

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

Report and Consolidated Financial Statements

For the year ended 31 March 2008

Company Registration Number: 2456393
Charity Registration Number: 802725

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

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REFERENCE AND ADMINISTRATIVE DETAILS

COMPANY REGISTRATION NUMBER
2456393

CHARITY REGISTRATION NUMBER
802725

DIRECTORS AND TRUSTEES

Timothy Hornsby CBE*, Chairman
Dame Jocelyn Barrow
Kate Buchanan
Sir Steve Bullock
Sir Robert Crawford CBE
Professor Paul Henderson CBE *
Lynton Jones*
Professor John Mack
Sue Minter*
Clare Paterson
Rosamund Sykes
Genie Turton CB

* nominated by the Secretary of State for Culture, Media & Sport

AUDIT COMMITTEE

Rosamund Sykes, Chairman
John Mack
Colin Gentile (external member)
David Thorpe (external member)

REMUNERATION COMMITTEE

Timothy Hornsby, Chairman
Genie Turton

SECRETARY

Grace Conacher

MUSEUM DIRECTOR

Janet Vitmayer

REGISTERED OFFICE

100 London Road
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LONDON SE23 3PQ

BANKERS

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35 Regent Street
London SW1Y 4ND

SOLICITORS

Currey & Co
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AUDITORS

BDO Stoy Hayward LLP
Chartered Accountants
Emerald House, East Street
Epsom, Surrey KT17 1HS

INTERNAL AUDITORS

AHL Limited
Chartwell House
292-294 Hale Lane
Edgware, HA8 8NP

TRUSTEES' REPORT for the year ended 31 March 2008

The Trustees present their annual report and the audited consolidated financial statements for the year ended 31 March 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

BACKGROUND

The Horniman Museum and Gardens were given in 1901 to the London County Council in trust, as representing the people, by Frederick John Horniman MP. They were dedicated to the public forever as "a Free Museum for their Recreation, Instruction and Enjoyment" and were registered as a charity from the outset (The Horniman Museum and Public Park Foundation).

The Museum is housed in a striking Grade 2 star listed art nouveau building by Charles Harrison Townsend with recent additions and set in sixteen acres of beautiful Gardens.

The collections include musical instruments, ethnographic collections and natural history.

GOVERNING DOCUMENT

The Trust was incorporated on 29 December 1989 as a company limited by guarantee and is governed by its Memorandum and Articles of Association. On 1 April 1992, following the abolition of the Inner London Education Authority, the Trustees' functions relating to The Horniman Museum and Public Park Foundation ("the Foundation") were transferred to the new charity (The Horniman Public Museum and Public Park Trust) and the trust property of the Foundation was vested in the new charity, to be held on existing trusts, under the terms of Statutory Instrument No. 437. In addition, the Statutory Instrument transferred certain former local authority property to The Horniman Public Museum and Public Park Trust free of trusts. The Charity Commissioners have agreed that the Foundation may be treated as a subsidiary charity of the charitable company that administers the property of both charities. Core funding is provided by the Department for Culture, Media and Sport (DCMS).

TRUSTEE APPOINTMENTS

There are up to twelve Trustees, four of whom, including the Chairman, are nominated by the Secretary of State for Culture, Media and Sport. They serve for a four-year term, after which they may be re-elected for a further four years at the Annual General Meeting (AGM) of the Trust. A job description and person specification is drawn up for each vacancy which arises and these are advertised. A selection process is held which considers applications against the agreed criteria for the vacancy.

During the year Dame Jocelyn Barrow, Eugenie Turton and Sue Minter were each re-elected at the AGM for a further term of four years.

None of the Trustees has any material interest in the charity or any company directorships or other significant interests that may cause conflict with their duties as trustees. A Register of Trustees' Interests can be viewed on the company's website at www.horniman.ac.uk. Trustees receive no payment but may claim travel and subsistence expenses for attending meetings.

TRUSTEE INDUCTION AND TRAINING

All new Trustees receive a pack with all the relevant governing documents and policies relating to the Trust. In addition they are invited to spend time with the Director to be shown the Museum and meet senior staff as well as to receive a briefing on major issues. Invitations to attend externally provided training for trustees are also circulated from time to time.

ORGANISATION

The Board of Trustees, which meets quarterly, is responsible for the charity. The Museum Director is appointed by the Board and she has delegated authority, within the terms of delegation approved by the Trustees, for operational matters. The Director is also the appointed Accounting Officer and as such is responsible for the proper use of the grant-in-aid given by the DCMS.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for considering matters relating to the remuneration of the Museum Director and making recommendations to the Board thereon. It may also consider matters relating to remuneration of other senior staff if requested to do so by the Board as well as considering and advising the Board on the general terms of any pay settlement proposed for staff as appropriate.

AUDIT COMMITTEE

The Audit Committee is responsible to the Board of Trustees for ensuring that the requisite systems of control of the Trust's business and its records thereof are established and maintained. This includes the detailed perusal of the Annual Accounts and Schedules thereto, and consideration of Internal Audit Reports. As well as the regular annual report of assurance to the Accounting Officer on the systems of internal controls, during the year the following reviews were accepted: PAYE, Marketing and Visitor Numbers, Data Protection, Complaints and Education Statistics.

RISK MANAGEMENT

Trustees review the major risks to which the Trust is exposed and the measures taken to mitigate them, at their regular meetings. The Senior Management Team reviewed these risks regularly during the year and risks are identified and regularly monitored for each area of operation as well as for major projects and significant new activities.

GROUP STRUCTURE

The Trust owns 100% of the issued share capital of Horniman Museum Enterprises Limited, which was incorporated on 19 August 2004. The subsidiary began trading on 1 April 2005 and its results have been consolidated from that date.

OBJECTIVES AND STRATEGIES

The Trustees have reviewed the public benefit nature of the organisation and consider that it fulfils the public benefit requirements of the Charities Act 2006. In particular the Museum and Gardens are free to all visitors and a wide range of exhibitions, events and activities are carried out for the benefit of a wide audience. A fuller statement will be made in next years' annual report.

The principal activity of the Trust is the provision of a public, educational Museum and Gardens. Its aim is:

' to use our worldwide collections and the Gardens to encourage a wider appreciation of the World, its peoples and their cultures, and its environments.'

To achieve this the Trust has 3 key objectives:

ACCESS

to use the collections to stimulate curiosity and wonder, promoting opportunities for people of all ages, abilities and backgrounds to participate in and enjoy exhibitions, educational programmes, activities and events;

COLLECTIONS

to make the collections as accessible as possible now and in the future through their effective management, care, research and development;

ENABLING

to secure and effectively manage financial, human and other resources in order to provide high quality services for the benefit and enjoyment of visitors;

REVIEW OF THE YEAR, 2007/2008

OVERVIEW

Visitors

The Horniman experienced its best year ever in terms of visitor numbers to the Museum and Gardens. In total 604,000 visits were made to site including 478,000 to the Museum and 126,000 additional visits to the Gardens only.

Visits have more than doubled since our Heritage Lottery funded Centenary extension was completed in 2002 and our new Aquarium was launched in 2006. The Horniman works hard to engage people from London's diverse communities and is proud of the progress it has made in building an audience reflective of the surrounding community with 32% of visits in 2007/8 being made by people of Black and Minority Ethnic backgrounds.

Visitors are ever more satisfied with their experience of the Horniman. Our visitor satisfaction rating of 99% for 2007/8 shows an increased proportion of people being very satisfied along with an increase in the amount of time people are spending on site. A high standard of customer care across the organisation was achieved and recognised in 2007 with our first award of the Charter Mark.

Partnerships

Renaissance in the Regions

The Horniman is a member of the London Regional Hub with the Museum of London as lead and other partners being the London Transport Museum and the Geffrye Museum. Funding is allocated to the Hub museums by The Museums, Libraries and Archives Council under the Government's Renaissance in the Regions initiative. In 2007/8 a sum of £4.038m was allocated to the London Hub on the basis of its Business Plan. Funding allocated to the London Museums Hub during the Agreement period allows us to invest in the three key areas agreed as priorities by the MLA, namely:

- to increase and sustain user participation,
- to provide benefits to users by developing the organisation and workforce, and
- to provide benefits to users through improving access and use of collections through better collections development, care and interpretation.

The Horniman was resourced to deliver projects to the value of £991k all of which were successfully completed. This represented a significant increase in funding from the £280k received the previous year. It is reflected in the accounts through the significant increase in spending particularly under the headings of learning and collections management and care. These increases fed into a number of areas most notably the creation of a major touring exhibition, 'Music from India'; the work on supporting and improving the state of our Natural History collections in anticipation of improving public access to these; the improvements to the Hands On Base our popular centre for the Handling Collection; and the creation of an innovative Hands On-line web based presence for the Handling Collection.

We are very grateful to MLA and our Hub partners for agreeing to support these important developments and plan to continue to build on the improvements in learning, access to collections, audience engagement and modernising our services achieved to date with the help of Renaissance funding.

A Business Plan for 2008/9 was submitted in autumn 2007 which resulted in a confirmed allocation for the London Hub of £4.37m for 2008/9 with the Horniman being responsible for projects to the value of £697,000.

British Museum

Our partnership with the British Museum, within the framework of the British Museum Partnership UK scheme, continued to develop this year with loans of objects, exchange of expertise and collaboration on

international working. In addition we became part of the BMs International Summer School for Curators held every summer which provided an excellent opportunity to network with curators in countries from which our collections are drawn and to share reflections on museum developments internationally.

Evolution 2010

The Evolution 2010 project was developed during the year and is designed to improve our Natural History Gallery and Gardens in order to realise the potential of our collections to engage and inform people about both the UK and worldwide biodiversity. The first phase of the project, the new Aquarium, was completed in 2006. Trustees are overseeing and supporting these developments via their Board, supported by the creation of a Gardens Project Board and a Fundraising Strategy Committee.

The Trust worked on its plans to raise £5m to support the redisplay of its Natural History Collections and the redevelopment of its 16 acres of Gardens with the aim of implementing the project in phases as funding can be secured.

ACHIEVEMENT OF OBJECTIVES

1. ACCESS

The Horniman's audience is local, national and international and it actively seeks to attract users of all ages, backgrounds and abilities. It is a much loved community resource for London and the South East. The Horniman aims to provide a high quality and responsive public service consistent with national best practice. It has an exceptional record of educational achievement having directly taught children from South London schools for over 50 years. The Museum works with a range of partners to develop its education work and encourage participation from as wide a range of people as possible.

The Horniman has both internal and external Access Groups which explore ways of making the buildings, collections and gardens as physically and intellectually accessible as possible, and looks at a range of access issues, associated with both the major projects we are developing and the every-day use of the Museum and Gardens.

1.1 THE GARDENS

The Gardens continued to attract large numbers of visitors many of whom visited as part of a general day out to the site. There were fewer 'Gardens only' visitors than last year which we believe was weather related. The Gardens served as a backdrop for a wide variety of events and activities from small educational sessions through to large scale family days such as the Jerk Cookout.

Recognition of the high standards achieved in the Gardens was given through our retention of the prestigious Green Flag Award. Our Gardens Manager continued to act as a Green Flag Award Assessor as well as a judge for the London in Bloom competition

Development Plans

In parallel with our development of a concept for the new Natural History Gallery we worked with a team of landscape consultants to help us develop a Conservation Management Plan and a new Master Plan for the Gardens. The company 'Land Use Consultants' have worked on many public parks in London, including Telegraph Hill, Bushy Park, Alexandra Palace Park and Dulwich Park. They were also involved with the Eden project in Cornwall.

To enable us to get a thorough understanding of what our users think of the Gardens, how they are used now and how they should be developed, Alice Bigelow and her colleagues were appointed in January 2007 to carry out consultation with a wide range of users and non-users and to write the Audience Development Plan. The information gathered during the consultation period between February and June 2007 provided the context for the master plan of the Gardens.

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

An application to the 'Parks for People' funding stream was submitted in September 2007. We heard in March 2008 that our bid had not been successful but the Trust continues to develop its Master Plan and continues to pursue funding for this project.

Special features

The South Asian border and the African Garden continued to prove popular with our visitors.

The 'Mystery in Stone' exhibition was held in the Gardens between 19th May and 28th October 2007. A new departure for the Horniman, the exhibition contained the work of a variety of sculptors from Zimbabwe led by Tawanda Sarireni, artist and manager of the world renowned Tengenenge Art Sculptor's Community.

Our partnership with the Trust for Urban Ecology (TRUE), in maintaining and developing the Railway Nature Trail as an educational facility, continued to develop throughout the year and a quarterly newsletter was published giving visitors information about the Trail. The hard work of the staff and volunteers from TRUE throughout the year continued to help to improve the trail.

1.2 MARKETING

The Horniman achieved another record year in 2007/8 with its highest ever visitor numbers for the Museum and Gardens. This was helped by a continuing high presence in the media, and recognition via a Silver Award for 'Visitor Attraction of the Year' at the Visit London Awards.

Excellent media profile was achieved throughout the year via concerted public relations activity. More than 800 different pieces of media coverage were generated during the 12 month period. Broadcast coverage included pieces on BBC London Tonight, BBC Radio 4's Excess Baggage, BBC Radio 3's Music Matters, and several features on BBC London Radio.

Press coverage included a number of features on the 'Walking With Beasts' and 'Utsavam – Music from India' exhibitions in national, regional and local press including a double page feature in the Sunday Times and the Independent. The 'Fante Flag' and 'Every Third Mouthful' exhibitions were also well received by the press, as was the Jerk Cookout event, which received a full page in the London Paper and extensive coverage in the black press.

The summer was the focus for an extensive promotional campaign to support 'Walking With Beasts' which included bus and magazine advertising, leaflet distribution to family venues, plus a ticket deal with Oyster Card.

A further promotional campaign was launched around the 'Utsavam – Music from India' exhibition including magazine, press and radio advertising plus targeted leaflet distribution towards London's Indian community.

A visitor survey was undertaken to aid future planning and add to our understanding of existing visitors, while extensive audience consultation took place with potential Gardens visitors to aid with the redevelopment plans. Visitor comment cards also continued to be used to monitor the visitor experience.

The Museum continued to produce 4 What's On Guides while a new generic leaflet was produced to target domestic/foreign tourists and groups.

The postal mailing list remained at 7,500 individuals while the e-marketing list increased to 2,500 people, who were e-mailed a regular bulletin on upcoming exhibitions and events.

New events and home pages were created for the web site to create a more engaging and dynamic virtual environment.

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

1.3 MUSEUM AND GARDENS EVENTS

The Horniman ran a high quality programme of special events in 2007/08, which attracted a large and diverse audience.

The highlight event was the Jerk Cookout Festival in August in collaboration with The Write Thing Associates, building on a pilot event in 2006. A crowd of almost 10,000 people, many of them first time visitors from the Black community, were attracted to the Meadow Field and the Bandstand area in the Gardens by Caribbean food, music performances and children's activities.

In July, over 3,000 people braved the monsoon-like weather conditions in the Gardens to experience the Fusionfest event, with world music from India, Africa and Spain plus capoeira, salsa, outdoor theatre and food with an international flavour.

Other large scale events included the Horniman Christmas Concert, in partnership with the South London Press, which drew 2,500 people, and the Friends of the Horniman Plant Sale which attracted a similar number. Forest Hill Day once again took place in the Gardens in June, managed by the Forest Hill Traders Association, with 4,000 members of the local community attending.

The programme was complemented by a number of smaller scale Gardens events. A series of outdoor interactive theatre themed around Africa, India and Japan attracted nearly 2,000 people, while outdoor dance workshops linked to the African diaspora drew more than 1,000 people. Music performances and film screenings on the bandstand were attended by a similar figure, attracted to a mix of world, jazz, steel pan and Uzbek music, the latter in collaboration with the School of Oriental and African Studies (SOAS), plus films on an African and Indian theme.

The Museum hosted a number of small events throughout the year as a complement to Family and Community Education activities. An extensive opening programme around the Utsavam exhibition featured five focus Sundays highlighting different aspects of Indian culture including music, dance, storytelling, and craft workshops. Almost 6,000 people were attracted as a result. A Thursday Late programme included late night Museum tours for adults and children as a part of Museums and Galleries Month, lectures and a debate to link into the Abolition of Transatlantic Slave Trade commemorations, and an artists' discussion relating to the 'Every Third Mouthful' exhibition.

The Horniman Conservatory was a popular venue for Sunday afternoon concerts in May and September, organised by staff in the Musical Instrument section. The May series linked to the new Boosey and Hawkes display and explored the sound of instrument making and performance in Britain. In September the Museum hosted special concerts focusing on musical traditions associated with the African diaspora as part of the Abolition of Transatlantic Slave Trade commemorations.

1.4 MAJOR GALLERIES

Natural History

The Natural History Gallery at the Horniman is much loved by the Museum's visitors. However, the Gallery itself has not seen any major reinterpretation since the late 1950's. In the intervening decades science has moved on and as a result some of the label information is no longer scientifically accurate. Many of the taxonomic specimens are in need of cleaning and conservation and there is a basic lack of interpretation in the Gallery for our mainly family audience.

During 2007/8 progress was made on development of the curatorial concept for the Gallery and the design of the Gallery. Our curatorial concept envisages looking at the Gallery through the broad prism of biodiversity within the five main themes: diversity of life, strategies for survival, evolution, changes to biodiversity and understanding biodiversity. We plan to give the visitor a contemporary understanding of the issues and themes that impact on biodiversity today. We will look to develop thematic links with our Gardens, which provide a wonderful opportunity for the public to explore and discover more about their immediate environment in a relaxed and informal setting.

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

Funding from the Government's Renaissance in the Regions programme enabled us to appoint exhibition designers (Ralph Appelbaum Associates), as well as a project manager and quantity surveyor, who started work in early 2007. Work was completed on the concept designs, which were informed by front-end evaluation with user groups. A submission was made in January 2008 to the Heritage Lottery Fund for just under £1m, the result of which will be known in June 2008. The total project cost is c£2m and a fundraising plan is in place to address the matching funding gap should our lottery bid be successful.

Aquarium

The aquarium remains extremely popular with our visitors and the tanks are now well developed, with the environments within each tank stabilised and mature. In February the aquarium was successfully inspected by our Zoo Licence Inspector and is now licenced for the next 6 years. The inspection was very useful for us as it highlighted areas where we could improve on our current practice and areas that we should be developing, now that the aquarium itself has stabilised. In particular we will be looking at the need to do more in-situ and ex-situ conservation, research and publication and the development of a 3-5 year plan for the aquarium and the animal stock within it.

Music Gallery

During 2007/8 all the audio-visual hardware and software in the Music Gallery was renewed as it had reached the end of its life and was providing a poor quality of experience for our visitors. All projection equipment has been replaced and the software for the activator tables has been re-written to enable our staff to add objects and information where appropriate.

African Worlds: Blue earth 1807-2007

In November a new art work to commemorate the Bicentenary of the Abolition of Transatlantic Slavery was installed in the African Worlds Gallery. Created by the artist Taslim Martin, this beautiful and thought-provoking sculpture, in the form of a metal globe, has the transatlantic slave routes from Britain to West Africa and the destination ports in the Americas etched onto its surface. A permanent addition to the Gallery, this art installation was funded by the Arts Council England and the Henry Moore Foundation

1.5 TEMPORARY EXHIBITIONS

'Walking with Beasts'

Walking with Beasts ran from 10 February 2007 to 4th November 2007 and remained popular with our visitors throughout, with over 51,700 visitors attending the show. The exhibition generated £124,028 in income in total, which compares favourably with 'Dinomites' (2005/6), which brought in £116,206 in income during the same period.

The exhibition was based on the BBC 'Walking with Beasts' series. The technology from the series has been used to make some of these mammals 'live again'. Starting in the Eocene period and finishing in the Pleistocene, at the start of the Ice Age, the exhibition explores the development of mammals such as dogs, cats, bears, elephants and apes, as well as the habitats that they lived in. The exhibition included a range of touch screen interactives as well as original material.

'Utsavam – Music from India'

This exhibition, which runs from February to November 2008, brings, to a wide public audience, some of the fascinating and diverse musical traditions of regional Music from India, including those of its indigenous minorities (Adivasi). The exhibition showcases around 100 musical instruments recently acquired by the Horniman Museum during the course of a fieldwork project to commission modern examples of traditional musical instruments. These were produced by instrument makers in the Indian states of Kerala, Arunachal Pradesh, Assam, Orissa, Andhra Pradesh and Punjab.

Since the start of the project in 2000, most of the work of collecting was sponsored jointly by the Museum and the British Library. Sound recordings and videos of music-making were collected for the British Library Sound Archive during the project and are key elements in the exhibition, illustrating the music and the contrasting geographical, environmental and cultural contexts for music making. The exhibition also uses some of the older objects to illustrate the history of the Museum's collections of Indian instruments from the

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

mid-19th until the late 20th century, examining the relationship between collectors and the communities and individuals in India with whom they interacted.

The exhibition which was supported by a community forum during its development phase will continue to attract community support throughout its run at the Horniman. We anticipate community involvement in programming many of the family events and activities planned for the spring and summer. The Trust is grateful for the funding it received from 'Renaissance in the Regions' towards the project.

Balcony Exhibitions:

Wrapping Japan – Textiles and Costume

This exhibition explored some of the meanings expressed in Japanese costume, through the display of traditional clothing worn at special ceremonies today, in everyday clothing worn in the late 19th and early 20th Centuries and in theatrical contexts.

Using objects from the Horniman's extensive textile and costume collection it explored some of the techniques used in traditional Japanese textiles and the way wrapping cloths are used to cover respect and regard between donors and recipients of gifts. The exhibition ran from 31st March 2007 to 24th February 2008 and was enhanced by a catalogue covering all the major elements of the exhibition. Production of the catalogue was supported by the Great Britain Sasakawa Foundation.

Journey through Japan

This exhibition, which ran from 31st March to 11th November 2007, displayed a selection of lantern slides from 2 collections owned by the Museum, the first collected by Frederic Horniman in 1895 and the second donated to the Museum by Mrs I.M. Southall in 1985, which originally belonged to Lord Wakefield.

The lantern slides were taken in the late 19th and early 20th Centuries by Japanese photographers for western tourists and often portray people, at various levels in society as well as the beautiful landscapes of Japan. The exhibition provided an excellent complement to the Japanese textile exhibition.

Every Third Mouthful...

This exhibition opened on 17th November 2007 and ran until 11th May 2008 and amalgamated both science and art, exploring the fact that 'Every third mouthful that we eat is dependant upon the unmanaged pollination services of bees'.

The exhibition showcases field work carried out by art partnership Peter Chatwin and Pamela Martin in collaboration with leading entomologists and bee experts Christopher O'Toole and Dr Stephen Buchmann to examine the effects of human activity on the biodiversity and habitats of honey bees in southern Italy, Arizona and the UK, using text and images to explore the methods and language of experts in the field of bee populations.

Gallery Square Exhibitions:

Creole Architecture

This small scale photographic display comprised vibrant images of Creole houses in Sierra Leone, taken by renowned photographer Tim Hetherington for the British Council in Sierra Leone.

The photographs document an important part of West African history and are the first stage of a three-part project – the second part involves Tim photographing the interiors of the houses and the third, interviewing the inhabitants. The photographs were on display in Gallery Square between the 5th April and 1st July 2007

The Emperor's Terrapin

As part of our relationship with the British Museum under the 'Partnership UK' scheme we were fortunate to be able to display a rare and precious jade terrapin, on loan from the British Museum, from the 5th to the 29th July 2007. The sculpture is believed to be one of the largest pieces of carved jade in the world and was thought to have decorated the garden of an Indian prince over 400 years ago.

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

1.6 LEARNING

The Learning section broadened its service to both schools and community audiences during the year. This involved offering more choice for our schools visitors and, in particular, greater science provision for primary and secondary classes. Community audiences were presented with new opportunities to engage with the collections creatively and this has resulted in the building of new more sustainable relationships with these audiences and the Museum.

The section delivered 998 schools sessions across the year reaching 22,750 pupils and 4,425 accompanying adults/teachers.

By the end of the year a representative from Learning had become an active member of each of the Museum's cross-departmental forums, and was also significantly contributing to the Natural History and Gardens Development Project Teams.

1.6.1 Special projects

Hands On Base

The year saw the upgrade of the innovative Hands On Base gallery. Renaissance London funding enabled the Museum to redisplay much of the gallery, enhancing the care of the collections and increasing accessibility for visitors and improving their learning experience in the gallery.

A great deal of work was also channelled into the development of a virtual Hands On Base, a new interactive website called Hands On-Line. This website will enable visitors nationally and internationally to interact with the handling collection. It also provides unique pre- and post- visit activities for schools, families and community groups extending their contact with our learning service.

1.6.2 Schools

The schools team delivered a high-quality and highly flexible service. The breadth of sessions on offer and the team's ability to deliver any session, at any time of the year, ensures our service meets the demands of the national curriculum and the needs of teachers. Approximately 50% of our sessions are adapted in some way to meet the specific needs of a group.

The team launched a new science programme for primary and secondary schools and delivered 351 science-related sessions across the year. This included 39 new aquarium sessions (Key Stage 1 and 2), 22 Ecocitizens sessions and 39 animal sessions. The secondary science programme was launched late in the year and 26 sessions were delivered.

In addition new resources to support the 'Music from India' exhibition were developed including a teaching poster and hands on session.

New marketing techniques were established, including professionally developed flyers mailed to all the schools in our local boroughs and a new schools e-newsletter.

1.6.3 Community Education

The Community Education team continued to deliver a vibrant and diverse programme for families often linked to major museum initiatives such as 'Music from India'.

Friday morning storytelling for under 5s proved very popular with parents and toddlers. The team launched a second session to meet the high demand and, through links with Surestart, targeted parents and children who did not normally visit the museum.

The team established 3 new museum clubs all of which are fully operational with children from three local schools visiting the museum every week. At the end of term children from the museum clubs were offered an opportunity for a sleepover in the museum.

Community Education delivered three deeper level engagement projects during the year: Refugee creative drama, China Project art installation and the 'Music from India' collaboration with Archbishop LanFranc and

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

the Asian Dub Foundation education wing. The participants in these projects became regular users of the museum during the year.

1.7 LIBRARY

During the course of the year Trustees initiated a review of the Library service which encompassed opening hours, staffing arrangements and Library information needs of staff and public. The decision was taken to develop our capacity for managing historical archives, provide a more targeted service to specialist reading groups and to introduce an appointment system for visitors. Changes will be implemented in 2008/09. Library staff and volunteers continued the task of re-shelving and assigning new book locations on the computer system as well as dealing with user queries.

1.8 ACCESS THROUGH THE WEB

The Trust is keen to develop its website as a resource that can broaden and grow the Horniman's offer and reach a much wider regional, national and international audience.

Website content was developed during the year. This included the development of collections information with a new searchable on-line database being commissioned, focussing initially on musical instruments and Chinese ethnography collections. In addition over 160 London-related musical instruments object records (writing descriptions, cleaning and enhancing data and preparing images) were provided for upload onto the Hub funded 'Exploring 20th Century London' website.

A major development was the work undertaken for a new learning portal (Hands On-line) providing an interactive user experience relating to the handling collection in the 'Hands On-line' portal which will be launched in 2008/9.

We also participated in a Hub wide project to research web audiences and we plan to develop a strategic plan for the website in 2008 which will help us achieve this vision drawing on this research and an evaluation of web developments so far. In the next stage we will be seeking to integrate appropriate digital and web based information and activities in all we do.

2. COLLECTIONS

Our collections, our estate and our website are the means by which we communicate with our public and a core aspect of our work remains looking after and developing these for current and future generations.

The Museum Collections cover Anthropology (Ethnography 80,000 objects and Archaeology 10,000 objects). Natural History (250,000 objects) and Musical Instruments (9,000 objects). Among our very rich collections, our Ethnographic and Musical Instrument Collections are designated as being of national and international importance. Our collections, combined with our 16 acres of gardens, provide the unusual opportunity to draw together, in an innovative way, issues and stories relating to the environment at a local, national and international level.

The collections are a living entity and have been systematically added to over the last 100 years, through fieldwork, transfer from other institutions, purchase and donation.

We have a long and consistent record of field collecting. This gives the Horniman's collections a continuing contemporary relevance and enables it to represent changing cultural and musical traditions from around the world, helping us to build and maintain close international contacts.

2.1 RESEARCH AND ACADEMIC PARTNERSHIPS

2.1.1 Natural History

The Natural History section appointed 2 new staff during the year: a new Deputy Keeper and Hub funded Trainee Curator.

The focus of Natural History research during the period has been the redisplay of the Natural History collections. The section's work was focused on research, object selection and participation in the concept development of the Natural History Gallery redisplay. Additionally the section played an important role in developing links with environmental groups in London and the South East

Curators from Natural History section worked in collaboration with the Conservation section on projects relating to conservation of our pressed plants and bat specimens.

2.1.2 Anthropology

The Keeper left at the end of September 2007 to take up the post of curator of African Collections at the British Museum.

The work of the section was dominated by the Designation Challenge Fund (DCF) funded project on our China collections, overseen by the Deputy Keeper. An assistant curator was recruited to research and upgrade catalogue descriptions. The majority of the items in the China collections were photographed as part of the project. The Deputy Keeper prepared entries for the web site of a large proportion of the China collection, and curated the China Symbols in Silk exhibition which opened in May 2008.

The final stages of the Anglo-Japanese Daiwa Foundation-funded project on Japan were completed, with arrangements made for and supervision of photography of much of the Japanese collection.

The Deputy Keeper undertook preparatory exploratory work on an exhibition of Balinese material, proposed for 2012, built around the Museum's collection of over 4000 photographs of Balinese performance.

Together with the Curator of Textiles at Tropenmuseum in Amsterdam, the Deputy Keeper undertook an exploratory period of fieldwork in Bali, making a small collection of Balinese textiles and undertaking participant observation at temple ceremonies.

2.1.3 Musical Instruments

'Utsavam - Music from India'

Research into the collections of Indian instruments and the music of India constituted the major part of the work of the Keeper and co-curator for the purposes of delivering the thematic content and text for the exhibition: 'Utsavam - Music from India'.

During the year presentations were made about the exhibition to members of the Community Forum whose views were sought and researched throughout the process of preparing for the exhibition. In October the Nehru Centre, the cultural department of the Indian High Commission, staged an exhibition of photographs taken during the course of fieldwork in Kerala, Arunachal Pradesh, Assam, Orissa and Andhra Pradesh, together with those from fieldwork in Punjab and Assam.

As part of the events marking the inauguration of the exhibition in February 2008, the musical instrument section of the Horniman Museum staged a conference in collaboration with the British Forum for Ethnomusicology. It was entitled 'Soundscapes of India: Tradition, Transformation and Topography'. The conference attracted a capacity audience in the museum's Education Centre, and papers were given by the foremost UK scholars researching Indian music, among them the keynote speaker, Professor Richard Widdess of SOAS.

Web catalogues

Work on researching, writing and delivering online descriptions of instruments in the collection for the Exploring 20th-century London website was one of the main focuses of the work of the Deputy Keeper and

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

Hub-funded Assistant Curators during the year. The team similarly amended and expanded over 750 MIMSY XG object records, adding commentaries and new photography. These records are to be uploaded to an online catalogue on the Horniman Museum website.

Both curators served on expert panels: the Deputy Keeper took over from the Keeper as Reviews Editor of the Galpin Society Journal in July 2007. The Deputy Keeper continued to provide input into CIMCIM's Brass Terminology Working Group glossary. As a Visiting Lecturer at Goldsmiths College, she was also responsible for most of the teaching for a postgraduate course in the History of Performance Practice, in addition to being examiner for it. She was subject standards external examiner for the musical instrument technology BA/BSc course at London Metropolitan University.

An application to the AHRC by Horniman Museum and Goldsmiths succeeded in securing funds for a collaborative doctoral project entitled 'Winds of Change: Wind Instrument Design and the Changing Sound of British Orchestras between c.1890 and c.1950'. The doctoral student has been begun work on her thesis which focuses on the Boosey & Hawkes archives.

A significant part of the curators' work entails research for acquisitions to enrich the collection of the museum. During the current year the several objects were researched and proposed as acquisitions by the Keeper were approved by the Acquisitions Committee:

2.1.4 Research enquiries and visitors

The Natural History section hosted a visit by members of British Society for the History of Taxidermy.

The Deputy Keeper of Anthropology hosted a large number of visits from scholars and cultural representatives including Pak Dewa Sastrawan, Deputy Head of Mission at the Indonesian Embassy and Yukiko Hashimoto, of the Edo Tokyo Museum.

All staff in the Musical Instrument section, including the Hub-funded Assistant Curators, undertook research into the Museum's collections during the course of responding to over 330 written and telephone enquiries. They were received from the UK, France, Germany, Netherlands, Sweden, India, Israel, Australia, New Zealand and the USA. By far the largest number of enquiries related to the records of serial numbers of musical instruments in the Boosey & Hawkes archive.

2.2 PUBLICATIONS

Dr Fiona Kerlogue: 'Japanese wrapping textiles at the Horniman Museum' Oxford Asia Textile Group Newsletter Number 38 October 2007.

Dr Fiona Kerlogue: 'Collections from the Malay World at the Horniman Museum' *Indonesia and the Malay World*. Volume 36 (in press).

Dr Fiona Kerlogue: 'House form and ethnic identity: tradition and variation in house style in Jambi province' in Schefold, Remar et al. (eds.) *Indonesian houses* Volume 2 Survey of vernacular architecture in western Indonesia. Leiden: KITLV (in press).

Sertic, Lisa and Bacon, Louise, 2007: Tibetan Buddhist clay figures – a technical examination, *Third Forbes Symposium on Scientific Research in the Field of Asian Art* (Sept 29 – Oct 1 2005).

Bacon, Louise, 2007: X-radiography of ethnographic artefacts at the Horniman Museum: practice and ethical issues in (eds. Sonia O'Connor and Mary Brooks) *X-radiography of textiles, dress and related objects*. Pp 307-313.

G. Garrett, 2007: Conservation Ethics for the 21st Century, review of a seminar held by Dr Salvador Muñoz Viñas June 2007 in ICON News September issue, p.38.

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

2.3 LECTURES

2.3.1 Natural History

The Natural History section participated in several public engagement sessions about taxidermy, including one for a Benefactors evening.

The Keeper of Natural History gave a presentation to the Friends of Horniman Museum called 'L for Linnaeus' to celebrate the Tercentenary of the birth of the famous botanist Carl von Linnaeus. The Keeper also attended the Society for Preservation of Natural History Collections conference held in Minnesota, USA and took part in Museums Association consultation on Disposals in Museums.

2.3.2 Anthropology

The Deputy Keeper of Anthropology gave talks at the National University of Singapore and Asian Civilisations Museum in Singapore in April 2007 and presented a paper on Malaysian collections at Royal Asiatic Society in May 2007. She convened a panel on papers relating to Southeast Asian collections in European museums at the conference of the European Association of Southeast Asian Studies in Naples in September 2007 and gave a paper on the Museum's collection of Malay embroidery at a conference on Indonesian textiles in Jakarta in November. She gave a talk on Sumatran batik to Anglo-Indonesian Society at the Indonesian Embassy in London. She also gave gallery talks on the exhibition 'Wrapping Japan' to groups of visitors and led a session of students from Courtauld Institute MA in History of Dress and Textiles viewing material at the SCC.

2.3.3 Musical Instruments

'A national voice: instruments of the English orchestra during the first half of the 20th century': The Proms and British Musical Life, hosted by the BBC, British Library and King's College, London, April 2007 (Dr Strauchen).

'Clarinet resources in the Boosey & Hawkes Collection and Archive': Clarinet and Woodwind Colloquium 2007, Edinburgh University Collection of Historic Musical Instruments, 21-25 June 2007 (Dr Strauchen).

'Utsavam: Music from India' presentation to the ICEE 'Marketplace of Ideas and Exhibitions' session at ICOM meeting in Vienna, August 2007 (Margaret Birley).

'Ritual music in rural India': Incorporated Society of Musicians (North London) conference on Music and Spirituality at the St Ethelburga's Centre for Reconciliation and Peace, Bishopsgate (Margaret Birley).

'The Sound of Change: Instruments and the Musical Landscape of the 19th and Early 20th Centuries': Research seminar, University of Leeds, November 2007 (Dr Strauchen).

The Deputy Keeper and Keeper delivered lectures in the Music Gallery to a number of visiting university and college classes, including those from Trinity College of Music, Canterbury Christ Church University, Goldsmiths College, London Metropolitan University, Ithaca College, the Royal College of Music and Merton University. All staff including Hub-funded Assistant Curators from the department gave talks and performance demonstrations in 'hands on' sessions, on subjects ranging from the 'Wonderful World of Winds' to 'Sounds of Africa'. As part of the Museum's outreach programme for the 'Music from India' exhibition, the Keeper and co-curator gave a presentation to the London Sitar Ensemble at the Bharatiya Vidya Bhavan (Indian Cultural Centre). Other community groups associated with the exhibition toured the gallery with the Keeper, and the Deputy Keeper provided tours for the Sydenham Society, the Lewisham Recorded Music Society and the Incorporated Society of Musicians. The Keeper and Deputy Keeper participated in the late-night opening programme of the museum and Friends of the Horniman talks and gallery tours, speaking on the Boosey & Hawkes Exhibition, the Music Gallery and the 'Music from India' exhibition.

2.4 DOCUMENTATION OF THE COLLECTIONS

Documentation work during 2007/08 has included the DCF funded China Project, which comprised: a full inventory of all identifiable Chinese objects within the collection; digital photography of over 3,350 objects;

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

detailed research of key collection items in preparation for the Chinese Textiles Exhibition - 'Symbols in Silk', and a presence for the collection on the Museum's website. The Hub funded Music Project has seen the improved documentation of the over 1,757 records from the Musical Instruments collections.

Work has continued on the documentation of priority areas of the Natural History collections in preparation for the potential redisplay of the Natural History Gallery. This documentation work has included developing the Natural History view within MimsyXG; cataloguing, measuring and photographing over 2,500 specimens selected for the potential redisplay; and carrying out the reconciliation of specimens with their original accession numbers.

In April 2007 a new Acquisition Procedure was fully implemented, with the Museum's first Acquisitions Committee meeting being held in May 2007, and a further three meetings being held on a quarterly basis throughout the year. In 2007/08 the Documentation section accessioned over 620 items into the Permanent collection and over 120 items into the Handling collection. Through close consultation with Curatorial, Collections Management, Conservation and Exhibitions sections, Documentation have improved and developed areas of MimsyXG, by introducing the use of the exhibition and audit activities; and providing training and support to all new and existing users of the system across the Museum.

2.5 CONSERVATION

The work of the Collection Conservation and Care section (CCC) has concentrated on the conservation of objects for the 'Utsavam – Music from India' exhibition, Chinese textiles, the Natural History Gallery re-display and objects for loans out. Monitoring and control of the environment continues at the Museum and the Study Collections Centre, to ensure the long-term preservation of the collections.

The Head of Collections Conservation and Care visited Ethiopia at the end of April as part of a DCMS funded project linked to the Africa 05 initiative. The British Museum administered the programme, which is to provide Preventative Conservation training to the staff of the National Museum and other museums based in Addis Ababa. The two week training course was extremely successful and inspired Ethiopian museum professionals to set up their own professional network to share problems and solutions.

The CCC has maintained academic links with professional conservation training courses both in the UK and Europe, hosting internships and student placements from institutions such as University College London, the RCA/V&A, The London Metropolitan University and The Textile Conservation Centre (University of Southampton).

The CCC collaborated with the Learning section to provide sessions as part of 'A-level Biology Day'. The section also ran training days for Horniman staff on pest control and bone and ivory identification. Object handling training was given to all new members of staff, volunteers, students and interns.

2.6 COLLECTIONS STORAGE AND MANAGEMENT

Storage space at the Study Collections Centre continues to be at a premium, with staff constantly exploring new techniques of improving storage capacity and making the best use of the space available. This year a project to provide compact mobile racking to house the weapons collections was implemented, increasing the storage capacity in the room where they are stored by 60%. Further planning work has developed a medium-term plan to add mobile racking in other areas which will increase storage capacity at SCC by 160 cubic metres, an additional 6% of the total storage utilised at the Study Collections Centre. A feasibility study was also carried out to look at the potential for the development of the site, increasing storage capacity by adding a new building to the existing one.

The Collections Management team continue to effectively manage all loans in and out of the Museum as well as the storage of new acquisitions and the movement and location of the collections. Throughout the year they have assisted with exhibition projects such as 'Utsavam - Music from India', Japanese and Chinese textiles and the development of the Natural History re-display. They work closely with curators to facilitate the arrival of all fieldwork acquisitions.

2.7 LOANS

2.7.1 Loans from Other Institutions

During the year we maintained our long-term loans in the Music Gallery from the Science Museum, Cuming Museum, Royal Military School of Music, Kneller Hall, Edinburgh University and the private loan of a large Tuba. We also borrowed objects from the Natural History Museum, V&A and a private loan for the 'Utsavam – Music from India' exhibition.

2.7.2 Horniman Collection Loans

During the year we have maintained medium and long-term loans to twelve organisations including Birmingham Museum and Art Gallery, Dean Heritage Museum trust, Empire and Commonwealth Museum, Bristol, Geffrye Museum, 'Hat Works', Stockport, Philippine Embassy, William Herschel Museum, Bath, Museum on the Mound, Edinburgh, Dorman Museum, Middlesbrough, V&A and Wilberforce House, Hull.

3. ENABLING

Core funding for the Museum and Gardens is provided by the DCMS and our Funding Agreement with the DCMS summarises the strategic priorities and programme for the Horniman including a set of performance indicators which are monitored and reported on (see page 23).

To achieve our objectives we need to generate income additional to our grant-in-aid. We also need to use all our resources in a cost effective way. The physical infrastructure must provide the appropriate conditions for the collections, visitors and staff and our ICT provision must be able to support the Horniman's needs both at present and into the future. In addition, measures have to be put in place to provide a safe and secure environment for our visitors and staff.

In a constant effort to improve and develop services, the organisation participates in a variety of schemes designed to provide outside validation of standards and where appropriate, it will embark on new additional schemes. The essential work undertaken by many of our staff does not appear within the activities and programmes highlighted in this Annual Report. However, without the essential 'behind the scenes' work of Finance, Human Resources, Administration, Facilities and ICT, the Museum and Gardens could not function.

Our objectives can only be achieved with the full support and commitment of our staff. All staff have been given the opportunity to contribute their ideas to the development of the Horniman and we recognise the importance of developing our staff and hold the Investor in People award.

In addition, an increasing range of formal and informal external partnerships and collaborations bring new ideas and resources, enabling the Horniman to both contribute to the wider cultural scene and offer its own visitors an enhanced experience.

3.1 FUNDRAISING

The focus of attention for the Development Team in 2007/8 was to put the building blocks in place and commence the early fundraising for the current major project – the redevelopment of the Natural History Gallery and Gardens. The fundraising plan was finalised and the Board of Trustees appointed a Fundraising Strategy Committee to provide senior support to the fundraising efforts. New Patrons were also recruited to help represent this campaign as well as general Museum work, including ex Monty-Python Terry Jones, TV vet Steve Leonard, *Gardeners' World* presenter Joe Swift and Rolf Harris. A name for the campaign was agreed – "Evolution 2010" - fundraising material was then developed, including a project brochure and dedicated website, and some "Behind the Scenes" evenings were also organised to start to introduce the project to selected members of the Horniman community.

We were fortunate in enlisting the support of the City Bridge Trust, who awarded us a grant to fund a two year Gardens' Education and Access Officer post to undertake the early development and prototyping of learning programmes in the Gardens. Towards the end of the year discussions commenced with our closer major

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

trusts and foundations, some of whom we hope will agree to put their early backing behind the project, ahead of the expected decisions from the National Lottery bodies next year. Partly as a result of the "Behind the Scenes" evenings, the project attracted some early donations from the community, including, significantly, Benefactors. Donors included the Emily Hughes-Hallett Fund, Mr and Mrs Wallace and Mr Sharman, for which we are very grateful.

Away from the major project, the Museum also successfully enlisted support for other important projects. 2007 was the 200th anniversary of the abolition of the transatlantic slave trade and the Horniman marked this landmark year with a wide programme of events and activities, which was supported by the Heritage Lottery Fund. In addition, the Museum commissioned the artist Taslim Martin to produce an artwork piece to go on permanent display in our African Worlds Gallery to stand as a symbol of this anniversary year. We are grateful to the Henry Moore Foundation and Arts Council England for supporting this artwork project.

February 2008 saw the opening of the Horniman's major exhibition 'Utsavam - Music from India'. As part of the press and publicity activity planned to promote the exhibition, a press trip taking invited journalists to India was organised in January. This trip generated considerable national media coverage for the Horniman and we are grateful to British Airways and the India Tourist Board for their assistance.

Another important fundraising project launched in 2007/8 was the Gilded Monster Bass Appeal. The giant tuba currently on display alongside the Boosey & Hawkes collection in our Music Gallery, once stood as the company's mascot outside their Edgware factory, but subsequently went into private ownership once the factory was closed. However the owner indicated their willingness to sell it to the Museum and the Horniman embarked on a fundraising campaign to raise the money needed. This campaign saw considerable success – attracting donations from visitors, the Friends of the Horniman and charitable trusts – and by March 2008 over half the funds needed had been raised.

On the revenue side, the initiatives put in place to allow the public to show their support for the Horniman's work continue to provide a valuable source of unrestricted income. Despite a rise in visitor numbers, income from our collection box fell largely because the exhibition – 'Walking with Beasts' – was chargeable, which tends to suppress voluntary donations. However, it is also possible that the public is tiring of the current box which has been in situ since the opening of the Centenary Development in 2002. The Museum therefore commissioned a new, more child-friendly, box at the end of the year.

However, the Benefactors' Scheme continued to grow, attracting a record number of new donors in 2007/8. There are now 30 Benefactors giving a total of £7,500p.a. We expect to recruit four new Benefactors a year which, at an annual average value of £250 per Benefactor, should see a growth of income of £1,000 per year over the next three years.

3.2 COMMERCIAL ACTIVITIES

Commercial activities are carried out through Horniman Museum Enterprises Limited (HME), a wholly owned subsidiary of the Trust.

The commercial hire business was run throughout the year by Suzanne James Ltd, who managed the letting of the Conservatory as well as providing catering and event management. The Museum shop is a joint venture between HME and the Museum of London. Although both businesses found it difficult to maintain the levels of operation enjoyed last year they continued to do well and this resulted in another profitable year for HME which then Gift Aided £34,724 (2007 £44,086) to the Trust.

3.3 STAFFING

Staff numbers have grown during the year from 97.3 FTE on 31 March 2007 to 111.6 on 31 March 2008 largely due to the recruitment of new staff to work on Hub funded posts. There has also been a slight decrease in staff turnover in (15% in 2007/08 compared with 16.42% in 2006/7).

The organisation's senior management structure at 31 March 2008 is shown in Appendix III.

3.3.1 Investors in People (IiP)

The Trust has held IiP status since 2000. This is next due for renewal in 2009 and we continue to devote both time and resources to the training and development of staff to ensure that they are well equipped to meet institutional objectives and to provide for continuing personal development and academic achievement.

3.3.2 Equal Opportunity and Disability Policies

The Trust pursued a policy of equal opportunity both with regard to staff and to visitors to the Museum and Gardens and developed a Diversity Action Plan in 2007/08 following guidance from the Museums and Libraries Association.

In 2007/08 our workforce included 15.74% % staff from ethnic minorities (was 17% in 2006/07).

Our Disability Policy and an action plan are aimed at enabling the Trust to meet its specific duty to promote disability. A disability audit of all staff was undertaken in 2007/08 which establishes the baseline for future monitoring.

3.3.3 Staff Consultation and Communication

A new Staff Council was established in 2007 to act as an Information and Consultation Forum, replacing the former Joint Management Staff Consultative Committee. All Staff Council members received training in consultation processes; quarterly meetings were held throughout the year to consult and communicate on matters of staff concern, including extensive consultation in connection with a complete review of the Staff Handbook.

All negotiations with regard to pay were carried out between management and the recognised trade union (GMB).

Communication and consultation also continued to take place through a range of mechanisms including the cascade of meetings through Senior Management, Heads of Section and team meetings, broader consultation with staff on the corporate planning process, cross team working groups and more informal gatherings and the regular staff newsletter.

In order to improve internal collaboration, communication and ease of access to information, a statement of requirements for the development of an intranet was commissioned and developed, based on a comprehensive staff consultation process. The intranet will be developed in 2008/09 subject to funding availability.

3.3.4 Volunteers

A Volunteer Coordinator was appointed in 2007/08 and this enabled the Trust to further develop its volunteer programme with new procedures and guidance being put in place. This has resulted in a more coordinated, inclusive and efficient process for managing volunteers and work placements resulting in an increase in volunteer engagement with the Museum and Gardens, with 20 regular volunteers and approximately 1000 hours of volunteering during March 2008. In 2008/09 we will be looking towards the future with the development of a volunteering policy and specific projects to encourage specific groups.

The Friends of the Horniman Museum have continued to be active in providing volunteer support and fundraising.

3.3.5 Placement Students

The Museum's reputation nationally and internationally has encouraged a large number of applications from students for placements within our education, exhibition, conservation, curatorial and marketing sections. The Museum seeks to place students who will be able to work into an area that complements their area of study while also assisting us to progress some elements of our own work programme.

3.4 THE ESTATE

With high visitor numbers to the Museum and Gardens, the management and maintenance of the estate has been demanding. The Facilities team provided support for emergencies, as well as undertaking regular redecoration, maintenance and the refurbishment included in the 10 year buildings management plan.

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

In addition, major works completed in 2007/8 included roof replacements and repairs at the Museum, improvements to storage and staff facilities, access improvements to the clock tower and the completion of the second phase of external repairs and redecoration and upgrade of storage facilities at the Study Collections Centre. Security improvements included upgrading to CCTV system. Projects which supported the promotion of energy efficiency included the installation of roof installation and extension of the Building Management System (BMS) to the Library building.

3.5 INFORMATION AND COMMUNICATIONS TECHNOLOGY

We continued to upgrade and extend the IT network in order to provide the platform for our activities and services. An audit of the IT infrastructure was conducted and improvements made to implement new network management tools and upgrade connectivity in response to increasing demands on the network. The telephone system was also upgraded to enable us to improve our efficiency and meet growing demand.

3.6 HEALTH AND SAFETY

Managing Health and Safety continued to be a priority during the year with an ongoing in-house training programme including induction, risk assessment, manual handling, use of safety equipment and fire safety provided to staff, volunteers and students. In addition the Health and Safety Committee met regularly and oversaw a rolling programme of health and safety inspections conducted by Health and Safety committee members. On-going work such as statutory inspections of fire extinguishers also took place along with portable appliance testing and ladder checks.

The positive culture in Health and Safety is firmly maintained throughout the Horniman both proactively and responsively with record keeping, risk assessments and reporting of incidents being the norm for all sections.

An internal audit review on the Governance of Health and Safety was commissioned by the Audit Committee to ensure that systems and processes are in place for the organization to be able to effectively discharge its responsibilities for Health and Safety at all levels.

3.7 SUSTAINABLE DEVELOPMENT POLICY

A Sustainable Development Action Plan was developed with contributions from across the Museum and Gardens to ensure that the Horniman is able to implement its Sustainable Development Policy. Key components for implementation during the planning period are conservation of energy, fuel and natural resources, procurement practices which support sustainability, recycling and waste minimisation, promoting sustainability through programmes and activities, sustainability in collections care (including living collections) and communication strategy.

FINANCIAL REVIEW

The Trust's main source of income continues to be the grant-in-aid received from the DCMS. This helps the Trust to meet its targets as set out in the Funding Agreement with DCMS. The performance against targets is set out in the Annex on page 24. Other significant donors during the year were the MLA through its London Hub and the DCF both of which provided funding essential for the achievement of the Trust's objectives. The HLF provided the main funding for the planning of the Gardens Project and other notable gifts are mentioned in the Fundraising section above. Income from lettings and revenue from the shop and café were also important sources of revenue.

Expenditure on charitable activities increased during the year as set out in note 7. Expenditure is itemised under the objectives of *Access* and *Collections* as described earlier in the report. In addition, there are *Major Projects revenue costs* arising principally from the Gardens and Natural History Gallery Redisplay projects, which contribute to the achievement of both these objectives. *Support Costs*, which are allocated across the other activities, together with *Costs of Generating Funds* and *Governance costs*, as required by SORP05, together comprise expenditure on the *Enabling* objective.

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

The income and expenditure account (page 29) shows a movement from an operating surplus (£221,457 in 2006-07) to a deficit of £11,718 in 2007-08 and the Statement of Financial Activities shows a similar movement from net incoming to net outgoing resources. Both of these arise as a result of restricted income received in prior years being expended during the year as a number of two year projects were completed; an operating deficit of £147,746 arose on restricted funds and an operating surplus of £136,028 on unrestricted funds. The operating surplus on unrestricted funds is an improvement on the budgeted position for the year, due to efficiency and other savings.

Reserves Policy

At 31 March 2008 the balance on General Reserves stood at £736,327. The Trustees consider that, given the virtual certainty of the receipt of the Museum's annual grant-in-aid before budgets are set, the risk of income not meeting expenditure each year is low and therefore the level of reserves required is minimal. Accordingly they have resolved that £100,000 of the general funds will be retained as a contingency fund to cover uninsured losses and any other unforeseen circumstances not likely to be met by the DCMS. The surplus over £100,000 will be used as seed funding for grant applications in the first instance for the Gardens and Natural History Gallery Redisplay projects and then for other future projects, and also to fund essential expenditure, not met by grant-in-aid and other income.

There was a negative balance of £1,686,000 on the Pension Reserve at 31 March 2008 due to the current deficit on the pension scheme under FRS17 (note 23). This was an improvement on the previous year due to changes in assumptions, market improvements and an additional lump sum payment. The FRS17 valuation is based on the triennial valuation at 31 March 2007 which showed an underfunding of the scheme. As a result the future service rate increased to 15.9% (from 12.1%) and the Trust is required to make additional lump sum payments over the period to the next valuation.

Investment Policy

The Company's Memorandum of Association gives the trustees the power to 'invest the monies of the company not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit, but so that the company shall have no power to grant loans by way of investment otherwise than a commercial rate of interest and upon security bearing a least the full value of the loan'.

Due to the dependence upon external funding, which frequently cannot be claimed until after the expenditure has been incurred, the Trust needs to maintain a high level of liquidity. The investment policy is therefore to invest surplus funds, above the amount needed for monthly working capital purposes, in instant access deposit accounts in approximately equal proportions with at least two top rated institutions in order to spread risk. The aim is to maximise the rate of return whilst maintaining a high level of liquidity. Funds that are judged by management to be unlikely to be required for at least six months may be invested in term deposits if higher rates of return are available.

During the year the Audit Committee carried out a review of the investment policy and confirmed that the above policy was still appropriate. However as a result of the review a new Corporate Bonus Deposit Account was opened with Bank of Scotland and the Charities Deposit Account with the Charities Aid Foundation was closed (see note 17), in order to obtain a better rate of interest.

Payment Policy

As a result of the introduction of The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, the Trust has adopted the Better Payment Practice Code, replacing the previous CBI Prompt Payment Code. Accordingly all contracts entered into on or after 1 November 1998 have complied with the Act. No interest payments have been made under the terms of the Act.

The Trust undertakes to pay all bills, except for those under dispute, in accordance with the contract terms or otherwise within 30 days. Payment procedures are to be agreed with suppliers before goods and/or services are ordered. In practice, invoices are paid weekly, except where more immediate payment is required.

During the year 97% of invoices not in dispute were paid within 30 days or supplier terms (2007 – 95%).

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

Budget managers are required to inform suppliers immediately they become aware of any query or dispute involving one of their invoices and every effort should be made to resolve the problem before the due date. The Finance section should be notified of any invoices which cannot be approved for payment within 7 days, together with the nature of any dispute and progress made in resolving it. Any complaints or enquiries made direct to the Finance section are followed up and resolved, within 3 days whenever possible. Suppliers are kept informed of any problems leading to a delay in resolving the matter.

FUTURE DEVELOPMENTS

The importance of maintaining and developing our audience and collections and making the very best use of our fine buildings, galleries and Gardens remains at the forefront of our attention both in the short and longer term.

We will continue to place a strong emphasis in the coming years on developing further our role within the London Museums Hub and also our membership of the British Museum's 'Partnership UK.' The London Museum Hub is a key area of activity in 2008/9 and we expect to be working from Autumn 2008 on the next business plan which will cover 2009-2011. Funding is already allocated for this period by the Government following the Comprehensive Spending Review (CSR 07) under the Renaissance in the Regions initiative. We will work to develop our relationship with our Hub partners, MLA and with other Museums in London in order to contribute to the delivery of innovative and attractive new opportunities for Londoners to become more involved in their Museums. We will continue to develop our relationship with the British Museum in order to benefit from a broader range of academic expertise and wider range of objects for the public benefit and in order to enhance our ability to become involved in international projects.

Significant challenges for 2008/9 are:

- to review progress on 'Evolution 2010' in the light of emerging funding applications and agree a way forward;
- to progress fundraising strategies and plans to generate support for our two capital projects ;
- to develop our strategic approach to ICT with support from the London Hub;

Key areas of delivery for 2008/9 are:

- to achieve at least 380,000 Museum visitors and 195,000 Garden only visitors for the year making a total site figure 575,000;
- to deliver all services and developments agreed in return for the £697,000 Renaissance in the Regions Hub funding the Horniman is responsible for spending in 2008/9;
- to continue to develop an attractive and successful temporary exhibition and events programme and to continue to identify sources of funding and build partnerships to realise this programme;
- to review our ability to generate unrestricted income via commercial activities and fundraising.

It is essential that we continue to develop and refresh the Museum and Gardens to ensure that the Horniman is able to meet the demands of our audience and our sector in the 21st Century. To this end we will continue to seek funds and partnerships that will enable us engage in new developments and enhance public programming that cannot be met from grant-in-aid alone.

FORM OF ACCOUNTS AND TRUSTEES' RESPONSIBILITIES

The Trustees are required, under company law and in the form directed by the Secretary of State for Culture, Media and Sport with the consent of the Treasury, to prepare financial statements for each financial year. A copy of the Accounts Requirement may be obtained from the Company Secretary at the Company's registered office. The financial statements are prepared on an accruals basis and must show a true and fair view of the state of affairs of the company and the group at the year-end and of its income and expenditure and cash flows for the financial year.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

TRUSTEES' REPORT for the year ended 31 March 2008 (continued)

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

- observe the Accounts Requirement 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 have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis.

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

The Accounting Officer for the DCMS has designated the Director of the Horniman Museum and Gardens as the Accounting Officer. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies Accounting Officer Memorandum.

The Foundation has no income or expenditure of its own, its only assets having been given on permanent endowment. The Company administers the property of both charities on a combined basis and the Trustees of the Company consider it impractical to segregate the results of the two. Consequently the Foundation has been treated as a subsidiary of the Company and the results have been consolidated to represent their combined activities (described as 'Museum' in the accounts and notes). The collection of exhibits given in the original indenture are considered inalienable (see Note 1.f) on page 33). In addition the original property given under the endowment has been so fundamentally altered since 1901 that only an immaterial part of its carrying value relates to the original indenture property. The Trustees consider that the costs of establishing a separate value for this property would be onerous compared with the additional benefit. This entire property is therefore included in the value of the Museum's freehold properties and is held as part of Designated Funds (Capital Projects Account).

Horniman Museum Enterprises Limited, a wholly owned subsidiary, began trading on 1 April 2005 and its results have been consolidated from that date.

AUDITORS

A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

Approved by the Trustees
and signed on their behalf

Timothy Hornsby
Chairman

Janet Vitmayer
Accounting Officer

28 August 2008

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

ANNEX TO THE TRUSTEES' REPORT

The outturn against the 2007/8 targets in the Funding Agreement between the DCMS and the Horniman are set out below.

Key Funding Agreement Targets : 2007/8

	2006/7 Actual	2007/8 Target	2007/8 Actual
*Total no of visits to the Museum (excluding virtual visits)	429,866	290,000	477,894
No of unique users visiting the website	424,429	380,000	446,902
Number of adult UK visitors aged 16 and over from lower socio-economic groups attending the Museum (this is NS-SEC groups 5-8) **	44,005	27,500	48,935
Number of children aged 15 and under visiting the Museum	198,259	141,000	296,655
No of children aged 15 and under in on and off-site organised educational sessions	53,788	48,000	53,899
Net income from trading (including corporate hire)	78,291	54,000	62,156
Efficiency Savings	91,500	43,607	64,600

*The Horniman comprises both a Museum and 16 acres of Gardens and visits to the entire site were 603,525 for 2007/8.

** outturn figures for 2006/7 and target for 2007/08 are based on socio-economic groups C2, D & E

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

REMUNERATION REPORT for the year ended 31 March 2008

The Board's Remuneration Committee, which consists of two trustees, considers the annual pay award for the Museum Director. It reviews the Museum Director's performance against agreed objectives and makes recommendations to the Board in respect of salary and bonus. The remuneration of the Museum Director and the salary costs of staff are stated in note 11 to the Accounts on page 37.

Timothy Hornsby
Chairman

Janet Vitmayer
Accounting Officer

28 August 2008

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

STATEMENT ON THE SYSTEM OF INTERNAL CONTROL

Scope of responsibility

As Accounting Officer and Trustees of the Horniman Museum, we have responsibility for maintaining a sound system of internal control that supports the achievement of the Horniman's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Government Accounting and ensuring compliance with the requirements of the Management Statement and Financial Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Horniman's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2008 and up to the date of approval of the Report and Consolidated Financial Statements, and accords with Treasury guidance.

Capacity to handle risk

Risk management is implicit in Horniman systems and procedures. The following responsibilities for managing risk have been established:

- the Board of Trustees sets key performance and risk indicators and reviews the major risks on a quarterly basis;
- the Audit Committee meets three times a year and receives and reviews reports from internal audit and reports on major weaknesses in internal control to the Board;
- the Accounting Officer is responsible for managing risk and ensuring that an effective system of internal control is maintained and operated within the Horniman;
- the Senior Management Team maintains a key risk list which is considered and updated at least quarterly and key changes reported to the Board;
- Section managers are responsible for maintaining key risk lists for their sections, which are updated at least quarterly, reviewed by the Senior Management Team and are available for viewing by all staff;
- Internal Audit's primary role is to give the Accounting Officer and Trustees an independent and objective opinion on the Horniman's risk management, internal control and governance;
- periodic risk awareness training is given to senior managers and section managers.

The risk and control framework

The system of control is based on a framework of management processes including regular management information, administrative procedures, and a system of delegation and accountability. In particular it includes:

- a Board of Trustees, which meets quarterly to consider the plans and strategic direction of the Trust;
- the establishment of key performance and risk indicators;
- comprehensive budgeting systems with an annual budget which is agreed by the Senior Management Team, and reviewed and approved by Trustees and incorporated in the corporate plan;
- monthly reviews by the Senior Management Team and quarterly reviews by Trustees of financial reports which indicate financial performance against budgets;
- regular reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key projects;
- a system of delegation and accountability.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

STATEMENT ON THE SYSTEM OF INTERNAL CONTROL (continued)

Review of effectiveness

As Accounting Officer and Trustees, we are also responsible for reviewing the effectiveness of the system of internal control. Our review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the Senior Management Team and section managers within the Horniman who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. We have been advised on the implications of the result of our review of the effectiveness of the system of internal control by the Board and the Audit Committee, and a plan to address any weaknesses identified and ensure continuous improvement of the system is in place.

The Horniman uses an externally provided internal audit service, which operates to standards defined in the Government Internal Audit Standard. During the year the internal audit contract was re-tendered and new internal auditors were appointed. The work of the internal auditors is informed by the analysis of risk to which the Horniman is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by us. At least annually the Head of Internal Audit provides an independent opinion on the adequacy and effectiveness of the Horniman's system of internal control together with recommendations for improvement. This is reviewed by the Audit Committee and reported on to the Board of Trustees. The opinion given in the Annual Report of the Internal Audit Service for 2007/8 provided: 'the Accounting Officer with reasonable assurance on the effectiveness of the Museum's risk management, control and governance processes reviewed as part of the 2007/08 internal audit plan, the scope and results of which are agreed with management and endorsed by the Audit Committee'.

Annual statements are also provided by section managers, confirming their awareness of their responsibilities in the areas of risk management and internal controls and giving assurance that they are unaware of any weaknesses in control or irregularities, which have not been notified.

In our view, the information we have received was sufficient to enable us to review the effectiveness of the Horniman's system of internal control and based on that information it is our opinion that an effective system of control was in place during the year.

Timothy Hornsby
Chairman

Janet Vitmayer
Accounting Officer

28 August 2008

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the consolidated financial statements of The Horniman Public Museum and Public Park Trust for the year ended 31 March 2008 which comprise the consolidated Statement of Financial Activities, Balance Sheets, the consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of the trustees, Accounting Officer and auditors

The responsibilities of the trustees, who are also the directors of the charitable company for the purposes of the Companies Act 1985, and of the Accounting Officer for the preparation of the financial statements in accordance applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for ensuring the regularity of financial transactions, are set out in the statement of trustees' responsibilities. The trustees and Accounting Officer are also responsible for the preparation of the contents of the Annual Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. We also report if, in our opinion, the trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

We review whether the statement on pages 25 and 26 reflects the compliance with Treasury's guidance "Corporate governance: statement of internal control". We report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.
- In all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
Emerald House
East Street
Epsom
Surrey KT17 1HS

29 August 2008

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 March 2008

		2008	2007
	page note	£	£
Total income	30	5,780,352	5,039,424
Operating expenditure	30	<u>(6,070,268)</u>	<u>(4,953,479)</u>
Total (deficit)/surplus for the year	30	(289,916)	85,945
Less capital projects income (see note below)		(380,861)	(462,734)
capital charges (see note below)		<u>659,059</u>	<u>598,246</u>
Operating (deficit)/surplus on revenue income and expenditure		<u><u>(11,718)</u></u>	<u><u>221,457</u></u>

The capital projects income represents income received which the trustees have identified as being designated for current and future capital projects. In the year to 31 March 2008 this comprised £264,875 of unrestricted income (2007 - £59,152) and £115,986 of restricted income (2007 - £403,582).

Capital charges represent depreciation, revaluation losses and loss on disposal of fixed assets which are charged against capital projects income in the capital projects fund and restricted capital funds.

Capital expenditure during the year was funded as follows:

Current year capital projects income		380,861	462,734
Capital projects funded from prior year income		-	-
Total capital expenditure	14	<u><u>380,861</u></u>	<u><u>462,734</u></u>

The notes on pages 33 to 44 form part of these financial statements.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2008

INCOME AND EXPENDITURE	page note	Unrestricted Funds 2008	Restricted Funds 2008	Total Funds 2008	Total Funds 2007
Incoming Resources					
Incoming resources from generated funds		£	£	£	£
<i>Grant in Aid</i>	2	4,350,000	-	4,350,000	3,932,000
<i>Other grants and donations</i>	3	42,064	85,625	127,689	508,626
Voluntary income		4,392,064	85,625	4,477,689	4,440,626
Activities for generating funds	4	65,342	-	65,342	76,031
Investment Income		51,626	7,614	59,240	27,013
		4,509,032	93,239	4,602,271	4,543,670
Incoming resources from charitable activities	5	108,837	1,069,244	1,178,081	495,754
Total incoming resources	29	4,617,869	1,162,483	5,780,352	5,039,424
Resources Expended					
Cost of generating funds	6	223,099	27,598	250,697	223,161
Charitable activities	7	4,255,153	1,463,586	5,718,739	4,628,555
Governance costs	8	69,832	-	69,832	63,763
Other resources expended: Pension finance costs		31,000	-	31,000	38,000
Total resources expended	29	4,579,084	1,491,184	6,070,268	4,953,479
Notional costs	10	306,475	-	306,475	291,650
Net (outgoing)/incoming resources after notional costs		(267,690)	(328,701)	(596,391)	(205,705)
Reversal of notional costs		306,475	-	306,475	291,650
Net (outgoing)/incoming resources before transfers		38,785	(328,701)	(289,916)	85,945
Transfers		-	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses	29	38,785	(328,701)	(289,916)	85,945
OTHER RECOGNISED GAINS AND LOSSES					
Net gains on revaluation of fixed assets for charity's own use		257,456	801,014	1,058,470	1,685,941
Actuarial gains and losses on defined benefit pension scheme		467,000	-	467,000	399,000
Net movement in funds		763,241	472,313	1,235,554	2,170,886
Fund balances brought forward		6,529,218	17,052,512	23,581,730	21,410,844
Fund balances carried forward		7,292,459	17,524,825	24,817,284	23,581,730

All operations of the Museum continued throughout both periods and no operations were acquired or discontinued in either period. There are no further recognised gains or losses in the current year or preceding year other than as stated in the statement of financial activities.

The movement in the Group's funds are detailed in note 21 to the accounts.

The notes on pages 33 to 44 form part of these financial statements.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

BALANCE SHEETS

At 31 March 2008

	note	Group 2008 £	Museum 2008 £	Group 2007 £	Museum 2007 £
FIXED ASSETS					
Heritage assets	14	227,648	227,648	213,413	213,413
Other tangible fixed assets	14	25,413,728	25,413,728	24,682,173	24,682,173
Investment in subsidiary	13	-	1	-	1
		<u>25,641,376</u>	<u>25,641,377</u>	<u>24,895,586</u>	<u>24,895,587</u>
CURRENT ASSETS					
Stocks		5,907	5,907	6,351	6,351
Debtors	16	296,505	303,926	123,830	131,174
Cash	17	1,177,285	1,149,499	964,930	938,599
		<u>1,479,697</u>	<u>1,459,332</u>	<u>1,095,111</u>	<u>1,076,124</u>
CREDITORS: amounts falling due within one year	18	<u>617,789</u>	<u>601,993</u>	<u>333,967</u>	<u>319,678</u>
NET CURRENT ASSETS		<u>861,908</u>	<u>857,339</u>	<u>761,144</u>	<u>756,446</u>
NET ASSETS excluding pension liability		<u>26,503,284</u>	<u>26,498,716</u>	<u>25,656,730</u>	<u>25,652,033</u>
Pension liability	23	<u>1,686,000</u>	<u>1,686,000</u>	<u>2,075,000</u>	<u>2,075,000</u>
NET ASSETS including pension liability		<u>24,817,284</u>	<u>24,812,716</u>	<u>23,581,730</u>	<u>23,577,033</u>
REPRESENTED BY:					
Designated funds	21	8,242,132	8,242,132	8,081,209	8,081,209
General funds	21	<u>736,327</u>	<u>731,759</u>	<u>523,009</u>	<u>518,312</u>
Unrestricted funds excluding pension liability		8,978,459	8,973,891	8,604,218	8,599,521
Pension reserve	23	<u>(1,686,000)</u>	<u>(1,686,000)</u>	<u>(2,075,000)</u>	<u>(2,075,000)</u>
Total unrestricted funds		<u>7,292,459</u>	<u>7,287,891</u>	<u>6,529,218</u>	<u>6,524,521</u>
Restricted funds	21	17,524,825	17,524,825	17,052,512	17,052,512
		<u>24,817,284</u>	<u>24,812,716</u>	<u>23,581,730</u>	<u>23,577,033</u>

These financial statements were approved and authorised for issue by the Trustees on 9 July 2008
Signed on behalf of the Trustees

Timothy Hornsby
Chairman

Janet Vitmayer
Accounting Officer

Rosamund Sykes
Audit Committee Chair

The notes on pages 33 to 44 form part of these financial statements.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2008

	note	Group 2008 £	Museum 2008 £	Group 2007 £	Museum 2007 £
Net cash inflow from operating activities	22	519,357	517,902	825,073	829,021
Returns on investment and servicing of finance		59,240	59,240	27,013	27,013
Capital expenditure and financial investment	22	<u>(366,242)</u>	<u>(366,242)</u>	<u>(430,234)</u>	<u>(430,234)</u>
Increase in cash in the year	22	<u><u>212,355</u></u>	<u><u>210,900</u></u>	<u><u>421,852</u></u>	<u><u>425,800</u></u>

The notes on pages 33 to 44 form part of these financial statements.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS

Year ended 31 March 2008

1. Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the modified historical cost convention, in accordance with the Accounts Requirement issued by the Secretary of State for Culture, Media and Sport (a copy of which may be obtained from the Company Secretary at the Company's registered office) and comply with the Statement of Recommended Practice: "Accounting and Reporting by Charities" (Revised 2005) and applicable accounting standards.

b) Basis of consolidation

As explained in the Trustees' report the company administers the property of both the Foundation and the Company on a combined basis and the Trustees consider it impractical to segregate the results of the two. Consequently consolidated accounts have been prepared for the Museum which includes the Foundation as well as the grant-in-aid and restricted funds administered by the Museum. The accounts also consolidate the results of the wholly-owned subsidiary, Horniman Museum Enterprises Limited, which commenced trading on 1 April 2005. The results of HME are consolidated on a line by line basis.

c) Incoming resources

All income is accounted for on a receivable basis. Grant-in-aid from the DCMS allocated to general purposes is taken to the income and expenditure account in the year it is received. Other grant income is recognised as income when the conditions for its receipt have been met. Legacies are credited to income when the Museum becomes entitled to the income and there is certainty of receipt.

d) Expenditure

Expenditure is classified under the principal categories of cost of generating funds, charitable activities and governance costs on the basis set out below.

(i) Cost of generating funds includes the direct costs and support costs of all activities included in generating income.

(ii) Charitable activities comprises direct expenditure and support costs including staff costs attributable to all activities in furtherance of the charity's objects.

(iii) Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. This includes such items as internal and external audit, legal advice for trustees and costs associated with constitutional and legal requirements.

Direct costs have been allocated to an activity cost category where appropriate. Items of expenditure which contribute to more than one cost category have been apportioned on a reasonable, justifiable and consistent basis. Support costs represent the staffing and associated costs of personnel, finance, premises management, ICT and general administration in supporting the operational programmes for which the charity is responsible. These have been allocated to the relevant cost area on the basis considered most appropriate to the cost involved, as shown in note 9. Depreciation, impairment losses and losses on the disposal of fixed assets have been attributed in accordance with the same principles.

e) Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Museum. Designated funds are funds which have been set aside at the discretion of the Trustees for specific purposes. Restricted funds are funds subject to restriction imposed by donors or by the purpose of the appeal.

f) Heritage assets

Additions to the collection acquired since 1 April 2001 are capitalised and recognised in the Balance Sheet as part of 'Tangible Fixed Assets', at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable and reliable and is greater than £2,000 (£500 before 1 April 2005). Such items are not depreciated or revalued as a matter of routine. (The Museum's collection of exhibits held at 31 March 2001 has not been capitalised in the balance sheet due to the disproportionate cost of obtaining a valuation, relative to the benefit to users of the accounts.) Purchases for the collections were charged to the income and expenditure account in the year of acquisition.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued) Year ended 31 March 2008

g) Tangible fixed assets

Assets comprising the freehold land and main museum buildings at 100 London Road, Forest Hill, London SE23 3PQ are used to provide museum and garden services and together with certain museum artifacts and fixed assets form the permanent endowment of the Foundation.

In accordance with "Executive NDPB Annual Reports and Accounts Guidance" the value of land surrounding the Museum's freehold properties (principally the Gardens) is now capitalised. A revaluation of all the Museum's freehold land and buildings was carried out at 31 March 2008 by external valuers from Wilks, Head and Eve, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors.

The combined surplus on the revaluation of all the land and buildings has been taken directly to the Capital Projects Fund or the relevant Restricted Fund. The valuations and the treatment of the resulting surpluses are in accordance with FRS15.

Improvements to all buildings are capitalised where it is considered that future economic benefits in excess of the originally assessed standard of performance will flow as a result of that expenditure. The capitalisation threshold for all assets is £2,000 (£500 before 1 April 2005).

Other tangible fixed assets are stated at modified historical cost as permitted under FRS 15. The resulting gains and losses have been taken directly to the Capital Projects Fund, or the appropriate Restricted Fund, in accordance with FRS 15.

Donated assets, qualifying as fixed assets, are revalued, depreciated and subject to impairment reviews in the same way as other fixed assets.

h) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset evenly over its expected life, as follows:

Equipment and fixtures	3 – 20 years
Exhibitions	5 - 20 years
Freehold buildings	20 - 50 years

The main museum building and Study Collection Centre are considered to have an existing life greater than 50 years and are subject to an annual impairment review and hence no depreciation is provided as permitted by FRS15.

i) Pension costs and any pension asset or liability

The Museum is a member of the London Pension Funds Authority superannuation scheme which provides benefits based on final pensionable pay. The provisions of FRS17 were fully implemented from the year ended 31 March 2004. The net pension liability and resulting reserve have been recognised in the Balance Sheet and movements in the liability are charged to the Statement of Financial Activities in accordance with FRS17.

j) Stock

Stock is stated at the lower of cost and net realisable value and comprises publications for resale.

k) Leases

The Museum has no material finance leases. Costs in relation to operating leases are charged to the Statement of Financial Activities over the life of the lease.

l) Notional costs

In accordance with Treasury guidance, the notional cost of capital is charged in the Statement of Financial Activities in arriving at a net incoming resources figure. This is reversed so that no provision is included on the Balance Sheet.

m) Taxation

As a charity the Museum is exempt from corporation tax under Section 505 ICTA 1988.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)

Year ended 31 March 2008

2. Grant-in-aid

The Trust is a Non-Departmental Public Body (NDPB) sponsored by the DCMS. Grant-in-aid is available for running costs, capital improvements and collection purchases.

The core financial and non-financial targets and outturns against the Funding Agreement between the DCMS and the Horniman is summarised in the annex to the trustees' report on page 23.

3. Other grants and donations	Group and Museum	
	2008	2007
	£	£
HLF Gardens Project Planning grant	45,390	-
Rediscover grant for Aquarium final installment	-	309,819
Donations in kind	25,710	34,000
Other grants and donations	56,589	164,807
	<u>127,689</u>	<u>508,626</u>

A list of major donors and sponsors can be found at Appendix I.

4. Activities for generating income	Group	Museum	Group	Museum
	2008	2008	2007	2007
	£	£	£	£
Contribution from Trading subsidiary	-	34,724	-	44,085
Letting income	33,170	-	38,489	-
Shop revenue	8,551	-	16,568	-
Café revenue	21,352	21,352	20,888	20,888
Miscellaneous income	2,269	4,469	86	2,286
	<u>65,342</u>	<u>60,545</u>	<u>76,031</u>	<u>67,259</u>

5. Incoming resources from charitable activities

Restricted income

	Group and Museum	
	2008	2007
	£	£
MLA Renaissance in the Regions grants	991,262	280,000
Designation Challenge Fund grant	55,548	36,750
Other specific grants and donations	22,434	98,101

Unrestricted income

Temporary exhibition income	83,532	40,496
Course fees	20,356	20,768
Miscellaneous income	4,949	19,639
	<u>1,178,081</u>	<u>495,754</u>

As a result of the Trust's membership of the London Museums HUB, grants were awarded by the MLA under the Renaissance in the Regions programme, for the two year period ended 31 March 2008, towards various projects including Learning projects, 'Music from India' and the redisplay of the Natural History Gallery.

A Designation Challenge Fund grant of £100,000 over two years was awarded in 2006 towards making the Trust's Chinese Collections accessible to the public.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)
Year ended 31 March 2008

	Direct Costs £	Support Costs £	Group and Museum Total 2008 £	Total 2007 £
6. Costs of generating funds				
Costs of generating voluntary income	112,764	22,999	135,763	117,306
Fundraising trading: costs of goods sold and other costs	34,679	76,129	110,808	97,966
Charity total	147,443	99,128	246,571	215,272
Trading subsidiary costs	4,126	-	4,126	7,889
Group total	151,569	99,128	250,697	223,161

The cost of generating voluntary income also includes the cost of generating core funding.

	Direct Costs £	Support Costs £	Group and Museum Total 2008 £	Total 2007 £
7. Charitable Activities				
<i>Major Projects:</i>				
Current year revenue costs	444,390	46,900	491,290	160,242
<i>Access</i>				
Galleries & exhibitions	1,623,557	728,139	2,351,696	1,962,168
Learning	466,938	184,211	651,149	515,585
Library	86,177	56,570	142,747	143,084
Marketing and communications	320,908	53,233	374,141	354,334
Gardens	348,275	61,089	409,364	409,305
	2,845,855	1,083,242	3,929,097	3,384,476
<i>Collections</i>				
Object purchase	10,591	-	10,591	14,289
Collections management & care	426,935	392,593	819,528	682,451
Curatorial	270,717	85,727	356,444	387,097
Collections project	91,989	19,800	111,789	-
	800,232	498,120	1,298,352	1,083,837
	4,090,477	1,628,262	5,718,739	4,628,555

	Group 2008 £	Museum 2008 £	Group 2007 £	Museum 2007 £
8. Governance costs				
Strategic planning and risk management	29,335	29,336	24,280	24,280
Statutory accounts	7,115	7,115	5,389	5,374
External audit	12,450	11,650	12,075	11,300
Internal audit	12,715	12,715	13,080	13,080
Trustee expenses	2,301	2,301	1,798	1,798
Support costs	5,916	5,916	7,141	7,141
	69,832	69,033	63,763	62,973

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)
Year ended 31 March 2008

9. Support cost allocation

Support cost	Income generation £	Major projects £	Access £	Collections £	Governance £	Total £	Basis of allocation
Finance	3182	3195	51597	16495	1645	76114	% spend
Human Resources	4167	6337	113488	38043	500	162535	head count
ICT	8928	10860	95345	54784	714	170631	work stations
Facilities mgt	82851	26508	822812	388798	3057	1324026	floor area
Total	99128	46900	1083242	498120	5916	1733306	

10. Notional costs

Cost of capital

Group and Museum

2008 2007

£ £

306,475 291,650

Notional cost of capital is calculated as 3.5% of the average capital employed by the Museum in the year.

11. Salaries and pension costs

Wages and salaries
Social security costs
Other pension costs

Group and Museum

2008 2007

£ £

2,813,853 2,477,429
227,306 204,499
264,343 268,108
3,305,502 2,950,036

Less: Project staff costs

(468,413) (147,953)
2,837,089 2,802,083

The Trustees neither received nor waived any emoluments during the year (2007 - nil).

Expenses amounting to £1459 (2007 - £840) were reimbursed to 3 Trustees (2007 - 2) during the year.

The salary and pension entitlements of the Chief Executive were as follows:

		31 March 2008	31 March 2007
Janet Vitmayer - <i>Museum Director</i>	Age	55	54
	Salary	£80,181	£75,930
	Real increase in pension	£1,081	£1,089
	Total accrued	£12,263	£10,830

"Salary " includes gross salary and bonuses. No other payments or benefits in kind were received.

Pension benefits are provided through the London Pensions Fund Authority Scheme, of which the Director is a member on the same terms as other employees (see note 23).

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued) Year ended 31 March 2008

12. Staff Numbers

The average number of employees during the year, including 18 temporary project contracts, was 131 (2007 - 122).

The number of full time equivalent employees at 31 March 2008 was 111.6 (2007 - 97.3) analysed into the following categories:

	Group and Museum	
	2008	2007
Exhibitions	5.0	5.0
Collection Management & Documentation	10.1	6.6
Collections Conservation & Care	5.0	3.0
Aquarium	4.0	4.0
Learning	11.6	8.0
Information & Library	1.1	1.3
Natural History	3.0	1.0
Anthropology	2.0	2.0
Musical Instruments	5.0	2.0
Visitor services	18.7	18.8
Gardens	7.6	9.6
Facilities	18.4	17.8
ICT	2.6	1.5
Finance, HR & Administration	7.5	7.7
Development & Marketing	6.0	5.0
Management	4.0	4.0
	<u>111.6</u>	<u>97.3</u>
Less: project contracts	19.5	8.6
	<u>92.1</u>	<u>88.7</u>

13. Trading Subsidiary

a) Investment in trading subsidiary

The Museum owns 100% of the issued share capital of Horniman Museum Enterprises Limited, which was incorporated on 19 August 2004. The subsidiary began trading on 1 April 2005 and its results have been consolidated from that date.

b) Results of trading subsidiary

	2008	2007
	£	£
Turnover	41,721	55,057
Cost of sales	(2,400)	(4,766)
Gross profit	<u>39,321</u>	<u>50,291</u>
Administrative expenses	(4,726)	(6,113)
Operating profit	<u>34,595</u>	<u>44,178</u>
Contribution to the Museum	(34,724)	(44,085)
(Loss)/Surplus retained in company	<u>(129)</u>	<u>93</u>

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)

Year ended 31 March 2008

14. Tangible fixed assets	Heritage Assets	Computers Equipment & Fixtures	Exhibitions	Staff Dwellings	Freehold Land & Buildings	Total
<i>Cost or valuation</i>	£	£	£	£	£	£
At 1 April 2007	213,413	1,846,777	5,006,934	575,000	20,312,316	27,954,440
Additions	14,235	201,477	139,122	6,237	19,790	380,861
Disposals/transfers	-	(109,365)	(70,122)	-	-	(179,487)
Revaluation	-	65,005	188,922	3,763	838,760	1,096,450
At 31 March 2008	227,648	2,003,894	5,264,856	585,000	21,170,866	29,252,264
<i>Depreciation</i>						
At 1 April 2007	-	916,534	2,142,320	-	-	3,058,854
Provided in year	-	135,127	430,313	11,812	81,807	659,059
Disposals	-	(107,542)	(37,463)	-	-	(145,005)
Revaluation	-	34,770	96,829	(11,812)	(81,807)	37,980
At 31 March 2008	-	978,889	2,631,999	-	-	3,610,888
<i>Net book value</i>						
At 31 March 2008	227,648	1,025,005	2,632,857	585,000	21,170,866	25,641,376
At 31 March 2007	213,413	930,243	2,864,614	575,000	20,312,316	24,895,586
The comparable amounts of tangible fixed assets determined according to the historical cost convention are:						
Cost	213,413	1,690,907	4,408,743	244,461	13,924,414	20,481,938
Accumulated depreciation	-	1,007,283	2,090,279	47,770	501,230	3,646,562
NBV at 31 March 2008	213,413	683,624	2,318,464	196,691	13,423,184	16,835,376
NBV at 31 March 2007	213,413	644,729	2,575,588	195,531	13,464,729	17,093,990

Note: All the fixed assets are used for charitable purposes. A revaluation of all the Museum's freehold land and buildings was carried out at 31 March 2008 by external valuers from Wilks, Head and Eve, Chartered Surveyors, in accordance with the Statements of Assets Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. Other tangible fixed assets are stated at modified historical cost using appropriate indices.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)

Year ended 31 March 2008

15. Capital Commitments

The Museum had no capital commitments at 31 March 2008.

	Group 2008	Museum 2008	Group 2007	Museum 2007
	£	£	£	£
16. Debtors				
Trade and sundry debtors	74,766	82,187	29,888	37,232
VAT debtor	126,888	126,888	36,803	36,803
Prepayments	94,851	94,851	57,139	57,139
	<u>296,505</u>	<u>303,926</u>	<u>123,830</u>	<u>131,174</u>

As at 31 March 2008 the Group had no intra-Government balances above £1 million.

17. Cash

Short term deposits

CAF Deposit Fund	-	-	24,578	24,578
COIF Deposit Fund - Dolmetsch Fund	25,491	25,491	24,105	24,105
COIF Deposit Fund - Development Fund	410,606	410,606	683,278	683,278
Band of Scotland Corporate Bonus Account	513,956	513,956	-	-
	<u>950,053</u>	<u>950,053</u>	<u>731,961</u>	<u>731,961</u>
Cash at bank and in hand	227,232	199,446	232,969	206,638
	<u>1,177,285</u>	<u>1,149,499</u>	<u>964,930</u>	<u>938,599</u>

Short term deposits are repayable on demand, without penalty.

18. Creditors: amounts falling due within one year

Trade & sundry creditors	201,975	186,979	82,240	68,701
Retentions	25,792	25,792	30,601	30,601
Taxation and social security	90,198	90,198	66,252	66,252
Accruals	299,824	299,024	154,874	154,124
	<u>617,789</u>	<u>601,993</u>	<u>333,967</u>	<u>319,678</u>

No balances fall due after more than one year.

As at 31 March 2008 the Group had no intra-Government balances above £1 million.

19. Contingent Liabilities

There were no contingent liabilities at 31 March 2008.

20. Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Total 2008
	£	£	£
Fund balances at 31 March 2008 are represented by:			
Fixed assets	8,234,082	17,407,294	25,641,376
Current assets	1,362,166	117,531	1,479,697
Current liabilities	(617,789)	-	(617,789)
Pension liability	(1,686,000)	-	(1,686,000)
Total net assets	<u>7,292,459</u>	<u>17,524,825</u>	<u>24,817,284</u>

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)
Year ended 31 March 2008

21. Statement of Group Funds

	1 April 2007	Income & transfers	Revaluation surplus/deficit	Expenditure	31 March 2008
	£	£	£	£	£
Unrestricted funds					
<i>Designated funds:</i>					
Capital projects fund	8,081,209	264,875	257,456	(369,458)	8,234,082
Evolution 2010	-	8,050	-	-	8,050
<i>General funds:</i>					
Income and expenditure	523,009	4,344,944	-	(4,131,626)	736,327
Unrestricted funds excluding pension reserve	8,604,218	4,617,869	257,456	(4,501,084)	8,978,459
<i>Pension reserve</i>	(2,075,000)	-	467,000	(78,000)	(1,686,000)
Total unrestricted funds	6,529,218	4,617,869	724,456	(4,579,084)	7,292,459
Restricted funds					
<i>Donated assets reserve</i>					
2001 project - HLF grants	12,748,066	-	632,352	(168,012)	13,212,406
2001 project - other grants	1,784,811	-	88,563	(23,530)	1,849,844
Conservatory	380,501	-	16,027	(19,025)	377,503
CUE development	69,009	-	3,684	(3,645)	69,048
SCC Development	69,503	-	(2,714)	-	66,789
MultiMIMSY	23,557	-	588	(7,179)	16,966
Textiles project	28,387	-	560	(10,425)	18,522
Exhibitions	46,294	83,351	1,505	(16,684)	114,466
Aquarium	1,335,336	-	48,690	(70,820)	1,313,206
Boosey & Hawkes instruments	164,149	-	-	-	164,149
Gallery improvements	162,582	14,058	11,718	(3,878)	184,480
Other capital donations	2,181	18,578	41	(885)	19,915
Total donated assets reserve	16,814,376	115,987	801,014	(324,083)	17,407,294
<i>Revenue grants/donations</i>					
Dolmetsch fund	21,882	1,204	-	-	23,086
Apostle clock	20,989	1,341	-	(1,050)	21,280
HUB projects	120,958	908,317	-	(972,744)	56,531
Chinese project	36,441	55,898	-	(91,989)	350
Slavery project	19,000	13,726	-	(32,726)	0
Evolution 2010	-	47,172	-	(45,390)	1,782
Other grants and donations	18,866	18,838	-	(23,202)	14,502
Total restricted funds	17,052,512	1,162,483	801,014	(1,491,184)	17,524,825
Total funds	23,581,730	5,780,352	1,525,470	(6,070,268)	24,817,284

The capital projects fund represents income which the Trustees have identified as being designated for capital projects.

The donated assets reserve represents fixed assets donated by third parties, either by gift of the asset or by way of funds for the asset. All funds donated for this purpose were fully utilised during the year.

The balance on both the capital projects fund and the donated assets reserve are represented by the book value of assets and will be written down to nil over the lives of the assets.

The Dolmetsch Fund represents money donated for the maintenance of the Dolmetsch collection of musical instruments.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)
Year ended 31 March 2008

The Apostle Clock fund represents donations made by the public for the ongoing maintenance of the Apostle Clock. The Museum is a member of the London Museums Hub, which awarded grants in 2006 for the two year period 2006-2008 for a number of Learning and other projects. The balance at 31 March 2008 is fully committed.

The Chinese project, which was completed in May 2008, makes the Museum's Chinese collections accessible to the public for the first time. This was largely funded by the Designation Challenge Fund.

The Slavery project involved various events and activities around the Abolition of Transatlantic Slavery Commemorations 2007 and was largely funded by grants from the Heritage Lottery Fund, the Arts Council and the Henry Moore Foundation.

Evolution 2010 was established during the year to raise funds for the Natural History and Gardens projects. During the year funding was received from HLF for the planning stage of the Gardens project. Other grants and donations were also received specifically or designated for the projects.

Other revenue grants and donations are monies or gifts-in-kind donated by third parties for the specific purposes described. Balances are outstanding at 31 March 2008 where those purposes were not fully completed at that date. It is expected that most of these funds will be utilised during the coming year.

The rest will be spent at the earliest appropriate opportunity in accordance with the donors' wishes.

22. Cash flow information

	Group 2008 £	Museum 2008 £	Group 2007 £	Museum 2007 £
<i>a) Items reconciling surplus to cash flows from operating activities</i>				
Net (outgoing)/incoming resources	(289,916)	(289,787)	85,945	85,852
Depreciation for the year	659,059	659,059	598,246	598,246
Loss/(profit) on disposal of fixed assets	34,098	34,098	(2,500)	(2,500)
Donated assets	(14,235)	(14,235)	(30,000)	(30,000)
Investment income	(59,240)	(59,240)	(27,013)	(27,013)
Pension finance cost	31,000	31,000	38,000	38,000
Excess pension service cost over contributions	47,000	47,000	91,000	91,000
Decrease in stock	444	444	2,728	2,728
(Increase)/decrease in debtors	(172,675)	(172,752)	200,101	205,907
Increase/(decrease) in creditors	283,822	282,315	(131,434)	(133,199)
Net cash inflow from operating activities	519,357	517,902	825,073	829,021
<i>b) Analysis of cash flows</i>				
Returns on investment and servicing of financing				
Interest received	59,240	59,240	27,013	27,013
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(366,626)	(366,626)	(432,734)	(432,734)
Receipts from sales of tangible fixed assets	384	384	2,500	2,500
	(366,242)	(366,242)	(430,234)	(430,234)
<i>c) Reconciliation of net cash flow to movement in net funds</i>				
Movement in net funds in the period	212,355	210,900	421,852	425,800
Net funds at 1 April 2007	964,930	938,599	543,078	512,799
Net funds at 31 March 2008	1,177,285	1,149,499	964,930	938,599

		1 April 2007 £	Cash Flow £	31 March 2008 £
<i>d) Analysis of net funds</i>				
Cash at bank and in hand	Group	964,930	212,355	1,177,285
	Museum	938,599	210,900	1,149,499

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)

Year ended 31 March 2008

23. Pension Scheme

Pension contributions made during the year were £217,343 (2007 - £176,271).

The Company is a participant in the London Pensions Fund Authority Scheme. This is a statutory, funded pension scheme, which provides benefits on a "final salary" basis at the age of 65 and is available to all qualifying employees.

A new Local Government Pension Scheme was introduced from 1 April 2008. The key features of the scheme are as follows:

- Normal retirement age of 65 for payment of unreduced benefit.
- Pension to be indexed in line with Retail Price Index and must come into payment before the 75th birthday.
- Pension on ill-health grounds to be increased from 50 to 55 by 2010.
- Pension based on 1/60th of salary for each year of pensionable service, with the flexible option to commute pension to a lump sum up to a maximum.
- The best pensionable pay in the last three years.
- Dependent benefits for life payable to spouses, civil partners and "nominated" dependent partners.
- Revised permanent two-level ill-health retirement package.
- A death-in-service tax-free lump sum of 3 times salary.
- Actuarial enhancement for those who to work beyond age 65 without accessing their pension benefits.

For active members on 31 March 2008 benefits based on membership before 1 April 2008 will continue to be calculated on a 1/80th pension and 3/80th lump sum basis, based on final salary on leaving.

The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out at 31 March 2007 using the "projected unit" method, in which the actuarial liability makes allowances for projected earnings. The valuation revealed a funding level of 82% for the active sub-fund and 86% for the pension sub-fund. As a result of this, on the recommendations of the actuary, the employers' contributions increased to 15.9% of earnings with effect from 1 April 2008 with an additional cash contribution of £218,215 payable over three years towards the funding deficit. Under the new scheme the employees' contributions are tiered from 5.5% to 7.5%

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation as at 31 March 2007 and updated to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2008. Scheme assets are stated at their market value at 31 March 2008. Scheme liabilities were calculated using the 'projected unit' method and the following financial assumptions:

	31 March 2008	31 March 2007	31 March 2006
	% p.a.	% p.a.	% p.a.
Price increases	3.6%	3.2%	3.1%
Salary increases	5.1%	4.7%	4.6%
Pension increases	3.6%	3.2%	3.1%
Discount rate	6.9%	5.4%	4.9%

The estimated fair value of the scheme assets at 31 March 2008 (based on a proportion of the whole fund) and the expected rate of return were:

	31 March 2008		31 March 2007		31 March 2006	
	Long term rate of return	Fund value	Long term rate of return	Fund value	Long term rate of return	Fund value
	% p.a.	£	% p.a.	£	% p.a.	£
Equities	7.5%	2,758,000	7.7%	2,865,000	7.3%	2,633,000
Target return funds	6.3%	891,000	6.4%	1,028,000	6.0%	795,000
Alternative assets	6.7%	830,000	6.8%	583,000	6.5%	492,000
Cash	4.8%	138,000	4.9%	123,000	4.6%	256,000
Total Estimated Asset Value	7.0%	4,617,000	7.2%	4,599,000	6.8%	4,176,000
Present value of scheme liabilities		6,303,000		6,674,000		6,521,000

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

NOTES TO THE ACCOUNTS (continued)
Year ended 31 March 2008

	2008	2007
	£	£
Movement in deficit during the year		
Deficit at 1 April	(2,075,000)	(2,345,000)
Current service cost	(264,000)	(261,000)
Employer contributions	217,000	170,000
Net return on assets	(31,000)	(38,000)
Actuarial gains/(losses)	467,000	399,000
Deficit at 31 March	(1,686,000)	(2,075,000)

Analysis of operating costs

<i>Operating costs</i>		
Service cost	264,000	261,000
Past service cost	-	-
Curtailement and Settlements	-	-
Decrease in irrecoverable surplus	-	-
	264,000	261,000
<i>Finance income</i>		
Expected Return on Employer Assets	332,000	286,000
Interest on Pension Scheme Liabilities	(363,000)	(324,000)
	(31,000)	(38,000)
Net operating costs	295,000	299,000

History of experience gains and losses	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
	£	£	£	£	£
Difference between the expected and actual return on assets	(428,000)	41,000	542,000	92,000	420,000
Value of assets	4,617,000	4,599,000	4,176,000	3,320,000	3,257,000
Percentage of assets	-9.3%	0.9%	13.0%	2.8%	12.9%
Experience gains/(losses) on liabilities	147,000	(1,000)	-	2,000	(5,000)
Present value of liabilities	6,303,000	6,674,000	6,521,000	5,384,000	5,205,000
Percentage of the present value of liabilities	2.3%	0.0%	0.0%	0.0%	(0.1%)
Actuarial (losses)/gains	467,000	399,000	(159,000)	8,000	147,000
Percentage of the present value of liabilities	7.4%	6.0%	(2.4)%	0.1%	2.8%

24. Related Party Transactions

The DCMS is regarded as a related party. During the year, the Museum has had various transactions with other entities for which the DCMS is regarded as the parent Department. The only material transactions were with the Heritage Lottery Fund, the Museums, Libraries and Archives Council (which administers the Designation Challenge Fund and the London Hub) and the DCMS/Wolfson Museums and Galleries Improvement Fund. Details of these transactions and outstanding balances are given in notes 3, 5 and 21. In addition, the Museum has had a number of transactions with other Government sponsored bodies. However in many cases it is not practicable to quantify these as in many cases they involve the loan of objects, for which no values have been attributed.

None of the trustees, key managerial staff or other related parties has undertaken any material transaction with the Museum or its subsidiary during the year.

25. Post Balance Sheet Events

There were no post balance sheet events other than the date the report and accounts were authorised for issue by

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

**ADDITIONAL INFORMATION
Group and Company**

Year ended 31 March 2008

The additional information on pages 46-48 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

APPENDIX 1: GRANTS AND DONATIONS **Year ended 31 March 2008**
Group and Company

DONATIONS AND GRANTS: MUSEUM PROJECTS AND ACQUISITIONS

Trusts and Organisations.

Arts Council England
Heritage Lottery Fund and Big Lottery Fund
DCMS/Wolfson Foundation Museums and Galleries Improvement Fund
The Designation Challenge Fund
Emily Hughes-Hallett Fund
Friends of the Horniman
The Henry Moore Foundation
The Hintze Family Charitable Foundation
The Horniman Café
London Borough of Lewisham
The Museums, Libraries and Archives Council's Renaissance Programme

We are particularly grateful to the following individuals who have supported our work in the past year.

Jeffrey Archer	David Jones
Heather Bernard	Donald Kirkham CBE
Michael Bridgeland	Sara Luder and Charles Newman
Margret Carey	John A McDonald
Francis Carnwath CBE	Peter Micklethwait
Emma Carter	Hamish Parker
Rupert Evenett	Sir Denis Rooke OM CBE FRS FREng
Kit and Alison Farrow	John Sharman
John Firmin	Rosamund Sykes
Simon Granleese	Karl and Chloe Volz
Joseph Harper	Alan and Ann Wallace
Bill and Janet Higman	John B Ward
Timothy Hornsby CBE	Jessica Wyatt
John and Moyra Horseman	Charles Wynn-Evans

We are also grateful to the following for the support in kind they have shown the Museum.

Berkeley Homes
British Airways
Divine Chocolate
Enhance Lighting and Design
The Fresh Flower Company
India Tourist Board
London Musical Instruments
Suzanne James Ltd

We would also like to thank the many other supporters who gave to the Museum, including those who gave commemorative gifts, and those donors who wish to remain anonymous.

THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

**APPENDIX II: VISITOR NUMBERS Year ended 31 March 2008
Group and Museum**

	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
General Public	36,553	36,137	26,021	37,176	48,281	24,839	28,582	19,930	18,338	23,246	33,064	32,656	364,823
Child Education Visits	3,730	4,356	5,147	5,840	6,278	2,473	5,990	4,606	1,837	3,183	5,951	4,508	53,899
Other Group/Education Visits	2,850	3,126	3,097	2,632	3,897	1,590	3,782	2,754	1,254	2,057	3,981	3,033	34,053
Gardens/Conservatory Events	0	2,500	4,000	3,400	12,719	0	0	0	2,500	0	0	0	25,119
Museum Sub-Total	43,133	46,119	38,265	49,048	71,175	28,902	38,354	27,290	23,929	28,486	42,996	40,197	477,894
Additional Gardens Only Visits	18,649	11,925	8,634	11,526	7,146	19,352	6,895	7,879	7,353	5,524	11,413	9,335	125,631
Total 2007-08	61,782	58,044	46,899	60,574	78,321	48,254	45,249	35,169	31,282	34,010	54,409	49,532	603,525
Museum Sub-Total	27,718	28,215	23,637	45,024	67,145	25,288	41,995	27,717	27,204	28,859	48,788	38,276	429,866
Additional Gardens Only Visits	20,085	24,263	24,289	21,222	12,751	22,327	7,756	6,267	5,394	7,277	12,166	9,558	173,355
Total 2006-07	47,803	52,478	47,926	66,246	79,896	47,615	49,751	33,984	32,598	36,136	60,954	47,834	603,221

Horniman Museum & Gardens

Senior Management Structure (as at 31st March 2008)

