

SIR JOHN SOANE'S MUSEUM

Registered Charity No. 313609

THE ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR 1 APRIL 2018 TO 31 MARCH 2019

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SIR JOHN SOANE'S MUSEUM

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Sir John Soane's Museum is a Non-Departmental Public Body (NDPB) whose sponsor is the Department for Digital, Culture, Media and Sport



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HISTORY, AIMS AND OBJECTIVES OF THE MUSEUM

History of the Museum

The architect Sir John Soane's house at No.13 Lincoln's Inn Fields has been a public museum since the early 19th century.

Soane demolished and rebuilt three houses on the north side of Lincoln's Inn Fields, beginning with No.12 between 1792 and 1794, moving on to No.13, re-built in two phases in 1807-09 and 1812, and concluding with No.14, rebuilt in 1823-24. Throughout the period he also made continuous alterations, adding more objects to his arrangements and seeking always to enhance the poetic effects and picturesque qualities of the architectural setting.

On his appointment as Professor of Architecture at the Royal Academy in 1806 Soane 'began to arrange the Books, casts and models in order that the students might have the benefit of easy access to them' and proposed opening his house for the use of the Royal Academy students the day before and the day after each of his lectures. By 1827, when John Britton published the first description of the Museum, Soane's collection was being referred to as an 'Academy of Architecture'.

In **1833** Soane negotiated an **Act of Parliament (3^o Gul.IV, Cap.iv)** to settle and preserve the house and collection for the benefit of 'amateurs and students' in architecture, painting and sculpture. On his death in **1837** the Act came into force, vesting the Museum in a board of Trustees who were to continue to uphold Soane's own aims and objectives (see below). A crucial part of their brief was to maintain the fabric of the Museum, keeping it 'as nearly as circumstances will admit' in the state in which it was left at the time of Soane's death in 1837 and to allow free access for students and the public to 'consult, inspect and benefit' from the collections.

The **1833 Act** was superseded in 1969 by **The Charities (Sir John Soane's Museum) Order (1969 No.468)**, revised in **1996, 2003, 2011, 2012**.

Aims and Objectives of the Museum

The aims of the Trustees today embody Soane's general aims as defined in the 1833 Act and in the 1969 Order which superseded it.

The principal aim of the Trustees is to maintain the integrity of Soane's vision for the Museum while extending this, where appropriate, so that the Museum can play an increasing role in educational and recreational life in this country and beyond.

The Trustees' main objectives are as follows:

1. To maintain and improve the conservation and maintenance of our Grade I listed buildings and works of art so that they will be accessible to present and future generations.

Soane's 1833 Act stipulated that his house and museum (No.13 Lincoln's Inn Fields) should be kept 'as nearly as circumstances will admit' as it was in 1837. The Trustees' strategy is to maintain the historic fabric of the three Soane houses, Nos 12, 13 and 14 Lincoln's Inn Fields, and, when possible, to restore objects and interiors to their Soane arrangement and appearance.

2. To allow the public free access to the Museum.

3. To encourage the public to appreciate and explore all aspects of the Museum and its manifold collections, and of Sir John Soane, his life and works, whether as visitors or at a distance.
4. To inspire curiosity and creativity by means of an imaginative programme of events so that the Soane remains a 'living' museum.
5. To provide opportunities for education in its broadest sense in all aspects of architecture and the history of art, doing honour to Soane's intention to develop his House and Museum as 'an Academy for the Study of Architecture'.
6. To ensure that the Museum's staff, administration and finances are effectively managed.

With these objectives in mind and after reviewing the activities set out in this Annual Report, the Trustees have outlined a three-year future programme for the Museum in a Corporate Plan covering the period 2017-18 to 2019-20. We are also mindful of additional priorities set out by our sponsoring body, DCMS, and believe that our objectives and their priorities are compatible.

Public Benefit

In compliance with the duty set out in section 4 of the Charities Act 2011, the Trustees have considered the Charity Commission's General Guidance on Public Benefit when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned objectives will contribute to the aims and objectives they have set.

The benefits provided by the Museum are freely available to the public. All the Trustees of the Museum give their time and expertise free.

Relationship between the Charity and Related Parties

Sir John Soane's Museum is an executive Non-Departmental Public Body (NDPB) whose parent body is the Department for Digital, Culture, Media and Sport (DCMS). DCMS is regarded as a related party. The Museum's trading subsidiary, Soane Museum Enterprises Limited, the independent charitable company Sir John Soane's Museum Trust and the independent organisation based and registered in the USA, Sir John Soane's Museum Foundation, are regarded as related parties as well. Details of related party transactions are contained in Note 19 to the Accounts.

REVIEW OF THE YEAR

DIRECTOR'S OVERVIEW

There is no question that we live in interesting times, and museums offer the public the reassurance of continuity through change. They play an important role in civic engagement and social well-being by demonstrating how past and future are in permanent dialogue with the present. These thoughts were prompted by the review of our activities at Sir John Soane's Museum over the past year. Our educational programmes engaged over 2,400 pupils, either directly or through outreach activities at schools, and we have worked closely with local schools to foster educational awareness of architecture and engineering as potential career choices for children who might not otherwise consider them. Our Youth Panel of young people between the ages of 18 and 24 is in its second year, and members have participated in the London Festival of Architecture with an event around the theme of identity. By the same token, Art Space, our therapeutic programme for people living with dementia and their carers, passed its trial period with flying colours. We worked in partnership with the Holborn Community Association and we are grateful that the programme has continued support from the Tana Foundation.

Our exhibitions have run the gamut from artificial intelligence and postmodernism in architecture to aspects of John Soane's architectural world. Our public programmes for adults have witnessed stimulating conversations with figures of the stature of Sir David Adjaye, Edmund de Waal and Es Devlin, and the second annual Soane Medal and Lecture was held in the auditorium of the Sainsbury Wing of the National Gallery. It was a happy coincidence as we were honouring its co-architect Denise Scott Brown as well as Historic England's listing of the Sainsbury Wing on the twenty-fifth anniversary of its completion.

On other fronts, our visitor numbers saw a slight increase of just under 1% to 131,459, which may mean that we have reached a saturation point in terms of footfall. The percentage of international visitors remains relatively constant at 54%. Group bookings, however, have more than doubled since the previous year, and visitor satisfaction remains extremely high. We are also working towards accreditation through Camden's Best Practice Health Check for our Volunteer Programme and had the post of Volunteer Manager underwritten.

A commitment to cataloguing and making our collections accessible remains a constant policy of the Soane. It would have been impossible to continue this vital work without the generous help of numerous charitable foundations.

Today, museums are expected to be entrepreneurial, and we continue to make strides in this field. Soane Museum Enterprises has generated revenue of almost £700,000, reflecting an increase of 5%, year on year. This includes the Soane Shop and online shop, which continue to outpace our peer establishments in terms of spend per visitor and conversion rates. With respect to Development, our Patrons and Friends programmes have been revamped and are attracting more members. We have developed a legacy strategy that resulted this year in a testamentary gift of £50,000 to the Museum. We also continue to work with Sir John Soane's Museum Foundation, an independent American charity, raising our profile in the United States and supporting our Conservation department.

While our finances remain sound and our Performance Indicators point in the right direction, we are acutely aware of the uncertainties facing our sector in terms of income streams and the level of grant-in-aid. Nevertheless, Sir John Soane's Museum, like its sister institutions, continues to create an environment that fosters curiosity and creativity, one that provides an anchor to the various communities we serve, locally, nationally, and internationally. Finally, it remains for me to thank our

Chairman and all the Trustees for their unwavering support and encouragement and to thank my colleagues for their splendid achievements in a challenging climate.

Bruce Boucher, Deborah Loeb Brice Director

THE BUILDINGS

Julian Harrap Architects completed their first quinquennial review of No. 14 Lincoln's Inn Fields identifying the most urgent maintenance work which will be done early next year. The reviews of Nos 12 and 13 are also planned to be completed during 2019.

A new emergency lighting inverter was fitted in No.14 Lincoln's Inn Fields and additional security was implemented in the front area of No. 13.

OUTS Film

The film-maker Jonathan Crane was commissioned to produce a film on the *Opening up the Soane* project combining footage taken during the work over the last seven years with new interviews with restorers/conservators filmed at locations from the USA to the Brecon Beacons during this year. It will be completed in late 2019. The Museum is most grateful to the Elizabeth Cayzer Charitable Trust for sponsoring this film.

THE COLLECTIONS

'Works of Art' denotes the paintings and other objects on display in the Museum. 'Research Library and Archive' covers Soane's collection of drawings and books and his business and personal papers.

WORKS OF ART

Acquisitions

34 pieces of Soane-period kitchen equipment were purchased during the course of the year as part of a project to enhance the presentation of the No.13 Kitchens.

Cataloguing and Research

The Museum was part of an AHRC-funded Models Network which held several meetings during the year and produced a website on architectural models to which the Museum contributed.

Research into the original 1837 hang of pictures in the South Drawing Room was completed.

A pilot project with Fortecho on small object alarms was carried out and the system will be implanted when funds allow.

Work continued to improve and add records to the Collections database. In particular, all the entries for sculpture by named sculptors were transcribed from paper records ready for entry on to the system.

Conservation and reinstatement

A major project undertaken by the Conservation Department during the year was the conservation of the frame of Sir Joshua Reynolds' *The Snake in the Grass; or Love Unloosing the Zone of Beauty* following a successful crowd-funding campaign (see p.15). Over four months the frame was carefully cleaned, stripped, gilded and toned. Part of the original gilding, revealed beneath a later Victorian layer, was preserved.

A number of other conservation projects were completed in the year. In particular, the portrait of Soane by Sir Thomas Lawrence was cleaned and a large cast of a Roman candelabrum (M432) was conserved.

In November 2018 the eight paintings making up the *Rake's Progress* series by William Hogarth were de-installed and unframed to allow for condition reports by Rica Jones, independent paintings conservator, and for new photography by the Folio Society.

Two works and their frames (P9 and P10) were restored and rehung on the Dance Cabinet in the North Drawing Room. The frame to P10, a view of Soane's Bank of England, was extended to its original width to include two strips of mirror glass missing since the 19th century.

THE RESEARCH LIBRARY AND ARCHIVE

Long-term loan

In November 2018 the Museum accepted on long-term loan a manuscript journal by an unknown author, now identified as John Stuart of Allanbank, of a 1779 journey to Sicily. John Stuart was initially part of the party with whom Soane travelled to Sicily in 1779 on his Grand Tour, but subsequently left to make a shorter tour with Thomas Bowdler.

Sir John Summerson's Library

In June 2018, Sir John Summerson's Library, acquired from the Prince of Wales' Foundation in 2000, was, with the exception of a few works, deaccessioned and given to the Royal Institution of British Architects where papers from his Archive are already housed.

Cataloguing of the Drawings Collection

Trainee cataloguer James Jago completed his catalogue of the drawings for Soane's Law Courts at Westminster and was replaced by Roberto Rossi for the second year of a two-year project 'Religion and the Law' funded by the Mercers' Company, the Pilgrim Trust and the Tavolozza Foundation. Roberto was making good progress with his catalogue of Soane's drawings for three London churches at year end.

Trainee cataloguer Anna McAlaney continued her two-and-a-half year contract (begun in February 2018) to catalogue a portion of the Adam drawings collection, part of a five-year project principally funded by the Foyle Foundation.

Audit of the Drawings Collection

During the year a major project to check the location and condition of every drawing in the collection was completed.

Cataloguing of the Archives

See Collections Management System below.

Digitisation of the Archives

The digitisation of three important series from Soane's Archive – his Notebooks (pocket memorandum books), Account Journals and Office Day Books – generously funded by a grant from the John R Murray Charitable Trust was completed and work began to make the material available online.

COLLECTIONS MANAGEMENT SYSTEM/DIGITAL ASSET MANAGEMENT SYSTEM

Preparations for implementing Archives Index+ for the Soane and Post-Soane Archives commenced and an order was placed for the Archives Module. System training has been given throughout the year and user support materials developed. To date 111 Exhibition records have been created and work was completed to merge Jill Lever's glossary of architectural keywords with the current terminology hierarchy based on the subject card index for Works of Art & Antiquities. A number of priority enhancements were made to the CMS and Collections Online including improvements to image resolution and refinements to layout and navigation. Collections Online was reviewed in 2018 in the light of the new GDPR legislation and functionality adjusted to ensure compliance.

LOANS

Eight drawings by Grinling Gibbons were lent to an exhibition entitled *From Journeyman to King's Carver: The Genesis and Genius of Grinling Gibbons* at Fairfax House, York.

A framed watercolour by Joseph Michael Gandy of Soane's built works 1780-1815 was lent to *The Great Spectacle: 250 Years of the Summer Exhibition* at the Royal Academy of Arts, London.

Two Grand Tour sketchbooks by Nicholas Stone the younger and Henry Stone were lent to the exhibition *The Paston Treasure: Microcosm of the Known World* at Norwich Castle Museum.

A design for a silver glass-holder attributed to Johannes Lutma the elder was lent to an exhibition entitled *KWAB: Dutch Design in the Age of Rembrandt* at the Rijks Museum, Amsterdam.

Five Soane Office views of construction in progress were lent to *Les représentations du chantier XVI^e – XXI^e siècle* at the Cité de l'architecture et du patrimoine, Paris.

The Conservation department led in assessing, preparing and conserving all of these works of art for loan.

EDUCATION, LEARNING AND EXHIBITIONS

EDUCATION AND LEARNING

Schools Education

In 2018-19 1,600 school pupils visited the Museum and 838 enjoyed an outreach activity at school, with our available slots for educational visits (Wednesday mornings, Wednesday afternoons and Thursday mornings) frequently fully booked.

Following the development of sessions for Key Stages 3, 4 and 5, we have seen a notable increase in visits from secondary school students.

Families and Informal Learning

This programme includes:

- Free drop-in events for families
- Charged children's workshops
- The *Building Explorers* weekly after-school club
- The *Young Architects' Club* (YAC, for 7-10 year olds)
- The *New Architecture Club* (NAC, for 11-14 year olds)
- *The Architectural Drawing Course* (AD15-18, for 15-18 year olds).

There have been a total of 34 family events over the year, alongside 58 occurrences of our regular clubs, courses and panel meetings. 652 children and young people have participated in family or informal learning activities at the Museum this year, alongside 394 adults accompanying them. We continue a programme of ticketed workshops every Wednesday and a family drop-in every Thursday during the school holidays. Highlights have included *Baking Buildings*, *Lego City: Postmodernism* and the ten performances of our immersive theatre piece for families, *The Great Belzoni*.

Our family drop-in sessions on the second Saturday of every month continue to be a success. Highlights this year have included *Busted* (a clay bust-making workshop) and a family afternoon dedicated to activities inspired by the *Code Builder* exhibition.

Building Explorers after-school club continues to deepen our engagement with our local primary schools. The club runs weekly over the academic year for children from our three closest Camden primary schools.

YAC and NAC continue to be extremely popular architecture clubs, running once a month over the academic year.

Architectural Drawing 15-18, the department's popular architecture drawing course for students, ran over six sessions from October 2018 to March 2019. Fifteen students attended the sessions, which were held in a range of locations, including Westminster Abbey, Peckham Rye station and the Wallace Collection.

Communities and Access

The Youth Panel are now into their second year of learning about and contributing to the Museum's work. In June 2018, the group planned and ran a successful event on the theme of identity, featured as a core part of the programme for the *London Festival of Architecture*. They will be building on this experience to organise an interactive art installation and event in June 2019.

The Art Space, an eight-week programme for people living with dementia and their carers, ran for the first time over July and August 2018. We worked with Holborn Community Association as partners on the project, who brought community members who access their older people's services. Each week, the group spent time discovering spaces and objects on the Museum floor before participating in an art workshop responding to what they had seen.

Over the summer of 2018, we again worked with Holborn Community Association on a project for young filmmakers, resulting in the production of a short film inspired by the Museum.

Public Events

The 2018-19 public events programme included a diverse range of talks, tours, Lates, off-site events, exhibition programming and the second Soane Medal Lecture. Throughout the course of the year, our department developed new event concepts and collaborated with a variety of organisations, architectural practices, publications and individuals, including the Design Museum, Tate Britain, MAKE Architects, Open House, London Festival of Architecture, Twentieth Century Society, SolidSpace, Machine Books and The Everyday Press.

The second edition of the Soane Salon talks series once again tackled a range of critical issues and ideas across architecture, museums and visual culture. Series included: *Critical Drawing*, which was connected to the second iteration of The Architecture Drawing Prize; *Why Collect*, a series investigating contemporary approaches to collecting; *Year Zero*, six talks and digitally published essays in partnership with Machine Books; and *Make/Shift*, a series exploring temporary and adaptable creative spaces in London. Including our Soane Study Group Tuesday events, there were 22 talks held in the intimate setting of the No. 14 Seminar Room and 508 attendees in total.

We also launched a new talk series called *By Design*, in partnership with Luke Irwin Studio, in which Sir John Soane's Museum invited a range of practitioners from various design disciplines to select an object that has inspired them in some way, and through it discuss their own design practice. Co-hosted by Will Gompertz, Arts Editor at the BBC, and Alice Rawsthorn, design writer and critic, the series speakers included Peter Saville, Martino Gamper, David Adjaye, Es Devlin and Edmund de Waal (with Olga Polizzi speaking in April 2019). There were 5 events held in the Library-Dining Room, attracting an audience of 296 attendees in 2018-19.

On 17 October 2018, we celebrated the second Soane Medal winner: pioneering architect, planner, theorist and educator Denise Scott Brown. This award and public lecture was launched in 2017, in order to recognise architects, artists, writers and others whose work has broadened and enriched understandings of architecture and the built environment. The event was held at The National Gallery and attracted 201 attendees, comprised of public ticket holders, as well as a number of invited guests including architects, journalists, critics and museum trustees, donors and patrons.

Finally, we curated a number of talks, tours, Museum Lates and off-site partnerships to support and build upon the Museum's exhibition programme. Coinciding with *The Return of the Past: Postmodernism in British Architecture*, we organised a symposium on 'Postmodernism Now' at the Design Museum, a 'Postmodernism and the City' talk and tour at Tate Britain and a series of 'Postmodern Legacies' talks in partnership with architects David Knight, Charles Hollard and Geoff Shearcroft. To mark *The Architecture Drawing Prize*, we held a 'Drawing by Candlelight' Late with themed talks and workshops; for *Emily Allchurch: Visions of Architectural Fancy*, we held a special 'in conversation' with the artist; and curators led tours around the Museum for key exhibitions. There were 17 events held to support five exhibitions, attracting an attendance of 623 adults (helped by the increased capacity of large off-site venues).

Across all events, 2,447 adults took part in 53 events in 2018-19. This represents a 12% increase in events and 23% increase in attendance on 2017-18, when 1,979 adults took part in 47 events.

EXHIBITIONS

Five exhibitions were held in the Soane Gallery during the year. Two additional exhibitions were held in the Foyle Space.

The Return of the Past: Postmodernism in British Architecture

16 May – 27 August 2018 (Soane Gallery and throughout Museum)

This exhibition, the first devoted to British postmodernist architecture, assembled drawings, models, furniture and other objects by architects James Stirling, Terry Farrell, John Outram, Jeremy Dixon and CZWG. Through this material *The Return of the Past* offered a snapshot of some of the most important projects by the leading architects associated with postmodernism, showcasing the energy, ingenuity and intellectual depth of an influential moment in British architecture. Drawings, photographs and models, many of which had never been publicly exhibited before, were installed in the Soane Gallery, while a series of objects were situated throughout the Museum to create a dialogue with Soane's interiors, themselves inspirations for many postmodern architects.

A book comprising interviews with eight postmodern architects complemented the display to demonstrate the breadth of postmodernist practice beyond what could be shown in the space of the exhibition.

The exhibition was supported by CZWG Architects Llp, Sir Terry Farrell, Andrew Jones and Laura Hodgson, David and Molly Lowell Borthwick and those who wish to remain anonymous.

Emily Allchurch: Visions of Architectural Fancy

16 May – 27 August 2018 (Foyle Space)

This exhibition presented three works by contemporary artist Emily Allchurch, who works with photography and digital collage to reimagine Old Master paintings and prints from a contemporary perspective. For this exhibition Allchurch re-created Sir John Soane's 'built' and 'unbuilt' architectural projects, originally painted by his perspective illustrator Joseph Michael Gandy. These were shown together for the first time alongside Allchurch's reworking of Giovanni Battista Piranesi's capriccio of the Appian Way in Rome.

The exhibition was supported by The Bern Schwartz Family Foundation.

Purely Ornamental: Soane's Theories on Ornament

12 September – 14 October 2018 (Soane Gallery)

Purely Ornamental brought together a selection of Sir John Soane's rarely seen drawings that illustrated the lectures he presented as Professor of Architecture at the Royal Academy of Arts, a post he held from 1806. The drawings depicted a range of architectural subjects from prehistory to Soane's contemporary era. Through these drawings the exhibition explored Soane's contention that ornament – the embellishment of a building with figurative or decorative elements – was an essential component of architecture and examined his theories on its proper use.

The exhibition was supported by Nicholas and Judith Goodison's Charitable Settlement.

Out of Character: A Project by Studio MUTT

12 September – 18 November 2018 (Foyle Space and throughout Museum)

In partnership with the 16th London Design Festival, Sir John Soane's Museum presented *Out of Character*, a collaboration with Studio MUTT. In 1812, Sir John Soane wrote *Crude Hints towards an History of my House*, a text in which he imagined his home as a ruin centuries in the future inspected by visitors who speculated on its origins and function. Soane suggested that these visitors might have inferred that the Museum had been inhabited by four characters: a Lawyer, a Monk, a Magician

and an Architect. Studio MUTT gave these characters life as architectural compositions of ornament, colour and form, and they were installed as 'inhabitants' in different parts of the Museum.

The Architectural Drawing Prize

17 October – 18 November 2018 (Soane Gallery)

This exhibition was the culmination of the second annual Architecture Drawing Prize, which launched in summer 2017. The prize was jointly conceived by Sir John Soane's Museum and the World Architecture Festival, and sponsored by the architects MAKE. The prize celebrates drawing's significance as a tool in capturing and communicating ideas, recognising the continuing importance of hand drawing, but also embracing the creative use of digitally produced renderings. The entries were evaluated on the basis of their technical skill, originality in approach and ability to convey an architectural idea, whether for a conceptual or actual building project.

Code Builder: A Robotic Choreography by Mamou-Mani

5 December 2018 – 3 February 2019 (Soane Gallery and Foyle Space)

Code Builder explored the future of construction through an exhibition in two parts. The first part, situated in the Foyle Space, presented a live installation of a prototype cable construction robot called 'the Polibot', which was developed by the practice of Arthur Mamou-Mani, a small, innovative award-winning RIBA chartered architectural office who specialise in parametric design. The second part, located in the Soane Gallery, showcased complementary drawings, photographs and models which articulated the manifesto of the Mamou-Mani practice. These were shown alongside drawings by Sir John Soane's office that revealed Soane's building innovations, which were equally revolutionary in their time. Within the Soane Gallery presentation, a 3-D printer created columns from a biodegradable plant-based starch to demonstrate further the practical applications of Mamou-Mani's theories.

Eric Parry: Drawing

20 February – 27 May 2019 (Soane Gallery, Foyle Space and throughout Museum)

Thematically arranged across Sir John Soane's Museum, this exhibition brought together more than 80 drawings by contemporary architect Eric Parry to explore the relationship between drawing and architecture. The first theme, *Observing*, focused on Parry's sketchbooks, which were situated around the Museum in display cases that Parry designed. Theme two, *Designing*, exhibited drawings related to Parry's various architectural projects to examine the role of drawing in the design process. Finally, *Building* presented pamphlets on Parry's built projects to illustrate how such designs resolve into finished buildings.

A book resulting from a conversation between Eric Parry and Senior Curator Owen Hopkins accompanied the exhibition, featuring an essay by architectural historian David Leatherbarrow.

This exhibition was supported by David and Molly Lowell Borthwick, Chelsea Barracks, Ruth and Stuart Lipton, Sir Robert McAlpine Ltd and those who wish to remain anonymous.

TOURING EXHIBITIONS

In Character

21 March – 15 June 2019, RIBA North

This display presented the characters that Studio MUTT designed for *Out of Character*, re-contextualising them in the galleries of RIBA North. By re-exhibiting these characters, Studio MUTT asked how context affects a reading of architecture, what implications these changed meanings can have across a building's life cycle and, inversely, how we can change an existing construction's context to offer new meanings, re-readings and new insights into existing conditions.

The Museum gratefully acknowledges the support it receives for all exhibitions from the Government Indemnity Scheme, administered by Arts Council England.

DEVELOPMENT AND COMMUNICATIONS

The Development Department continued to work closely with budget holders from across the Museum to identify and close gaps in restricted funding, whilst pursuing its goal to meet a higher unrestricted target.

There was considerable success in raising funds for Exhibitions, with £135,000 solicited for the ongoing programmes. Learning attracted four multi-year gifts which together allow the department to develop particular strands of programming. The Museum's first crowdfunding campaign, in partnership with the Art Fund, was remarkably successful, raising over £16,500 to conserve the frame of Reynolds' *Snake in the Grass*. Concurrently, we sought to alleviate the pressure on the unrestricted budget, by seeking support for specific posts. The Swire Charitable Trust made a £30,000 contribution to support the Volunteer Manager post, and Sir John Soane Museum's Foundation has pledged to continue its support of the Conservation Assistant role.

The Patrons programme attracted more support, with 12 new memberships over the year and two seasons of popular events. Highlights included a private visit to The Queen's House at Greenwich, a behind-the-scenes tour of the Royal Opera House, a tour of Westminster Abbey and the Queen's Diamond Jubilee Gallery and a private visit to Pitzhanger Manor & Gallery during its opening month. We also announced the Museum's first Patrons' Study Trip, and 20 people are joining the Director on a four-day visit to the Veneto in May 2019. The trip will be led by the Director, and administered by Arts Abroad.

The department raised funds for and promoted the Soane Medal Lecture as well as the Museum's new *By Design* Series, both of which featured positively in the press, and strengthened the Museum's role in the debates and discussions around contemporary architecture and design. The Soane Medal Lecture was prominently reported on the front page of the *Guardian* website, in the *Financial Times* and on BBC Radio 4; *By Design* in Interiors publications; and press coverage of the exhibition programme - most notably *Return of the Past* - in the *Guardian*, *Telegraph*, *Financial Times*, the *Art Newspaper* and *Dezeen* in relation to the Historic England listing of Postmodern buildings.

Other strategic changes:

- The Annual Fund was renamed the Inspectress Fund and the group formally known as the 'Consol's Office' became members of the Inspectress Fund
- It was agreed to disband the corporate membership scheme and instead offer bespoke ways for corporations to support the Museum outside commercial venue hire
- A new legacy strategy was launched and in August 2018 a longstanding Friend of the Soane left a legacy of £50,000 to the Museum.
- The *Annual Review* featured an article on philanthropy in the US, with a focus on the Foundation's substantial contribution since their formation. 300 copies were shipped to the US

in time for the Foundation's gala, and the Foundation made additional contributions towards the Drawing Office project and the Hogarth exhibition.

- A Social Media Review was undertaken, which was communicated to all staff
- Visitor Assistants began fundraising training in February 2019, to help promote future campaigns
- GDPR came into effect, and the team has ensured we are GDPR compliant

SERVICES

VISITOR SERVICES AND VOLUNTEER TEAM

Visitors to the Museum

The total number of visitors to the Museum during the year, excluding those to private functions was 131,459, an increase of just under 1%.

We had over double the amount of group visits this year, 111 compared to 53 the previous year. This is possibly owing to increased accuracy through the online booking system. This has also meant an uplift in the amount of income generated through introductory talks.

Our Visitor Survey shows that the proportion of visitors from overseas increased during the year and now stands at 54% overall.

Access Programme

There has been a focus this year on improving the Museum's approach to access. A new Access Statement was drafted with all key stakeholders and an Access Working Group has been formed. This group is responsible for improving equality in all aspects of the Museum's services and ensuring we comply with all legal requirements. We are also in the process of creating a Volunteer Access Panel whose members act as a sounding board for any proposed changes. All of this has fed into developing the visitor offer to cater for several groups with impairments: D/ deaf and hard of hearing visitors and visually impaired visitors. We have launched a new programme of bi-monthly tours, alternating between audio-described and BSL tours. The audio-described tours are delivered by in-house staff and the BSL tours have been developed by working with a deaf freelancer. We are also working with the Development department to try and fund these activities.

Benchmarking and content development

During the course of this year, the front of house team have become more involved with shaping the visitor offer. They are now much more able to utilise their own research by developing content for the Late events, including creating new tours and launching our new Spotlight events. All of our permanent visitor services team were also sent out on Benchmarking activity during our closed week, to enable them to rate our service standards against other organisations.

Volunteer Programme

Our volunteer programme continues to mature; this year 60 new Volunteer Visitor Assistants attended an induction session and 58 became active volunteers. New policies and procedures have been developed which will ensure the Museum passes accreditation from Camden's Best Practice Health Check. The Volunteer Manager has also been working outside of the Volunteer programme alongside the Learning Manager to develop the Safeguarding policy for the Soane. Funding from the Swire Foundation to cover the Volunteer Manager's salary for one year with the possibility of

extension was secured. Over the year volunteers contributed a total of 8,948 hours (2017-18 8,651 hours).

Information Technology

This year we have continued to:

- implement the Digital Asset Management System (DAMS) to improve the management of images
- Improve our finance, retail, ticketing and website systems incrementally
- Improve the Museum's IT policies by drafting a new IT and Email Use Policy and a Cyber Security Policy
- We have also renewed our Cyber Essentials certification – a Government-backed industry-supported scheme to help organisations protect themselves against common online threats.

COMMERCIAL ACTIVITIES

Overall Soane Museum Enterprises raised income of nearly £700K, an increase year on year of 5%.

Lates programme

The Lates programme is run as a cross-departmental initiative led by the Director of Commercial & Operations with revenue sitting under SME. They have grown in reputation with all of them selling out and income this past year reached £28K with additional late night shop income.

Time Out magazine stated: 'Sir John Soane's Museum is always atmospheric, but **Soane Lates** are candlelit evenings exploring a different aspect of the architect's collection. Only problem? They're very popular.'

Soane Shop (including online)

The Museum has further developed its exclusive ranges and concentrated on clearing old lines this year leading to another very successful year with takings of £356K. The shop continues to outpace its peers in terms of spend per visitor and conversion rates.

The online shop is now a ticketing portal for the Museum's activities in addition to selling products and this has led to an increase in unique visitors to the online shop from 19,722 to 56,127 (up 185%).

Entertaining at the Soane

The Venue Hire business overcame a number of challenges to have a successful year. Filming achieved sales double what had been forecast in the budget, the Tours operation expanded to include foreign language and blue badge offers and the acquisition of uplighters meant the whole evening offer has a new dimension. As a whole the department achieved income in excess of £250K.

Inspired by Soane: Brand Licensing

The Museum was fortunate enough to enlist the services of designer Sue Timney who created a memorable and original stand for the Museum at the Decorex International trade fair. New Licensees Blackpop and Chisel & Mouse launched during the show, and the marketing coverage was wide and enthusiastic. Several new publishing ventures helped the department to achieve income in excess of £63K, an increase on last year of 3%.

The Museum is most grateful for the generous and ongoing *pro bono* legal support of Morrison Foerster.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities shows that the Group incurred Net Expenditure of £45,858 from Unrestricted Funds in 2018-19, compared with the Net Income of £33,953 in 2017-18. The reduction in the General fund in 2018-19 was limited to £21,145 by the annual transfer of depreciation from the Designated Fund. The 2017-18 result included £50,000 of accrued grant income, recognised in accordance with a change in accounting treatment (SORP FRS 102), which was then received and matched by expenditure in 2018-19. Excluding the impact of these timing differences, the overall result was approximately break-even in both years.

On a Consolidated Funds basis, taking into account both Restricted and Endowment Funds, however, Total Funds after all expenditure decreased by £248,340 (2017-18: decrease of £375,290), due to the recurrent deficit arising on Restricted Funds. This arises from the regular (non-cash) depreciation of capitalised assets held in the Restricted Fund, which are being depreciated over time, reflecting their gradual decline in value.

Overall, Consolidated Income before Expenditure increased by £377,078 to £2,874,995 in 2018-19. Receipts from Donations and Legacies were £67,620 higher, primarily due to a legacy gift of £50,000. Income from Charitable Activities increased by £293,494 to £636,087, mainly in restricted funds, as a result of some significant awards to support specific projects, as well as grants to underwrite salary costs for key roles, and in Unrestricted Funds to a significantly increased grant of £200,000 from the independent Sir John Soane's Museum Trust (2017-18: £155,000). Income from trading activities was a slight uplift of £19,368 on the prior year, which was a positive result given the uncertain economic conditions during 2018-19.

Total Expenditure increased by £246,972, driven by increased activity levels across the Museum, including income generation. The Museum continues to monitor staffing levels closely, following the implementation of OUTS and changes to opening days.

Most of the decrease in Consolidated Funds in 2018-19 was recorded in Restricted Funds i.e. £200,602 (2017-18: decrease of £410,519). This consists primarily of depreciation charges of £283,979, as described above, mitigated by the recognition of income (approximately £125,000) that will only be matched by expenditure in future periods.

The Consolidated Statement of Financial Activities shows the allocation of expenditure on raising funds and on charitable activities. The differences between the two years are mainly due to changes in the Museum's priorities and activity levels. The Museum continues to focus on operational cost efficiencies and the control of overheads.

The Balance Sheet shows that the Group's Net Assets decreased from £10,028,076 to £9,779,736. This is due primarily to an overall depreciation charge of £320,958 (including the £283,979 already referred to above), offset by additional capital expenditure of £97,438 on Fixed Assets. There was only a very small movement in the value of Net Current Assets.

The principal funding sources during the year were the DCMS grant-in-aid, commercial income through the trading subsidiary (SME Ltd) and grants and donations. These resources support the key objectives of the charity as mentioned elsewhere in the Annual Report and Accounts.

The main factors which are likely to affect the Museum's Consolidated Income Statement (SoFA) and Balance Sheet going forward are uncertainties in respect of all income streams, including the level of grant-in-aid, subject to Government Spending Reviews beyond 2019-20. The Museum continues to be active and successful in generating development grants and donations from trusts and individuals, innovative trading revenues, and continuing contributions from patrons and supporters at multiple levels.

The Museum is exempt from the requirement under the FReM to provide a sustainability report as it falls below the size threshold for reporting.

PERFORMANCE

The relationship between the Museum and its sponsoring body, DCMS, is set out in a spending review allocation letter. Following the 2015 Spending Review, the Museum's resource grant-in-aid was fixed in cash terms at its 2015-16 level of £983,000 for Resource and £29,000 for Capital, for the period 2016-17 to 2019-20, although there have been some additional discretionary awards made outside of this core allocation.

Subsequent to the agreement of funding terms, a Management Agreement covering the four-year period was drafted by DCMS and finalised in November 2016. Therein, the Secretary of State for Digital, Culture, Media and Sport states the priorities for the Museum are:

- to ensure that free entry to the permanent collections of the Museum will continue to be made available;
- to protect the world-class collections and front-line services of the Museum;
- to continue to pursue commercial and philanthropic approaches to generating revenue which will complement grant-in-aid funding;
- to seek innovative cost-sharing solutions with other Arms-Length Bodies;
- to take a strategic approach to partnership working and to seek out opportunities to work across the UK with other museums, cultural and third sector partners, including through the loaning of items, touring of exhibitions, and sharing of expertise;
- to prioritise access to arts and culture for disadvantaged young people and communities;
- to work with DCMS to engage internationally, especially with high priority countries as indicated by Government including making use of, and contributing to, the GREAT Britain Campaign to boost tourism, education and business; and
- to give a high priority to supporting the delivery of the outcomes of the Culture White Paper which will set out the direction for arts and culture policy for this Parliament.

The Museum remains committed to these priorities and is exploring storage savings with the National Maritime Museums, Greenwich. It is also collaborating with the Design Museum and the National Gallery on symposia and other cultural programmes. The Soane Museum actively engages with other national and regional museums through the work of the National Museum Directors' Council, and we remain committed to the GREAT Britain Campaign and the Cultural White Paper.

The Museum continues to work to ensure that its world-class collections and front-line services are protected, that free entry to the Museum will continue to be available; and to working in partnership with other museums in the UK.

The Museum is also focused on strengthening its long-term financial sustainability by seeking to significantly increase its non-DCMS income through its trading subsidiary, Soane Museum

Enterprises Limited, and through an Endowment Fund managed by the independent charitable company, Sir John Soane’s Museum Trust.

The Museum and DCMS monitor performance against a set of key indicators, although DCMS no longer sets targets in relation to these performance indicators. The data from these, together with comparatives, is detailed below.

Performance indicators

	2018-19	2017-18
Total charitable giving*	£1,070,711	£757,860
Ratio of charitable giving to DCMS grant-in-aid*	104%	75%
Number of visits to the Museum (excluding virtual visits)	131,459	130,700
Number of unique website visits**	456,590	541,502
Number of visits by children under 16	6,574	7,842
Number of overseas visits	66,010	67,964
Number of facilitated and self-directed visits to the Museum by visitors under 18 in formal education	1,623	1,953
Number of instances of visitors under 18 participating in on-site organised activities	652	739
% of visitors who would recommend a visit	95%	95%
Admissions income (gross income)	£76,612	£52,349
Trading income (net profit)*	£186,550	£183,224
Number of UK loan venues	4	2

*See under Finance p. 18 for more detail

**Substantial reduction in Google’s free offer to charities during year

Sickness Absence

The average staff sickness rate for 2018-19 was 5.7 days (2017-18: 4.30 days). However, this includes staff members being away on long-term sick leave, i.e. more than 5 continuous days. When these long-term cases are excluded the average staff sickness rate was 1.67 days per person (2017-18: 1.67 days).

Company Directorships and Other Significant Interests

A register of Trustees’ interests is maintained and updated at least annually. A copy is available on request. No conflicts of interest have arisen in the year.

Public Expenditure System (PES) Disclosure

In 2018-19, there was no spend on consultancy and contingent labour nor any instances where tax assurance of off-payroll engagements was required to be disclosed.

Data Loss and Information Management

The Museum has suffered no protected personal data incidents during 2018-19 or prior years, and has made no reports to the Information Commissioner’s Office.

Whistleblowing

The Museum upholds the core values detailed in the Code of Professional Ethics of the Museums Association, and actively promotes their implementation. In line with these commitments, the Museum encourages employees and others with serious concerns about any aspect of the Museum's work to come forward and voice those concerns and expects its managers to encourage employees to express their views openly. This is clearly documented in the Whistleblowing section of the Staff Handbook.

Fundraising

The staff of the Development Department (the Director of Development and Communications, the Development Manager, the Development Officer and the Communications Officer) are responsible for raising unrestricted income and funds for specific projects in response to the Museum's agreed strategy. No freelance or volunteer fundraisers are employed. The Museum is registered with the Fundraising Regulator and pays an annual levy in support of its work. The Museum adheres to the provisions of the General Data Protection Regulation, carries out due diligence in respect of sources of funding and monitors benefit levels. The Museum maintains a central complaints log; no complaints have been received in relation to fundraising. An extensive opt-in exercise was carried out in relation to all databases prior to the introduction of the General Data Protection Regulation in May 2018.

Reserves Policy

Since 2009 the Museum has sought, subject to regular review, to establish a prudent level of unrestricted free reserves (General Fund) to meet the financial implications of risks and unforeseen events in the future.

The Trustees having considered the scale, complexity and risk profile of the Museum, have agreed that, in order to ensure its financial stability and viability, the Museum's unrestricted free reserves (General Fund) should be held at a prudential level that approximately represents six months (50%) of the routine annual cost of running the Museum, after deduction of the DCMS grant-in-aid. At their last review in 2018, based on the 2017-18 Consolidated Financial Statement this figure was estimated to be at least £350,000.

Based on the 2018-19 outcome, annual costs less DCMS grant-in-aid were approximately £800,000. At the end of March 2019 the General Fund stood at £408,485, representing just over 50% of this figure, in conformity with the agreed Policy. The Trustees regard this level to be prudent and appropriate, but given the potential impact of the current economic and commercial climate on donations and self-generated income, the uncertain level of grant-in-aid from DCMS following the Spending Review from April 2020, and the still unsettled issue of future pension contributions to the PCSPS, they will continue to review reserve policy, in conjunction with prospective operational cash flows.

At the end of March 2019, the other specific reserves i.e. unrestricted Designated Fund, Restricted Funds and Endowment Fund, stood at £2,524,151; £6,841,371 and £7,129 respectively.

Payment Terms

The Museum pays invoices in accordance with agreed terms of contract, aiming to pay all undisputed invoices within thirty days of receipt. This was achieved in 92% of cases during the year

(2017-18: 89%).

Five-Year Summary

Year ended 31 March	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Income and endowments	2,875	2,498	3,804	3,906	2,770
Expenditure	(3,121)	(2,874)	(3,593)	(2,490)	(2,371)
Investment gains or (losses)	(2)	1	(0)	(3)	5
Net (decrease)/ increase in funds	(248)	(375)	211	1,413	404
		(a)	(a)	(a)	(a)
Total funds (b)	9,780	10,028	10,403	10,192	8,779

(a) after capitalisation of expenditure on No.14 Lincoln's Inn Fields

(b) figures adjusted for rounding differences

REMUNERATION REPORT

Remuneration Policy

The remuneration of all staff employed by the Trustees is reviewed annually, and any increases are awarded within public sector pay guidance.

When determining salaries under normal conditions, the Trustees take account of a number of factors including whether the proposed salaries are affordable within planned budgets, the need to retain suitably qualified and experienced staff, and the relative responsibilities of each post. This year the Museum's average pay award was 1.5%.

Compensation for loss of office

There were no 'exit packages' awarded to staff leaving during the year (2017-18: none).

Employees

Museum employees are eligible to become members of the Civil Service Pension Scheme arrangements with associated redundancy and early retirement conditions. Soane Museum Enterprises Limited employees are eligible to become members of NEST pension scheme. Further details are given in Note 18 of the Financial Statements.

As the Trustees and Director exercise the ultimate responsibility and authority for controlling the major activities of the Museum, the Trustees have determined that disclosure of emoluments and pension entitlements paid to other employees is not appropriate.

Performance assessment

When determining staff performance bonuses for 2018-19, which were provided for and accrued in the 2018-19 accounts but paid after the end of the year, the Remuneration Committee took account of:

- the budget for non-consolidated performance-related pay agreed as part of the Museum's pay remit; and
- the performance and contribution of the individual over the period.

Policy on duration of contracts, notice periods and termination payments

The notice period for the Director is three months. The notice period for all other staff is between one to three months.

Museum employees are entitled to become members of the Civil Service Pension Scheme with associated redundancy and early retirement conditions. All other staff are entitled to payments as defined under the Employment Rights Act 1996.

The following details for the Director are subject to audit:

Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to the nearest £'000)		Total (£'000)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Bruce Boucher	80-85	75-80	5-10	£Nil	£Nil	£Nil	34	31	120-125	110-115

Bruce Boucher was appointed as Director on 16 May 2016. His full time equivalent (FTE) salary as Director was £80,000-£85,000. He received no benefits in kind.

Bruce Boucher is eligible for a performance-related bonus in the range of 0% to 15. In the year to 31 March 2019, Dr Boucher was offered and accepted an 11% performance-related, non-consolidated bonus of £5,000-10,000 relating to performance in the year to 31 March 2018. This bonus was paid in July 2018 and so is disclosed in the table above.

The Director is a member of the Civil Service Pension Scheme arrangements. For Bruce Boucher, Director, the Museum paid £19,698 to the Scheme during the year.

Pension Entitlements of the Director (subject to audit)

Officials	Accrued pension at pension age as at 31/3/19 and related lump sum	Real increase in pension and related lump sum at pension age	Cash Equivalent Transfer Value (CETV) at 31/3/19	Cash Equivalent Transfer Value (CETV) at 31/3/18	Real increase in Cash Equivalent Transfer Value (CETV)
	£'000	£'000	£'000	£'000	£'000
Bruce Boucher	5-10	0-2.5	84	54	24

Pay multiple (subject to audit)

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 FTE banded remuneration of the highest-paid director in the Museum at the financial year end was £85,000-£90,000 (2017-18: £75,000-£80,000). This was 3.7 (2017-18: 3.3) times the median remuneration of the workforce, which was £24,472 (2017-18: £23,712).

In 2018-19, no employee (2017-18: Nil) received remuneration in excess of the highest-paid director. Total FTE remuneration bands ranged from £15,000 to £90,000 (2017-18: £15,000 to £80,000). Total remuneration includes salary, non-consolidated performance-related pay and severance payments paid in the year as well as benefits-in-kind received in the year. It does not include any accrued pay, any employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

The variations between 2018-19 and 2017-18 are primarily attributable to the fact that staff performance bonuses for 2017-18 were provided for and accrued in the 2017-18 accounts but paid after the accounts were approved and therefore, excluded from the 2017-18 remuneration figures. In respect of 2018-19, the staff performance bonuses for 2017-18 were payable in 2018-19, so have been included in the 2018-19 remuneration figures.

Trustees

The Trustees, who hold overall responsibility for the Museum, are not remunerated. There were no expenses paid to, or on behalf of, Trustees in 2018-19 or 2017-18.

Guy Elliott
Chairman of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Date: 29 August 2019

STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resource and Accounts Act 2000, the Secretary of State for Digital, Culture, Media and Sport with the consent of the Treasury has directed the Trustees of the Museum 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 Museum and of its income and expenditure, changes in funds and cash flows for the financial year.

In preparing the accounts, the Trustees and Accounting Officer comply with certain requirements of the Government Financial Reporting Manual (FRoM) 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;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards and statements of recommended practice have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Museum will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department for Digital, Culture, Media and Sport designated the Director as Accounting Officer of Sir John Soane's Museum. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Museum's assets, are set out in 'Managing Public Money' issued by the HM Treasury.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Museum's auditors are aware of that information. As far as the Accounting Officer is aware there is no relevant audit information of which the auditors are unaware.

Guy Elliott
Chairman of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Date: 29 August 2019

GOVERNANCE STATEMENT

Scope of responsibility

The Board of Trustees and the Accounting Officer have responsibility for maintaining a sound system of internal control that supports the achievements, policies, aims and objectives of the Museum, whilst safeguarding the public funds and assets for which they are personally responsible in accordance with the responsibilities assigned to them in 'Managing Public Money'. The Museum has a four-year funding agreement with the DCMS, of which 2018-19 was the third year. The Museum supplies regular financial information and returns against agreed performance indicators demonstrating its contribution to the delivery of DCMS's Departmental Strategic Objectives.

2 Governance Framework

2.1 Structure

The Board of Trustees is responsible for the overall management and direction of the Museum. The Director of Sir John Soane's Museum is accountable to the Board of Trustees. The Director is the Accounting Officer and has accountability to DCMS for compliance with the Management Agreement. Bruce Boucher assumed the role of Accounting Officer on 16 May 2016.

A group of four staff reporting to the Director forms the Senior Management Team (SMT) which meets every two weeks and comprises Helen Dorey (Deputy Director), Willa Beckett (Development and Communications Director), Adam Thow (Director of Commercial and Operations) and Louise Peckett (Director of Finance from April 2019, previously Jayant Gohil, Finance and HR Director until January 2019).

2.2 Board of Trustees

The Board of Trustees meets on a quarterly basis to review performance and consider plans and the overall strategic direction of the Museum. The Trustees appoint their own Chair, to serve for a period of five years. There are three categories of Trustees: Life, Representative and Ordinary. Representative Trustees are appointed by five learned societies/bodies (The Royal Academy of Arts; The Royal Society; The Royal Society of Arts; The Society of Antiquaries and the Court of Aldermen of the City of London) in consultation with the Museum. Life and Ordinary Trustees are appointed by the Board of Trustees following advertisements in the media and on the government-sponsored Public Appointments website in order to reach as diverse an audience as possible. Appointments are generally made for a term of five years, and may be renewed once for a further term of the same length.

New Trustees receive an Induction Pack consisting of the Museum's statutory governing document, the Code of Best Practice for Board Members of Sir John Soane's Museum, the most recent Annual Report and Accounts, the Management Agreement with DCMS and a copy of the Charity Commission's *The Essential Trustee*. An induction/training day is organised annually at which Trustees meet the staff of all the departments in the Museum and are introduced to their various activities.

The Trustees are supported by six committees, specifically:

- The Audit and Risk Committee meets on a quarterly basis and is responsible for the issues of risk control and governance. They review the Annual Report and Accounts. In addition, they review

the reports of the External Auditor (National Audit Office) and the Internal Auditor (currently The Risk Management Business Ltd). Their annual work plans and reports and their recommendations are reviewed by the Committee. The Museum's Risk Register is regularly reviewed and updated by the Committee and recommended to the Board of Trustees for approval on an annual basis.

- The Finance Committee meets on a quarterly basis and is responsible for reviewing the Museum's financial position and budgets. They also review the finances in relation to any major capital projects. Performance and financial information provided for the Board is regularly reviewed for its effectiveness by the Committee.
- The Remuneration Committee meets at least annually and reviews the Director's and staff pay and performance and makes recommendations for pay awards to the Board of Trustees as appropriate.
- The Governance and Nominations Committee (formerly Governance Committee) meets at least annually and reviews the Museum's governance arrangements, including Board appointments, and makes recommendations to the Board of Trustees as appropriate. The Committee has been active during the year in revising old policies and issuing new policies.
- The Buildings Committee is convened whenever the Museum undertakes major capital works to the buildings at Nos 12, 13 and 14 Lincoln's Inn Fields. It did not meet during the year.
- Soane Museum Enterprises Limited (SME Ltd) is a wholly-owned trading subsidiary of the Museum. The Board of Soane Museum Enterprises Limited meets on a regular basis.

Attendance at Board meetings and at the Audit and Risk, Finance and Remuneration Committees is reported to the Board on an annual basis and is considered to be important. Individual attendance of Trustees at these meetings and those of SME Ltd is listed below.

	Board	Audit & Risk	Finance	Remuneration	Governance & Nominations	SME Ltd.
No. of meetings held in a year	4	4	4	2	3	3
Trustees						
Guy Elliott*	4	4	4	2	3	
Professor Jonathan Ashmore	3	4			3	
Molly Borthwick	3					
Sir David Chipperfield	1					
Professor David Ekserdjian	2		4			
Katrin Henkel**	4				1	
Professor Nichola Johnson	4			2		
Alderman Vincent Keaveny	3	4	4	2	3	
Dr Thierry Morel	3					

	Board	Audit & Risk	Finance	Remuneration	Governance & Nominations	SME Ltd.
Basil Postan	4	3	3			
Orna, Lady Turner	4	4	4			2
Directors, SME Ltd.						
Elizabeth Phillips						2
Anthony Vernon						3
Bruce Boucher						2
Adam Thow						3
Helen Dorey						3
Jayant Gohil						3

* Observer only at Audit & Risk and Finance Committees

** Joined Governance Committee January 2019. Possible number of Governance meetings which could be attended was 1.

The Board's effectiveness was reviewed during 2016-17 through an external facilitator. It was concluded that the Museum has an exceptionally experienced and talented Board that takes its stewardship of the Museum's resources very seriously. The 2016-17 review has been refreshed each year through self-assessments, with the conclusion that the Board continues to operate effectively. Given the changed environment in which all charities are operating, the Board is committed to ensuring the Museum's governance arrangements meet what are considered to be good practice and has delegated responsibility for overseeing this work to its Governance Committee. The Museum follows governance best practice for public service and charitable bodies, and where relevant and practical adopts the principles of the *Corporate governance in central government departments: code of good practice 2017*.

3. Risk management

3.1 Overview

The system of internal control is designed to manage risk to a reasonable level rather than 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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they occur, and to manage them efficiently, effectively and economically.

The system of internal control has been in place and operating effectively for the year ended 31 March 2019 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance. The Board has gained assurance that the quality of the information it receives is sound through its challenge of the information presented.

3.2 Responsibility

The Board of Trustees (assisted by the Audit and Risk Committee) sets risk management standards and the degree of risk aversion for the Museum, and reviews the major risks to the Museum. The Accounting Officer is responsible for managing risk and ensuring that the Museum's risk management framework is effective. The Senior Management Team coordinates the management of risk across the work of the Museum, with feedback from the Internal Auditor. The Museum's Risk Register is kept up to date and is reviewed at least bi-annually by the Audit and Risk Committee and

at least annually by the Board of Trustees. The key risks are identified by the Senior Management Team and reported to the Trustees.

The Internal Audit provider performs internal audit work to cover all key systems, in order to provide an overall assurance report for the year. The summary of the Internal Auditor's Report for 2019 is that there are no concerns to highlight to the Board of Trustees on the Museum's key controls and that substantial assurance can be provided to the Board of Trustees on the Museum's key controls for the areas reviewed during 2019.

3.3 Key risks

The Museum maintains a Risk Register to monitor risks to its activities and review the controls in place to mitigate these risks. This Register is reviewed by the Audit and Risk Committee at every meeting and there is full discussion of changing risk levels and potential new or developing risks. During 2018-19 there were 3 key risks highlighted as the highest scoring risks within the Risk Register, as detailed below:

- Terrorist incident or other external events/market forces impact the Museum's operations – there is a detailed plan in place to respond to such incidents (safe havens; local networks; police advice) and a good internal radio system to facilitate any response;
- Major fire, flood or similar incident causing significant damage to the building or collections – there are response systems and detailed risk assessments in place, which are serviced/tested/updated regularly; and
- Insufficient funds to secure long-term sustainability of the Museum and its operations and programmes – the Museum plans for a balanced budget, with a focus on securing specific restricted funding for project activity, along with continued emphasis on commercial opportunities for the trading subsidiary; although there remains significant concern regarding the increased pension contributions payable under the Civil Service Pension Scheme from 1 April 2019 and the uncertainty of any further DCMS funding, beyond 2019-20, to cover this substantial increase.

There is an ongoing process undertaken by all staff (including the Senior Management Team) and the Trustees within the Museum for evaluating and managing these and other risks.

4. Compliance with Corporate Governance Code of Good Practice

The Board of Trustees has assessed its compliance with the HM Treasury's guidelines, as set out in *Corporate governance in central government departments: code of good practice 2017*, and has concluded that this is satisfactory.

Guy Elliott
Chairman of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Date: 29 August 2019

**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE
HOUSE OF COMMONS**

Opinion on financial statements

I certify that I have audited the financial statements of Sir John Soane's Museum for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Group and Museum Statements of Financial Activities, the Group and Museum Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of Sir John Soane's Museum's affairs as at 31 March 2019 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Sir John Soane's Museum and group in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Sir John Soane's Museum's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Trustees and Accounting Officer

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Sir John Soane's Museum
Independent Auditor's Report

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Sir John Soane's Museum's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

The Trustees and Accounting Officer are responsible for the other information. The other information comprises information included in the Annual Report but does not include the parts of the Remuneration Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the group and the Museum and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report which I provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 parts 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
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

**Sir John Soane's Museum
Independent Auditor's Report**

Report

I have no observations to make on these financial statements.

Gareth Davies

Date: 5 September 2019

Comptroller and Auditor General

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

Sir John Soane's Museum
Consolidated Statement of Financial Activities for the year ended 31 March 2019

	Note	2019 Unrestricted Funds	2019 Restricted Funds	2019 Endowment Funds	2019 Total Funds	2018 Unrestricted Funds	2018 Restricted Funds	2018 Endowment Funds	2018 Total Funds
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM									
Donations and Legacies									
Grant-In-Aid from Department for Digital, Culture, Media and Sport	2	1,032,000	-	-	1,032,000	1,012,000	-	-	1,012,000
Other donations and legacies	3a	511,236	-	-	511,236	463,616	-	-	463,616
Charitable Activities									
Visitors	3b	76,612	-	-	76,612	48,349	-	-	48,349
Grants	3b	-	559,475	-	559,475	-	294,244	-	294,244
Other Trading Activities									
Room hire		211,155	-	-	211,155	194,724	-	-	194,724
Filming and reproduction fees		26,877	-	-	26,877	21,088	-	-	21,088
Licensing		50,164	-	-	50,164	47,693	-	-	47,693
Retail sales		355,892	-	-	355,892	362,548	-	-	362,548
Patrons - Benefits		22,643	-	-	22,643	21,311	-	-	21,311
Investments		757	-	-	757	446	-	-	446
Other	3c	28,184	-	-	28,184	31,898	-	-	31,898
TOTAL		2,315,520	559,475	-	2,874,995	2,203,673	294,244	-	2,497,917
EXPENDITURE ON									
Raising Funds									
Development, fundraising and trading	4a	765,576	67,627	-	833,203	696,789	92,112	-	788,901
Charitable Activities									
Buildings	4b	474,316	33,692	-	508,008	434,246	45,390	-	479,636
Collections	4b	186,973	332,757	-	519,730	286,766	203,124	-	489,890
Visitor services	4b	934,513	326,001	-	1,260,514	751,919	364,137	-	1,116,056
TOTAL	4	2,361,378	760,077	-	3,121,455	2,169,720	704,763	-	2,874,483
NET INCOME BEFORE GAINS AND LOSSES		(45,858)	(200,602)	-	(246,460)	33,953	(410,519)	-	(376,566)
Net Gain/(Loss) on Investments	8	-	-	(1,880)	(1,880)	-	-	1,276	1,276
NET (EXPENDITURE)/INCOME		(45,858)	(200,602)	(1,880)	(248,340)	33,953	(410,519)	1,276	(375,290)
NET MOVEMENT IN FUNDS		(45,858)	(200,602)	(1,880)	(248,340)	33,953	(410,519)	1,276	(375,290)
RECONCILIATION OF FUNDS:									
Total funds brought forward		2,977,094	7,041,973	9,009	10,028,076	2,943,141	7,452,492	7,733	10,403,366
Total funds carried forward	13-15	2,931,236	6,841,371	7,129	9,779,736	2,977,094	7,041,973	9,009	10,028,076

All of the Museum's activities are continuing. There were no recognised gains and losses in the year other than those reported in the Statement of Financial Activities.

The notes on pages 37 to 50 form part of these financial statements.

Sir John Soane's Museum
Statement of Financial Activities for the year ended 31 March 2019 (Museum Only)

	Note	2019 Unrestricted Funds	2019 Restricted Funds	2019 Endowment Funds	2019 Total Funds	2018 Unrestricted Funds	2018 Restricted Funds	2018 Endowment Funds	2018 Total Funds
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:									
Donations and Legacies									
Grant-In-Aid from Department for Digital, Culture, Media and Sport	2	1,032,000	-	-	1,032,000	1,012,000	-	-	1,012,000
Other donations and legacies	3a	511,236	-	-	511,236	463,616	-	-	463,616
Charitable Activities									
Visitors		21,418	-	-	21,418	9,836	-	-	9,836
Grants	3b	-	559,475	-	559,475	-	294,244	-	294,244
Other Trading Activities									
Gift Aid Receivable from Subsidiary	20	186,550	-	-	186,550	183,224	-	-	183,224
Other Income Receivable from Subsidiary		55,145	-	-	55,145	55,145	-	-	55,145
Patrons - Benefits		22,643	-	-	22,643	21,311	-	-	21,311
Investments		757	-	-	757	446	-	-	446
Other	3c	28,183	-	-	28,183	31,898	-	-	31,898
TOTAL		1,857,932	559,475	-	2,417,407	1,777,476	294,244	-	2,071,720
EXPENDITURE ON:									
Raising Funds									
Development, fundraising and trading	4a	307,988	67,627	-	375,615	270,592	92,112	-	362,704
Charitable activities									
Buildings		474,316	33,692	-	508,008	434,246	45,390	-	479,636
Collections		186,973	332,757	-	519,730	286,766	203,124	-	489,890
Visitor services		934,513	326,001	-	1,260,514	751,919	364,137	-	1,116,056
TOTAL	4	1,903,790	760,077	-	2,663,867	1,743,523	704,763	-	2,448,286
NET INCOME BEFORE GAINS AND LOSSES		(45,858)	(200,602)	-	(246,460)	33,953	(410,519)	-	(376,566)
Net Gain/(Loss) on Investments	8	-	-	(1,880)	(1,880)	-	-	1,276	1,276
NET (EXPENDITURE)/INCOME		(45,858)	(200,602)	(1,880)	(248,340)	33,953	(410,519)	1,276	(375,290)
NET MOVEMENT IN FUNDS		(45,858)	(200,602)	(1,880)	(248,340)	33,953	(410,519)	1,276	(375,290)
RECONCILIATION OF FUNDS:									
Total funds brought forward		2,977,094	7,041,973	9,009	10,028,076	2,943,141	7,452,492	7,733	10,403,366
Total funds carried forward	13-15	2,931,236	6,841,371	7,129	9,779,736	2,977,094	7,041,973	9,009	10,028,076

All of the Museum's activities are continuing. There were no recognised gains and losses in the year other than those reported in the Statement of Financial Activities.

The notes on pages 37 to 50 form part of these financial statements.

Sir John Soane's Museum
Consolidated and Museum Balance Sheets as at 31 March 2019

	Note	2019 £ MUSEUM	2019 £ GROUP	2018 £ MUSEUM	2018 £ GROUP
Fixed Assets					
Intangible assets	7	126,339	126,339	200,004	200,004
Heritage assets	6b	8,578,402	8,578,402	8,680,377	8,680,377
Tangible assets	6a	588,205	588,205	636,085	636,085
Investments	8	7,129	7,129	9,009	9,009
		<u>9,300,075</u>	<u>9,300,075</u>	<u>9,525,475</u>	<u>9,525,475</u>
Current Assets					
Stock		7,561	103,809	9,720	133,327
Debtors	9	419,070	242,878	468,356	229,369
Cash at bank and in hand	10	257,922	377,223	219,669	362,116
		<u>684,553</u>	<u>723,910</u>	<u>697,745</u>	<u>724,812</u>
Liabilities					
Amounts falling due within one year	11	<u>(204,892)</u>	<u>(244,249)</u>	<u>(195,144)</u>	<u>(222,211)</u>
Net Current Assets					
		<u>479,661</u>	<u>479,661</u>	<u>502,601</u>	<u>502,601</u>
NET ASSETS					
	12	<u>9,779,736</u>	<u>9,779,736</u>	<u>10,028,076</u>	<u>10,028,076</u>
UNRESTRICTED FUNDS					
	13				
General fund		407,085	407,085	428,230	428,230
Designated fund, heritage property		2,524,151	2,524,151	2,548,864	2,548,864
Total unrestricted funds		<u>2,931,236</u>	<u>2,931,236</u>	<u>2,977,094</u>	<u>2,977,094</u>
RESTRICTED FUNDS					
	14	6,841,371	6,841,371	7,041,973	7,041,973
ENDOWMENT FUND					
	15	7,129	7,129	9,009	9,009
TOTAL FUNDS					
		<u>9,779,736</u>	<u>9,779,736</u>	<u>10,028,076</u>	<u>10,028,076</u>

The notes on pages 37 to 50 form part of these financial statements.

Approved by the Trustees on 29 August 2019

Guy Elliott
Chairman of Trustees

Bruce Boucher
Deborah Loeb Brice Director and Accounting Officer

Sir John Soane's Museum
Consolidated Statement of Cash Flows for the year ended 31 March 2019

	Note	2019 £	2018 £
Cash Flows From Operating Activities			
<i>Net Cash (Expended)/Provided By Operating Activities</i>		<u>111,788</u>	<u>(223,156)</u>
Cash Flows From Investing Activities			
Dividends, interest and rents from investments		757	446
Purchase of property, plant and equipment	6a, 6b & 7	<u>(97,438)</u>	<u>(102,939)</u>
<i>Net Cash Used In Investing Activities</i>		<u>(96,681)</u>	<u>(102,493)</u>
Change in Cash and Cash Equivalents In the Reporting Period		<u>15,107</u>	<u>(325,649)</u>
Cash and Cash Equivalents At Beginning of the Reporting Period		362,116	687,765
Cash and Cash Equivalents At End of the Reporting Period		<u>377,223</u>	<u>362,116</u>

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

		2019 £	2019 £	2018 £	2018 £
Net (Expenditure)/Income For The Reporting Period (As per SOFA)			(248,340)		(375,290)
Adjustments For:					
Loss/(Gain) on Investments	8	1,880		(1,276)	
Dividends, interest and rents from investments		(757)		(446)	
Depreciation Charges - tangible and heritage assets	6	247,293		239,537	
Amortisation Charges - intangible assets	7	73,665		77,309	
Decrease/(Increase) in stock		29,518		(15,240)	
(Increase)/Decrease in debtors	9	(13,509)		55,220	
Increase/(Decrease) in creditors	11	<u>22,038</u>		<u>(202,970)</u>	
			360,128		152,134
<i>Net Cash (Expended)/Provided By Operating Activities</i>			<u>111,788</u>		<u>(223,156)</u>

The notes on pages 37 to 50 form part of these financial statements.

1 Accounting Policies

The following policies have been adopted consistently in dealing with all material items in the financial statements.

a) Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP FRS 102). The financial statements have also been prepared in accordance with the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport, with the approval of HM Treasury, a copy of which can be obtained from the Museum.

The Museum's financial statements consolidate the results of Sir John Soane's Museum and its wholly-owned subsidiary Soane Museum Enterprises Limited (company number 08171280). SME began trading on 27 January 2014. A separate statement of financial activities is presented for each of the Museum and the Group. The Museum Trustees act as Trustees to all the individual funds within the Museum accounts. Two Museum Trustees own the issued share capital of SME. As the Museum is not incorporated, it cannot own any share capital. The Museum Trustees who are the owners of the share capital of SME have signed a Declaration of Trust that they will act as directed by the Museum Trustees. In addition, the Museum's Director, Deputy Director, Operations and Commercial Director and Finance Director and a Museum Trustee are all directors of SME along with two independent directors.

b) Income

Grant-in-aid from the Department for Digital, Culture, Media and Sport (DCMS), unless for one-off specified purposes, is allocated to the general fund and is taken to the Statement of Financial Activities for the year to which it relates. No income has been included net of expense.

Income is recognised when there is evidence of entitlement, receipt is probable and its amount can be reliably measured.

Grants and other income that is awarded subject to specific performance conditions, including scientific grants and income from the Heritage Lottery Fund, are recognised when the performance conditions for their receipt have been met and, where appropriate, income is deferred accordingly.

Gifts-in-kind and donated services are recognised when received and valued at the market rate that the Museum would expect to pay for similar services.

c) Expenditure

All expenditure is accounted for on an accruals basis. A de-minimis limit of £500 has been applied for accruals and prepayments.

The costs of raising funds are those costs concerned with fundraising and trading, see Note 4a.

To provide more useful information to users of the financial statements, expenditure is, as required by SORP FRS 102, classified by the main charitable objects of the Museum, as discussed in the Annual Report rather than the type of expense.

Expenditure on charitable activities comprises direct expenditure including staff costs attributable to the activity. Support costs including Governance costs are costs which cannot be attributed directly to an activity and are therefore allocated to activities on a basis consistent with the use of the resources, primarily staff time, see Note 4b.

Governance costs are those incurred in the governance of the Museum and are primarily associated with constitutional and statutory requirements, see Note 4d.

d) Taxation

The Museum is exempt under section 505 of the Income and Corporation Taxes Act 1988 from taxes on income arising from the pursuit of its charitable objectives. The taxable profits of Soane Museum Enterprises Limited are distributed to the Museum under Gift Aid rules and no tax liability is expected for the year ended 31 March 2019.

1 Accounting Policies (continued)

e) VAT

The Museum is currently able to reclaim all input VAT which it incurs.

f) Fixed Assets and Depreciation/Amortisation

Heritage and Tangible fixed assets

Tangible fixed assets, other than heritage property, are stated at cost less accumulated depreciation. The historical cost of a tangible fixed asset which has been capitalised is not considered to be materially different from its net current replacement cost. Assets are subject to revaluation under modified historic cost accounting, when material; to date the effect has not been material. Fixed assets costing more than £1,000 are capitalised, and are reviewed for impairment on a yearly basis. Depreciation is provided on heritage and tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected life as follows:

Non-operational heritage property	No depreciation
Freehold heritage property	100 years to residual value of £300,000
Heritage fixtures and fittings	20 years
Assets in the course of construction	No depreciation
Office and other equipment	5 years
Retail equipment	5 years
Security equipment and fixtures and fittings	8 years
Plant	20 years

A full year's depreciation is charged in the year of acquisition.

The Museum's main exhibit is the building itself and its arrangements of objects, which must be maintained as nearly as possible in their original state. The buildings at Nos 12 and 13 and the objects displayed fall within the definition of heritage property, and they are considered to be inalienable. No valuation has been included in the accounts for these assets as appropriate and relevant valuation information is not available; the Trustees do not consider that the cost of valuing them is commensurate with the benefits to the users of the financial statements. The heritage property at No. 14 is shown at its valuation at the date of transfer to the Museum, together with subsequent restoration and refurbishment costs, less accumulated depreciation. In addition, capital works including fixtures and fittings to Nos 12 and 13 buildings as part of the *Opening up the Soane* (OUTS) project have been added to the Freehold Heritage Property asset class and depreciated over 100 years and the Heritage Fixtures and Fittings asset class and depreciated over 20 years, which is consistent with the treatment of capital works to No.14.

Intangible fixed assets

Intangible fixed assets, intellectual property owned by the Museum, are capitalised at cost and depreciated over an estimated useful life of 5 years.

g) Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income is credited to incoming resources on a receivable basis. The investments held by the Museum as disclosed in Note 8 are classed as an available-for-sale financial asset.

h) Stock

The stock of goods for resale is stated at the lower of cost or net realisable value.

i) Debtors and Creditors

The year end debtors and creditors are valued at amortised costs based on invoices or other reasonable estimates.

1 Accounting Policies (continued)

j) Fund Accounting

Funds are generally not held for grant-making purposes. Unrestricted funds comprise general funds and designated funds, see Note 13. General funds are available for use at the Trustees' discretion in furtherance of the general objectives of the Museum and have not been designated for other purposes. Designated funds represent unrestricted funds which have been designated by the Trustees for specific purposes in furtherance of the general objects of the Museum. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Museum for particular purposes. The aim and use of each restricted fund is set out in Note 14. The endowment fund represents capital funds which have been donated to the Museum to be held on a permanent basis, see Note 15. Income from the fund is to be applied towards the furtherance of the Museum's objects. The permanent endowment does not contain any power to convert capital into income except by application to the Charity Commission.

k) Going Concern

These accounts have been prepared on a going concern basis. As part of the Corporate Plan, the SMT have prepared, and the Trustees have agreed, an Original Budget for 2019-20 in February 2019 showing a broadly balanced Unrestricted Funds budget, after utilising available Restricted Reserves, with no material uncertainties.

l) Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are valued at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

m) Public Benefit

In compliance with the duty set out in section 4 of the Charities Act 2011, the Trustees have considered the Charity Commission's General Guidance on Public Benefit when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned objectives will contribute to the aims and objectives they have set. The benefits provided by the Museum are freely available to the public. All the Trustees of the Museum give their time and expertise free.

2 Grant-In-Aid from the Department for Digital, Culture, Media and Sport (DCMS)	2019	2018
	£	£
Grant-In-Aid - Resource, unrestricted income	1,003,000	983,000
Grant-In-Aid - Capital, unrestricted income	29,000	29,000
	<u>1,032,000</u>	<u>1,012,000</u>

Resource Grant-In-Aid was available for general running costs of the Museum including maintenance and conservation. Capital Grant-In-Aid was provided towards the cost of capital works. DCMS is a related party, see Note 19.

3a Other Donations and Legacies	2019	2019	2019	2018
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Legacies	50,000	-	50,000	-
Other donations and Gift Aid recoverable	461,236	-	461,236	463,616
	<u>511,236</u>	<u>-</u>	<u>511,236</u>	<u>463,616</u>

3b Charitable Activities	2019	2019	2019	2018
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Grants for salary underwriting	-	225,875	225,875	29,251
Grants for other projects	-	333,600	333,600	264,993
Visitor tours and ticketed events	76,612	-	76,612	48,349
	<u>76,612</u>	<u>559,475</u>	<u>636,087</u>	<u>342,593</u>

3c Other income

Other income includes £16,600 in respect of donated services (2017-18: £24,600).

4 Resources Expended

a) Cost of raising funds	Group		Museum	
	2019	2018	2019	2018
	£	£	£	£
Direct costs, development & fundraising	18,092	21,885	18,092	21,885
Direct costs, publications	31,150	26,186	31,150	26,186
Direct costs, trading, including legal advice	76,412	80,356	16,600	24,600
Direct costs, stock for trading	157,777	136,939	-	-
Allocated staff costs	446,060	387,253	206,061	153,751
Allocated support & governance costs	103,712	136,282	103,712	136,282
	<u>833,203</u>	<u>788,901</u>	<u>375,615</u>	<u>362,704</u>

All direct costs of the Museum's trading subsidiary are included within the cost of raising funds.

4 Resources expended (continued)

b) Charitable activities, including staff costs see Note 4c	Buildings	Collections	Visitor Services	2019 Total	2018 Total
	£	£	£	£	£
Building projects	24,101	-	-	24,101	23,915
Building maintenance	196,567	-	-	196,567	184,572
Works of art, objects & pictures	-	-	-	-	1,612
Research, library, archive, digitisation	-	77,227	-	77,227	56,215
General conservation	-	48,093	-	48,093	40,184
Visitor services	-	-	9,353	9,353	10,113
Educational activities	-	-	66,057	66,057	65,335
Exhibitions	-	-	106,047	106,047	75,252
Allocated staff costs (see Note 4c)	228,317	305,454	833,268	1,367,039	1,287,295
Allocated support & governance costs (see Note 4e)	59,023	88,956	245,789	393,768	341,089
31 March 2019	<u>508,008</u>	<u>519,730</u>	<u>1,260,514</u>	<u>2,288,252</u>	
31 March 2018	<u>479,636</u>	<u>489,890</u>	<u>1,116,056</u>		<u>2,085,582</u>

c) Staff costs, see Note 5a	2019	2018
	£	£
Cost of raising funds	446,060	387,253
Buildings	228,317	220,717
Collections	305,454	307,954
Visitor services	833,268	758,624
	<u>1,813,099</u>	<u>1,674,548</u>

Staff costs which cannot be attributed directly to an activity are allocated to activities on a basis consistent with the use of the resources, primarily staff time.

d) Governance, including staff costs see Note 4c	2019	2018
	£	£
Internal audit - current year	5,950	5,950
External audit - current year (Museum only)	15,500	15,500
Subsidiary audit - current year (HW Fisher & Company)	5,860	5,860
Subsidiary - tax advice (HW Fisher & Company)	600	600
Other administrative expenses	1,672	1,068
	<u>29,582</u>	<u>28,978</u>

The Comptroller and Auditor General is the external auditor of the Museum's Financial Statements. The audit fee for the work was £15,500 (2017-18: £15,500); no other non-audit work was provided.

e) Allocated support & governance costs	2019	2018
	£	£
Cost of raising funds, see Note 4a	103,712	136,282
Buildings, see Note 4b	59,023	50,432
Collections, see Note 4b	88,956	83,925
Visitor services, see Note 4b	245,789	206,732
	<u>497,480</u>	<u>477,371</u>

Support and governance costs which cannot be attributed directly to an activity are allocated to activities on a basis consistent with the use of the resources, primarily staff time.

5 Employee and Trustee Information

a) Staff costs

	2019	2018
	£	£
Salaries	1,451,463	1,332,941
Employer's national insurance	113,837	109,908
Employer's pension contributions, see Note 18	247,798	231,699
Total employment costs	<u>1,813,098</u>	<u>1,674,548</u>
Recruitment	1,100	1,400
Payroll services, training and other staff costs	11,343	13,712
Total staff costs	<u><u>1,825,541</u></u>	<u><u>1,689,660</u></u>

Total employment costs increased during the year due to extra staff employed and increased membership of the Civil Service Pension Scheme.

b) Staff numbers

	2019	2018
	Number	Number
The average number of persons employed (FTE), analysed by function was:		
Cost of generating funds	10.5	9.6
Buildings	6.1	6.0
Collections	7.7	7.5
Visitor services	24.6	23.5
	<u><u>48.9</u></u>	<u><u>46.6</u></u>

The average headcount, defined as the number of staff paid each month during 2018-19, was 74.2 (2017-18: 71.9). This includes casual staff members which decreased by 3.6 to 20.8 (2017-18: 24.4).

The number of employees, including the Director, whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2019	2018
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

This employee is accruing benefits under defined benefit schemes and received no benefits-in-kind.

In 2018-19, the Senior Management Team members received total amounts of benefits (including gross salary, bonus and employer's NIC and pension contributions) of £401,638 (2017-18: £361,941, with the variance a result of vacancies in 2017-18 and the timing of bonus payments).

c) Compensation for loss of office

There were no 'exit packages' awarded to staff leaving during the year (2017-18: Nil) amounting to a total of £Nil. (2017-18: £Nil).

d) Trustees

The Trustees neither received nor waived any emoluments during the year (2017-18: £Nil). Claims for travel by Trustees amounted to £Nil (2017-18: £Nil). Expenses paid by the Museum to 3rd parties on behalf of Trustees was £Nil (2017-18: £Nil).

6a Tangible Assets

Museum and Group

	Office Equipment £	Fixtures & Fittings £	Retail Equipment £	Security Equipment £	Plant £	Total £
Cost						
At 1 April 2018	305,152	174,384	22,066	145,687	437,115	1,084,404
Additions	11,450	11,201	-	8,012	26,067	56,730
At 31 March 2019	316,602	185,585	22,066	153,699	463,182	1,141,134
Depreciation						
At 1 April 2018	147,254	94,064	14,901	98,442	93,658	448,319
Charge for the year	55,099	14,651	2,388	9,313	23,159	104,610
At 31 March 2019	202,353	108,715	17,289	107,755	116,817	552,929
Net Book Value						
At 31 March 2019	114,249	76,870	4,777	45,944	346,365	588,205
At 1 April 2018	157,898	80,320	7,165	47,245	343,457	636,085

6b Heritage Assets

Museum and Group

	Heritage Assets £	Freehold Heritage Property £	Heritage Fixtures & Fittings £	Total £
Cost				
At 1 April 2018	58,230	8,115,863	1,255,234	9,429,327
Additions	5,445	-	35,263	40,708
At 31 March 2019	63,675	8,115,863	1,290,497	9,470,035
Depreciation				
At 1 April 2018	-	459,514	289,436	748,950
Charge for the year	-	78,159	64,524	142,683
At 31 March 2019	-	537,673	353,960	891,633
Net Book Value				
At 31 March 2019	63,675	7,578,190	936,537	8,578,402
At 1 April 2018	58,230	7,656,349	965,798	8,680,377

Heritage Assets	2018-19 £	2017-18 £	2016-17 £	2015-16 £	2014-15 £
Additions	40,708	69,663	778,533	206,756	1,796,630

6b Heritage Assets (continued)

Museum and Group

Nature of the Collection

Sir John Soane's Museum, at Nos 12 and 13 Lincoln's Inn Fields, together with its contents comprise a significant collection of "tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture". The Museum's heritage assets consist of Sir John Soane's collection of objects, furniture and paintings, his library, drawings collection and business archive, an assemblage required by Act of Parliament to be kept as it was at the time of Soane's death in 1837, as an educational resource for the benefit of the public in perpetuity.

The buildings at Nos 12 and 13 are not capitalised, as a market valuation of a unique structure designed to hold Sir John's collection is not considered feasible. There is no active market for such a building.

A third property, No. 14 Lincoln's Inn Fields, was donated to the Museum on 26 March 2004 by Sir John Soane's Museum Society. At that date it was valued at £980,000 on an open market existing use basis by Drivers Jonas, Chartered Surveyors in order to comply with HM Treasury Accounting Guidelines for non-operational heritage assets. The valuation was made in accordance with Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. Since acquiring No.14, the Museum has expended £1,791,280 to restore the property. The restoration costs are capitalised in accordance with HM Treasury guidelines. The property was acquired by the Society with the support of the National Lottery through the Heritage Lottery Fund, and cannot be disposed of by the Museum without the approval of the Trustees of the National Heritage Memorial Fund. The Trustees consider it to be inappropriate to spend further funds on annual revaluation. The building entered into use during 2009 and therefore, is subject to depreciation over its estimated useful life, set at 100 years for the purposes of the accounts. In 2009 the Museum performed an impairment review by which it was established that there was no need to write down the value of the property.

The other freehold properties (Nos 12 and 13 Lincoln's Inn Fields) and collections owned by the Museum are considered to be inalienable and are integral to the objectives and purpose of the Museum. As stated in Accounting Policy Note 1f, no cost is attributed to Nos 12 and 13 Lincoln's Inn Fields or the collections as these have been in the Trustees' ownership since 1837, reliable cost information is not available, and conventional valuation techniques are not appropriate. Further details concerning these can be found in the Annual Report.

FRS 102 requires heritage assets to be reported on the Balance Sheet where information is available and to enhance disclosures relating to all heritage assets regardless of whether these were reported on the Balance Sheet. Of the heritage assets held by Sir John Soane's Museum, only the building at No. 14 Lincoln's Inn Fields; a ring that once belonged to Sir John Soane; a painting; a set of architectural drawings; and capital works including fixtures and fittings to the buildings at Nos 12 and 13 as part of the OUTS and Capital Works Projects, have been capitalised and recognised on the Balance Sheet.

Proposed Valuation

The Trustees have considered a proposal to value the collection for the purposes of capitalising its heritage assets. An attempt has been made to estimate the cost of valuation, which shows that if one knowledgeable person could be made available full-time to locate, handle and display each item for valuation, this task alone would take more than twelve years. Added to this, the cost of engaging external valuers, as the Museum does not have sufficient skills internally, is very difficult to estimate but certain to be very high. The Trustees are in no doubt that these costs are entirely disproportionate to any benefits which might be gained by users of the accounts. The Museum does not have access to funds which could be used for this purpose, nor sufficient accommodation on its premises for an influx of temporary staff and experts.

A small proportion of the items in the collection have at one time or another been loaned to other institutions. Approximate valuations of these items have been made, at some expense, for insurance purposes. These valuations are not considered accurate for the purposes of capitalisation and are also outdated.

Information about the Collection

The Museum's website includes a full list of its holdings - more than 52,000 items under fourteen categories - together with a Summary of Holdings and a Note on Provenance. The most significant items held in the collection include the original paintings of *A Rake's Progress* by Hogarth, the 3,000 year old alabaster sarcophagus of Seti I, three paintings by Canaletto including one of his finest, and three paintings by Turner. The accuracy of this listing is subject to internal audit. A long-term project is under way to complete the cataloguing of those elements of the collection which are not yet fully catalogued in detail. Further information about individual items is available from curatorial staff by appointment on request.

Acquisition and Disposal

As a closed collection, the Museum has no programme of acquisition, although some small gifts of books or drawings have been received. An exception was made to this rule in 2009 when the Trustees agreed to take advantage of a rare opportunity to purchase, with funds provided for the purpose, a valuable ring which had once belonged to Sir John Soane. This acquisition is listed on the balance sheet. Disposal of inalienable heritage assets contravenes the rules of the charity. No disposals have been made. There have been two cases, historically, where items from the collection have been donated to other charitable institutions with aligned objectives. In these cases any necessary approvals were sought and received prior to disposal. The value of the items had not been included on the Balance Sheet, so there was adjustment to the reported value of heritage assets.

Preservation and Management

The Museum has benefited ever since 1837 from a dedicated and professional curatorial staff. This has generated a reputation as the best preserved and documented house-museum in the world. The collection is managed expressly for the benefit of members of the public while guaranteeing its preservation for future generations. Details of preservation and management activities during the year are expanded elsewhere in the Annual Report.

7 Intangible Assets

Museum and Group

Cost	£
At 1 April 2018	409,973
Additions and improvements	-
At 31 March 2019	<u>409,973</u>
Amortisation	
At 1 April 2018	209,969
Charge for the year	<u>73,665</u>
At 31 March 2019	<u>283,634</u>
Net Book Value	
At 31 March 2019	<u>126,339</u>
At 31 March 2018	<u><u>200,004</u></u>

Intangible assets represent website expenditure, audio guide tours, the Collections Management System and a database licence.

Amortisation charges are included in, and apportioned across, Expenditure on Raising Funds and Charitable Activities (excluding Donations).

8 Investments

Museum and Group	2019	2018
	£	£
Market value at 1 April	9,009	7,733
Net gain/(loss) on investment	<u>(1,880)</u>	<u>1,276</u>
Market value at 31 March	<u>7,129</u>	<u>9,009</u>
Historic cost at 31 March	<u>28,920</u>	<u>28,920</u>

The investment is 5,250 Man Group plc ordinary shares of 3 3/7 US Cents each and is listed on a recognised UK Stock Exchange.

9 Debtors

	2019	2019	2018	2018
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Prepayments and accrued income	98,550	104,726	95,922	96,774
Amounts owed by Subsidiary	246,657	-	318,466	-
VAT recoverable	18,227	18,227	9,524	9,524
Other debtors, including Gift Aid recoverable	<u>55,636</u>	<u>119,925</u>	<u>44,444</u>	<u>123,071</u>
	<u>419,070</u>	<u>242,878</u>	<u>468,356</u>	<u>229,369</u>

10 Cash at bank and in hand

	2019	2019	2018	2018
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Cash at bank	257,576	376,777	216,391	358,738
Cash in hand	<u>346</u>	<u>446</u>	<u>3,278</u>	<u>3,378</u>
	<u>257,922</u>	<u>377,223</u>	<u>219,669</u>	<u>362,116</u>

11 Creditors: amounts falling due within one year	2019	2019	2018	2018
	MUSEUM	GROUP	MUSEUM	GROUP
	£	£	£	£
Trade creditors	48,805	54,232	41,977	46,646
Taxation, social security and pensions	54,802	61,156	60,019	61,993
Other creditors	-	-	-	-
Amounts owed to Subsidiary	-	-	-	-
Accruals	87,702	93,702	84,087	90,548
Deferred income	13,583	35,159	9,061	23,024
	204,892	244,249	195,144	222,211

£23,024 of Deferred Income was released and £35,159 added during 2018-19.

Deferred Income is in respect of services paid for in 2018-19 but to be supplied in 2019-20.

The Deferred Income balance at 31 March 2019 is due within one year.

12 Analysis of net assets Group	Restricted Funds	General Fund	Designated Fund	Endowment Fund	Total Funds
	£	£	£	£	£
Represented by:					
Intangible Fixed Assets	126,339	-	-	-	126,339
Heritage Fixed Assets	6,054,251	-	2,524,151	-	8,578,402
Tangible Fixed Assets	588,205	-	-	-	588,205
Investments	-	-	-	7,129	7,129
Current Assets	72,576	651,334	-	-	723,910
Liabilities	-	(244,249)	-	-	(244,249)
Balances as at 31 March 2019	6,841,371	407,085	2,524,151	7,129	9,779,736

13 Unrestricted Funds

Museum and Group

	General Fund	Designated Fund	Total
	£	£	£
Balances at 1 April 2018	428,230	2,548,864	2,977,094
Income	2,315,520	-	2,315,520
Expenditure	(2,361,378)	-	(2,361,378)
Transfers (see below)	24,713	(24,713)	-
Balances at 31 March 2019	407,085	2,524,151	2,931,236

The Designated Fund relates to No.14 Lincoln's Inn Fields and represents the value of the property donated to the Museum in 2004 of £980,000, together with monies spent subsequently on its restoration £1,791,280 less subsequent annual depreciation of £24,713 (as represented by the annual transfer from the Designated Fund to the General Fund).

14 Restricted Funds

Museum and Group	Balances at 1.4.2018 £	Income £	Expenditure £	Transfers £	Balances at 31.3.2019 £
Acquisition Fund	42,620	-	-	-	42,620
Conservation Fund	15,018	48,957	(42,135)	-	21,840
Exhibition Fund	80,514	119,071	(106,547)	-	93,038
Library Fund	83,363	-	(35,250)	-	48,113
Education Fund	12,181	90,148	(57,149)	-	45,180
Masterplan Construction Fund	6,072,642	-	(147,241)	-	5,925,401
Other Restricted Projects Fund	24,112	301,300	(242,018)	-	83,394
Capital Works (DCMS)	711,523	-	(129,738)	-	581,785
Total	7,041,973	559,476	(760,078)	-	6,841,371

Restricted fund income was expended during the year in relation to the following activities:

the Acquisition Fund relates to funds raised to acquire additions to the collection;
the Conservation Fund hold funds raised specifically for conservation purposes, including publications;
the Exhibition Fund is specifically for creating and running exhibitions;
the Library Fund was set up for library cataloguing, including the digitisation of the Adam and other drawings;
the Education Fund was set up to support and promote the Museum's education projects;
the Masterplan Construction Fund relates to expenditure on the development phase of OUTS;
the Other Restricted Projects Fund relates to funds raised to support specific projects identified by the Museum; and
the Capital Works Fund relates to expenditure on capital projects funded by DCMS Capital Grant received in 2016-17.

15 Endowment Fund

Museum and Group	Total £
Balance at 1 April 2018	9,009
Net loss on investment assets	(1,880)
Balance at 31 March 2019	<u>7,129</u>

The Endowment Fund represents donations, received for the general purposes of the Museum, which cannot be treated as income. The capital element of these donations cannot be spent but the income they generate can be spent. The income is therefore treated as unrestricted.

16 Capital Commitments

At the balance sheet date the Museum was contractually committed to the sum of £Nil for all capital projects (2018: £Nil).

17 Contingent Assets & Liabilities

There were no contingent assets at the year-end. There were no contingent liabilities at the year-end. There were no losses or special payments during the year.

18 Pension Arrangements

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – Alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined Alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (Classic, Premium or Classic Plus) with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65.

Most employees of Sir John Soane's Museum are members of these arrangements which are an unfunded multi-employer defined benefit scheme and as such Sir John Soane's Museum is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. For 2018-19, employer's contributions of £238,112 were payable to PCSPS (2017-18: £230,019) by 49 members (2017-18: 45) at one of three rates in the range 20.0% to 24.5% of pensionable pay, based on salary bands and £16,009 to non-PCSPS schemes for non-PCSPS members (2017-18: £1,680). The PCSPS's Actuary reviews employer contributions every four years following a full scheme valuation. From 2016-17, the contributions based on salary bands are in the range of 20.0% to 24.5%. The contribution rates are set to meet the cost of the benefits accruing during each year to be paid when

19 Related Party Transactions

Sir John Soane's Museum is an NDPB whose sponsor department is DCMS. DCMS is regarded as a related party. During the year, Sir John Soane's Museum has had material transactions with DCMS. These transactions are shown in Note 2.

An independent charitable company Sir John Soane's Museum Trust (SJSMT Trust) was set up in February 2012, of which the Director and one Trustee of the Museum (Basil Postan), are Trustees. Four of the six Trustees in addition to the Director and one Trustee of the Museum, are independent. As the representatives of the Museum (i.e. the Director and the one Trustee) are in a minority and routinely recuse themselves by formally abstaining from Board decisions referring to the Trust's relationship to the Museum, including grant-giving and other matters, and as the Trust carries out its activities independently of the Museum, its financial results are not consolidated with those of the Museum. The Museum provides services and facilities for the Trust on an arm's length basis, and during the year the Trust was charged a total of £7,000 (2017-18: £7,000) for fundraising and administrative services. In 2018-19 the Museum applied for and received unrestricted donations of £200,000 (2017-18: £155,000) from the Trust's Catalyst Endowment Fund for general purposes.

The Director, Deputy Director, Director of Commercial & Operations, Finance & HR Director and one Trustee of the Museum serve as unremunerated Directors of the Museum's trading subsidiary, Soane Museum Enterprises Limited. The Board is chaired by the one Museum Trustee, Orna Turner.

One of the Museum Trustees (Molly Borthwick) is a director of Sir John Soane's Museum Foundation, an independent organisation based and registered in the USA. Its mission is to promote to an expanding audience a lively educational forum in the fields of art, architecture and the decorative arts within the Soanean tradition and to assist financially Sir John Soane's Museum in London. In 2018-19, the Museum received donations of £262,837 from the Foundation for various projects (2017-18: £51,788).

During the year the Group provided commercial services to Trustees and their related parties for a payment totalling £8,819 (2017-18: £9,066). The Group purchased services from the related parties of Trustees for payments totalling £330.

Please refer to the Remuneration Report and Note 5 for details of remuneration for key management personnel.

The Museum entered into other material related party transactions as follows:

4 Trustees (2017-18: 5) donated a total of £46,250 (2017-18: £63,197) to the Museum for various fundraising campaigns.

There were no outstanding balances held with related parties as at 31st March 2019 (As at 31.3.2018: £Nil).

20 Trading Subsidiary

The Museum's trading Subsidiary, Soane Museum Enterprises Limited (SME Ltd), became operational on 27 January 2014, carrying out the commercial operations of the Group, principally being retail, licensing and room hire. Please refer to note 1a for further information on its constitution. A summary of the results of the subsidiary are shown below:

	2019	2018
	£	£
SME Ltd: Profit and Loss Account		
Turnover:		
Room Hire/Filming & Reproduction Fees/Licensing/Retails Sales	644,090	626,053
Visitors	55,194	38,512
	<u>699,284</u>	<u>664,565</u>
Cost of Sales	(192,977)	(168,639)
Gross Profit	506,307	495,926
Administrative Expenses	(319,757)	(312,702)
Trading Profit, Profit on Ordinary Activities before taxation and Profit on Ordinary Activities after taxation	186,550	183,224
Payable under gift aid to Museum	(186,550)	(183,224)
Retained Profits in Subsidiary	-	-
SME Ltd: Balance Sheet		
Tangible Fixed Assets	-	-
Current Assets	286,015	345,530
Current Liabilities	(99,463)	(162,304)
Provision: Payable under gift aid to Museum	(186,550)	(183,224)
Net Assets	2	2
Share Capital	2	2
Reserves	-	-
Total Funds	2	2
Reconciliation from the SME Ltd P&L Account to the Consolidated SoFA		
Income included in Consolidated SoFA		
SME Ltd Turnover (Room Hire/Filming & Reproduction Fees/Licensing/Retails Sales)	644,090	626,053
Plus: Museum Trading Income	22,643	21,311
Total Income from Other Trading Activities	666,733	647,364
Income included in Consolidated SoFA		
SME Ltd Turnover (Visitors)	55,194	38,512
Plus: Museum Unrestricted Charitable Income	21,418	9,837
Total Unrestricted Income from Charitable Activities	76,612	48,349
Trading costs included in Consolidated SoFA		
SME Ltd Cost of Sales	192,977	168,639
SME Ltd Administrative expenses	319,757	312,702
Plus: Museum Development Fundraising and Trading costs	375,615	362,704
Less: Costs Recharged to SME by the Museum	(55,146)	(55,144)
Total Expenditure on Raising Funds	833,203	788,901

The gift aid payable of the Subsidiary's trading profit to the Museum, as agreed by the Directors of the Subsidiary, has been included in the Subsidiary as a Profit and Loss Account Reserve Movement in line with best accounting practice.

21 Financial Instruments

FRS 102 requires entities to provide disclosures which allow users of the accounts to evaluate the significance of financial instruments for the entity's financial position and the nature and extent of risks arising from financial instruments during the period.

The majority of financial instruments relate to contracts to buy goods and services in line with the museum's expected purchase and usage requirements and the museum is therefore exposed to little credit, liquidity or market risk.

Liquidity Risk

Over 44% of the Museum's unrestricted income is provided as Grant-in-aid from the Department for Digital, Culture, Media and Sport (DCMS). The remaining income comes from self-generated income which is more volatile. As the cash requirements of the Charity are met largely through the Grant-in-aid, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The Museum has sufficient unrestricted funds to cover its current liabilities.

Credit Risk

The Museum is not exposed to significant credit risk as its debtors, excluding amounts due from its subsidiary, consist mostly of sums due from HMRC. Its cash is held by the Museum's bankers and it has not suffered any loss in relation to cash held by bankers. Write-offs for bad debts amounted to £Nil (2018: £Nil). No trade debtor balances have been provided against in year (2018: £Nil).

Interest Rate Risk

The Museum is not exposed to significant interest rate risk as it earned less than £1,000 from dividend and interest income and does not rely on interest income.

Foreign Currency Risk

The Museum receives income in foreign currencies, especially US dollars. This is managed by using a separate US dollar bank account for receipt and then timely conversion to the GB pounds sterling bank account.

Investment Risk

The investment held (shares in a Public Listed Company) are endowed funds and therefore, cannot be sold. Expected dividends from this source are not included in the budgeting process for the Museum owing to their immateriality and therefore, a fall in dividends is not considered a risk.

22 Post-Balance Sheet Events

The annual report and accounts were authorised for issue by the Accounting Officer and Trustees on the date they were certified by the Comptroller and Auditor General. There were no reportable events between 31 March 2019 and the date the accounts were authorised for issue.

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