doors were upgraded and new signage and smoke brushes fitted. The CCTV system, the server backup, and restore systems were all upgraded. Solar panels generated 8255 kWh and £1,230 via the Feed-in-Tariff scheme. Cleaners' wages were increased in line with the London living wage.

Café

The Café closed in December having become financially unviable due to increased competition from increased food outlets in the Brunswick Centre. Reopened as the Study Studio, with Peter and Romy Brown as named donors, the Studio holds learning activities, meetings, is a space in which visitors can relax, and is also available for hire.

Staff Training

The curatorial team attended professional development training courses held by the Central Historic Group, UK Registrars Group, and Many Medals. They received Soutron training and attended a Public Engagement Masterclass and Performing Archives workshop. The Communications Department had Amphio film and editing training, Data Legislation Training, and SEO training. Visitor Services had disability, dementia awareness, and mental health training, and attended Train a Trainer disability awareness classes, and Volunteers and the Law. A team member also went on a three day salvage course. The Visitor Engagement and Operations Managers undertook Diversity training, while the Operations Team attended manual handling, working from heights, and security training courses. Members of the HR, Operations and Development teams attended GDPR training. The Retail Manager attended the Association of Cultural Enterprise Regional Talking Shop. Staff also attended evacuation, defibrillator and first aid training. The Director became Co-Chair of the Women Leaders in Museums Network and attended its annual two-day retreat.

ACHIEVEMENTS AND PERFORMANCE (continued)

Public Speaking & Publications

Staff and volunteers provided tours for visitors, peers and guests throughout the year. These included an introduction to Handel's *Semele* for Garsington Opera's Friends held at the Museum; papers at the Annual Study Weekend of the UK branch of the International Association of Music Libraries, the International conference of Music Librarians in Riga, and the Annual Conference of the Association of Independent Libraries; articles for the concert website Bachtrack, the Bury Court Opera *Giulio Cesare* programme, and *Handel News*. The Librarians also edited and published the annual *Handbook for studies in 18th-century English Music*.

The Museum is grateful to the many guides and members of the OCA who donate their speakers' fees to the Museum, especially John Caldicott, Jocelyn Gamble, Henry Granger and Jane King. These donations support Collection acquisitions.

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).

ACHIEVEMENTS AND PERFORMANCE (continued)

Donors & Supporters (continued)

The Trustees would like to pay tribute to the generosity of donors, supporters and volunteers, without whom the Museum would be unable to realise its ambitions and run its programmes. In addition to those already mentioned, the Museum was supported by The Big Give Christmas Challenge, Judy Bollinger, Peter Brown, The Cadogan Charity, Camden Council, The Childhood Trust, The Colonial Dames of America, Chris Cotton, Anne-Marie Craven, The Eranda Rothschild Foundation, Andrew Fane, Grant and Brigitte Gordon, David and Jammy Hoare, the Hogarth Group, Idlewild Trust, Larissa Joy, Carol Walsh Knutson and Kelley Knutson, Julia and Jamie Korner, The Loveday Charitable Trust, Annie Mackeson-Sandbach, Making Art Work, Julian and Camilla Mash, Albert Mason, Jim Moyes, David Pike, Sir Simon and Lady Robey, Sir David and Lady Verey, and Stephen and Linda Waterhouse. We are very grateful to these donors, as well as to our Friends and Patrons and those who wish to remain anonymous.

The Trustees would also like to thank the Museum's President, Patrick Walker and Vice Presidents Brian Allen, Alan Borg, David Coke, Jamie Korner and Carolyn Steen for their continuing active support of the Museum and its activities. Thanks are also due to the many excellent advisers whose invaluable expertise contributes greatly to the success of the Foundling Museum, especially in the fields of conservation, exhibitions, retail, catering and communications.

FUTURE PLANS

We continue to develop programmes that support our ability to deliver our wider strategic aims of increasing and diversifying our visitors, raising our profile, improving our sustainability and championing creativity and research. To mark the centenary of female suffrage in 2018, the Museum will be considering the Collections and the history of the Foundling Hospital from a female perspective, and exploring the contribution of women to British society, culture and philanthropy through its displays and programmes. Major temporary exhibitions in 2018/19 will be:

- **Sea** (25 May – 2 September 2018). An exhibition of new site-responsive work commissioned from the sculptor Jodie Carey. Responding to the history of the Hospital and taking inspiration from the eighteenth-century textile tokens, Carey's new pieces explore themes of love, loss and trace, and be displayed within the exhibition gallery and among the historic Collection.

FUTURE PLANS (continued)

- *Ladies of Quality & Distinction* (21 September 2018 – 13 January 2019). A radical reworking of the Picture Gallery highlights the crucial but hidden role that women played in the story of the Hospital. The exhibition replaces portraits of male governors with portraits of the 21 Ladies who signed Coram's first petition calling for the establishment of a Foundling Hospital. The Exhibition Gallery explores the lives of the women who ran the Hospital day to day.
- *Bedrooms of London* (8 February – 5 May 2019). Organized in collaboration with The Childhood Trust, this exhibition reveals the damaging consequences for children arising from the shortage of social housing in London. Photographs by Katie Wilson coupled with first-hand narratives from the families, offer a poignant insight into the lives and experiences of children living in poverty across all of London's 33 boroughs, and challenge the prejudices and stereotypes associated with child poverty.

We continue to mount smaller temporary displays within the main galleries as these enable us to respond quickly to curatorial opportunities, to engage visitors with our activities beyond the Museum's walls, and to reflect the contemporary relevance of our historic Collection and story. Throughout 2018, our *First Amongst Equals* special display project will see a growing number of 'female firsts' make interventions into the displays in the form of personal selections. Approximately 40 women who have shaped contemporary British society are expected to participate, choosing objects that speak to them from the Museum's displays. Their selections will enable visitors to see the Collection from different perspectives, to make connections between the past and the present, and to reflect on women's ongoing struggle for equality. Foundling Fellow, Lily Cole, will also realise her Fellowship project, which will be a film made in collaboration with the Bronte Parsonage Museum and Rapid Response Unit, that reflects on the links between the Foundling Hospital and Emily Bronte through the character of Heathcliff.

Introductory Gallery displays will continue to be refreshed, including regular rotation of items from the London Metropolitan Archive, thanks to the new flexible display system. Over the coming year we will be finding ways to maximise the value of our assets in terms of raising our profile, increasing our sustainability and engaging new and diverse audiences with our work. Priorities include successfully implementing new GDPR-compliant procedures and protocols across the Museum, recruiting three new Foundling Fellows, further refining our marketing strategy, resolving issues around our lease on 40 Brunswick Square; expanding our music offer in terms of both the Collection and public programme, finalising the 2020 exhibition programme, and continuing our rolling programme of building maintenance.

The Foundling Museum Trading Company Limited

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

FINANCIAL REVIEW

The statement of financial activities for the year ended 31 March 2018 shows total income of £1,125,383 (2017 – £1,182,643).

The total expenditure in the year was £1,488,282 (2017– £1,436,170) of which expenditure on conserving the Collection and developing and maintaining the Museum amounted to £1,448,689 (2017 – £1,385,102).

The net expenditure for the year was £362,899 (2017 – £253,527).

Net investment gains of £40,657 (2017 – gains of £349,903) were recognised in the year ended 31 March 2018 and actuarial losses of £41,000 have been recognised (2017 – losses of £3,612).

In accordance with Financial Reporting Standard 102, the financial statements include heritage assets with a total valuation of £9,292,932. Further details may be found in note 13 to the financial statements.

As at 31 March 2018, the net assets of The Foundling Museum Group were £11,605,775 (2017 - £11,969,017).

Reserves policy

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

The Trustees consider it prudent for the Museum to carry free reserves equivalent to approximately six months budgeted operating expenditure to deal with short-term fluctuations in income and to provide adequate working capital. At the end of the financial year, unrestricted general funds stood at £438,473 (comprising the net current assets together with the excess investment funds less amounts attributable to the restricted and designated funds). In addition to this, £190,000 was designated for reinvestment but forms part of the Museum's free reserves. Free reserves at 31 March 2018 therefore stood at £628,473 which is in line with the policy.

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.

During the period when governance issues precluded fundraising, the Museum converted excess investments into cash and subsequently further cash draw-downs have been made. The Trustees are minded to reinvest these sums however the recent investment climate was deemed unsuitable.

As noted above, the amount designated for reinvestment is £190,000 and total designated funds therefore amount to £212,000 all of which is forecast to be utilised in 2018/19.

The Trustees have made a provision of £129,000 for the pension-deficit contributions payable up to 2018, which is shown on the balance sheet. This liability does not fall due immediately, and the expectation is that it is met annually from income earned. Therefore the pension provision is regarded as part of free reserves.

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

Investment policy

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

The Museum has a £3 million endowment loan from the National Heritage Memorial Fund, repayable in 2027. The investment policy applied to the endowment fund reflects the Trustees' commitment to sustain the objects of the Museum by maintaining 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 2017/18 the managers achieved a return of 3.6%, which reflected the conservative mix of assets held.

The Foundling Museum
Trustees' report 31 March 2018

Approved by the Trustees and signed on their behalf by:

A handwritten signature in cursive script, appearing to read 'J. Bellinger'.

Trustee

Approved on: 10 DECEMBER 2018

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 2018 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 2018 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

Conclusions relating to going concern (continued)

- ◆ 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.

Matters on which we are required to report by exception (continued)

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 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.

Auditor's responsibilities for the audit of the financial statements
(continued)

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.

Buzzacott LLP

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

21 December 2018

The Foundling Museum
Consolidated statement of financial activities Year to 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Income and expenditure					
Income from:					
Grants and donations	1	197,332	327,181	524,513	552,129
Investments	2	113,310	—	113,310	125,181
Other trading activities	3	264,121	—	264,121	265,004
Charitable activities					
. Admissions and other museum income	4	197,284	—	197,284	234,817
Other sources	5	26,155	—	26,155	5,512
Total income		<u>798,202</u>	<u>327,181</u>	<u>1,125,383</u>	<u>1,182,643</u>
Expenditure on:					
Raising funds	6	39,593	—	39,593	51,068
Charitable activities					
. Costs of developing and maintaining the Museum	7	1,283,985	164,704	1,448,689	1,385,102
Total expenditure		<u>1,323,578</u>	<u>164,704</u>	<u>1,488,282</u>	<u>1,436,170</u>
Net (expenditure) income before investment gains		(525,376)	162,477	(362,899)	(253,527)
Net gains on investment assets		<u>40,657</u>	—	<u>40,657</u>	<u>349,903</u>
Net (expenditure) income		(484,719)	162,477	(322,242)	96,376
Other recognised gains and losses					
Actuarial losses	22	(41,000)	—	(41,000)	(3,612)
Net movement in funds	10	(525,719)	162,477	(363,242)	92,764
Group reconciliation of funds:					
Fund balances brought forward at 1 April 2017		<u>2,642,179</u>	<u>9,326,838</u>	<u>11,969,017</u>	<u>11,876,253</u>
Fund balances carried forward at 31 March 2018		<u>2,116,460</u>	<u>9,489,315</u>	<u>11,605,775</u>	<u>11,969,017</u>

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

The Foundling Museum
Charity statement of financial activities Year to 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Income and expenditure					
Income from:					
Grants and donations	1	379,215	327,181	706,396	755,141
Investments	2	113,267	—	113,267	125,011
Charitable activities					
. Admissions and other museum income	4	197,284	—	197,284	234,817
Other sources	5	26,155	—	26,155	5,512
Total income		<u>715,921</u>	<u>327,181</u>	<u>1,043,102</u>	<u>1,120,481</u>
Expenditure on:					
Raising funds	6	39,593	—	39,593	51,068
Charitable activities					
. Costs of developing and maintaining the Museum	7	1,201,704	164,704	1,366,408	1,322,940
Total expenditure		<u>1,241,297</u>	<u>164,704</u>	<u>1,406,001</u>	<u>1,374,008</u>
Net (expenditure) income before investment gains		(525,376)	18,275	(362,899)	(253,527)
Net gains on investment assets		40,657	—	40,657	349,903
Net (expenditure) income		<u>(484,719)</u>	<u>162,477</u>	<u>(322,242)</u>	<u>96,376</u>
Other recognised gains and losses					
Actuarial losses	22	(41,000)	—	(41,000)	(3,612)
Net movement in funds	10	(525,719)	162,477	(363,242)	92,764
Reconciliation of funds:					
Fund balance brought forward at 1 April 2017		<u>2,642,181</u>	<u>9,326,838</u>	<u>11,969,019</u>	<u>11,876,255</u>
Fund balance carried forward at 31 March 2018		<u>2,116,462</u>	<u>9,489,315</u>	<u>11,605,777</u>	<u>11,969,019</u>

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

The Foundling Museum
Balance sheets 31 March 2018

	Notes	2018		2017	
		Group £	Charity £	Group £	Charity £
Fixed assets					
Tangible fixed assets	12	1,594,987	1,594,987	1,778,869	1,778,869
Heritage assets	13	9,292,932	9,292,932	9,148,730	9,148,730
Investments	14	2,942,294	2,942,296	3,181,874	3,181,876
		<u>13,830,213</u>	<u>13,830,215</u>	<u>14,109,473</u>	<u>14,109,475</u>
Current assets					
Stocks		32,671	383	26,267	1,089
Debtors	15	129,709	189,583	109,911	198,734
Cash at bank and in hand		860,632	774,906	902,779	813,369
		<u>1,023,012</u>	<u>964,872</u>	<u>1,038,957</u>	<u>1,013,192</u>
Creditors: amounts falling due within one year	16	<u>(118,450)</u>	<u>(60,310)</u>	<u>(83,815)</u>	<u>(58,050)</u>
Net current assets		<u>904,562</u>	<u>904,562</u>	<u>955,142</u>	<u>955,142</u>
Total assets less current liabilities		14,734,775	14,734,777	15,064,615	15,064,617
Creditors: amounts falling due after more than one year	17	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Total net assets excluding pension liability		11,734,775	11,734,777	12,064,615	12,064,617
Provision for liabilities	18	(129,000)	(129,000)	(95,598)	(95,598)
Total net assets including pension liability		<u>11,605,775</u>	<u>11,605,777</u>	<u>11,969,017</u>	<u>11,969,019</u>
The funds of the group and charity:					
Funds and reserves					
Restricted funds					
. Heritage assets fund	13	9,292,932	9,292,932	9,148,730	9,148,730
. Other restricted funds	19	196,383	196,383	178,108	178,108
Unrestricted funds					
. Tangible fixed assets fund	12	1,594,987	1,594,987	1,778,869	1,778,869
. Designated funds	20	212,000	212,000	452,000	452,000
. General fund		438,473	438,475	506,908	506,910
. Pension reserve fund	22	<u>(129,000)</u>	<u>(129,000)</u>	<u>(95,598)</u>	<u>(95,598)</u>
		<u>11,605,775</u>	<u>11,605,777</u>	<u>11,969,017</u>	<u>11,969,019</u>

Approved by the Trustees and signed on their behalf by:

Trustee

Trustee

Approved on: 10 December 2018

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 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(276,370)	(139,590)
Cash flows from investing activities:			
Investment income received		105,711	125,181
Purchase of tangible fixed assets		(7,521)	(20,317)
Purchase of heritage assets		(144,202)	(11,525)
Proceeds from the disposal of investments		845,307	763,790
Purchase of investments		(504,012)	(637,573)
Net cash provided by investing activities		295,283	219,556
Change in cash and cash equivalents in the year		18,912	79,966
Cash and cash equivalents at 1 April 2017	B	984,345	904,379
Cash and cash equivalents at 31 March 2018	B	1,003,256	984,345

Notes to the statement of cash flows for the year to 31 March 2018.

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

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	(363,242)	92,764
Adjustments for:		
Depreciation charge	191,404	199,327
Gains on investments	(40,657)	(349,903)
Investment income receivable	(113,310)	(125,181)
Increase in stocks	(6,406)	(1,682)
(Increase) decrease in debtors	(122,471)	4,938
Increase in creditors	137,312	43,083
Increase (decrease) in pension provision	41,000	(2,936)
Net cash used in operating activities	(276,370)	(139,590)

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	860,632	902,779
Cash held by investment managers	142,625	81,566
Total cash and cash equivalents	1,003,256	984,345

The Foundling Museum
Principal accounting policies 31 March 2018

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 2018 with comparative information provided in respect to the year to 31 March 2017.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

- ♦ estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation;
- ♦ estimating the value of heritage assets as at the date they were acquired where this information is not available;
- ♦ estimating any necessary provision against slow moving or obsolete stock held at year-end;
- ♦ assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- ♦ determining the basis for the allocation of support and governance costs between expenditure on raising funds and on charitable activities.

The Foundling Museum
Principal accounting policies 31 March 2018

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 2019, 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.

The Foundling Museum
Principal accounting policies 31 March 2018

Income recognition (continued)

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

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

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

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

Expenditure recognition

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

The Foundling Museum
Principal accounting policies 31 March 2018

Allocation of support and governance costs

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

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

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

Tangible fixed assets

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

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

Heritage assets

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

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

Investments

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

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

The Foundling Museum
Principal accounting policies 31 March 2018

Investments (continued)

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

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

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

Stocks

Stocks of 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.

The Foundling Museum
Principal accounting policies 31 March 2018

Fund structure

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

Details of the other restricted funds are given in note 19 to these financial statements and designated funds in note 20.

Pensions

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

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

The Foundling Museum
Notes to the financial statements 31 March 2018

1 Grants and donations

Group	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Grants	87,309	227,267	314,576	334,478
Other donations and gifts	110,023	99,914	209,937	217,651
2018 Total funds	197,332	327,181	524,513	552,129
2017 Total funds	319,047	233,082	552,129	

Charity	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Grants	87,309	227,267	314,576	334,478
Other donations and gifts	110,023	99,914	209,937	217,651
Donation from subsidiary undertaking	113,750	—	113,750	127,150
Management recharge	68,133	—	68,133	75,862
2018 Total funds	379,215	327,181	706,396	755,141
2017 Total funds	480,263	233,832	755,141	

2 Investment income and interest receivable

Group	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Investment income	113,020	—	113,020	124,212
Interest receivable	290	—	290	969
2018 Total funds	113,310	—	113,310	125,181
2017 Total funds	125,181	—	125,181	

Charity	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Investment income	113,020	—	113,020	124,212
Interest receivable	247	—	247	799
2018 Total funds	113,267	—	113,267	125,011
2017 Total funds	125,011	—	125,011	

The Foundling Museum
Notes to the financial statements 31 March 2018

3 Income from other trading activities

Group	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Events	188,787	—	188,787	192,578
Sales	75,202	—	75,202	72,209
Other	132	—	132	217
2018 Total funds	264,121	—	264,121	265,004
2017 Total funds	265,004	—	265,004	

The charity had no trading activities during the year (2017: none).

4 Income from charitable activities

Group and charity	Unrestricted funds £	Restricted funds £	2018 £	2017 £
2018 Total funds: Admissions and other museum income	197,284	—	197,284	234,817
2017 Total funds	234,817	—	234,817	

5 Income from other sources

Group and charity	Unrestricted funds £	Restricted funds £	2018 £	2017 £
2018 Total funds: Miscellaneous income	26,155	—	26,155	5,512
2017 Total funds	5,512	—	5,512	

6 Expenditure on raising funds

Group	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Fundraising expenses	19,623	—	19,623	31,170
Guide book: cost of sales	705	—	705	331
Investment manager fees	19,265	—	19,265	19,567
2018 Total funds	39,593	—	39,593	51,068
2017 Total funds	41,246	9,822	51,068	

The Foundling Museum
Notes to the financial statements 31 March 2018

6 Expenditure on raising funds (continued)

	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Charity				
Fundraising expenses	19,623	—	19,623	31,170
Guide book: cost of sales	705	—	705	331
Investment manager fees	19,265	—	19,265	19,567
2018 Total funds	39,593	—	39,593	51,068
2017 Total funds	41,246	9,822	51,068	

7 Expenditure on charitable activities: developing and maintaining the Museum

	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Group				
Museum operating costs	1,091,066	158,226	1,249,291	1,171,868
Depreciation	191,404	—	191,404	199,327
Conservation	1,516	6,478	7,994	13,907
2018 Total funds	1,283,985	164,704	1,448,689	1,385,102
2017 Total funds	1,222,569	162,533	1,385,102	

	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Charity				
Museum operating costs	1,008,785	158,226	1,167,010	1,109,706
Depreciation	191,404	—	191,404	199,327
Conservation	1,516	6,478	7,994	13,907
2018 Total funds	1,201,704	164,704	1,366,408	1,322,940
2017 Total funds	1,160,407	162,533	1,322,940	

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

8 Staff costs

	2018 £	2017 £
Group and charity		
Salaries	631,555	604,230
Social security costs	48,297	44,153
Pension costs	24,852	36,389
	704,704	684,772

The Foundling Museum
Notes to the financial statements 31 March 2018

8 Staff costs (continued)

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

Group and charity	2018	2017
Senior management	2	2
Museum administration	17	17

During the year two members of staff received annual remuneration (including taxable benefits but excluding employer's national insurance contributions) of between £60,000 and £70,000 (2017 – two).

No Trustee received reimbursement of expenses during the year in connection with services to the charity (2017 – 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 £150,224 (2017: £170,344). Executives' remuneration is set by the Finance & Audit Committee and reviewed annually.

9 Governance costs

Group and charity	2018 £	2017 £
Auditor's remuneration		
. Statutory audit – fee for the year	8,350	10,825
Other governance costs	1,113	6,013
	9,463	16,838

10 Net movement in funds

This is stated after charging:

Group and charity	2018 £	2017 £
Auditor's remuneration		
. Statutory audit	8,350	10,825
Depreciation of tangible fixed assets	191,404	199,327

The Foundling Museum
Notes to the financial statements 31 March 2018

11 Taxation

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

The Foundling Museum Trading Company Limited donates its taxable profits (if any) to The Foundling Museum via Gift Aid each year.

12 Tangible fixed assets

Group and charity	Leasehold improve- ments £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2017	3,929,876	251,127	4,181,003
Additions	—	7,522	7,522
At 31 March 2018	<u>3,929,876</u>	<u>258,649</u>	<u>4,188,525</u>
Depreciation			
At 1 April 2017	2,195,996	206,138	2,402,134
Charge for the year	169,711	21,693	191,404
At 31 March 2018	<u>2,365,707</u>	<u>227,831</u>	<u>2,593,538</u>
Net book values			
At 31 March 2018	<u>1,564,169</u>	<u>30,818</u>	<u>1,594,987</u>
At 31 March 2017	<u>1,733,880</u>	<u>44,989</u>	<u>1,778,869</u>

13 Heritage Assets

Group and charity	Museum artefacts £
Cost or valuation	
At 1 April 2017	9,148,730
Additions	144,202
At 31 March 2018	<u>9,292,932</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 Foundling Museum

Notes to the financial statements 31 March 2018

13 Heritage Assets (continued)

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

Other heritage assets acquired by the Museum are included on the balance sheet at cost. The Museum has acquired heritage assets totalling £279,101 in the last six 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	2018 £	2017 £
Listed investments		
. Market value as at 1 April 2017	3,100,308	2,876,622
. Additions at cost	504,012	637,573
. Disposals at book value (proceeds: £845,307, net realised gains: £121,982)	(723,325)	(737,203)
. Net unrealised investment (losses) gains	(81,325)	323,316
. Market value as at 31 March 2018	2,799,670	3,100,308
Cash held for reinvestment	142,624	81,566
Total investments at 31 March 2018	2,942,294	3,181,874
Cost of listed investments	2,487,628	2,684,519

Charity	2018 £	2017 £
Listed investments		
. Market value as at 1 April 2017	3,100,308	2,876,622
. Additions at cost	504,012	637,573
. Disposals at book value (proceeds: £845,307, net realised gains: £121,982)	(723,325)	(737,203)
. Net unrealised investment (losses) gains	(81,325)	323,316
. Market value as at 31 March 2018	2,799,670	3,100,308
Cash held for reinvestment	142,624	81,566
	2,942,294	3,181,874
Investment in subsidiary undertaking (see below)	2	2
Total investments at 31 March 2018	2,942,296	3,181,876
Cost of listed investments	2,487,628	2,684,519

The Foundling Museum

Notes to the financial statements 31 March 2018

14 Fixed asset investments (continued)

Both group and charity listed investments equating to more than 5% of the total listed investment portfolio comprise units in the J O Hambro Capital Management UK Equity Income Fund (£150,150 (5.36% of the portfolio)), the Trojan Investment Funds – Trojan Income Fund (£163,423 (5.84% of the portfolio)), and the Charities Property Fund (£320,570 (11.45% 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 2018, which have been included in the consolidated financial statements.

	2018 £	2017 £
Turnover	264,121	265,004
Cost of sales	(70,898)	(48,954)
Gross profit	193,223	216,050
Administrative costs	(79,516)	(89,070)
Operating profit	113,707	126,980
Donations made under gift aid	(113,750)	(127,150)
Loss on ordinary activities before interest and taxation	(43)	(170)
Other interest receivable and similar income	43	170
Profit on ordinary activities before taxation	—	—
Taxation	—	—
Profit for the financial year	—	—
Retained earnings at 31 March 2017	—	—
Retained earnings at 31 March 2018	—	—

At 31 March 2018 the company had total called up share capital and retained earnings of £2 (2016: £2).

15 Debtors

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Operating debtors	32,950	15,045	56,279	10,295
Gift aid tax recoverable	14,630	14,630	3,555	3,555
Other debtors	69,409	69,409	44,155	44,155
Prepayments and accrued income	12,720	11,290	5,922	3,827
Amounts due from subsidiary undertaking	—	79,209	—	136,902
	129,709	189,583	109,911	198,734

The Foundling Museum
Notes to the financial statements 31 March 2018

16 Creditors: amounts falling due within one year

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Expense creditors	53,087	43,775	44,573	42,904
Other creditors	65,363	16,535	20,047	15,146
Taxation and social security	—	—	19,195	—
	118,450	60,310	83,815	58,050

17 Creditors: amounts falling due after more than one year

Group and charity	2018 £	2017 £
Loan	3,000,000	3,000,000

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

18 Provision for liabilities

Group and charity	2018 £	2017 £
Provision for pension scheme deficit reduction payments (note 22)	129,000	95,598

The Foundling Museum
Notes to the financial statements 31 March 2018

19 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 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Conservation fund	37,231	5,000	(6,479)	—	35,753
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)	—	31,334
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)	64,837
Gerald Cooke 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

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.

19 Restricted funds (continued)

- **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 Cooke Handel Foundation fund**
 The Gerald Cooke Handel Foundation fund is for expenditure directly related to the Gerald Cooke Handel collection
- **Oak Foundation fund**
 The Oak Foundation is funding a three-year training programme aimed at young adults who grew up in foster care or children's homes.
- **Other funds**
 Other funds comprise items of miscellaneous restricted income to be spent on various museum projects.

20 Designated funds

Group and charity	At 1 April 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 27 of the Trustees' report.

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21 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total 2018 £
Fund balances at 31 March 2018 are represented by:			
Tangible fixed assets	1,594,987	—	1,594,987
Investments	2,942,294	—	2,942,294
Heritage assets	—	9,292,932	9,292,932
Current assets	826,629	196,383	1,023,012
Creditors: amounts falling due within one year	(118,450)	—	(118,450)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)
Pension deficit	(129,000)	—	(129,000)
Total	2,116,460	9,489,315	11,605,775

Charity	Unrestricted funds £	Restricted funds £	Total 2018 £
Fund balances at 31 March 2018 are represented by:			
Tangible fixed assets	1,594,987	—	1,594,987
Investments	2,942,296	—	2,942,296
Heritage assets	—	9,292,932	9,292,932
Current assets	768,489	196,383	964,872
Creditors: amounts falling due within one year	(60,310)	—	(60,310)
Creditors: amounts falling due after more than one year	(3,000,000)	—	(3,000,000)
Pension deficit	(129,000)	—	(129,000)
Total	2,116,462	9,489,315	11,605,777

Unrealised gains included above:

Investments	£
Reconciliation of movements in unrealised gains	
Unrealised gains at 1 April 2017	415,789
Net unrealised losses in year	(81,325)
In respect to disposals	(22,422)
Unrealised gains at 31 March 2018	312,042

22 Pensions

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

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2010. This actuarial valuation showed assets of £21.33m, liabilities of £23.97m and a deficit of £2.64m. To eliminate this funding shortfall, the Trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

Deficit contributions

From 1 April 2012 to 31 March 2022	£208,000 per annum (payable monthly and increasing by 3.0% each year on 1 April)
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A full actuarial valuation for the scheme was carried out at 30 September 2013. This actuarial valuation showed assets of £35.56m, liabilities of £51.94m and a deficit of £16.38m. To eliminate this funding shortfall, the Trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

Deficit contributions

From 1 July 2015 to 31 April 2027	£1,152,000 per annum (payable monthly and increasing by 3.0% each year on 1 July)
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The Foundling Museum
Notes to the financial statements 31 March 2018

22 Pensions (continued)

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.

	2018 £	2017 £	2016 £	2015 £
Present value of provision	129,000	95,568	98,534	11,077

Reconciliation of opening and closing provisions:

	2018 £	2017 £
Provision at start of period	95,598	98,534
Unwinding of the discount factor (interest expense)	1,000	2,102
Deficit contribution paid	(8,598)	(8,650)
Remeasurements - impact of any change in assumptions	41,000	3,612
Remeasurements - amendments to the contribution schedule	—	—
Provision at end of period	129,000	95,598

Income and expenditure impact

	2018 £	2017 £
Interest expense	1,000	2,102
Remeasurements – impact of any change in assumptions	41,000	3,612
Remeasurements – amendments to the contribution schedule	—	—
Costs recognised in statement of financial activities	42,000	5,714

Assumptions

	2018 %	2017 %	2016 %	2015 %
Rate of discount	1.93	1.47	2.24	1.61

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

23 Connected charities

Coram

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

Coram is one of 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, the Museum paid Coram £7,960 in respect to insurance (2017 - £7,628). The Museum purchased Heritage Assets at a cost of £7,500 from Coram during the year (2017 - £5,000).

The Museum also paid Coram £5,127 in respect of rent, room hire and other services (2017 - £4,336).

23 Connected charities (continued)

The Gerald Coke Handel Foundation

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

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

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

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

Under the terms of a Management Deed dated 23rd July 2003, the Museum received the following sums from The Foundation during the year: £36,815 in respect of grants (2017 - £26,594), £51,375 in respect of reimbursement of librarians' employment costs (2017 - £50,187) and £33,674 in relation to premises costs (2017 - £26,065).

24 Members liability

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