

THE GEFFRYE MUSEUM TRUST

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2017

Company Number 2476642

Charity Number 803052

HC 97

THE GEFFRYE MUSEUM TRUST

**ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2017**

Presented to Parliament pursuant to Article 6 (2)(b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009 (SI 2009 No.476)

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Directors and Trustees: The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year were as follows:

Trustees appointed by the Secretary of State for Culture, Media and Sport:

Chair: Samir Shah

Cynthia Polemis
Alexandra Robson
Edwina Sassoon

Elected Trustees: Bernard Donoghue
Jeremy Edge
Douglas Gilmore
Clare Gough
Jonathan Newby
Jeremy Newton
Marilyn Scott
John Tomlins - retired 1st February 2017
Prof. Abigail Williams

Co-opted Member: John Forrester

Director: David Dewing - retired 20th December 2016
Graeme Silcocks - interim Director 21st December 2016 - 8th January 2017
Sonia Solicari from - 9th January 2017.

Company Secretary: Graeme Silcocks

Professional Advisors:

Auditors The Comptroller and Auditor General
National Audit Office
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Victoria
London SW1W 9SP

Tel: 020 7798 7000

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The registered address of the charity is:

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London E2 8EA

Company registered in England, number 2476642.

Charity registered in England, number 803052.

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The Trustees present their report for the year ended 31 March 2017.

The accounts have been prepared in accordance with accounting policies set out in Note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, applicable law, the requirements of the Financial Reporting Standard applicable in the UK – FRS 102 and follows the Charities Statement of Recommended Practice SORP (FRS 102) and with the Companies Act 2006.

STRATEGIC REPORT

THE GEFFRYE MUSEUM

Brief Description and History

The Geffrye is a specialist museum which explores the home over the past 400 years. It has outstanding collections and displays, and is set in beautiful buildings and gardens and has a reputation for its high-quality learning and engagement programmes. It is known as one of London's most friendly and enjoyable museums.

The museum is located in Shoreditch, East London. It is set in grade I listed, eighteenth-century buildings which were formerly the Ironmongers' Company almshouses, founded in 1714 with a bequest from Sir Robert Geffrye. The almshouses were sold in 1910 to the London County Council (LCC), and converted into the Geffrye Museum, which opened in 1914. Its collections of furniture and woodwork were intended to educate and inspire people working in the London furniture trade, then centred in Shoreditch and Bethnal Green. In the late 1930s the museum was re-arranged into a series of period rooms and under the direction of the curator, Molly Harrison, the museum pioneered museum education services for schoolchildren in the post-war decades. In 1990, following the abolition of the Greater London Council (which had taken over from the LCC) the Geffrye was transferred to an independent trust funded by government, and in recent years its purpose has been re-defined as the Museum of the Home.

Governance

The Geffrye Museum Trust is a charitable company, limited by guarantee, supported financially by grant-in-aid from the Department for Culture, Media and Sport (DCMS), supplemented by earned income, donations and sponsorship. The principal charitable purposes of the Trust are the advancement of education and other purposes beneficial to the community, including the care of its collections, grade I listed buildings and gardens.

Public Benefit

The Trustees comply with the duty contained in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. The Charity provides public benefit by safeguarding the collections and buildings, making them accessible to the public and delivering museum and education services which are open to all sectors of society.

Vision and Mission

The Geffrye Museum's vision is:

to be an internationally renowned museum about the home which enriches people's lives and inspires an understanding of home and home life, both past and present.

The museum's mission is summarised in six statements:

1. To provide a distinctive and memorable museum experience which inspires, informs and provides enjoyment to visitors of all ages and abilities.

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2. To be a leading centre for the study of home by developing and enabling access to our rich collections and archives, collaborating in scholarly research and creating outstanding displays and exhibitions.
3. To engage and inspire diverse audiences with excellent learning and engagement opportunities that encourage discovery, spark imaginations and offer life-enhancing experiences.
4. To be at the heart of our communities and London's cultural networks, and contribute to the creative, social and economic development of Hackney and East London.
5. To be a leader in the museum sector and actively champion the development and improvement of museums in London and beyond.
6. To ensure the museum is sustainably resourced and managed for the benefit of future generations.

REVIEW OF ACTIVITIES 2016-17

Overview

The museum's financial position at year end is stronger than in 2015-16. Efficiency savings made in the previous term, along with an increase in commercial activity, have seen a small rebuilding of reserves. This is due to be bolstered in June 2017 by funds from the sale of our Cremer Street site, which exceeded expectations.

We have made excellent progress in advancing our capital development project, *Unlocking the Geffrye*, securing major grants from the Heritage Lottery Fund and Department for Culture Media and Sport, as well as from trusts and individuals. The scheme, which addresses current needs, enables growth and helps to ensure a sustainable future, has been met with overwhelming support from statutory authorities and the public.

Unlocking the Geffrye, is now in the delivery stage. Instruction to start was given to the project team in May 2017, work is scheduled to start on site in late 2017 and be completed in Autumn 2019. While the project is in delivery stage reserves are likely to remain low, as funds may need to be diverted to operational activities that support the project. *Unlocking the Geffrye* is an investment in the future as it will enable an increase in visitors and provide the spaces and facilities to earn and raise more income. The financial position remains tight, but we believe the long-term strategy is sound and will deliver a sustainable business model.

We have taken further strides in transforming the organisation to meet the continued challenging economic conditions, helped by a two-year resilience grant from Arts Council England, ending June 2017. This has allowed capacity building in income generation and fundraising, improvements in marketing and communications, innovative work with collections, learning and engagement and a new direction in reaching out to culturally diverse communities.

Vision

Our vision for the Geffrye, to be an internationally renowned museum about the home, underlies our strategic planning. The name, Geffrye Museum of the Home is now well established and reflects our purpose: our collections, library and archive form the basis for exploring the history of home; our research activities, in collaboration with a number of universities, are deepening our understanding of home and home life; and through the Centre for Studies of the Home, established in 2010 with Queen Mary University of London, we are both initiating new research and encouraging international knowledge exchange and dissemination (see Research below).

We are changing the organisation from a culture of dependency to one of enterprise and partnerships; ensuring our core establishment has a balance of skills and expertise to deliver our essential purposes and maintain financial viability. To ensure the Geffrye has a sustainable business model which meets the challenge of rising costs and falling

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government grants we are investing in customer care and visitor facilities, marketing and communications, income generation and fundraising, alongside our more established activities in collections care, exhibitions and learning programmes. Our vision therefore, continues to increase our proportion of self-generated income against government grant-in-aid. We continue to make efficiency savings and reduce energy costs.

Organisational change is linked to the need for physical changes to the museum's buildings, to make sure they are fit for purpose in today's environment. To deliver our vision we seek to provide visitors with a high-quality experience; increase our visitor capacity; create spaces and facilities to generate more income; and we must provide our collections, library and archives with suitable conditions where they can be used, studied and enjoyed. Hence our *Unlocking the Geffrye* capital development project.

In March 2017 the Heritage Lottery Fund approved our second stage application for £12.3m towards an £18.1m capital development project, *Unlocking the Geffrye* and permission to start was given in May 2017. The application proposed designs by Wright & Wright Architects which seek to alter, improve and where necessary add to the existing buildings to enable us to fulfil our vision for the museum of the home. Their brief was to improve visitor access and circulation, provide a new Home Gallery, museum-quality storage spaces for the collections, a library and study room, a conference facility, improved and expanded learning spaces and a new café. Wright & Wright took a conservation-led approach, seeking to make more efficient use of the existing buildings. In doing so, they are able to address structural weaknesses in the historic fabric and replace outdated services, safeguarding the future of the Grade I listed buildings.

This approach has been met with overwhelming support from all sides, including Historic England, Hackney's planning and conservation officers, the Georgian Group, Hackney Society, the Spitalfields Trust and members of the public. Over the previous term, the project progressed to RIBA Stage 3 and was submitted for planning permission and listed building consent in April 2016. Planning permission and listed buildings consent was subsequently granted in July 2016.

The proposal maximises the space potential in the main almshouse wing, creating a new Home Gallery on the lower ground floor, with direct access to the rear gardens; a library and collections study room at first floor level; a new entrance opposite Hoxton Station to a reception hub at the centre of the museum; and a collections store in the existing Branson Coates extension. Two small buildings will be added, both opening onto the rear gardens, a learning pavilion and a multi-use studio space, for which we requested an uplift of £1.8m from our HLF Stage 1 application, approved in May 2015. In a related but separately funded project, the former Marquis of Lansdowne pub on Cremer Street will be restored and extended with an adjoining residential development, generating the funds needed to bring this 19th century building back into use and provide a new museum café on the ground floor.

An Expert Panel of property and planning professionals has been monitoring progress, challenging key assumptions and advising the trustees and staff on feasibility, programme and budget. We have consulted widely throughout the design process with all of the statutory authorities and with the local and wider communities, including the Friends of the Geffrye Museum, our local community forum and our youth advisory panel; and we have sought feedback from our visitors through a display in the museum. We have listened carefully to all comments and suggestions and these have informed the design development. The proposals have been met from all sides with positive and enthusiastic support.

Unlocking the Geffrye will open up the museum to allow more people to benefit from its unique resources: we anticipate visitor numbers increasing from the current level of 122,000 in 2016-17 to a sustainable level after completion of 150,000, rising by the end of the decade to 170,000, an increase of 39%, while the improved learning spaces will allow us to provide services to a further 9,000 people of all ages, up from 36,000 to 45,000 people per year, an increase of 25%. In addition, the project will resolve the museum's urgent needs in terms of caring for the buildings, and our collections, library and archives will be housed in good conditions enabling public access for study. The development will deliver efficiencies in running costs whilst creating the conditions for increased income generation and higher levels of fundraising; it will deliver a sustainable museum for the future in spite of declining public sector grants.

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The project cost (excluding the separately funded Cremer Street development) is £18.1m; the Heritage Lottery Fund approved a Stage 2 grant of £12.3m in March 2017, the DCMS has awarded a £1m capital grant and to date we have raised a further £0.6m in grants and donations. In May 2017 we received HLF permission to start and were able to instruct the Design Team to begin work on the delivery stage. We aim to progress through RIBA Stage E/F by November 2017. An OJEU notice was issued in March 2017, with construction appointments to be made in August 2017. Enabling works will commence in two phases (Summer 2017 and early 2018), with construction commencing in Spring 2018. The museum will close to the public in January 2018. We are planning an extensive outreach learning programme during the construction period, along with a busy series of events and activities in the museum's front garden, whilst maintaining a strong presence online. Completion of the project is programmed for Autumn 2019.

Development

This has been a critical year in terms of fundraising for the *Unlocking the Geffrye* project. Success with the planning application in July 2016 triggered applications to most of the major charitable trusts and foundations. These came to fruition at the end of the year and delivered further pledges of £600,000 in support of the project. Throughout the year the museum has continued to engage individuals through special events and private visits and have raised about £200,000 from this source including £80,000 in pledged income. A strong position with the partnership funding for the project prompted an early round two application to the Heritage Lottery Fund with a total request to £12.3m the success of this application leaves less than £1.5m to be raised to achieve our target of £18.1m.

Other activities have included the development and submission of a series of applications to Arts Council England (ACE) in support of revenue, capital and programme work: one to become a National Portfolio Organisation; a small capital grant to make the Geffrye's systems and buildings more environmentally sustainable; and a grant request under their Celebrating Age programme to take forward the Geffrye's work with older people.

Income from on-site activities, such as the donation boxes and the promotion of legacies has continued to grow, with the first legacy in response to the new campaign being received in the Geffrye Museum Foundation. The patrons programme has continued to develop with the first reciprocal events being organised, which will introduce new people to the Geffrye.

Department for Culture, Media and Sport

The Department for Culture, Media and Sport (DCMS) is the museum's principal funder and a valuable source of support and advice. During the past year, officers have assisted in preparing the Business Case for the capital development. An application for a loan to help us achieve organisational change and build capacity in income generation and fundraising was approved. The DCMS has also approved a £1m capital grant towards *Unlocking the Geffrye*.

The grant-in-aid settlement announced in November 2015, following the Spending Review, was very welcome, with grant levels being maintained over the next four years. The economic conditions remain tight and we continue to seek efficiency savings where possible, whilst developing our own income generation and fundraising capabilities.

Arts Council England

In 2015 the museum succeeded in securing an ACE Museum Resilience Fund grant of £506,786 over two years, 2015-17, towards a total project cost of £602,796, and the museum is now in the second year of funding. The project has three strands of activity:

- commercial development, seeking to increase earned income through our retail and catering outlets and developing new business in venue hire and events;
- stakeholder engagement, ensuring a new CRM database is fully functioning and enabling more efficient and effective communication with all our stakeholders;

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- and audience and collections development, building relations with diverse local communities in order to expand our audiences and engage non-visiting sectors from the local area.

Further detail on this project is given in the sections below under Development, Collections, Learning and Communications and Commercial development.

Board of Trustees

Following the appointment of five new Trustees in recent years, the Board is at full strength, and offers a wealth of experience, energy and commitment in support of the museum during this exciting period of development. All of the Trustees have been increasingly engaged in supporting the museum's fundraising, hosting at cultivation events and fulfilling their role as ambassadors and advocates. John Tomlins retired as Chair of the Friends of the Geffrye Museum, and his position as Trustee on the Board also accordingly came to end.

A number of new Committees were set up in 2015-16 to ensure Trustees are closely engaged with aspects of the museum's policy-making and strategic planning, and these have continued to be active in 2016-17. The Committees are described in the Governance Statement below.

Geffrye Museum Foundation Trust

The Geffrye Museum Foundation Trust was established in 2014 to provide a separate body to hold funds raised by and donated to the museum. It is incorporated and is registered with the Charity Commission. The Chairman is Richard Hunting and there are two further trustees. Under charity law, the Foundation had to be set up as a clearly separate trust from the Geffrye Museum, with its own independent trustees and defined objectives. The first meeting was held in September 2014. To date there has been no activity to report.

Buildings and Gardens

The museum's security systems were upgraded during the year with the installation of new CCTV cameras and a new intruder alarm. The CCTV cameras provide additional coverage of the Period Rooms, gardens and public circulation spaces. The new security software allows access to the CCTV footage from any computer in the museum and on mobile devices, providing the Front of House staff with greater access and monitoring capability. Following the installation of the intruder alarm, the museum's contract with a night-guard provider was terminated, achieving a significant efficiency saving whilst maintaining a high level of security.

As part of a security review in 2015, Front of House staffing was also reviewed. The museum's contract with a security firm was brought to an end, and a pool of casual museum assistants appointed to provide cover to core staff for annual leave and sickness and additional staffing for out of hours' events. This has resulted in a better visitor service experience for visitors and more flexibility in events staffing.

Following a structural assessment by Alan Baxter Associates of the former Marquis of Lansdowne pub, a series of strengthening works were carried out on the building in order to provide additional restraint by tying the walls and floors together. This improved the stability and robustness of the building ahead of the future work and alterations.

Sustainability Report

The Geffrye is exempt from producing a sustainability report on the basis that it has less than 250 FTE employees.

Collections

Preparations for *Unlocking the Geffrye* have been the priority for the year. Documentation work has focused on ensuring that the collections are ready to be moved and accounted for effectively. The design and content of the Home Gallery have been progressed, including through participatory collecting and display projects with local communities and consultation has been carried out across audiences.

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A first tranche of deaccessioning has seen a number of items successfully transferred to public institutions.

Acquisitions

Notable acquisitions for the museum's collections in 2016-17 included:

- An oil painting by Abraham Bruiningh van Worrell, signed and dated 1819, sold under the title *The Breakfast Table* showing a man and two women at a table set for a meal in an interior with a servant carrying in a hot-water urn; the furnishings and sitters are painted in exceptionally fine detail. Purchased with the support of the Friends of the Geffrye Museum.
- A collection of over 500 printed books and pamphlets dating from the 17th to the 20th century concerning health and relationships at home. The manuals and handbooks, aimed at amateur readers, represent a diverse range of domestic medical practices and treatments over 300 years when the home was the site of most medical treatment and household members the practitioners – covering ageing, beauty, sleep, women and children's health, recipes for medicines and invalid diets alongside sex and marital advice. Purchased with support from the Arts Council England/Victoria & Albert Museum Purchase Grant Fund and the Friends of the National Libraries.
- An oil painting by John Leonard Fuller titled 'Sunday', which shows the artist's family dozing by the fire conveying the atmosphere of a Sunday afternoon at home and reflecting the importance of such shared domestic rituals. Purchased with the support of the Art Fund and Arts Council England/Victoria & Albert Museum Purchase Grant Fund.
- The Cotton Collection Archive - an agreement has been drawn up with Dr Bernard Cotton concerning the donation of his research archive relating to the English Regional Chair collection which he donated to the Geffrye in 2002, and to the wider subject of British regional furniture. This is a nationally important archive developed over some 40 years of research and forms the basis for much of what is now known about regional furniture traditions and makers across the British Isles.

Exhibitions

The main exhibition in 2016-17 was *Swept under the carpet? Servants in London households 1600-2000*. The exhibition was guest co-curated by Tessa Chynoweth and Laura Humphries, both Collaborative Doctoral Award students with the Centre for Studies of Home (CSH). Based on their original research, new scenarios were created in each of the period rooms to reveal the often hidden histories of servants in middling London households. The exhibition was supported by funding from the Queen Mary University of London Humanities and Social Sciences Collaboration Fund. In the concourse area *The Aylesbury Estate as Home* ran through the first half of the year. The exhibition was based on post-doctoral research about the estate by Dr Richard Baxter, part of the CSH programme and funded by the Leverhulme Trust and the Queen Mary University of London Centre for Public Engagement. The exhibition included a sculpture and video piece by artist Nadège Mériaux, a collaborative response to the research. Residents of the estate and participants at the museum took part in artist-led workshops contributing to the production of the sculpture. This was followed by *Teenage Bedrooms: "like a house inside of a house"*, a collaboration with Carey Newson, and one of the outputs from her ESRC-funded PhD undertaken through the CSH. The exhibition showed photographs of the bedrooms of 26 London teenagers and possessions lent by the teenagers themselves, to explore how these spaces are sites of identity, memory and friendship. An installation allowed visitors to step inside the recreated bedroom of one of the teenagers. The exhibition was supported by funding from Queen Mary University of London's Centre for Public Engagement. The annual Christmas Past exhibition, with new scenarios for the nineteenth-century rooms and new graphics throughout, had more visitors than ever, reaching over 24,000.

Loans

The oil painting, 'The Arrival of the Jarrow Marchers' in London by Thomas Cantrell Dugdale, 1936, was lent to the South Shields Museum and Art Gallery for the exhibition, *The Jarrow Crusade: Marching into History*, commemorating the eightieth anniversary of the march.

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'The Physicians Friend', an etching by Charles Williams illustrating a French cook in a kitchen, 1815, was lent to the Foundling Museum for their exhibition, *Feeding the 400: Food, Charity and Childhood*.

Research - Centre for Studies of Home

The research programme at the Geffrye continues to thrive. Three of the four students involved in the extended AHRC programme of research into home and work in London from the 17th century to the present day have completed. Outputs from the project have included the exhibition *'Swept under the carpet? Servants in London households 1600-2000'*, additions to the collections highlighted by the research and a rich archive of material documenting the home lives of Vietnamese migrants to the East End. Another two PhDs associated with the centre have also been completed, on teenage bedrooms and working class home-making in the late 18th century, while all four PhDs involved in the extended AHRC-funded programme 'Home and religion: space, practice and community in London from the seventeenth century to the present', are progressing well. A rich programme of conferences, workshops and seminars has been delivered and two new research projects initiated: 'Home-City-Street', exploring the lived experience of residents on or near the Kingsland Road, their homes and their relationship to the wider city and 'Home for Refugee Children', both funded by QMUL.

A collaborative doctoral award funded by the AHRC with Kingston University on middle-class home-making in Malden, south-west London, has also been successfully completed.

Learning and Engagement

It has been a year of consolidation for the learning and engagement team as newly appointed programme managers settled into their roles. The team adapted well to changes developing new models of engagement to enhance the museum's core offer. The Geffrye's ACE funded work has enabled us to engage more people from diverse audiences than ever before, and exciting new partnerships have been established across a range of cultural organisations to ensure the museum's work is relevant to local communities and therefore sustainable.

Formal Learning

This was a successful year during which the museum's Learning outside the Classroom Quality (Lotc) Badge was renewed. The evaluator was impressed by the quality and range of the Geffrye's schools' sessions, which continue to evolve in response to teachers' and pupils' needs. School numbers have recovered with a 30% increase in 'instances of participation' during autumn 2016 compared with the previous year.

New means are being explored to engage schools through a mixed offer of core facilitated sessions, shorter project-based work and independent self-directed visits. A new secondary school partnership has been established with Petchey Academy and the team is working with them on a KS3 Art and Design project.

The museum has also formed the Hackney Heritage Learning Network (HHLN) with Hackney Museum and Sutton House to pilot a new local primary history initiative. We are also looking at ways to work with bridge organisations such as A New Direction (A.N.D) to develop our Arts Award offer especially for younger pupils at the Discover and Explorer levels either as part of a facilitated or self-directed school visit.

Public Programmes

An exciting programme of holiday activities was offered based around exhibition themes including the museum's popular domestic servants' exhibition, *Swept under the Carpet* and *Teenage Bedrooms* which provided inspiration for a range of craft-based multi-sensory workshops. Summer half term focused on 'Inside Outside' and explored how people spend their time at home: children created board games, servants' boxes and garden sketchbooks. Holiday activities continue to be incredibly popular with between 600 – 800 visitors attending per holiday period.

As the team's longstanding Access and Public Programme Manager left in December, the wider Collections and Learning and Engagement team mainly delivered Christmas activities. Popular events included Christmas greenery

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workshops, and the museum's Epiphany celebrations in January which attracted a large gathering of over 600 people to the front lawns.

Access and Audience Development

ACE communities: This transformational project to engage local culturally diverse communities has enabled the museum to pilot and develop new models of working both with new cultural partners and across the Collections, Learning and Engagement team. Meaningful reciprocal relationships have been established with different cultural organisations such as the Hackney Cypriot Association, the VLC Centre, the Lien Viet Housing Association and Centre 151, an ESOL group from Lien Viet. Through contact with them, the museum has been able to encourage more people from these communities to engage with us, a small number of whom have participated in the ACE project work.

A community-based project has been run with the museum's Asian Women's group, 'Keeping Home' about house working practices which will feed into the Geffrye's new permanent Home Gallery. A youth creative project was also run, 'Being at Home' which engaged young people to look at radio technology in association with creative partner, Mouth That Roars and an intergenerational oral history project with our Vietnamese partners. Outputs from both will form part of an ACE creative display in June 2017.

A Faith and Culture Forum has also been established to discuss interfaith, intergenerational issues and to continue to consult with members about future temporary exhibition displays and the development of the Home Gallery as part of *Unlocking the Geffrye*.

Digital families' work

The teams have been piloting ways to engage families using digital technology. In association with a digital app developed by tech company GAMAR, new digital trails have been tested including a new interactive family garden trail and 20th Century paintings app. The resource has proved very successful and new ways of using this will continue to be explored to enhance the museum's self-directed offer for families.

Young people

Arts Award is now embedded across the museum's youth programme and has been taken up by our Youth Advisory Panel and Young Consultants at Bronze, Silver and Gold levels. The museum's Young People's and Secondary Schools' Manager has also successfully adapted the ACE quality principles in consultation with young people to establish a new framework for youth programme evaluation.

A youth intern was appointed for six months as part of the museum's ACE funded project, who successfully supported the development of a new youth blog, which will be curated by young people on a rotational basis.

The youth programme was extremely busy over the summer with take-over events including 'Teen Twitter' Takeover Day. As part of Youth Activity Week, young people from local youth partner organisations such as New Horizon, Laburnum Boat Club and Hackney Ark came to the museum for a series of workshops; the YAP took part in object handling, a photo shoot and an older people's intergenerational day.

The Young Consultants have been working with the Geffrye's curatorial team to research and inform exhibition design and have piloted a new digital participation diary on the theme of 'being at home' as part of the Documenting Home Archive.

Older people

The museum's City Bridge funded older people's project, 'Feeling at Home' continues to thrive. The Evergreen gardeners' club held workshops once a month during the summer. As well as running a series of successful gardening sessions and monthly Sunday tea parties, the Geffrye has become a member of the Dementia Action Alliance Group; learning and engagement staff attended the Hackney branch launch in April. The older people's programme manager is also exploring ways to enhance our offer for older people through piloting new self-directed resources for group leaders.

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Volunteers

This has been an exciting year for volunteering at the Geffrye with over 140 volunteers across the museum. One of our young volunteers, Orlane Doumbe was runner up for the Youth Award at the London Volunteers in Museums Awards held in September at the Museum of London. The Geffrye's 'Feeling at Home' project volunteers were London Regional Winners of a Marsh Trust Award.

The museum is currently looking for ways to enhance its volunteer offer with a new online management tool, Volunteer Maker that will help to develop new models of engagement, manage rotas and build our online volunteer community.

Higher education

There was a fall in the number of self-directed visits from April 2016 - February 2017 compared with the same period last year. In 2016-17, there were 14 self-directed higher education group visits compared with 24 the previous year; similarly there were 9 self-directed further education visits compared with 22 the previous year. The reason is currently unclear although a reduction to funding may be a contributory factor.

Communications

The museum's profile and reputation continue to grow. The tone of the media coverage for our temporary exhibitions, events and general offer has been overwhelmingly positive throughout the year. A sentiment reflected in our visitor and follower feedback on line and on site.

Communications to highlight *Unlocking the Geffrye* have been a major focus of the year, particularly the significant milestones of the planning decision in July 2016 and confirmation of the HLF Stage 2 award in late March 2017. Both moments were an opportunity to raise the profile of the project and shift the key messaging towards fundraising. Communications on site, on line and targeted press activity reflected this; and the news was picked up in local, specialist and sector media.

The year's exhibitions and events, including Swept Under the Carpet, Ceramics in the City, Christmas Past, Aylesbury Estate, Teenage Bedrooms and The Craft of Wallpaper, were marketed widely through print, media activity, digital and social channels, as well as cross-marketing partnerships with other cultural venues. Event ticket sales have been strong throughout the year.

The Geffrye's digital platforms continue to develop. The website received 430,932 visits of which 313,938 were unique visits, a decrease of 4% on the previous year. Our social media channels continue to grow, and this increase in followers is in part the reason for the decrease of web visits as more people use social media to find out about the museum. The fastest growing platform is Instagram which now has 5,178 followers, an increase of 194%. Instagram is proving to be a valuable way to share news, behind the scenes information and promote events and activities. Twitter now stands at 20,399 followers (up 15%); Facebook, while still a useful tool particularly for promoting events, has shown the slowest growth rate with 7,828 followers (up 6%).

The website is now fully available across all platforms which is essential as around 25% of people now access the site via their phone and 16% via tablet. Being fully responsive on all platforms improves our search engine rankings. Partnerships this year with, amongst others, London Design Festival, Shoreditch Design Triangle, London Craft Week and Chelsea Fringe have all broadened our reach and raised our profile. As members of London & Partners we took part in their Autumn season launch and #Londonisopen campaign, both valuable ways to raise awareness of the museum as a key part of London's cultural offer. The Royal Voluntary Service launched their GrandFest programme at the museum in April 2016, attended by their President, HRH The Duchess of Cornwall and other high profile ambassadors.

Development on the Customer Relationship Management (CRM) system is ongoing. It is widely used across the museum and development of key functionality has taken place throughout the year. An emphasis has been placed on improving the quality of our existing data, alongside creating additional opportunities on site and via partnerships to capture more data.

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Commercial development

Supported by the ACE Museum Resilience Funding, commercial development is now embedded within the museum's strategy and programming. Income generated from commercial activity for the year is £65k. As the ACE funding comes to a close, the Commercial Manager role is now funded by the core museum budget – an endorsement of the importance of commercial activity in supporting the museum's long term aim to become more sustainable.

The year has been an opportunity to test a wide range of activity and events, the majority of which have been well attended and will be repeated. Highlights of this year's programme include Pecha Kucha talks, Crafty Fox markets, late nights, garden bars, film screenings in the front gardens, outdoor theatre and beekeeping and craft workshops. These activities are not only important income generation streams, but also valuable audience development opportunities.

The shop and café have both performed well. The shop's turnover is 4% up on target. A priority for the shop has been developing the Geffrye range of products and re-focusing the overall offer. The online shop has also been relaunched on Spotify, a much more user-friendly platform which has quickly shown an improvement on the previous online shop. The café turnover is £80k up on last year due to increase in events and other commercial activity. The café's priorities have been diversifying the offer and improving customer service.

Targeted marketing of the museum for venue hire has proved successful. The gardens in particular performed strongly for both private and corporate summer parties and wedding receptions.

The picture library, filming and photography all performed solidly through the year. Filming and photography took place in both the period rooms and gardens throughout the year. Highlights include the Apprentice, the Martin Lewis Money Show and the BBC's Gardeners' Question Time.

Friends of the Geffrye

Membership of the Friends' scheme now stands at just over 480. Continuing the work of the review in 2014, the priority has been to align the scheme more closely with the museum's objectives. Regular on-site recruitment, improved marketing and events, such as a well-attended summer party, behind-the-scenes talks and the annual Christmas party, have all supported this aim to engage the Friends more closely in the work of the museum. Discussions are ongoing to further improve this via sharing data and more streamlined subscriptions and ticket booking.

Visitors

2016-17 has been the busiest on record at the Geffrye – 121,770 people visited the museum; of which 103,692 were adults (up 8% on the previous year) and 18,078 were children (up 2%). This is a total year on year increase of 7% and 5% up on our target of 116,000. Christmas Past proved as popular as ever with over 25,500 people visiting during the exhibition's seven-week run. Ceramics in the City in September was another highlight, with over 3,500 people visiting during the three days of the fair. The programme of commercial public events, including film screenings, garden bars and fairs, as well as the increased number of private hires, has brought in over 11,000 visitors since April 2016. This programme, alongside the raised profile of both the museum and our location in East London, has had a significant impact on our high visitor numbers.

The Association of Leading Visitor Attraction's figures for 2016 showed a similar increase of around 7% in visitors to their members' sites, despite a dip earlier in the year. In the London Attractions Monitor Annual Review 2016, London & Partners reported a mixed year across the board for different types of attractions. Overall, 2016 levels were similar to 2015, with Q4 being the strongest period of year-on-year growth for London attractions. L&P also commented on 'an appetite for dispersal' to attractions outside Zone I which reported a 4% increase. The biggest annual decline against 2015 came from museums who reported a 6% decline. So our strong performance for the year within our sector is particularly positive.

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Our ongoing visitor research has been used to inform our audience development plans and communications. Using the Audience Finder spectrum we are building a much clearer idea of our visitors, their motivations and feelings about the Geffrye. Current research shows the recommendation rate for friends and family as 98%.

Social, community and human rights issues

The Geffrye has no social, community or human rights issues to report.

Performance Indicators

The key indicators in the following table are those reported to DCMS as part of the Funding Agreement. These are the principal measures used by the museum in strategic forward planning. Visitor demographics are measured through Visitor Surveys conducted at regular intervals.

		2016-17	2015-16
	Access		
1	Number of visits	121,770	114,190
2	Number of unique website visits	313,938	323,763
	Audience profile		
3	Number of visits by children under 16	18,078	17,724
4	Number of visits by UK adult visitors aged 18 and over from NS-SEC groups 5-8	4,728	4,978
5	Number of visits by UK adult visitors aged 18 and over from an ethnic minority background	9,457	10,785
6	Number of visits by UK adult visitors aged 18 and over who consider themselves to have a limiting long-term illness, disability or infirmity	3,940	3,318
7	Number of overseas visitors	24,886	15,986
	Learning/outreach		
8.1	Number of facilitated and self-directed visits to the museum by children under 18 in formal education	7,199	5,763
8.2	Number of instances of children under 18 participating in on-site organised activities	7,644	7,232
8.3	Number of instances of children under 18 participating in outreach activities outside the museum	402	199
9.1	Number of instances of adults aged 18 and over participating in organised activities at the museum	7,895	8,134
9.2	Number of instances of adults aged 18 and over participating in outreach activities outside the museum	675	389
	Visitor satisfaction		
10	% of visitors who would recommend a visit	98%	98%
	Self-generated income		
11.1	Admissions income	-	-
11.2	Trading income net profit (loss)	35,848	£47,138
11.3	Fundraising income	294,571	£133,977
	Regional impact		
12	Number of UK loan venues	2	2

The Performance Indicators show an increase in overall visitors; adult numbers have increased, partly caused by the increase in commercial events, and child visits have also increased slightly, the result of learning resources engaging with schools again following a period of disruption caused by changes to the national curriculum. Numbers are now

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recovering. Visitor satisfaction remains very high, while self-generated income through trading and fundraising has shown a significant increase. UK loan venues demand remained the same as the prior year.

FINANCIAL REVIEW 2016-17

Income and endowments in 2016-17 amounted to £2,727,653 (2015-16: £2,649,833) of which £1,696,000 (2015-16: £1,523,000) was in the form of grant in aid from DCMS. Arts Council England (ACE) provided £242,030 (2015-16: £237,949) for special projects and resilience measures and HLF provided £112,277 (2015-16: £368,258 as part of the Stage 1 capital grant for *Unlocking the Geffrye*. The museum attracted donations and legacies of £311,267 (2015-16: £147,155). Income generated through trading and other activities amounted to £365,226 (2015-16: £372,933).

Commercial activity really found its mark during 2016-17 and the museum developed a full programme of very popular and successful commercial activity throughout the year, helping the museum bring free reserves back to a positive position within the year. Shop and café income provided a stable return in continuing difficult trading conditions. The museum has learned much from what can be achieved as a commercial offer and bodes well for when the museum reopens in 2019 with a more varied and exciting offer.

Expenditure amounted to £2,253,457 (2015-16: £2,298,044) leaving a surplus for the year of £474,196 (2015-16: £351,789). An actuarial gain on the defined benefits pension scheme of £15,000 (2015-16: £339,000), brings a total surplus for 2016-17 to £489,196 (2015-16: £690,789).

The museum continues to manage expenditure particularly well, endeavouring to always get best value. The museum is well placed to manage both operational and strategic cashflow during the challenges over the next 2 years in particular.

After the actuarial gain on the defined benefits pension scheme of £15,000 (2015-16: £339,000) in the current year, the pension scheme deficit has increased to the amount of £1,610,000 (2015-16: £1,526,000). Provision for this pension liability has been made in the accounts.

FORWARD PLAN

The museum's strategic aims and objectives for the period 2017-18 to 2019-20 are summarised below. For further detail please refer to our Corporate Plan 2017-18 to 2019-20.

Aims and Objectives

The strategic plan is informed by our vision that the Geffrye should be an internationally renowned museum of the home. It should attract and engage a wider diversity of audiences, particularly within the local community. And it should improve access to its collections, library and archives through more gallery space, better storage and new facilities for learning and study. At the same time the museum must become sustainable in the face of declining government grants; this requires further efficiency savings, whilst increasing earned income through trading and attracting more funds from donors and trusts.

A major change programme is under way to achieve this, both organisational change to ensure resources are allocated according to these new priorities, and physical change to create the spaces and facilities required to deliver services to the highest standards. Organisational change is supported during 2015-17 by ACE Resilience Funding and throughout 2017 by the ACE/AMA Future Proof Museums Programme. Physical change is being delivered through the capital project, *Unlocking the Geffrye*. These two areas of change each have priority aims:

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1. Organisational Change

- Ensure a balanced allocation of resources across the museum to address the new priorities in income generation and fundraising, whilst keeping the highest standards of collections care, display, audience engagement and learning.
- Widen the diversity of our audiences by engaging people in the exploration of home and including their narratives in the collections and displays.
- Raise the profile of the museum, attract more visitors, increase earned income, reduce operating costs.

2. Physical Change

- Improve visitor access and circulation throughout the museum, and increase capacity.
- Create more gallery space, better conditions for collections and library and access for study.
- Increase and improve facilities and access for learning and engagement.

Detailed objectives derived from these strategic aims are set out in the Corporate Plan. Our overall ambition is to create a thriving museum which is popular, highly regarded, friendly and accessible. The Geffrye's exceptional buildings and gardens provide a unique setting for outstanding collections, exhibitions and programmes underpinned by active research and scholarship. As a result of the change programme the museum will be increasingly well known locally, nationally and internationally as the museum of the home. As such it will be attractive to a growing cohort of funders, donors and supporters. It will be sustainable, strong and resilient, a powerful and valued cultural resource and a contributor to the economic development of east London.

CORPORATE STRUCTURE AND MANAGEMENT

The Geffrye Museum Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 13 February 1990 and amended on 26 October 1999 to increase the number of trustees to 13. Trustees are members of the company and agree to contribute £1 in the event of it winding up.

The Geffrye Museum Trust is registered as a charity with the Charity Commission. It is also a non-departmental public body (NDPB) funded by the Department for Culture, Media and Sport, which is considered to be a related party.

SENIOR OFFICERS

The Director is responsible to the Board of Trustees for the development of the museum and its day-to-day management. The museum's senior officers are:

David Dewing, Director and DCMS-designated Accounting Officer (retired December 2016)
Sonia Solicari, Director and DCMS-designated Accounting Officer (appointed January 2017)
Graeme Silcocks, Finance Director and Company Secretary
Sarah MacQuillin, Development Director
Eleanor John, Director of Collections, Learning & Engagement
Emma Dixon, Director of Communications & Commercial Development
Lisa Moore, Director of Capital Projects and Operations
Janice Welch, Head of Learning and Engagement (until May 2017)

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ORGANISATIONAL STRUCTURE

The museum is organised under five departments as follows:

- Finance and Administration
- Development
- Collections Learning and Engagement
- Communications
- Operations

The objectives of these departments are to maintain, improve and extend the operation of the museum and the provision of services to the public; to raise funds to support the museum's operation and development; to raise standards in the care, management and interpretation of the collections; to develop the marketing and publicity of the museum and to manage and maximise the museum's human, physical and financial resources.

STAFF

As at 31 March 2017, there were 59 staff (FTE: 46), (2015-16: 53, FTE: 41), of whom 45 (2015-16: 35) are core, the remainder being project funded. Employees play an active role in the life of the organisation. All employees have clear job descriptions and areas of accountability, and are expected to make an effort to remain informed and aware of the museum's corporate aims. Opportunities for this include regular consultation in the form of staff meetings, team meetings, written briefing papers circulated to all staff, a staff newsletter and individual performance appraisals. These formal mechanisms ensure that all employees contribute at appropriate levels to the daily running and performance of the museum.

During the year Trustees who served on the board were split as follows: 7 male and 6 female (2015-16: 7M, 6F). Those who served on the senior management team included 2 male staff and 6 female (2015-16: 2M, 6F). Overall, the staff split was 14 male and 45 female and (2015-16: 10M, 43F).

A pool of over 100 volunteers, many of whom are Friends of the Geffrye, assist in all areas of the museum's operation, with special projects and events, publicity mailings and garden maintenance. A special team has been given training by staff to enable them to supervise visitors and provide interpretation in the restored almshouse. A new Volunteer Handbook has been produced, along with policy documents setting out best practice.

Spending on Consultancy and Contingent staff

There was no expenditure on consultancies in either 2016-17 or 2015-16. The spend on contingent labour during 2016-17 was £63,251 (2015-16: £124,011) and is included in the figure in Note 5.

Health and Safety

All staff follow the museum's Code for Health and Safety at Work. This document forms a part of the Employee Handbook and adherence to good practice in this area is a condition of employment at the museum.

ASSESSMENT OF GOING CONCERN STATUS

The trustees are confident that for at least the twelve months following the date on which the 2016-17 annual accounts are signed, there are no issues that could compromise the going concern status of the museum. This is supported by grant in aid allocated by DCMS to the end of 2019.

PAYMENT POLICY

The Geffrye Museum Trust endeavours to observe the principles of the Better Payment Practice Code. Payment terms and procedures are explained to suppliers and agreed with them in advance. Accounts that are not contested are paid according to those terms and the average settlement time for this year has been 43 days (2015-16: 42 days)

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from invoice date. Approximately 37% (2015-16: 32%) of all invoices were paid within 30 days. Whilst there has been an improvement in settling invoices to 30 days during 2016-17, the museum will continue to work on improving creditors days taking fully into account the recommendation in "Managing Public Money"

EXPLANATION OF CATEGORIES OF FUNDS

(a) General Funds

Grant-in-aid (GiA) received from the Department for Culture, Media and Sport in 2016-17 totalled £1,696,000 (2015-16: £1,523,000). This is the Trust's main source of income, and is supplemented by earned income, sponsorship and donations.

GiA applied to running costs totalled £1,421,000 (2015-16: £1,421,000) of which £25,000 (2015-16: £25,000) is designated and contributed to the acquisition of collections and £100,000 (2015-16: £50,000) related to the drawdown of the DCMS loan disclosed in note 9. £275,000 (2015-16: £102,000) was budgeted for major, or capital building works.

The Geffrye is a Non-Departmental Public Body (NDPB) sponsored by the DCMS. The core financial and non-financial targets and outturns are set down in a three year funding agreement between the DCMS and the Geffrye with the performance indicators outlined on page 12 of the Annual Report.

(b) Restricted Funds

These funds are subject to specific purposes declared by the donors, for example funds committed to major building works, capital expenditure or research. The major source in 2016-17 was from Arts Council England, which totalled £242,030 (2015-16: £237,949) and from Heritage Lottery Fund £112,277 (2015-16: £368,258) and major donors £212,969 (2015-16: £60,100)

(c) Designated Funds

These represent unrestricted funds that have been allocated or designated for specific purposes. The total received in 2016-17 was £35,000 (2015-16: £25,000)

RESERVES POLICY

The museum accumulates free reserves through self-generated or donated income. Free reserves are unrestricted but may be designated for a particular project or purpose. They are only to be used to further the museum's charitable objectives. Typical instances where free reserves might be used are:

- to absorb setbacks, such as unplanned maintenance and changes to funding arrangements;
- to cope with short-term fluctuations and bridge cash-flow problems;
- to take advantage of currently unidentified opportunities; and
- to plan for future growth by allocating free reserves for specific future projects.

In order to provide a level of free reserves appropriate to the museum's needs and risks, as identified in the risk register, the museum, at the request of the Trustees, will endeavour to maintain a sum of not less than £250,000, which is the equivalent of eight weeks' running expenses. Where free reserves exceed this sum trustees will include a statement in the Annual Accounts to explain the purposes for which they are to be designated.

At the balance sheet date, free reserves comprised the following:

	<u>2017</u>	<u>2016</u>
	£	£
Total Assets less Current Liabilities:	13,206,960	12,533,764
Deduct:		
Restricted funds (note 11)	(125,270)	(57,730)
Fixed assets held for charity use	<u>(13,061,652)</u>	<u>(12,607,276)</u>
Free reserves at 31 March 2017	<u>20,038</u>	<u>(131,242)</u>

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The loan from DCMS of £150,000 (2015-16: £50,000) and the defined benefit pension scheme liability of £1,610,000 (2015-16: £1,526,000) have been excluded because these are long-term liabilities which are not expected to crystallise in the immediate future.

Designation of free reserves approved by the Trustees in March 2017

As outlined in the opening comment in the overview (p3), the ongoing work and outreach of the Geffrye continues to develop and go from strength to strength. In the short term however, there continues to be a demand on reserves as the museum invests in the future through the *Unlocking the Geffrye* project. This has continued throughout 2016-17 but through a series of successful fundraising and commercial activities, there has been an improvement in reserves on the prior year. The success in fundraising and commercial activities will continue throughout 2017-18 as part of the museum's sustainability plan and long term strategy.

The trustees are fully aware of the position and the Audit Committee will continually challenge and monitor progress towards more sustainable activity. The Commercial Development Advisory Group set up in 2015-16 and, chaired by Douglas Gilmore continues to meet regularly and report back to trustees. As a Group this will ensure that reserves are returned to sustainable levels by raising visitor footfall, commercial income and fundraising capacity during closure and continue on reopening in 2019.

Current free reserves at 31 March 2017 were £20,038 (2015-16: (£131,242)). The level of free reserves is below the level of £250,000 suggested by the Trustees. A strategy for re-building the reserves forms part of the museum's 10 year business plan by increasing both visitor and commercial capacity.

ENVIRONMENTAL POLICY

The museum is committed to becoming an increasingly sustainable organisation and is working hard to improve its environmental performance and reduce the carbon footprint. Actions to achieve this include:

- recycling, reuse and responsible disposal to minimise waste and reduce its effects on the environment;
- managing energy use through low energy environmental controls to reduce waste and ensure operational efficiency;
- operating a 'no drive' policy for staff and most visitors;
- establishing a cross-museum Green Team working group to develop, monitor and manage environmental sustainability;
- and by providing a much needed and valued public green space in a busy urban environment, contributing to the air quality and providing a natural habitat for plants animals, birds and insects.

The museum is a member of the Sustainable Exhibitions for Museums network and we continue to work with Greenlight North London and the Hackney Zero Emissions Network (ZEN) to identify initiatives to improve our environmental sustainability. The *Unlocking the Geffrye* development will make a positive contribution to sustainability and low energy use. The Geffrye helps to share best practice across the sector.

EMPLOYEE POLICY

The Geffrye Museum is committed to providing equal employment opportunities. All job applicants and employees receive equal treatment regardless of race, colour, ethnic or national origins, sex, pregnancy and maternity, marriage and civil partnerships, sexual orientation, disability, gender reassignment and age. All policies relating to employment are in the Employee Handbook, which is issued to every member of staff and regularly reviewed and updated.

S. Solicari.....

Accounting Officer, Geffrye Museum.

4th July 2017

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DIRECTORS' REPORT

Geffrye Museum Trustees

During the year the following served as Trustees of the museum:

Dr Samir Shah, Chair
Bernard Donoghue
Jeremy Edge
John Forrester (co-opted)
Douglas Gilmore
Clare Gough
Jonathan Newby
Jeremy Newton
Cynthia Polemis
Alexandra Robson
Edwina Sassoon
Marilyn Scott
John Tomlins (retired 1st February 2017)
Prof. Abigail Williams

Pension Liabilities

The Trust operates a pension scheme providing benefits based upon a career average pensionable salary. The assets of the scheme are held separately from those of the Trust, being administered by the London Pensions Fund Authority (LPFA). A qualified independent actuary updated the most recent formal valuation of the scheme to 31 March 2017 for the purposes of presenting figures required by Financial Reporting Standard No.102 – Retirement Benefit Plans. This indicated a deficit for the scheme at 31 March 2017 of £1,610,000 (31 March 2016: £1,526,000) and provision for this liability has been made in the accounts. Further details can be found in note 13 to the accounts.

Staff sickness

In 2016-17 there was an absence of 443 days or 9.84 days per employee (2015-16: 286 days or 7.15 days per employee). The figures are calculated using the number of days lost over headcount. The increase during the year is primarily due to one particular long-term absence. Discounting the long term sickness the absence record for 2016-17 was 130 days or 2.9 days per employee (2015-16: 106 days or 2.7 days per employee)

Significant Events

The museum had two significant events during the year. In July 2016, Hackney council granted planning permission for the *Unlocking the Geffrye* project. In March 2017, the museum was successful in its Stage 2 application with HLF and received permission to start from HLF in May 2017.

Personal Data Loss

The Geffrye Museum had no report to make to the Information Commissioner's Office during 2016-17 (2015-16, none).

Directors' Conflict of Interest

In 2016-17, no material conflicts of interest have been noted by the Director or the Trustees in the Register of Interests. (2015-16: None)

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Auditors

The Comptroller and Auditor General was appointed as Statutory Auditor to the charitable company following the passing of the Government Resources and Accounts Act 2000 (audit of non-profit making companies) Order 2009.

S. Solicari.....

Accounting Officer, Geffrye Museum.

4th July 2017

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REMUNERATION REPORT

Policy on remuneration of senior managers

The senior manager is the Director, Sonia Solicari. Her salary is set by the Remuneration Committee (see below). There is a bonus scheme and performance pay scheme as detailed in the following note. The committee agreed to a bonus to David Dewing in year for successfully guiding the museum towards planning permission for the capital project and in the Stage 2 HLF application submitted in December 2016.

Methods used to measure performance

Staff are appraised annually by their line managers and performance is assessed against competencies and individually targeted objectives. Performance is classified in four categories: Exceptional, Good, Satisfactory, and Unsatisfactory.

The levels of pay increase and bonuses are set within the parameter of Government directives and are agreed by the Trustees on the recommendation of the Remuneration Committee. In line with the Government directive there was a 1% increase in staff salaries during the year. During the year, the Remuneration Committee decided that non-consolidated bonuses would be awarded on merit, rather than spread across all staff as previously. A non-consolidated bonus total of £2,000 was paid in year. (2015-16: £6,500). A small number of staff received one off increases in year, reflecting wider remits and increased responsibilities.

Policy on duration of contracts

For members of staff other than senior management staff, contracts may be terminated by either party by giving one month's notice. For Senior Management staff the notice period is two months. No termination payment is allowed for in any contract.

The Director is employed under a contract dated 9th January 2017. Either party may terminate the contract by giving three months' notice. No termination payment is allowed for in the contract.

Awards to past managers

No award has been made to a past senior manager.

Remuneration and pension benefits (audited information)

Trustees and the Director exercise ultimate responsibility and authority for controlling the major activities of the museum. The Trustees do not receive any remuneration.

Details of remuneration and pension benefits of the new Director, Sonia Solicari at 31 March 2017 are detailed below, together with David Dewing's remuneration and pension benefits as at his retirement, 20 December 2016.

Official	Salary (£'000's)		Bonus payments (£000's)		Pension Benefits (to nearest £1,000)		Total (£000's)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
David Dewing	45-50	65-70	0-5	0-5	7,000	9,000	55-60	75-80
Sonia Solicari	15-20	-	-	-	2,000	-	15-20	-

Official	Accrued pension at age 65 as at 31/3/17	Real(decrease) in pension at age 65	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Sonia Solicari	0-5	n/a	3	n/a	1

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Remuneration includes gross salary and bonus only. No other payments or benefits in kind were received. Pension benefits are provided through the London Pensions Fund Authority scheme, of which the Director is a member on the same terms as other employees (see note 13).

Non-cash elements of remuneration

There was no non-cash element of remuneration given to any employee during the year.

Compensation payable to former senior managers

No compensation was payable to a former senior manager.

Amounts payable to third parties for senior manager services

No amount was paid during the year to third parties for senior manager services.

Highest paid – Median pay ratio (audited information)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The highest paid FTE as at 31 March 2017, was the Director, Sonia Solicari.

The FTE banded remuneration of the highest-paid director at the museum in the financial year 2016-17 was £65,000-70,000 (2015-16 £65,000-70,000 – full year equivalent). This was 3.2 times (2015-16: 2.9 times) the median remuneration of the workforce which was £22,203 (2015-16: £23,230). The movement on prior year is due to an increase in Front of House staff replacing agency staff and therefore having an impact on median remuneration.

In 2016-17 no other museum employee received remuneration in excess of the highest-paid director (2015-16, none). Remuneration in the organisation, not including the highest paid director, ranged from £14,085 - £62,128 (2015-16: £14,943 - £62,500)

Total remuneration includes salary, allowances, and non-consolidated performance-related pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

S. Solicari.....

Accounting Officer, Geffrye Museum.

4th July 2017

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GOVERNANCE STATEMENT

ACCOUNTING OFFICER

As Accounting Officer of the Geffrye Museum I am responsible to the government for the proper management and use of public funds. I ensure that the museum is managed in accordance with the rules set out in “Managing Public Money” and in the DCMS Financial Memorandum, within a framework of controls and risk management described below. I am responsible for reporting on the museum's performance against the requirements, objectives and measures set out in the Management Agreement with DCMS. My role is one of balancing the achievement of the Geffrye Museum's policies, aims and objectives, whilst safeguarding the public funds and museum assets for which I am personally responsible.

The Geffrye Museum Trust is committed to the highest standards of corporate governance and is guided by the Corporate Governance Code for central government departments (the Code) and the following principles laid down in that Code:

- Parliamentary accountability
- The role of the Board
- Board composition
- Board effectiveness; and
- Risk management

The Governance framework of the organisation

The museum has established a robust governance framework, appropriate for an organisation of its size. The key elements in place are:

TRUSTEES

The Trustees have ultimate responsibility for policy, financial accountability and the overall management of the museum.

Appointment of Trustees

The Chair and three Trustees, one of whom may be the Deputy Chair, are appointed by the Secretary of State for Culture, Media and Sport. The remainder are elected by the Board of Trustees. All elected Trustees serve for a three-year term and are eligible for re-election.

Trustees appointed by the Secretary of State for Culture, Media and Sport are subject to appointment processes conducted in accordance with the code of practice recommended by the Commissioner for Public Appointments. The Board of Trustees are advised of forthcoming retirements and invited to propose new candidates for election. The Board endeavors to maintain a balance of expertise appropriate to the governance of the museum and has regard to any specialist skills that may be needed when considering potential Trustees.

The Board has agreed a Diversity Plan that aims to ensure the composition of the Board reflects the diversity of society at large.

Trustee Induction and Training

New Trustees attend an introductory meeting with the Chair, Director and senior staff, and are given a tour of the museum. They are given an induction pack ‘*Information for Trustees*’ which informs them about the museum's constitution, the objectives, powers and responsibilities of the Trust, and the role of Trustees. With this pack they are also given copies of the Memorandum and Articles of Association, the Corporate Plan, the Annual Report, the Management Agreement with the Department for Culture, Media and Sport and various handbooks and guidance publications relating to the responsibilities of a Trustee. Trustees are advised of training opportunities provided by DCMS and others.

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Meetings of the Board of Trustees

Regular meetings of the Board are held at approximately quarterly intervals through the year. Papers include minutes of the previous meeting, minutes of any committee meetings, agenda item reports and recommendations, the Director's report on activities since the previous meeting and management accounts for the year to date. Presentations by members of staff are given on occasion to provide Trustees with more detail on a particular aspect of the museum's work.

The principal issues considered by the Trustees during the year related to the *Unlocking the Geffrye* project. Planning applications had been submitted to Hackney Council in March 2016, and formal approval was granted in July to both the museum designs and the refurbishment of the former pub on Cremer Street to provide a museum cafe, with an associated residential development. The Board considered the RIBA Stage 3 designs, the Final Business Case submitted to DCMS (approved in December 2016), plans for the Cremer Street development, as well as the full Stage 2 Submission to the Heritage Lottery Fund (HLF), submitted with full suite of supporting documents in December 2016. Interim meetings with Trustees were held during the year to consider various aspects of the capital project and HLF application, and HLF Stage 2 approval was formally granted in March 2017. The Board was advised by the Expert Panel, appointed to monitor project progress and ensure the aims were being met (see below). The Board also considered plans for the period of closure of the museum during the capital project.

In addition, the Board kept under review the museum's acquisitions for the collections, the ACE Resilience Funded projects, and the museum's DCMS loan to increase capacity for income generation and fundraising. The Board was updated at its meetings on the establishment and work of its Committees (see below). During the year, John Tomlins retired as Trustee of the Geffrye Museum.

The Trustees have undertaken the role and responsibilities of governors by reviewing the vision and mission for the museum and the aims and objectives proposed by the Director and senior managers for the next few years, as set out in the Corporate Plan. The Plan is the museum's main statement of purpose and intent, approved by the Board and circulated to all funders, stakeholders and supporters, and the Trustees reviewed and provided input on the draft Corporate Plan 2016-17 prior to its publication in July 2016.

The Board has a diverse range of members whose skills and areas of expertise complement the activities of the museum and has initiated a policy of formal self-evaluation of its performance over the year, with one-to-one reviews undertaken by the Chair.

The Board monitors the quality and diversity of data received prior to meetings and Trustees are keen to challenge and suggest additional information in order for them to make effective judgements and decisions. During the year the Trustees maintained a close scrutiny of the museum's performance, both challenging and supporting the Director and management team, and ensuring resources were allocated and used in the most efficient and effective way.

Annual General Meeting

Once a year the Board meets at the AGM to receive the Annual Report, approve and adopt the Annual Accounts.

GOVERNANCE COMMITTEE

The Governance Committee has a remit to advise the Board on its constitution and structure, the skill sets of Trustees and other issues concerning the governance of the museum, its Board and Committees. It takes a lead in the process for recruiting new Trustees who are elected members, as opposed to those appointed by the Secretary of State.

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AUDIT COMMITTEE

The Audit Committee, formed in 1996 in line with the Code of Best Practice for Board members of Non-Departmental Public Bodies, comprises Jeremy Newton, Chair, John Tomlins and Samir Shah. Steven Lippitt was appointed as a co-opted member in August 2010. John Tomlins retired from the committee in February 2017, and the committee will consider a replacement during 2017-18. The Audit Committee oversees the accounts, financial procedures, pension arrangements and risk management. It recommends the appointment of external and internal auditors, and oversees their work. It examines the annual accounts closely and recommends their approval by the Board. The Director and Finance Director report to the Committee and attend its meetings, which are held at intervals determined by the Board in consultation with the Chair of the Committee. The main duties of the Audit Committee, as defined in its terms of reference, are:

- to review the museum's internal and external financial statements and reports to ensure that they reflect best practice;
- to discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the full co-operation of staff;
- to consider all relevant reports on the museum's accounts, achievement of value for money and the response to any management letters;
- to review the effectiveness of the museum's internal control system – established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic and effective manner – and to approve the Governance Statement;
- to keep under review the museum's risk register;
- to ensure that the museum's internal audit service meets, or exceeds, the standards specified in Government Internal Audit Standards, complies in all other respects with these guidelines and meets agreed levels of service;
- to consider any internal audit reports, including value for money reports, and the arrangements for their implementation;
- to review arrangements by which staff may raise concerns about possible improprieties ("whistle-blowing") in order to ensure that arrangements are in place for their proportionate / independent investigation and for follow-up action;
- to consider any other matter where requested to do so by the Board;
- to report at least once a year to the Board on the discharge of the above duties.

During the year the Audit Committee supported the Director on matters relating to risk, internal controls, and governance. Four meetings were scheduled for the year, which were all held, and the minutes were submitted to the Board. The Committee has kept the museum's pension schemes under close examination, and invited the museum's pensions consultants to present their advice at one of their meetings. The Committee also considered the museum's annual budgets, the management of cash flow and liquidity during the course of the *Unlocking the Geffrye* project, and provided input on the Outline and Final Business Case for the project submitted to DCMS. The Risk Register was reviewed at each meeting, with any changes and new risks highlighted for discussion.

Statement on fundraising practice

Fundraising is a relatively new activity for the Geffrye and is undertaken by a small professional team, which works towards achieving best practice as defined by the Codes of Fundraising Practice. We continue to review the codes and take on new guidance, particularly in relation to the protection of vulnerable people and ensuring no undue pressure is experienced by members of the public. We are in the process of putting a place a procedure for the handling and recording of complaints to support this activity.

Fundraising activity is currently focused on securing support for a major capital development, *Unlocking the Geffrye*, primarily through approaching statutory funders, charitable trusts and foundations and individuals. All activity is undertaken by the in-house team.

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REMUNERATION COMMITTEE

The Remuneration Committee, originally formed in 2000, was re-formed in April 2015 following recent changes in Board membership, with Samir Shah as Chair and Clare Gough and Jeremy Newton as members. The terms of reference for the committee are:

- to consider and make recommendations to the Board of Trustees on remuneration policy and on terms and conditions of employment for all museum staff, taking advice from the Director, the DCMS and others as appropriate;
- specifically to act for the Board on implementation of the above policy (in terms of salary, bonuses and any other benefits) for senior staff, currently defined as the Director and members of the senior management team.

The Committee met once during the year in October and considered staff pay and conditions. They agreed a 1% increase in salaries for staff effective from September 2016, which was in line with Government directives.

MUSEUM DEVELOPMENT EXPERT PANEL

An Expert Panel was formed in October 2013 to advise the Board and Director on the capital development project. It is authorised by the Board to take a lead in ensuring the capital development project proceeds as efficiently and effectively as possible within the parameters set by the Board and principle funders. Its primary purpose has been to provide expertise in steering the development project through the design stages to meet the museum's requirements as defined in the project brief, within the agreed budget and programme, culminating in the achievement of planning permission and listed building consent.

The Panel is comprised of experienced professionals within the property, planning and surveying professions, together with the Chair of the Geffrye and one other Trustee, Jeremy Edge. It is chaired by John Forrester, senior executive in the property services company Cushman and Wakefield, who was co-opted onto the Geffrye Board in 2015. Members of the Expert Panel are John Forrester, Chair, Samir Shah, Chair of the Geffrye Museum, Jeremy Edge, Trustee, Richard Baldwin, Amanda Reynolds and Chris Miele. The Panel met once in June to consider the scheme designs, including those that had been submitted to Hackney Council in March 2016 (formally approved by Hackney Council in July 2016), as well as the tendering process for the Cremer Street development. The Panel considered in detail RIBA Stage D sign-off, the implications of the timing of the tendering process for Cremer Street, and the anticipated capital receipt for the museum. In April 2017 the panel advised on the progress of the agreement between the museum and Jerram Falkus, the construction company appointed for Cremer Street.

At the Board Meeting of 26 April 2016, it was agreed that the Expert Panel, with the exception of Richard Baldwin, Amanda Reynolds and Chris Miele, would be merged with the Unlocking the Geffrye Project Board, to streamline governance of the project going forward. Richard Baldwin, Amanda Reynolds and Chris Miele will remain ad-hoc advisors to the project.

COMMERCIAL DEVELOPMENT ADVISORY GROUP

The Commercial Development Advisory group was established in December 2015. Its purpose is to increase income generation, whilst maintaining the core principles, purposes and values of the museum. Chaired by Douglas Gilmore, a Trustee with extensive experience of commercial management at the National Gallery, the Committee brings together Trustees and staff with relevant skills and experience to consider and advise on how best to maximise the commercial potential of the Geffrye, and seeks advice from external professionals. The Committee's terms of reference are:

- to advise on the development and implementation of a commercial strategy
- to consider proposals for new commercial activities at the museum
- to seek advice from other Trustees and from other organisations and individuals
- to consider and advise on potential commercial partners
- to ensure best practice for commercial activities at the museum

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- to evaluate the success of commercial activities and enterprise
- to report to the Board as appropriate.

Members of the Committee are Douglas Gilmore, Chair and Trustee, Bernard Donoghue, Trustee, Jonathan Newby, Trustee, Cindy Polemis, Trustee, and Samir Shah, Chair of the Board of Trustees. The Committee met twice, in April and in October 2016, when the group discussed the museum’s strategic framework for commercial development and income generation, and reviewed commercial activity undertaken during the year against strategy. It also analysed barriers faced by the museum, and reviewed activity planned and opportunities in the lead up to closure of the museum buildings during the course of the capital development project.

GALLERIES AND INTERPRETATION COMMITTEE

An academic advisory group or ‘Galleries and Interpretation Committee’ was established in January 2016 to advise on the overall policy relating to gallery displays, content and interpretation, with particular regard for the visitor experience, and to advise on the content of the new Home Gallery. The Committee is formed of Trustees with relevant expertise, academics engaged in studies of the home, with senior staff in attendance. The terms of reference for the committee are:

- to establish a common vision for the museum’s content and interpretation, ensuring that this is informed by current academic research and thinking in these areas;
- to keep a particular focus on the ideas, themes and content of the new Home Gallery;
- to advise on changes to the existing period rooms;
- to ensure the visitor experience is significantly enhanced.

Members of the Committee are Prof Abigail Williams, Chair and Trustee, Bernard Donoghue, Trustee, Jonathan Newby, Trustee, Prof Alison Blunt, Queen Mary University London, Prof Jane Hamlett, Royal Holloway College, Prof Victor Buchli, UCL. The first meeting of the Committee was held in May 2016, and the group also met in June, September and November 2016. The Committee considered and provided input on the outline plans for the new Home Gallery – which would explore the home more broadly (socially, geographically and culturally) than was possible in the period room displays, as well as the designs themselves following the appointment of gallery designers in May. The group viewed and discussed provisional selection of objects for inclusion in the Home Gallery and the proposed gallery lay-out in gallery plans. The role of the Committee is currently under review.

TRUSTEES’ ATTENDANCE RECORD

	Board Meetings	Audit Committee	Remuneration Committee	UtG Expert Panel	Commercial Advisory Group	Galleries & Interpretation Committee
Number of Meetings held in 2016-17	5	4	1	1	2	4
Samir Shah	5	2	1	1	0	1
Bernard Donoghue	3	n/a	n/a	n/a	2	1
Jeremy Edge	5	n/a	n/a	1	n/a	n/a
John Forrester	2	n/a	n/a	1	n/a	n/a
Douglas Gilmore	3	n/a	n/a	n/a	2	n/a
Clare Gough	4	n/a	1	n/a	n/a	n/a
Jonathan Newby	5	n/a	n/a	n/a	0	2
Jeremy Newton	3	4	1	n/a	n/a	n/a

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Cynthia Polemis	4	n/a	n/a	n/a	2	n/a
Alexandra Morris Robson	4	n/a	n/a	n/a	n/a	n/a
Edwina Sassoon	5	n/a	n/a	n/a	n/a	n/a
Marilyn Scott	3	n/a	n/a	n/a	n/a	n/a
John Tomlins *	5	2	n/a	n/a	n/a	n/a
Abigail Williams	4	n/a	n/a	n/a	n/a	4

- John Tomlins retired as Trustee on 1st February 2017.

KEY CONTROLS

The principal means by which the Board of Trustees executes its governance responsibilities are:

- Management Agreement with the DCMS, dated 2014
- Corporate Plan for 2016-17 to 2019-20, published in August 2016
- Annual business plan and supporting budget for 2016-17
- Quarterly presentation of accounts to the Trustees
- Regular reporting of finances and performance against funding agreement targets to funders (DCMS / ACE).

RISK MANAGEMENT

The Director is the Accounting Officer for the purposes of reporting to the Department for Culture, Media and Sport, and has overall responsibility for the Museum's risk management framework. Sonia Solicari assumed the role of Accounting Officer on 9th January 2017. Since her appointment her induction programme has included meetings with the previous Accounting Officer, Trustees, the National Audit Office, the Department for Culture, Media and Sport, Internal Audit and employees from across the Museum.

Risk management is inherent in the Geffrye's systems and procedures. The museum's policy and procedures were established in 2011 after a full review. The policy and risk register is based on risks identified within each department and escalated where appropriate to a museum-wide register which includes strategic risks identified by the management team. The policy and register have been approved by trustees and are regularly reviewed by the management team and Audit Committee. Risk management is therefore devolved across the whole organisation.

The major strategic risks identified during the year and kept under close review related to the museum's capital development project, specifically the risks of not raising the required funds and not being able to keep to programme schedule and budget. In the event, the strategies to monitor and mitigate these risks have succeeded to date. Following the success of the Stage 2 application with the Heritage Lottery Fund in March 2017, cash-flow is becoming more robust as pledges convert to donations. It is anticipated that the sale of the former pub on Cremer Street will complete in July 2017, adding further to the museum's resources. Reputational risk in relation to the capital project, especially associated with the development of the former pub on Cremer Street, has also been carefully controlled; the Head of Communications has ensured an extensive programme of public consultation to ensure an open and transparent design process, thereby avoiding the risk.

Managing liquidity and cash-flow during the capital development project will remain a risk over the next four years and this will be closely monitored by senior staff and the Audit Committee. Trustees are also aware of the risks relating to the pension scheme and the Audit Committee obtained professional advice during the year to plan and safeguard a sustainable future for the defined benefits scheme, administered by the London Pensions Authority Fund.

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INTERNAL CONTROL

The Board has appointed internal auditors acting in accordance with Government Internal Audit Standards, to examine and assess, under an agreed work plan, key areas of the museum's operation and provide reports on their efficiency and effectiveness. These reports are presented to the Audit Committee for discussion and are then submitted to the Board with recommendations as necessary.

- The director submits an annual report on internal control and risk management to the Audit Committee and the Audit Committee presents it to the Board with their recommendations.
- The museum is working towards compliance with the Security Policy Framework and submits an annual assessment on compliance to DCMS. This includes arrangements for data security and ICT system security.
- There have been no significant weaknesses in our internal controls in the financial year. In June 2017 however, there was a successful phishing scam perpetrated against the museum. The museum's Fraud Response Plan was immediately activated, evidence was secured and the matter was reported to the museum's bank, police, trustees, senior management and the DCMS. An internal audit has been commissioned by the DCMS to examine controls and processes and is ongoing at this time. Results will be considered in due course.
- During 2016-17, there were no lapses in data security. (2015-16: None)

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the museum's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Geffrye Museum for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Taken together, these measures ensure that risk management and internal control are considered on a regular basis and there is an annual review at the end of each financial year. Risk management has thus been incorporated fully into the corporate-planning and decision-making processes of the museum, and forms a key part of the everyday operation and service delivery.

S. Solicari..... Accounting Officer, Geffrye Museum

S. Shah..... Chair, Geffrye Museum Trust

Date: 4th July 2017

THE GEFFRYE MUSEUM TRUST
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YEAR ENDED 31 MARCH 2017

STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

The Trustees are required by the Companies Act 2006 and the Secretary of State for Culture, Media and Sport, with the approval of the Treasury, to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Geffrye Museum and of its net resource outturn, application of resources, changes in funds and cash flows for the financial year.

Audit

In addition, as Accounting Officer, I can confirm that I am aware there is no relevant audit information of which the museum's auditors are unaware and I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the museum's auditors are aware of that information.

I can confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis (a copy of these directions is available on application in writing to the Accounting Officer at the Geffrye Museum);
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclose and explain any material departures in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Geffrye Museum will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Director of the Geffrye Museum as the Accounting Officer for the Geffrye Museum. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records, are set out in *Managing Public Money* published by HM Treasury.

S. Solicari..... Accounting Officer, Geffrye Museum

S. Shah..... Chair, Geffrye Museum Trust

Date: 4th July 2017

AUTHORISED FOR ISSUE

The date of authorisation is the date of certification by the Comptroller and Auditor General.

By Order of the Board of Trustees

Signed.....G. D. Silcocks, Company Secretary, Geffrye Museum Trust

Date: 4th July 2017

THE GEFFRYE MUSEUM TRUST
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THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF GEFFRYE MUSEUM TRUST

I certify that I have audited the financial statements of the Geffrye Museum Trust for the year ended 31 March 2017 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial statements have been prepared under the accounting policies set out therein. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Trustees/Board, Accounting Officer and the auditor

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Director as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

THE GEFFRYE MUSEUM TRUST
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Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Geffrye Museum Trust's affairs as at 31 March 2017 and of the net income/(expenditure) for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual;
- the information given in the Strategic and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and these reports have been prepared in accordance with the applicable legal requirements; and
- In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

7th July 2017

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

THE GEFFRYE MUSEUM TRUST
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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017	<u>Notes</u>	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Income & endowments from:				
DCMS Grant In Aid		1,496,000	200,000	1,696,000
Donations and Legacies		88,926	222,341	311,267
Charitable Activities		34,363	422,212	456,575
Other trading activities		262,958	-	262,958
Investments		853	-	853
Total	2	1,883,100	844,553	2,727,653
Expenditure On:				
Raising Funds	3	344,395	-	344,395
Charitable activities	3	1,596,569	312,493	1,909,062
Total		1,940,964	312,493	2,253,457
Net income (expenditure)		(57,864)	532,060	474,196
Transfer between funds		464,520	(464,520)	-
Net incoming (outgoing) resources before other recognised gains and losses		406,656	67,540	474,196
Actuarial gain (loss) on defined benefit pension scheme	13	15,000	-	15,000
		421,656	67,540	489,196
Reconciliation of funds:				
Total funds brought forward at 1 April 2016		10,900,034	57,730	10,957,764
Total funds carried forward at 31 March 2017		11,321,690	125,270	11,446,960

The notes on pages 36 to 52 form part of these financial statements

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016	<u>Notes</u>	Unrestricted <u>Funds</u>	Restricted <u>Funds</u>	Restated Total <u>2016</u>
		£	£	£
Income & endowments from:				
DCMS Grant In Aid		1,523,000	-	1,523,000
Donations and Legacies		83,801	63,354	147,155
Charitable Activities		102,243	691,207	793,450
Other trading activities		185,690	-	185,690
Investments		538	-	538
Total	2	1,895,272	754,561	2,649,833
Expenditure on:				
Raising Funds	3	300,784	-	300,784
Charitable activities	3	1,752,912	244,348	1,997,260
Total		2,053,696	244,348	2,298,044
Net income (expenditure)		(158,424)	510,213	351,789
Transfer between funds		471,662	(471,662)	-
Net incoming (outgoing) resources before other recognised gains and losses		313,238	38,551	351,789
Actuarial gain (loss) on defined benefit pension scheme	13	339,000	-	339,000
		652,238	38,551	690,789
 Reconciliation of funds:				
Total funds brought forward at 1 April 2015		10,247,796	19,179	10,266,975
Total funds carried forward at 31 March 2016		10,900,034	57,730	10,957,764

All activities are on an on-going basis

The notes on pages 36 to 52 form part of these financial statements

THE GEFFRYE MUSEUM TRUST
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YEAR ENDED 31 MARCH 2017

Company Number 2476642
Charity Number 803052

		<u>2017</u>	<u>2016</u>
		£	£
BALANCE SHEET	Notes		
FIXED ASSETS			
Tangible fixed assets	6	271,685	220,358
Heritage assets	6	12,789,967	12,386,918
		13,061,652	12,607,276
CURRENT ASSETS			
Stocks		32,875	35,815
Debtors	8	104,626	183,210
Cash at bank and in hand		277,451	105,228
		414,952	324,253
CREDITORS			
Amounts falling due within one year	9	(269,644)	(397,765)
		145,308	(73,512)
NET CURRENT ASSETS			
		13,206,960	12,533,764
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling after one year	9	(150,000)	(50,000)
PROVISION FOR LIABILITIES AND CHARGES			
Net defined benefit pension liability	13	(1,610,000)	(1,526,000)
NET ASSETS		11,446,960	10,957,764
Represented by:			
INCOME FUNDS			
Restricted funds:	11	125,270	57,730
Unrestricted funds:			
Designated funds	11	287,621	279,359
General funds	11	11,034,069	10,620,675
TOTAL INCOME FUNDS		11,446,960	10,957,764

The financial statements were approved by the Board of Trustees on 4th July 2017 and signed on their behalf by:

S. Shah.....) Chair, Geffrye Museum Trust

S. Solicari.....) Accounting Officer, Geffrye Museum

The notes on pages 36 to 52 form part of these financial statements

THE GEFFRYE MUSEUM TRUST
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STATEMENT OF CASH FLOWS	Notes	<u>2017</u> £	<u>2016</u> £
Cash flows from operating activities:			
Net cash provided by (used in) from operating activities	10	571,933	541,672
Cash flows from investing activities:			
Dividends, interest and rents from investments		853	538
Purchase of tangible fixed assets	6	(97,514)	(98,727)
Purchase of heritage assets	6	(403,049)	(646,232)
Net cash provided by (used in) investing activities:		<u>(499,710)</u>	<u>(744,421)</u>
Cash flows from financing activities:			
Cash inflows of new borrowing		100,000	50,000
Change in cash and cash equivalents in the reporting period:		172,223	(152,749)
Cash and cash equivalents at the beginning of the reporting period		<u>105,228</u>	<u>257,977</u>
Cash and cash equivalents at the end of the reporting period		<u><u>277,451</u></u>	<u><u>105,228</u></u>

The notes on pages 36 to 52 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS

I ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and, on the basis of on-going grant in aid funding from the Department for Culture, Media and Sport, they have been prepared on a going concern basis. There are no circumstances that the trustees are aware of either now or up to 12 months following the date on which the financial statements are signed that would alter this view. The accounts follow the requirements of the Companies Act and the Statement of Recommended Practice: applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), FRS 102 and make additional disclosures required by the Secretary of State for Culture, Media and Sport as required by the accounts direction.

The core financial and non-financial targets and outturns against the Management Agreement between the Department for Culture, Media and Sport and the museum is summarised on Page 12 of the Annual Report.

(b) Grant in Aid

The museum is a Non-Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport. Grant in Aid is available for running costs, capital improvements and collection purchases. Grant in Aid from the Department for Culture, Media and Sport is taken to the income and expenditure account in the year it is received.

(c) Income

Income from grants, donations and legacies is recognised in the SOFA when there is evidence of entitlement, receipt is probable and its amount can be measured reliably. Contractual and trading income is recognised as incoming resources to the extent that the Geffrye Museum has provided the associated goods or services. Where income is received in advance and the Geffrye Museum does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

(d) Volunteers

The value of services provided by volunteers is not incorporated into these financial statements, due to the absence of a reliable measurement basis. Details of the services made by volunteers can be found in the trustees' annual report.

(e) Expenditure

Expenditure is included on an accruals basis. Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Any cost which is attributed to raising voluntary income, which consists of donations, contributions from the Friends of the Geffrye Museum and the value of objects donated to the collection are deemed as immaterial.

Trading costs relate to the operation of the museum shop and restaurant and the hire of museum facilities. Direct staff and other costs are included.

Charitable activity expenditure comprises direct expenditure and staff costs attributable to the activity. Where costs cannot be directly attributed, these have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activities on a basis consistent with the use of resources. Also included within support costs are governance costs which are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

(f) Tangible fixed assets

Heritage assets

The disclosure requirements of Financial Reporting Standard 102 have been adopted, as the historic buildings and grounds and museum exhibits are regarded as heritage assets. This is due to their historic importance and the fact they are held for purposes of preservation, conservation and public education.

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Donated Assets

In accordance with the fixed asset capitalisation policy that has been adopted, Donated assets are recognised at fair value when received, should their fair value be in excess of £1,000.

Collections

Since the implementation of SORP 2000 the cost of exhibits acquired on inception of the Trust in 1990 and subsequently has been capitalised at historic cost on the balance sheet.

All heritage assets, including collections and additions to collections are on the balance sheet.

Museum buildings

Since the implementation of SORP 2000 the cost of buildings transferred under the 1991 Transfer Order and the cost of subsequent additions to the museum have been capitalised on the balance sheet.

Dealings in the freehold property transferred to the Geffrye Museum Trust require the consent of the Charity Commission.

Museum buildings are considered to form an intrinsic part of the Collection.

The basis of valuation of museum buildings is at historic cost.

Other

The land and buildings acquired in 1997 are not subject to any restrictions and are not considered to be an integral part of the museum and its collection.

All assets regarded as tangible fixed assets acquired in the period, costing more than £1,000 are capitalised.

(g) Depreciation of tangible fixed assets

Depreciation on assets is charged so as to write off their full cost or valuation less estimated residual value over their expected useful lives at the following rates:

Furniture, fittings and equipment	- 33% of cost per annum
Plant and equipment	- 33% of cost per annum

No depreciation is provided in respect of the Collection (including the Museum Buildings) as they are Heritage Assets. Tangible fixed assets that have not been brought into use by the end of the year have not been depreciated. Assets, which have not been depreciated, have been reviewed for impairment. Assets that have been brought into use during the period are fully depreciated for the year, and no charge is made in the year of disposal.

(h) Impairment of Fixed Assets

Fixed Assets are reviewed for impairment when there are indications of impairment in accordance with FRS 102. Assets are impaired to their fair value to reflect the future economic events that are expected to be received.

(i) Stock

Stocks comprise goods for resale held in the Museum shop and restaurant. Stocks are valued at the lower of cost and net realisable value.

(j) Pension costs

The Museum is a member of the London Pensions Fund Authority (LPFA) superannuation scheme that provides benefits based on final pensionable pay. The cost of benefits accruing during the year is charged against staff costs in the Statement of Financial Activities. Actuarial gains and losses are recognised in the Statement of Financial Activities after total net resources for the year and charged to reserves.

The balance sheet includes the actuarially calculated scheme liabilities, discounted at an appropriate rate to reflect expected long term returns.

The museum commenced auto enrolment from October 2014 and set up a Defined Contributions scheme with Royal London as the default pension provision. Amounts paid by the museum during the year are included in Note 5 – Wages and Salaries and no assets or liabilities were held by the museum at 31 March 2017. Employees retain the option of joining either scheme.

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(k) Fund accounting

General funds are available to use at the discretion of the Trustees in furtherance of the general objectives of the Museum.

Designated funds comprise funds, which have been set-aside at the discretion of the trustees for specific purposes. The purpose and use of the designated funds are set out in the notes to the financial statements. Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal.

(l) Financial instruments

As the cash requirements of the Charity are largely met through Grant in Aid received from the Department for Culture, Media and Sport, financial instruments play a more limited role in creating risk than would apply to a non-public body of a similar size.

(m) Cash & cash equivalents

All cash and cash equivalents held throughout the year were held in commercial banks or cash in hand.

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2 INCOME AND ENDOWMENTS

	<u>2017</u>	<u>Restated</u>
	£	2016
		£
Grant in Aid		
DCMS Grant in Aid - revenue	1,421,000	1,421,000
DCMS Grant in Aid – core capital	75,000	102,000
DCMS Grant in Aid – major capital projects	<u>200,000</u>	<u>-</u>
	1,696,000	1,523,000
Donations and Legacies		
Restricted		
Trusts	101,600	19,050
Corporate	10,000	25,050
Major donors	101,369	16,000
Individuals	1,173	1,254
Other awards	<u>8,199</u>	<u>2,000</u>
	222,341	63,354
Unrestricted		
Friends	10,000	10,000
Patrons	8,867	14,100
Trusts	7,500	5,500
Corporate	5,640	4,000
Individual	<u>56,919</u>	<u>50,201</u>
	88,926	83,801
Charitable Activities		
Restricted		
Heritage Lottery	112,277	368,258
Arts Council England	242,030	237,949
City Bridge	34,155	40,000
Friends of the National Archives	7,500	30,000
V&A Museum	23,000	15,000
Art Fund	<u>3,250</u>	<u>-</u>
	422,212	691,207
Unrestricted		
School sessions	9,438	9,555
Other charitable activities	<u>24,925</u>	<u>92,688</u>
	34,363	102,243
Other Trading Activities	<u>262,958</u>	<u>185,690</u>
Investment income		
Bank interest	<u>853</u>	<u>538</u>
	2,727,653	2,649,833

The prior period restatement relates to a reclassification of £691,207 from restricted Donations and Legacies to Charitable Activities. There was no impact on the total income for the year.

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3 EXPENDITURE	<u>Staff costs</u>	<u>Direct costs</u>	<u>Support costs</u>	<u>Total 2017</u>
	£	£	£	£
Cost of raising funds				
Fundraising and trading costs	203,403	140,992	-	344,395
Charitable activity:				
The charitable activity of the Geffrye Museum is as a resource for education. Museum operations can be divided as follows:				
Public Access Care of buildings and gardens, Security and visitor services	484,778	144,129	113,868	742,775
Education and Outreach Schools and formal learning, public programmes and public relations	421,112	204,363	56,450	681,925
Curatorial and Exhibitions Care and development of collection, research and exhibition programme	322,065	114,278	48,019	484,362
	1,431,358	603,762	218,337	2,253,457

Analysis of support costs

	Bank Charges	Finance and Admin	Comms and equipment	Governance	Total 2017
	£	£	£	£	£
Basis of apportionment	Expenditure	Headcount	Headcount	Headcount	
Public Access	1,622	71,857	24,563	15,826	113,868
Education and outreach	1,138	35,409	12,104	7,799	56,450
Curatorial and exhibitions	1,216	29,962	10,242	6,599	48,019
	3,976	137,228	46,909	30,224	218,337

The Governance costs of £30,224 comprises £12,500 audit fees and £17,724 on internal audit and advice.

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3 PRIOR YEAR EXPENDITURE	<u>Staff costs</u> £	<u>Direct costs</u> £	<u>Support costs</u> £	<u>Total 2016</u> £
Cost of raising funds				
Fundraising and trading costs	192,624	108,160	-	300,784
Charitable activity: The charitable activity of the Geffrye Museum is as a resource for education. Museum operations can be divided as follows:				
Public Access Care of buildings and gardens, Security and visitor services	521,571	137,509	108,431	767,511
Education and Outreach Schools and formal learning, public programmes and public relations	412,243	210,714	75,026	697,983
Curatorial and Exhibitions Care and development of collection, research and exhibition programme	347,438	133,612	50,716	531,766
	1,473,876	589,995	234,173	2,298,044

**Analysis of support costs -
Prior Year**

Basis of apportionment	<u>Bank Charges</u> £ Expenditure	<u>Finance and Admin</u> £ Headcount	<u>Comms and equipment</u> £ Headcount	<u>Governance</u> £ Headcount	<u>Total 2016</u> £
Public Access	2,369	70,976	27,646	7,440	108,431
Education and outreach	1,598	49,137	19,140	5,151	75,026
Curatorial and exhibitions	1,764	32,758	12,760	3,434	50,716
	5,731	152,871	59,546	16,025	234,173

The Governance costs of £16,025 comprise £13,125 audit fees, and £2,900 on internal audit costs.

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4 NET MOVEMENT IN FUNDS	<u>2017</u>	<u>2016</u>
	£	£

This is stated after charging:

Auditor's remuneration:

- Audit fee	12,500	13,125
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5 WAGES AND SALARIES	<u>2017</u>	<u>2016</u>
	£	£

a) Staff costs

Wages and salaries	1,092,762	1,070,165
Subcontractors and agency staff	63,251	124,011
Social security costs	88,867	64,051
Pension costs	186,478	215,649
	1,431,358	1,473,876
	1,431,358	1,473,876

One employee earned over £60,000 in 2016-17 (2015-16: 2). This was between £60,000 - £69,999 per annum (2014-15: £60,000 - £69,999). The employee participates in the LPFA pension scheme and the employer contribution was £8,884 (2015-16: £18,188).

Capitalised staff costs in relation to the *Unlocking the Geffrye* in year were £136,231 relating to 6 staff (2015-16: £72,798, 3 staff) These costs are not included in the figures to Note 5 (a) above.

The amount of employee benefits received by the Geffrye's key management personnel (defined as the senior management team) for their services to the charity was £449,249 (2015-16: £449,819).

Staff costs include those funded through Arts Council England.

b) Trustees

None of the trustees who served during the year received nor waived any emoluments during the year (2015-16: Nil). One Trustee was reimbursed for expenses in relation to travel costs in the sum of £54. The museum also incurred hospitality of £54 in relation to a Board meeting and AGM (2015-16: £26). No expenses were paid to third parties on behalf of trustees in 2016-17 (2015-16: Nil).

c) Employees

The average number of employees, on full-time equivalent basis, analysed by function:

	<u>2016-17</u>	<u>restated</u> <u>2015-16</u>
Charitable Activity:		
- Public Access	13	12
- Education and Outreach	9	7
- Curatorial and Exhibitions	7	6
Fundraising and trading	8	4
Management and administration	7	9
	44	38
	44	38

d) Exit packages

There were no voluntary redundancy payments made in year (2015-16: One: £5,510).

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6 FIXED ASSETS	Other Land & Buildings	Assets in the course of construction	Furniture Fittings & Equipment	TOTAL
	£	£	£	£
Cost				
At 1 st April 2016	117,108	42,500	410,627	570,235
Additions	-	84,977	12,537	97,514
At 31 st March 2017	117,108	127,477	423,164	667,749
Depreciation				
At 1 st April 2016	-	-	349,877	349,877
Charge for the year	-	-	46,187	46,187
At 31 st March 2017	-	-	396,064	396,064
Net Book Value				
At 31 st March 2017	117,108	127,477	27,100	271,685
At 1 st April 2016	117,108	42,500	60,750	220,358

HERITAGE ASSETS – land and buildings

	Land and Buildings (Valued 1991) £	Land and Buildings (Historic cost since 1991) £	TOTAL £
Cost			
At 1 st April 2016	2,400,000	7,002,187	9,402,187
Additions	-	342,561	342,561
At 31 st March 2017	2,400,000	7,344,748	9,744,748
Net Book Value			
At 31 st March 2017	2,400,000	7,344,748	9,744,748
At 1 st April 2016	2,400,000	7,002,187	9,402,187

Capitalised heritage assets are not depreciated because they are deemed to have infinite lives, but are subject to impairment reviews where damage or deterioration is reported. The additions to land and buildings represent capitalised costs at the balance sheet date including costs associated with the *Unlocking the Geffrye* capital project.

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HERITAGE ASSETS - collections

	Collection (Valued 1990 & 1996) £	Collection (Historic Cost since 1991) £	TOTAL £	Donated Assets £
Cost				
At 1 st April 2016	1,500,000	1,276,011	2,776,011	208,720
Additions	-	60,488	60,488	-
At 31 st March 2017	<u>1,500,000</u>	<u>1,336,499</u>	<u>2,836,499</u>	<u>208,720</u>
Closing Balance				
At 31 st March 2017	<u>1,500,000</u>	<u>1,336,499</u>	<u>2,836,499</u>	<u>208,720</u>
At 1 st April 2016	<u>1,500,000</u>	<u>1,276,011</u>	<u>2,776,011</u>	<u>208,720</u>

The entire collection was valued by Christie's in 1990 and the pictures, watercolours and prints were re-valued by Christie's in 1996.

The museum's collection of objects, library and archive material has been built up since 1914. Acquisitions are made according to a Collections Development Policy, last agreed by the Trustees in 2014 and reviewed every 5 years. A policy of preventive conservation is in place, with careful monitoring of conditions, routine cleaning and checking for pest infestation. Active conservation is only undertaken when deemed necessary to prevent further deterioration, loss or damage. A collections review has been ongoing over the last four years, leading to a number of disposals where criteria are met and with the approval of the Trustees

In accordance with FRS102, a summary of the heritage assets acquired at cost and assets donated to the museum, for the current year and the previous four accounting periods and disclosed on the balance sheet comprise:

	Acquisitions £	Donations £
1 st April 2012	2,485,676	208,720
Additions:		
31 March 2013	41,920	-
31 March 2014	78,580	-
31 March 2015	57,207	-
31 March 2016	112,628	-
31 March 2017	<u>60,488</u>	<u>-</u>
	<u>2,836,499</u>	<u>208,720</u>

All assets are considered to be used for charitable activities. Additions to the collection were funded by Grant in Aid and supplemented by additional grants and donations. For the years 1991-2017 £1,336,499 (1991-2016: £1,276,011) has been spent on additions to the collection and has been stated at historic cost.

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7 FINANCIAL INSTRUMENTS

The museum's financial assets comprise of trade and other debtors which have fixed or determinable payments that are not quoted in an active market. The museum has no intention of trading these. Subsequent to initial recognition at fair value, these assets are carried at amortised cost, less impairment, using the effective interest method. Trade, other creditors and accruals are recorded at their carrying value.

8 DEBTORS	<u>2017</u> £	<u>2016</u> £
Trade debtors	38,096	27,374
Other debtors	43,416	115,543
Prepayments	23,114	40,293
	<u>104,626</u>	<u>183,210</u>

9 CREDITORS	<u>2017</u> £	<u>2016</u> £
Amounts falling due within one year:		
Trade creditors	159,995	299,935
Accruals and deferred income	67,177	61,097
Taxation and social security costs	42,472	36,733
	<u>269,644</u>	<u>397,765</u>

Amounts falling due after one year:

DCMS loan:	<u>150,000</u>	<u>50,000</u>
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The total agreed loan facility is £300,000 of which £150,000 has been drawdown to date. The loan capital is repayable in equal instalments over a period of ten years, with the first repayment scheduled for April 2018 and the final on April 2027. Interest on the principal is payable annually and is calculated at fixed rates. Interest is calculated on each tranche of drawdown of the loan and ranged from 0.4% to 1.1% during the financial year. Interest charged for the year was £1,295 (2015-16: Nil)

10 STATEMENT OF CASH FLOWS - RECONCILIATION

Reconciliation of net income / (expenditure) to net cashflow from operating activities

	<u>2017</u> £	<u>2016</u> £
Net income / (expenditure) for the reporting period	489,196	690,789
Adjustments for:		
Depreciation for the year	46,187	64,540
Dividends, interest and rents from investments	(853)	(538)
(Increase) / decrease in stock	2,940	(4,912)
(Increase) / decrease in debtors	78,584	15,549
Increase / (decrease) in creditors	(128,121)	(12,756)
Increase / (decrease) in net defined pension liability	84,000	(211,000)
Net cash provided by (used in) operating activities	<u>571,933</u>	<u>541,672</u>

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II STATEMENT OF FUNDS

	<u>1 April</u> <u>2016</u>	<u>Income</u>	<u>Expenditure</u>	<u>Pension</u> <u>Revaluation</u>	<u>Transfer</u>	<u>31 March</u> <u>2017</u>
Unrestricted funds						
Designated funds:						
Funds designated for collection purposes	70,639	35,000	-		(26,738)	78,901
Donated asset fund	208,720	-	-			208,720
Total designated funds	<u>279,359</u>	<u>35,000</u>	<u>-</u>		<u>(26,738)</u>	<u>287,621</u>
General Funds	10,620,675	1,848,100	(1,940,964)	15,000	491,258	11,034,069
Total unrestricted funds	<u>10,900,034</u>	<u>1,883,100</u>	<u>(1,940,964)</u>	<u>15,000</u>	<u>464,520</u>	<u>11,321,690</u>
Restricted income funds						
Unlocking the Geffrye - HLF	-	112,277	-	-	(112,277)	-
Unlocking the Geffrye – other	-	214,143	-	-	(118,493)	95,650
DCMS	-	200,000	-	-	(200,000)	-
Arts Council England	44,919	242,030	(263,722)	-	-	23,227
City Bridge	10,811	34,155	(38,573)	-	-	6,393
V&A purchase grant	-	23,000	-	-	(23,000)	-
Exhibition sponsorship	-	8,198	(8,198)	-	-	-
Art Fund	-	3,250	-	-	(3,250)	-
ZEN - Hackney	2,000		(2,000)	-	-	-
Friends of the National Archives	-	7,500	-	-	(7,500)	-
Total restricted income funds	<u>57,730</u>	<u>844,553</u>	<u>(312,493)</u>	<u>-</u>	<u>(464,520)</u>	<u>125,270</u>
Total funds	<u><u>10,957,764</u></u>	<u><u>2,727,653</u></u>	<u><u>(2,253,457)</u></u>	<u><u>15,000</u></u>	<u><u>-</u></u>	<u><u>11,446,960</u></u>

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Transfer

The transfers between reserves reflect where there has been expenditure from one reserve on capital assets that by their nature form part of a different reserve.

Restricted Income Funds

These funds are to be used for the specific purposes declared by the donors. In some cases, funds are receivable after the expenditure has been declared.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Total fixed assets	13,061,652	-	13,061,652
Current assets	289,682	125,270	414,952
Current liabilities	(269,644)	-	(269,644)
Long term liabilities	(150,000)	-	(150,000)
Provision for pension liability	(1,610,000)	-	(1,610,000)
Total net assets	11,321,690	125,270	11,446,960

13 PENSIONS

The Trust operates a pension scheme providing benefits based upon career average pensionable salary. The assets of the scheme are held separately from those of the Trust, being administered as part of the London Pensions Fund Authority (LPFA) Fund.

Current rates during the year were employer's contribution 14.3% of pensionable salary, employees' contributions were at a varying rate between 5.5% and 9.9% of pensionable salary.

The Trust participates in the LPFA Fund on a "pooled experience" basis. Contributions to the LPFA Fund are determined by Barnett Waddingham on the basis of triennial valuations using the projected unit funding method. The most recent valuation was March 2016. This showed the market value of the asset share in relation to the Geffrye Museum Trust's employees was £4.155 million as at 31 March 2016. At the valuation date the fund's assets were insufficient to cover the value of members' accrued benefits. The assumptions which have the most significant effect on the results of the valuation include the movement on the discount rate; those relating to the rate of return on equities and 3.6% on cash per annum and that salary increases would average 4.2% per annum. A rate of 12.87% (previously 14.3%) of the total pensionable salaries was recommended to meet the cost of accruing liabilities. The decrease in the discount rate from 3.8% to 2.8% has given rise to the increase in pension liability this year. The FRS 102 analysis is intended to be a relatively objective market based measurement but can lead to considerable volatility. The LPFA Pension Fund's assets are invested in a range of investment classes so they will move in a certain way depending on equity markets but the liabilities for FRS102 purposes are based on corporate bonds and a small change in the discount rate can produce considerable increases in the net liability.

The required pension cash contribution to the LPFA for the year was £134,000 (2015-16: £132,940) with contributions payable of £4,002 (2015-16: £4,229) included in creditors at the balance sheet date. This figure includes £40,405 (2015-16: £38,665) of additional contributions to help reduce the pension deficit as agreed in the 2013 triennial valuation.

In 2019, the LPFA will carry out the next triennial valuation which will have an impact on future contribution levels. The museum has a strategy to ensure these are fair and affordable but which also help to mitigate the long term pension deficit.

Barnett Waddingham updated the formal valuation of the scheme to 31 March 2017 for the purposes of presenting figures required by Financial Reporting Standard No.102 – Retirement Benefit Plans. The major assumptions used by the actuary were (in nominal terms):

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	<u>2017</u>	<u>2016</u>	<u>2015</u>
RPI Increases	3.60%	3.40%	3.30%
CPI Increases	2.70%	2.50%	2.50%
Salary Increases	4.20%	4.30%	4.30%
Pension Increases	2.70%	2.50%	2.50%
Discount rate	2.80%	3.80%	3.40%

The approximate fair values of the assets and liabilities of the scheme at 31 March 2017 attributable to the Geffrye Museum are:

	2017	2016	2015	2014	2013
Fair value of assets	4,920,000	4,155,000	4,063,000	3,664,000	3,381,000
Present value of liabilities	(6,530,000)	(5,681,000)	(5,800,000)	(4,568,000)	(4,405,000)
 Deficit at 31 March	 (1,610,000)	 (1,526,000)	 (1,737,000)	 (904,000)	 (1,024,000)

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13 PENSIONS (continued)

The approximate fair values of the assets and liabilities of the scheme as at 31 March 2017 attributable to the Geffrye museum are:

	2017 £	2016 £
Fair value of Scheme Assets	4,920,000	4,155,000
Present value of defined benefit obligation	<u>(6,530,000)</u>	<u>(5,681,000)</u>
	<u>(1,610,000)</u>	<u>(1,526,000)</u>

Amounts on the balance sheet are as follows:

Liabilities	<u>(1,610,000)</u>	<u>(1,526,000)</u>
	<u>(1,610,000)</u>	<u>(1,526,000)</u>

The amounts recognised in the SOFA are as follows:

Current service cost	173,000	198,000
Net interest on defined liability (asset)	55,000	57,000
Administration costs	5,000	6,000

Total cost	<u>233,000</u>	<u>261,000</u>
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Operating value of the defined obligation	5,681,000	5,800,000
Current service cost	173,000	198,000
Interest cost	211,000	197,000
Actuarial losses (gains)	1,203,000	(511,000)
Benefits paid	(298,000)	(52,000)
Contributions by scheme participants	48,000	49,000
Change in demographic assumptions	(73,000)	-
Experience loss(gain) on defined benefit obligation	<u>(415,000)</u>	<u>-</u>

Closing defined benefit obligation	<u>6,530,000</u>	<u>5,681,000</u>
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Opening value of Fund assets	4,155,000	4,063,000
Interest on Assets	151,000	134,000
Return on assets less interest	686,000	(172,000)
Contributions by employer	134,000	133,000
Contributions by scheme participants	48,000	49,000
Benefits paid	(298,000)	(52,000)
Other actuarial gains(losses)	44,000	-

Fair value of Fund assets at the end of the period:	<u>4,920,000</u>	<u>4,155,000</u>
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13 PENSIONS (continued)

History of experience gains and losses

	<u>2017</u> £	<u>2016</u> £	<u>2015</u> £	<u>2014</u> £	<u>2013</u> £
Difference between the expected and actual return on scheme assets					
Amount	n/a	n/a	7,000	(53,000)	243,000
Percentage of scheme assets			0.2%	-1.4%	7.2%
Experience gains and losses on scheme liabilities	415,000				
Amount	-	-	-	630,000	-
Percentage of scheme liabilities	-	-	-	13.8%	-
Total actuarial gain/(loss)					
Amount	15,000	339,000	(833,000)	120,000	203,000
Percentage of scheme assets (liabilities)	0.23%	5.97%	(14.4%)	2.6%	4.6%

In addition to the LPFA pension scheme and following the introduction of auto enrolment in October 2014, the museum offers staff a defined contributions scheme, administered by Royal London. Employees' contributions are 3% and employer's contributions are 6%. In 2016-17 employer's contributions were £23,309 (2015-16: £17,649) and this is included in the pension cost in Note 5. An amount of contributions payable of £782 (2015-16: £603) is included in creditors at the balance sheet date.

14 LIABILITY OF DIRECTORS

The Directors of the charitable company are its Trustees for the purposes of charity law and are listed on page 1. The company is limited by guarantee, has no share capital, and is a registered charity. The liability of the Directors of the company is limited to £1 per Director. At 31 March 2017 their total potential liability amounted to £13 (2015-16: £13).

15 TAX STATUS

All the activities of the Geffrye Museum Trust, which is a registered charity, are undertaken in the pursuit of the museum's charitable purposes only. Each year the museum undertakes a review to establish whether the activities of the shop or the restaurant have resulted in a financial result that might establish a corporation tax liability for the year. The current review shows that no liability to corporation tax has arisen for the year to 31 March 2017 and therefore the museum intends to submit a nil return. (2015-16: Nil).

16 CAPITAL COMMITMENTS

The museum had no capital commitments as at 31 March 2017 (2015-16: £88,000).

17 RELATED PARTY EVENTS

The Department for Culture, Media and Sport (DCMS) is the parent department for the Geffrye museum and is regarded as a related party. During the year the museum had various transactions with other entities for which the DCMS is also regarded as the parent Department and received grants and donations as:

	<u>Income for</u> <u>the year</u> <u>ended 31</u> <u>March 2017</u> £	<u>Debtor</u> <u>balance as at</u> <u>31 March</u> <u>2017</u> £	<u>Expenditure</u> <u>to 31 March</u> <u>2017</u> £	<u>Income for</u> <u>the year</u> <u>ended 31</u> <u>March 2016</u> £	<u>Debtor</u> <u>balance as at</u> <u>31 March</u> <u>2016</u> £	<u>Expenditure</u> <u>to 31 March</u> <u>2016</u> £
Heritage Lottery Fund	112,277	-	-	368,258	34,333	-
Arts Council England	242,030	-	-	237,949	-	-
Victoria & Albert Museum	23,000	-	950	15,000	-	-
Friends of the Geffrye museum	10,000	-	-	10,000	-	-

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Details of these transactions are given within these accounts in Note 2. John Tomlins served as a trustee of both the museum and the Friends of the Geffrye Museum during the year. A total of £4,053 was received from Trustees as donations towards *Unlocking the Geffrye* and patrons scheme. None of the remaining Trustees or key managerial staff has undertaken any material transaction with the museum during the year.

18 POST BALANCE SHEET EVENTS

There were no other post balance sheet events up to the date the report and accounts were authorised for issue. The authorised for issue date is the date of certification by the Comptroller and Auditor General.

19 ACKNOWLEDGEMENT

The Geffrye Museum would like to thank all of its supporters during the financial year 2016-17 for their generous support and to acknowledge the following:

Heritage Lottery Fund
Arts Council England

Trusts and Foundations

GS & JL Brown
The Cazenove Charitable Trust
The City of London Corporation's charity, City Bridge Trust
John Coates Charitable Trust
Englefield Trust
Nicholas and Judith Goodison Charitable Settlement
The Mercers' Company
The Ronald Miller Foundation
Sir Siegmund Warburg's Voluntary Settlement
The Williams Charitable Trust

Founding Partners

The Loveday Charitable Trust

Benefactors' Circle

Zeev Aram

Partners' Circle

Consuelo and Anthony Brooke Charitable Trust
The Hochhauser Foundation
Sir Harry Djanogly
Graham Spooner

Individuals

John Evan Bedford
Philip and Psiche Hughes
Brian and Cindy King
Alexandra Morris Robson
Frank Smith
Marina Vaizey, CBE

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Patrons

Mark Burch
Christine and Bill Hanway
Richard Hunting, CBE
Gapper Charitable Trust
Cressida Granger and Chiara Nosarti
Celine Lynch
ISA charity
Sir Roy Strong
John and Anna Tomlins
Sylvie Watts

And the Friends of the Geffrye



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