



**THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 31 March 2019**

**Company Registration Number: 2456393**  
**Charity Registration Number: 802725**

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## Horniman Museum and Gardens Trustees' Annual Report 2018/19

### Introduction

The Horniman Museum and Gardens began with a gift from Frederick John Horniman in 1901 to the people in perpetuity comprising the founding collections, the historic building and the Gardens. They were dedicated to the public forever 'for their recreation, instruction and enjoyment' and were registered as a charity from the outset (The Horniman Museum and Public Park Foundation). This generous gift has grown in both quality and quantity over the last 100 years.

Our collections are nationally and internationally important, large and diverse. Our Anthropology collection is amongst the most important in the UK; our Musical Instrument collection is the most diverse in the UK. These Designated collections, combined with our spectacular Natural History specimens, our popular Aquarium, our Animal Walk and Butterfly House alongside our 16.5 acres of award-winning Gardens, create a unique opportunity to understand the world around us.

We aim to share the collections and the estate both onsite and online to deliver our founding aims of 'recreation, instruction and enjoyment' for a broad public now and into the future. Our primary activities are developing, conserving and interpreting the collections and estate, and providing diverse, inspirational ways for the public to engage with, learn from and interact with them.

### Mission, values and aims

Our mission is central to everything we do, whilst our values shape our work and give the Horniman its unique character.

The Horniman's mission was developed in 1989 in preparation for the establishment of the charitable trust in 1992. Every generation or so, an organisation's mission should be reviewed to assess its continuing relevance and therefore Trustees and staff undertook this exercise in late 2018. We agreed that we needed a more active mission in the light of current concerns about climate change, biodiversity loss and human migration. We also wanted to build on the Horniman's position as the only museum in London in which nature and culture can be seen side by side, allowing us to engage with interconnected issues such as climate change and migration, in a positive way.

Trustees therefore agreed a new **mission** for the next generation:

**'The Horniman connects us all with global cultures and the natural environment, encouraging us to shape a positive future for the world we all share.'**

To support this mission we also reviewed and refined our **organisational values** to be:

- **Inclusive:** Everyone is welcome at the Horniman. We connect audiences from all backgrounds – encouraging an interest in other peoples, cultures and environments and promoting empathy, respect and tolerance.
- **Inspiring:** The Horniman is a place of inspiration and learning. Our rich offer allows us to draw together in innovative and inspiring ways, issues and stories relating to people, animals and environments – encouraging us all to consider our future and have a positive impact on the world in which we live.
- **Generous:** We cherish Frederick Horniman's founding gift, safeguarding and developing it for future generations and embedding a spirit of kindness and generosity through all our activity.
- **Fun:** We deliver experiences that are full of surprise and wonder, creating encounters with beautiful things and sharing activities that are lots of fun.

We are placing increased emphasis on communicating our new mission and sharing our values with all our audiences and stakeholders. Internally our staff will be empowered to **act sustainably, behave ethically, pursue excellence and encourage enterprise** in their delivery.

## Corporate aims

The ongoing corporate aims which give structure to this plan remain:

- **Access:** We will use the collections and Gardens 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 – both face-to-face and online.
- **Collections:** We will safeguard and develop the collections so that they can be made as accessible as possible now and into the future.
- **Shaping the future:** We will effectively manage our resources and become more financially resilient so that we can continue to develop and share our collections, estate and expertise for the widest possible public benefit.

At the same time, Trustees have agreed four **change objectives** which will shape the direction and content of the 10-year Framework Plan. These are:

- Diversify audiences and grow the offer for adults
- Deliver greater social and environmental impacts
- Improve the use of the collections and site
- Build a more sustainable business to support this.

## Public benefit

The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties as outlined further in this report.

## Strategic report

### Summary 2018/19

On 30 April we said goodbye to our long-serving Chief Executive Dame Janet Vitmayer and on 1 May we welcomed her successor Dr Nick Merriman. A period of review then ensued, leading to the new mission, values and change objectives noted above, and agreement by Trustees that the Horniman should develop a 10-year Framework Plan.

The Framework Plan is aimed at providing solutions to some of the challenges facing the institution, most of which derive from its unprecedented recent success. These include a congested entrance and inadequate facilities for the large visitor numbers, the potential for increased income generation as well as making more of the less-visited parts of the estate, such as the South Downs and the Nature Trail, and the need to widen the demographics of our audience to better reflect the London population. Studio Egret West were appointed as framework planners in January 2019 and have since developed outline ideas in consultation with staff and stakeholders, which were presented to Trustees for initial feedback in March 2019.

In parallel, a complete re-examination of our exhibition and events programming was undertaken, again with the aim of widening audiences or increasing commercial income, or both. Details of some of the programme content are given below.

Our headline achievements are set out in this report under the headings of Access, Collections and Shaping the Future. They include the very successful opening of the new World Gallery on 27 June, and The Studio on 18 October, both of which were accompanied by extensive public engagement programmes. Once again, we achieved the highest ever visitor numbers, up 5% from the previous record-breaking year to circa 942k, and our self-generated income raised across commercial, fundraising and charitable activities such as ticketing, events, schools and membership exceeded £2 million (£2,129,076), the most revenue ever raised (excluding fundraising for major capital projects).

All of these achievements were made possible by our grant-in-aid funding from the Department for Digital, Culture, Media and Sport (DCMS) who are our key sponsor body, along with our funding from Arts Council England (ACE) which together form the essential bedrock on which we operate. We also extend our thanks to the National Lottery Heritage Fund for their support of our major capital Anthropology redisplay project.

A full list of the performance indicators which are reported to DCMS can be found at Appendix I.

#### 1.0 Access

**Aim:** We will use the collections and Gardens 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 – both face-to-face and online.

**Achievements against our Access aim and objectives:**

- a. We exceeded our **visitor numbers** target by 5%, attracting **941,632 visits** to the Museum and Gardens over the past year, compared to 935,346 last year and welcoming 1,032,245 website visits, 15% above target. The ethnic diversity of our visitors remained consistent at 18% BAME.
- b. We delivered an exciting public programme of exhibitions and events whilst undertaking a thorough review of this area of work (see below for details), continuing to attract a majority family audience whilst increasing our number of adult visitors not in family groups by 4.5%.
- c. We exceeded our **schools audience** target by 9.5%, engaging **46,000** children, young people and their teachers with a high-quality learning programme focused on world cultures, music and the natural world (see 1.41 for more information).

- d. We deepened our engagement with community partners working with **vulnerable and marginalised people** through targeted engagement activity with refugee, asylum-seeker and new arrival groups; disability audiences; isolated older people; and mental health service users (see 1.42 for details).
- e. We continued to **collect, evaluate, use and share audience data** throughout the year and undertook a retendering of our market research contract in partnership with 12 other museums including the Natural History Museum, V&A, British Museum and the Science Museum Group.

## 1.1 Audience

As highlighted, we welcomed circa 942k total visits to the Museum and Gardens during 2018/19, an increase on the previous year and a record for the Horniman. Results were boosted by the opening of two new galleries, increased Gardens visitation, the continued popularity of our recently opened Butterfly House and a record-breaking opening of the Brick Wonders exhibition in February 2019. The Museum itself welcomed just over 808k visits throughout the year. Circa 778k of these visits also included time spent in our Gardens, highlighting the appeal of our combined Museum and Gardens offer. 63% of our general visitors were in family groups, 18% were from a BAME background, 77% were from London, 13% from the rest of the UK and 10% from overseas, and 37% were visiting for the first time. Over 46k children, young people and their teachers were engaged through our formal learning programme and over 63k individuals actively participated in our community engagement activities and events spanning targeted work with vulnerable and marginalised groups to large-scale community events for all the family.

Our website received 1,032,245 visits in 2018/19, 15% above target but a slight decrease from 2017/18 (-5%). Pages on the website were viewed over 4.9 million times, up 70% on 2017/18, and the number of objects online now stands at 117.5k, an increase of 122% over the previous year (owing to the Anthropology redisplay project). Our social media presence continued to increase in terms of followers to 581k, a 1.6% increase on 2017/18. Our Instagram followers increased by 35% to circa 32k and our Facebook fans increased by 8% to circa 26k. Our Twitter followers increased by 7% to circa 43k.

## 1.2 Public programme

The public programme is an integrated set of events, exhibitions and displays which we develop in partnership with other cultural organisations and our communities. The programme is the way we develop our audience, share and animate our collections, buildings and Gardens and generate income. Our new Framework Plan is driven by our desire to widen audiences, and one of the main ways in which change will be delivered is through programming. During this period we therefore began to develop our concepts for a series of new collections-based exhibitions focused on social or environmental themes: *South London Music* for October 2020 and *Hair* for October 2021. We also initiated a comprehensive review of our events programme, clarifying objectives that require each event to drive income generation or audience development, or both.

### 1.21 Exhibitions

Throughout 2018/19 we provided a varied and stimulating range of high-quality temporary exhibitions to engage our regular, diverse visitors and attract new audiences.

**The Lore of the Land** opened in October in our new arts space **The Studio**, exploring our deep-rooted connections to the natural world. Artist Serena Korda worked with the Collective, a group of local community members, to create an immersive, multi-sensory installation featuring ceramic artworks dispensing scents inspired by the Horniman Gardens and a soundscape based on the chemical processes occurring in plants and trees. The exhibition also included objects from the Anthropology collection, curated by the Collective alongside Serena Korda and Horniman staff, and reflecting human relationships with plants and water in different times and places.

Our family-friendly temporary exhibition for 2018, **Colour: The Rainbow Revealed** which ran from February – October 2018, proved popular with our audiences, attracting more than 96k visitors over its duration – a museum conversion rate of circa 17%. With high levels of interactivity, the

exhibition explored how colours are made and perceived, how animals use colour to attract and hide, and looked at how different colours mean different things for people across the planet.

**Brick Wonders** is our family-friendly exhibition for 2019, highlighting some of the amazing man-made and natural wonders of the world through the medium of LEGO® bricks. From an ancient Egyptian pyramid to Old London Bridge to the International Space station our visitors can explore over 50 models using half a million LEGO® bricks. We have also had created a model of the Horniman Museum (1901 building) and a model of the walrus to supplement the exhibition and there are lots of opportunities for children of all ages to play with LEGO® and DUPLO® bricks in the gallery. The exhibition attracted record-breaking crowds for its opening week and is remaining popular.

In the **Natural History Gallery** we have continued to exhibit temporary art installations inspired by our collections. 2018/19 has seen us showcase the work of two artists, **Karen Dodd** and **Shauna Richardson** who both work with textiles. Karen uses woollen fabric, dyed, sculpted, intricately bound and stitched, to draw attention to coral and coral reefs, celebrating their beauty and highlighting their vulnerability in the face of increasing environmental change. Shauna uses crochet to develop beautifully crafted life-size animal sculptures including trophy heads of a bear, a lioness and a monkey.

We delivered two photographic exhibitions linked to our World Gallery: **Yamal: The Stream of Life** focused on the lives and culture of people living in the Yamal region of Northwest Siberia through the beautiful images of documentary photographer Bryan Alexander. **Sea Nomads and the Coral Triangle** showcased the work of award-winning director and photographer James Morgan, highlighting the lives of the Bajau Laut, some of the world's last true marine nomads who have lived at sea for centuries, plying a tract of ocean between the Philippines, Malaysia and Indonesia as navigators and highly skilled free divers.

Our new **Grasslands Garden** opened in June to complement the World Gallery and gives visitors the opportunity to experience flowering plant species from the prairie and grassland landscapes of South Africa and North America. The garden is based on the 'meadow aesthetic' model with a layering of low, medium and tall species which have a long growing and flowering season. Interpretation in the space explores how indigenous people have brought prairie plants and landscapes into their spiritual lives.

## 1.22 Events

During 2018/19 and using ACE investment, we further developed **our role as a creative hub** promoting programming and engagement inspired by our collections and responding to audience development priorities.

In summer 2018 we delivered the **Shared World season**, a cross-arts participatory festival which celebrated the launch of the World Gallery through music and performance. The season celebrated what it is to be human – the fragility, diversity, beauty and resilience of human cultures. The events focused on activity that brings people together and included music, dance and participatory festivals. Content was developed in partnership with artists and communities from the UK with links to people around the world. The highlights of the season were:

- **Festival of Dance**, an exciting day of dance and music from around the world, in partnership with Trinity Laban Conservatoire
- **Wonderful World Late**, an evening of dance, tours, talks, film screenings and installations with a site specific performance of British-Brazilian choreographer Jean Abreu's Solo for Two
- Musical performances by Diego Alonso Laverde Rojas on the arpa llanera and Jali Bakary Konteh on the kora as part of our *Hear it Live!* series
- **Bandstand concerts** featuring Kabantu, KOG & The Zongo Brigade and The Brass Funkeys along with a mix of Afro-Latin styles, Cumbia, Calypso and Afrobeat

- **Big Wednesdays Family Days** featured storytelling, performances, art and craft and film as well as workshops by community partners connected to The Studio's Collective
- **Flavours of the World**, to close the season, a celebration of food and feasting, carnival parades, Turkish folk music, Balkan dance beats, North African Gnawa sounds and pop-up dance performances.

We also delivered a series of large-scale **seasonal fairs** during 2018/19 at Easter and Halloween, attracting circa 10k visits to each and a Christmas shopping market in December. The Friends' Art Exhibition took place in June and showcased paintings, prints, collage, illustration, woodwork and textile art from both new and established artists amongst Horniman Members, Benefactors and Friends Founder Members. We held some **family raves** with Big Fish Little Fish in autumn which turned out to be our fastest-selling events on record. We also held our first Horniman **Kids' Sleepover** for 50 excited children and their parents.

During the year we reviewed our **adult programming** and began to experiment with new formats and partnerships. Over 200 artists were commissioned to create and perform 87 performances, installations and workshops spanning a range of music, film, theatre, dance, visual and performance art and responding to our collections and communities.

### 1.3 Visitor experience

As outlined in the introduction to this document, our 10-year framework development has driven a review of the visitor experience across the whole site in consideration of the significant footfall increases we have experienced over recent years. In addition to improving and expanding our services to visitors, we have been looking at new products and experiences that will improve the Horniman offer and potentially generate additional income.

Despite the challenges we face to comfortably accommodate the number of visitors we now welcome, we scored highly across the two key areas that measure visitor experience. Our annual Visit England mystery shopping inspection that took place in December saw us reach an improved overall quality score of 90%, putting us in the running for a gold accolade. The assessment covers everything from our online presence in advance of the visit, first impressions upon arrival and then details of the visit itself, including content, signage, appearance of buildings and the Gardens, cleanliness, catering, retail and staff. In addition, our rolling audience research resulted in an extremely high visitor satisfaction rating of 99%.

### 1.4 Learning and engagement

The Horniman's extensive programme of learning and engagement is widely regarded in the sector as a beacon of good practice. It offers people from a wide range of backgrounds, opportunities to engage with our collections, staff and spaces in creative and exciting ways.

#### 1.41 Learning

We engaged 58,158 **family members** through our programme of object handling, storytelling, outdoor learning, art and craft, performances and targeted sessions for under 5s and their families. Our visitors got hands-on with our collections through 477 sessions in our Hands on Base. This year we worked with participants from our community partner organisations to produce 49 sessions for our visitors across our regular public programme. We celebrated local diversity and raised awareness through whole day event programmes for World Mental Health Day, Youth Takeover Day and Crossing Borders (showcasing talents of new arrivals to the area). The Learning team also worked closely with colleagues in Membership and Events teams to review and propose programming across departments in response to the change objectives of widening participation and generating income, while ensuring high-quality family learning and accessible programmes.

The **schools programme** served over 46,000 children and their teachers through our hands-on curriculum-linked sessions, and resources to support self-led visits. This year we rolled out our new World Gallery related sessions, and 13 new online and hard copy learning resources for schools. We delivered tailored sessions for Special Educational Need or Disability (SEND) groups, home educators, and hospital classrooms. We developed new music programmes in partnership with



local secondary schools and our Teacher Panel developed our *Make and Take a Puppet* session to focus on sustainable materials. For the first time this year we estimated the diversity of the schools audience, finding that around 70% of school visitors are from minority ethnic groups, and around 16% have a SEND. Our Museum Club pilot project targeted the least culturally-engaged children locally, successfully increased their confidence in visiting museums, and attracted funding to roll out the project for a full year in 2019/20. As well as teaching and delivery, we also supported teacher professional development and shared skills and expertise with a range of organisations including the Natural History Museum, Fulham Palace, London Wetlands Centre and sector networks.

The **Horniman Youth Panel** (HYP) curated a number of vibrant events for peers and our wider public including their Youth Late event, *Dystopian Paradise*. For the first time, the Youth Late combined music and dance performances, rap, DJs, theatre and more. We worked with multiple local partners to provide a more diverse programme including local schools, Grooveschool, MidiMusic and YouthSayers 10-piece band, and developed a number of new partnerships through which we can grow the event next year. The event was attended by 211 young people, including 56 performers. The **Youth Takeover Family Day** in March was inspired by the exhibition *Brick Wonders* with young people running puppet-making and music workshops with over 200 family visitors. The HYP also began work on two projects with other groups of young people. In partnership with **Peckham Platform's** Youth Platform and Muf Architects, the HYP began developing content for a collaborative youth-led exhibition for The Studio in summer 2019 called *My Model City*. Collaborating with **PAN Intercultural Arts**, the HYP worked with new young arrivals to London who are researching dining-out culture in the UK. We supported 13 young people to attain their Bronze **Arts Awards** through our new Summer School programme and the Wall of Voices project in the World Gallery.

#### 1.42 Community engagement

The Horniman continues to provide access to and engagement with an excellent cultural offer for a diverse set of individuals, organisations and communities through strong partnerships. We continued our work with **vulnerable and marginalised people** through targeted engagement activity with refugee, asylum-seeker and new arrival groups, with disability audiences, isolated older people and mental health service users and through our Community Worker Training programme.

Working with a range of partners we ensured that the ideas and questions of the World Gallery were accessible to as many people as possible. We developed family-friendly exhibition labels in collaboration with **families learning English as a foreign language**. One of the Perspectives cases in the Gallery was curated by people with a **lived experience of disability** and our Teacher Panel helped us create new interactive, curriculum-linked sessions for schools, where pupils touch, hold and study real museum objects and explore important issues such as climate change, migration and displacement. We collaborated with community partners including Greenwich and Lewisham Young People's Theatre, Redstart Arts and the Stroke Association to produce **17 Discovery Boxes** filled with objects that can be touched and handled by visitors in the Gallery or be taken to community venues such as day care centres. The multi-sensory experiences were created by or tested with various stakeholders. For example the interactive coral reef display projected onto the floor was tested with local children and the **Wall of Voices audio-visuals were produced by our Youth Panel**. Many objects were placed near ground level so they can be seen more easily by young children and spaces were **designed to be accessible for physically disabled people**.

We developed our existing partnerships with organisations supporting new arrivals such as Streatham Drop-In Centre and the Indo American Refugee and Migrant Organisation (IRMO), as well as with our long-term partners Southwark Day Centre for Asylum Seekers (SDCAS) to build on the success of our annual **Crossing Borders** event. Held in March 2019, Crossing Borders celebrated the diversity of our neighbourhood and the people who live in it through public workshops, music, dance, storytelling and art and craft activities. We developed **partnerships in the NHS mental health sector**, building relationships with new mental health inpatient wards and

training student mental health nurses and other healthcare staff in object-based learning. We developed a new course with South London and Maudsley NHS Trust Recovery College to enable their students to volunteer to make the Horniman a more welcoming place for those in recovery from mental health issues.

## 2.0 Collections

Aim: We will safeguard and develop the collections so that they can be made as accessible as possible now and into the future.

Achievements against our **Collections aim and objectives:**

- a. We redisplayed over 3,000 objects from our Anthropology collection in a new **World Gallery** that opened in June 2018 to overwhelmingly positive public, media and sector acclaim.
- b. We shared our musical instrument collection through the research and development of the **Music in the Making** project, testing a new approach to collections development.
- c. We established a participatory practice-driven Collective comprising community partners, artists and staff to develop the programme for our new contemporary arts space called **The Studio**, which opened to the public in October 2018.
- d. In addition to being the source of inspiration for a number of artists' displays over this year including new commissioned work by Shauna Richardson as well as the focus for a new Fellowship with University of the Arts London, our **Natural History collection** has been the focus for a new Natural World development group focused on better connecting visitors with the natural world and encouraging positive engagement with current environmental challenges.
- e. We continued to work with **international partners and source communities** to deepen our understanding of the collections as has been exemplified extensively through the **World Gallery**.

## 2.1 Anthropology

One of our most significant achievements this year was the opening of our new permanent **World Gallery** in June. Featuring 3,291 historic and contemporary objects from our world-class anthropology collection, the Gallery celebrates the wonder and complexity of what it means to be human through vibrant and thought-provoking displays and also tells the story of Frederick Horniman's founding vision and gift of the Museum and Gardens to *'the people in perpetuity'* to help them discover the world – a legacy that lives on through this inspiring new space.

Alongside the existing collection, a number of new acquisitions, special commissions and interactive exhibits are showcased using innovative design and interpretation, located in a transformed gallery space where daylight has been re-introduced and the spirit of the original building recaptured. We worked closely with a large and varied group of academics, community organisations and collections experts in developing the displays and saw the completion of a number of collecting projects and artist commissions to bring new objects into the gallery. These included work from the Pacific and the North American Northwest Coast and from artists of Naga and Nigerian heritage. The World Gallery has been strengthened by a complementary and wide-reaching learning and engagement programme, the results of which are fully embedded in the new gallery.

We have been delighted with the reception to our World Gallery since its opening. The extensive media coverage achieved 100% positive sentiment and visitor comments were effusive. The visitor targets were surpassed, in the first full quarter following opening visitor satisfaction rose to 100% and importantly, we met our objective to attract a greater diversity in visitors' ethnicity, attracting 24% of general visitors from BAME backgrounds, compared to 18% during the previous year.

We also opened our first Studio exhibition and associated events programme in October 2018, curated by a Collective of community partners, staff and an artist and have begun to collaboratively develop the next iteration due to open in October 2019. In addition, we launched a new joint MA in

Anthropology and Museum Practice with Goldsmiths University of London involving staff from a wide range of museum departments including curatorial, documentation, digital and visitor experience.

## 2.2 Musical Instruments

We began the research and development phase of our Music in the Making project during 2018/19 – a major four year programme to improve understanding of the Horniman’s musical instrument collection and to maximise its potential through creative programming. Curators and community engagement staff delivered a Music in the Making symposium attracting over 60 people attached to the music sector including musicians, academics, makers, curators, industry and learning professionals and community representatives. The symposium helped develop five strands of partnership working which will be delivered over the next three years: South London Music, which has received support from the Esmée Fairbairn Foundation; Music Education; South Asian music; Performance in museum settings; and Collecting digital material.

Keyboard research during the past year has led to significant developments in our understanding and practice in playing historic instruments, leading to a diversification of the repertoire for **Hear it Live!** – our monthly music performance programme in the Music Gallery. The National Lottery Heritage Fund-funded **Finchcocks Project** enabled the conservation of the three new keyboard instruments for playing. These will be the focus of an expanded programme in 2019/20.

## 2.3 Natural History

We developed a new concept for a Natural Worlds Project during the past year which proposes the delivery of a world-class redisplay of the Natural History collection, to better showcase its diversity, quality and significance, whilst retaining the historic character and special atmosphere of the existing 1901 gallery. Alongside the Natural History Gallery redevelopment is a plan to build greater connections to the Aquarium where we hope to create a more engaging visitor experience as well as improved spaces for research. The project will draw together meaningful issues and stories that connect people with science and their environments at a local, national and international level and will increase public awareness of global environmental challenges. We will do this through collaborating with scientists, conservationists, our communities and artists to create life-enhancing experiences that connect people with the natural world.

## 2.4 Living Collections

Research into the living collections was centred on Project Coral, developing techniques to induce broadcast spawning in lab-based coral species from Singapore and Australia. This research is vital to facilitating and accelerating new work on coral resilience. The Horniman’s partnership with the Florida Aquarium has facilitated the construction of Project Coral research aquaria at Florida’s Centre for Conservation where the research delivered significant results in 2018/19. In particular, we helped Florida Aquarium successfully breed the critically endangered coral *acropora cervicornis* in land-based coral nurseries, vital for reef restoration along the Florida reef track. The Living Collections team also developed new techniques and practice for breeding jellyfish and reef fish.

Our Animal Walk continued to be popular with visitors and the neighbouring Butterfly House enjoyed its first full year of opening, proving a particularly successful driver for membership recruitment.

## 3.0 Shaping the future

**Aim:** We will effectively manage our resources and become more financially resilient so that we can continue to develop and share our collections, estate and expertise for the widest possible public benefit.

Achievements against **Shaping the future objectives:**

- Following years of growth we **exceeded our self-generated income target by 12%**, reaching £2,129,076, the most ever generated (this excludes any capital project fundraising) and supporting our ongoing efforts to becoming a more resilient organisation.

- We **invested** £377k in our buildings, estate and infrastructure, alongside the major redevelopments of the new World Gallery and The Studio.
- We worked towards our **diverse workforce** target recording 19% of staff as being black, Asian or minority ethnic (BAME) against a target of 20%.
- We contributed to the leadership and development of the sector through **23 loans, leadership of Subject Specialist Networks** and presentations at **conferences worldwide** (see 3.3 for details).
- We continued to champion volunteering through our Engage programme, involving over 200 people who volunteered more than 13,226 hours.

The above Shaping the future achievements were complemented by the development of a new **mission** and set of **values** designed to inspire a new generation alongside extensive work on a **10-year Framework Plan** for the entire estate (see Introduction).

### 3.1 Income

Over recent years, and in the context of declining public funding, the Horniman has been engaged in a significant change programme to reduce costs, become more enterprising and grow and diversify our sources of income. As highlighted, we continued to have considerable success in this area during 2018/19 generating £2,129,076, a 2% increase on the previous year. This amount excludes the additional circa £4.6 million raised to date for the Anthropology redisplay project including the World Gallery and The Studio.

**Charitable activity** income, related to our core purpose and generated through ticket sales, membership, the schools' programme, events and other activity grew to £1,179,653, **15% above target**. Much of this revenue was generated through admissions to our temporary exhibitions, Aquarium and Butterfly House totalling £648k. 2018/19 was a hugely successful year for our membership scheme generating £365k in sales, a 28% increase on the previous year and surpassing its recruitment target of 7,000 memberships by 19% with 8,300 recruited by the end of year and revenue increasing by 28%. Schools income also grew significantly generating over £75k, 16% above target.

**Commercial activity** managed through Horniman Museum Enterprises (HME) and comprising retail, catering and venue hire generated a gross turnover of £644k, a growth of 14% on 2017/18 and generated a net profit of £277,869, **10% above last year**. Retail sales were pretty consistent with last year at c. £275k but pressures on costs from multiple areas including salary increases due to the London Living Wage have had a significant effect on our net profit situation, finishing at £24k, minus 44% on last year. However sales at the Horniman Café continued to increase 9% to £1.2 million, resulting in a 12% increase in net profit for the Horniman reaching £147k. Venue hire has performed very well this year, with net profit of over £100k for the first time in HME's existence. This growth has mainly been generated through our in-house-team with children's parties, filming and photography and our crazy golf partnership with Plonk! performing particularly strongly. We were pleased to make significant progress in removing single-use plastics from our site, taking a sector lead in the areas of retail and catering.

**Fundraised** income generated during 2018/19, excluding fundraising for our Anthropology redisplay project, reached £279k and saw gifts from both individuals and trusts. This was below our original target of £348k but beyond our mid-year reforecast target. We received news of two successful large grants: £90,000 from the DCMS Wolfson Fund to transform the lighting and visitor experience in the Music Gallery and a £120,000 multi-year grant from the Esmée Fairbairn Collection Fund for our Music in the Making project. For environmental education we received grants from the Banister Charitable Trust, Postcode Local Trust, Sir William Boreman Foundation, Nineveh Charitable Trust, Michael Marks Charitable Trust and the Roger Vere Foundation. Project Coral received support from the funders including the Panton Trust and the Shuttleworth Foundation.

By the end of 2018/19 we were delighted to have fundraised the majority of our £4.6 million target to deliver the Anthropology redisplay project, including the World Gallery, The Studio and learning engagement programme, with just £45k remaining to be raised by 2020. The Trust is most grateful to the National Lottery Heritage Fund, The Wolfson Foundation, Garfield Weston Foundation, The Foyle Foundation, The Fidelity Foundation, The Sackler Trust, The Esmée Fairbairn Foundation, The Charles Hayward Foundation, The Paul Hamlyn Foundation, The Pilgrim Trust, ACE Designation Development Fund, DCMS Wolfson Museums and Galleries Improvement Fund, Viridor Credits and a range of other supporters for their contributions.

### 3.2 Sustainability

We are committed to working towards the goal of sustainable development through a programme of gradual and continuous environmental improvement. Our sustainability action plan provides the framework for reducing our carbon footprint and implementing improvements in a number of key areas. These include the conservation of energy, fuel and natural resources; waste minimisation; awareness raising of sustainability issues and increasing knowledge and sharing experience. Our Sustainable Development Working Group, comprising staff from across the organisation, met regularly during the year to review progress against targets and to discuss how to highlight and make improvements to sustainability in the work place.

Achievements during 2018/19 included the replacement of single use plastics in our café with Vegware products made from plants; a move away from bottled water to aluminium canned water and a new water bottle refill point in the Gardens. We have also signed up to the #OneLess campaign which is working towards changing the way people drink water in London. We have replaced the environmental control systems (including boilers, humidifiers and air handling units) in the World Gallery and The Studio for more energy efficient units and now have LED lighting in the majority of our public galleries.

### 3.3 Sector support and collaboration – national and international

Our support for the sector has included loaning objects, providing advice and organising seminars and conferences.

Throughout the year we managed and maintained **loans** to 23 national and international organisations including the Natural History Museum, London; Ashmolean Museum; New York Public Library; New York Historical Society; National Museum Australia and the Hepworth Wakefield. We also continued our successful programme of Object in Focus loans to smaller museums, libraries and academic institutions across the South East in particular. Our aim for this programme is to increase access to our stored collections, promoting the Museum Association's Smarter Loans principles and forging links with other organisations. We toured a variety of objects to a total of 10 venues, including Trinity Laban, Littlehampton Museum, Arts Network, Hall Place, Royal Asiatic Society, Wimbledon College of Arts, East Grinstead, Brent and Eden Vale Museums – providing support, interpretation, talks and activities tailored as needed.

Horniman staff provided **advice** to a wide range of sector-based organisations across the UK, acting as chairs, trustees, members and leaders of Subject Specialist Networks (SSN) and providing our resources for these groups to hold workshops and best practice seminars. Our staff provided advice in areas such as youth and volunteering programmes, environmental education, aquarium and zoo management, marketing, digital and curatorial development. Our leadership role in the music sector continued with our support for the Musical Instrument Resources Network, a group co-founded by our staff in 2016 with more than 200 UK and international members.

As a **creative hub** we convened a series of meetings and a symposium to develop Music in the Making; this has resulted in a large cross sector community of practice. We developed our Critical Arts Group who helped provide support and advice for staff and artists involved in our commissioning work. This group includes academics, curators and artists active in contemporary visual arts. We continued to involve higher education partners in our work including Trinity Laban Conservatoire of Music and Dance, Goldsmiths and University of the Arts London.

Our teams shared the work of developing the new **World Gallery** in a series of conferences, tours and articles. These include running sessions at the RAI conference in July and Museum Ideas in September. We convened an ICME conference in October and co-developed the annual Museum Ethnographers Group conference which was staged in April. We also led many tours for specialist groups and cultural organisations from the UK and abroad including amongst many others the British Museum, Wellcome Collection, University College London and a delegation from Malaysian Culture Ministry. Community collaboration activities were shared including hosting the Family Forum, Museum Detox and Museums and Participation Network. The papers from last year's conference on South Asia and its Diaspora: Musical Performances in the Cultures of Decolonisation are to be published next year in a special issue of the South Asian Diaspora journal, edited by Professor Tina K. Ramnarine.

**Internationally**, staff presented on the collections and community engagement in Sao Paolo, Mumbai, Beijing, Florida and Ghent. In particular during 2018/19 we sustained a number of warm relationships with colleagues in Brazil, including the Museu da Imigração in São Paulo. We further developed our partnership with People's Palace Projects, which resulted in the installation of the Xingu Village at the Horniman, an immersive experience reflecting the lives of the Kuikuro. We also participated in the British Museum International Training Programme. We began to explore new networks in West Africa – curators spent time in Nigeria and Mali during the year and we developed a digital exchange with Lagos Homecoming Festival.

### 3.4 Key supporters

The Horniman receives core funding from **DCMS** and from **ACE** as a National Portfolio Organisation. In 2018/19 the Trust received £3.669 million revenue funding from DCMS, (an increase of £50k from 2017/18 thanks to additional funding to support the implementation of the Mendoza Review recommendations). We also received £201k capital funding from DCMS (a decrease from £701k in 2017/18). The Horniman output against DCMS KPIs and PIs appears at Annex I. Trustees are most grateful to the Department for its continued support.

The Horniman became an ACE National Portfolio Organisation during 2018 and secured funding for 2018-22. Our funding allocation from ACE for 2018/19 provided £947k and was focussed towards delivering an ambitious programme including developing the Horniman as a creative hub and expanding upon our highly successful work with children and young people. The Trust is most grateful to ACE for its support over recent years and for providing us with the opportunity to build our resilience and provide excellent and creative opportunities for public engagement.

### Voluntary donations

Voluntary donations play a vital part in supporting the care of our collections and Gardens as well as providing services, activities and enabling future projects. The Chair and Trustees are especially grateful to the following individuals and organisations across the Horniman community for their support over the past 12 months:

#### Gifts, grants and sponsorship in 2018/19

Art Fund  
 Arts Council England  
 City and Guilds of London Institute  
 DCMS/Wolfson Museums and Galleries Improvement Fund  
 The Department of Digital, Culture, Media and Sport  
 DUCKS Parents Association  
 The Esmée Fairbairn Foundation  
 The Ironmongers Company  
 Michael Marks Charitable Trust  
 National Lottery Heritage Fund  
 The Ninevah Charitable Trust  
 Ocean Ambassadors  
 Outset

Paul Hamlyn Foundation  
Postcode Local Trust  
Rogers Stirk Harbour + Partners  
Roseberys  
The Sackler Trust  
Sainsbury's  
SeaWorld & Busch Gardens Conservation Fund  
The Shuttleworth Foundation  
Sir William Boreman's Foundation  
The Worshipful Company of Gardeners

**Individual giving in 2018/19**

Judy Beard  
Thomas and Rumana Bennett  
Philippa & Mai-Ling Bosman-Savage  
Sally and Michael Bridgeland  
Frances Carey  
Margaret Carey  
Sir Robert Crawford  
John Coulthard and Ruth Dobson  
Scott Cruickshank and Sirilak Wichianpaisan  
Stephen Dimon  
Kraig Donald  
Rina Dutta  
Simon and Joanna Edwards  
Gavin and Amy English  
John Firmin  
Surojit Ghosh  
Simon Granleese  
Hanna Grindall  
The Hackett Family  
Ed and Catherine Hales  
Jim and Meg Hammer  
Tim Hanson  
Virginia and David Hearn  
Simon Hesketh  
Michael Horniman  
Timothy and Charmian Hornsby  
George Irby  
Kate Isaak  
Professor R J Jarrett  
Penelope Jarrett  
Lynton Jones  
Aisla Kegler  
Scott Keir and Robin Bray-Hurren  
Sarah Kemp  
Mary Kempson  
Donald and Kathleen Kirkham  
Susan Marsh  
Laurenz Maurer  
Jason McCulloch and Emma Carter  
Nicholas and Lindsay Merriman  
Hamish Parker  
Samantha Riches and Simon Christian  
Charlotte Rooney  
Nicola Rooney  
Keith Roper

Michael Rudko  
Andrew Rutherford  
Carole and David Souter  
Rosamund Sykes  
Hugo Tait  
Ian Tollett and Jessica Matthews  
Sharon Vardi and Michael Goldberg  
Rosie Jackson  
Ann Wallace  
Judith Ward  
Brian Weitz  
Chloe Winn

We are also grateful to the following for the support in-kind they have shown the Horniman:

Andrew Lawrence Print  
Google Ad Grant  
EcoTech Marine  
Pedder Property

We were delighted to recruit some new Ambassadors during this period and extend our thanks to Jo Brand, Jeremy Deller, Adrian Lester and Lolita Chakrabarti for their support along with our existing patrons, Sir David Attenborough, Dame Evelyn Glennie, Ms Kanya King, Mr Timothy Spall and Mrs Shane Spall, Mr Joe Swift and Mrs Cathy Swift and Baroness Floella Benjamin and Mr Keith Taylor. We would also like to say a special thank you to the individuals who gave to the Museum and Gardens over the past year, including those who gave commemorative gifts and those donors who wish to remain anonymous.

### **3.5 Staff and volunteers**

#### **3.51 Human resources policies**

We are committed to following good employer practice in relation to our staff. Our employment policies and practices are developed to enable us to deliver against our objectives, comply with relevant employment legislation and public sector standards as well as valuing and recognising the needs and contributions made by our employees.

The diversity of our workforce is central to our values and the delivery of our objectives. We believe that maintaining a diverse workforce plays an important part in ensuring the diversity of our audiences. We aim to ensure that the diversity of our workforce reflects the diversity of the job markets from which we recruit. Our overall target for staff from BAME backgrounds is 20% reflecting the fact that some posts are recruited from a national job market and some from a local (London) job market. In 2018/19 our workforce included 19% staff from ethnic minorities, with 8% of the workforce disclosing a disability.

We give great importance to supporting our staff both to help them develop and to achieve improvement in our performance. We aim to treat all of our employees in a fair and consistent manner, promoting good working relationships and encouraging high standards of conduct and work performance. We aim to provide a healthy workplace where risks are effectively managed, together with fair rewards and conditions of employment. The average number of days of sickness per employee during the year was 8.1 (6.6 in 2017/18). This compares with 8.1 days in the public sector and 7.1 days in the not-for-profit sector in 2018.

#### **3.52 Informing and consulting employees**

The Horniman promotes a culture of openness and effective internal communication through formal and informal means. Managers are involved in the preparation of the corporate plan and in the dissemination of business plans. Directorate team meetings are held on a regular basis, an intranet exists along with a weekly communication update to all staff called Messenger and a number of cross-team groups work together to address specific issues or deliver projects. During 2018/19 we also launched a monthly briefing meeting for all staff.



The Staff Council provides a forum for management and staff to meet and discuss matters of joint interest. It provides an opportunity for sharing information related to our activities and plans, and for consultation on staff-related matters through elected staff representatives. The Horniman recognises the GMB for collective bargaining and there are regular meetings between management and trade union representatives.

The Health and Safety Committee meets quarterly and provides a forum for consultation, discussion, review, dissemination and escalation of health and safety issues and includes management and union representation as well as staff representatives nominated on behalf of their workgroups.

### **3.53 Volunteers, work placements, apprenticeships and trainees**

The Engage programme continues to be the most significant strand of work with volunteers and delivers significant public benefit. During 2018/19 the programme as a whole involved over 200 people who volunteered more than 13,226 hours. New opportunities for students and volunteers were also created within the areas of Anthropology, Collections Management, Fundraising, Information Technology, Learning, Library and Special Projects.

### **3.54 Whistleblowing arrangements**

The Trust is committed to conducting its business in a responsible way and to ensuring that the public interest is safeguarded. Arrangements for whistleblowing are set out in the staff handbook which is available to all staff. The Trust encourages its employees to raise legitimate concerns in a responsible way where they believe that there has been some form of malpractice and recognises that employees are protected by law from detrimental treatment arising from their making such a disclosure. Concerns should normally be raised in the first instance with line management but if not appropriate or satisfactorily dealt with may be made to the Finance Director, the Chair of the Audit Committee or in extreme cases to the Head of Museums at DCMS.

### **3.55 Personal data**

There was no known or reported loss of personal data during the year.

### **3.56 Fundraising regulation**

During 2018/19 the Trust's fundraising staff undertook activities to raise money from trusts and foundations, businesses and individual supporters. These included writing bids and applications, cash and contactless collections on-site and the delivery of annual regular giving and In-Memoriam schemes. The Trust did not use volunteer or external professional fundraisers. The Trust did use the services of an external research company to help identify new donors and sources of funding whilst ensuring full contractual compliance with data protection regulations. We did not receive any complaints about fundraising activity this year.

The fundraising department has signed up to the Fundraising Regulator's Code of Fundraising Practice and all of our fundraising guidance and working practices have been updated so that they are compliant. We developed a new Fundraising Ethics Policy in this financial year. All direct marketing is undertaken by the fundraising and communications teams to ensure that it is not unreasonably intrusive or persistent. All Trust marketing material contains clear instructions on how a person can be removed from mailing lists.

## **4.0 Financial review**

2018/19 was another challenging year for the Trust due to standstill revenue funding from DCMS (£3.619 million) and from ACE (£946k). The Trust continued to work hard to build its income generation from other sources.

Other grants and donations reduced significantly during the year (from £3,141k to £810k) due to the launch of the World Gallery and completion of the major part of the Anthropology redisplay project and therefore reduced National Lottery Heritage Fund grants and fundraising for this project.

Trading activities continued to perform strongly during the year with an increase in net profit and overall revenues across combined trading streams. The café and venue hire performed particularly well, whilst the shop had a more difficult year, recording a decrease in both revenues and net profit. A new charged-for activity, Plonk Golf, brought in an additional income stream.

Income from charitable activities, which includes admission charges and membership income increased significantly during the year due to the continued popularity of our Butterfly House and the success of our temporary exhibitions: *Colour: The Rainbow Revealed* and *Brick Wonders*. Income from schools sessions continued to increase due to the popularity of our offer.

The Trust has benefitted from the Museums and Galleries Exhibitions Tax Credit which is available on expenditure on new exhibitions from 1 April 2017 and has led to additional income of £10k, from several small scale temporary exhibitions. This is a decrease from £110k in 2017/18 when the costs of the World Gallery were eligible.

As a result of cost and efficiency savings, the increase in self-generated income together with the tax credit, the Trust has been able to add £112k to its general reserves.

In 2018/19 the Trust received capital funding from DCMS of £201k which contributed towards vital capital works.

The revaluation of fixed assets at the end of the year resulted in a net decrease of £967k (£1,471k increase in 2017/18). This largely arose as a result of capitalised museum improvement costs not being fully reflected in the increase in the corresponding value of the building.

### **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 at least the full value of the loan'.

Due to the dependence on 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 short-term deposits and instant access deposit accounts with at least two top-rated institutions in order to spread risk. The aim is to maximise the rate of return whilst maintaining an adequate level of liquidity.

### **Reserves Policy**

The Trustees have considered the scale, complexity and risk profile of the Horniman, and taken account of the funding base which consists of grant-in-aid from DCMS and self-generated income. The former has historically been reasonably foreseeable and is currently subject to a funding agreement for 2016-20. We await the outcome of the Spending Review expected later this year, which will inform Grant-in-aid funding from 2020/21 onwards. Self-generated income is always liable to fluctuation depending on economic circumstances and visitor activity.

The Trustees have designated an additional £100k of reserves (making £1.1million in total) for future Museum development and specifically to develop the 10-year Framework and underwrite fundraising for matching funding for arising from this from 2020 to 2025. This leaves a balance of £991k Free Reserves (General Fund) (up from £979k in 2017/18). The Trustees consider £900k to be a prudent level of Free Reserves in the current economic circumstances taking into account the annual operational expenditure, to deal with short-term fluctuations in income, to provide adequate working capital, to underpin budgetary risks arising from capital expenditure projects, a stand still grant-in-aid settlement over the next year and uncertainties over the level of future funding.

This policy is reviewed on an annual basis by the Trustees as part of the corporate planning and budget process.

There was a negative balance of £7,879k on the Pension Reserve at 31 March 2019 due to the current deficit on the pension scheme under FRS102 (note 26) which increased from £7,513k at 31 March 2018. This worsening from the previous year is largely due to an exceptional provision of £606k in respect of past service costs following a recent decision in the Supreme Court (see note 9). The FRS102 valuation is based on the triennial valuation at 31 March 2016 which showed an improvement in the level of funding of the scheme. As a result, the future service rate decreased to 13.41% (from 14.3%) but the Trust is required to make additional lump sum payments towards the past deficit over a period of 14 years, which has been taken into account in future plans. The next valuation is due as at 31 March 2019 but the results are not expected until towards the end of 2019.

The categories of Reserves can be summarised as follows:

	£'000
Capital projects fund: representing income invested in fixed assets, adjusted for depreciation	5,055
Revaluation reserve: cumulative revaluation surpluses and deficits	9,702
Donated assets reserve: representing fixed assets purchased from grants and donations restricted by virtue of specific conditions or legal restrictions, adjusted for revaluation and depreciation	27,707
Other restricted funds: unspent funds restricted by virtue of specific conditions or legal restrictions	239
Pensions reserve: representing the current FRS17 value of the pension fund deficit	(7,879)
Designated funds for Museum Development	1,000
<b>Free Reserves</b>	
Unrestricted reserves over which there are no restrictions or specific future spending intentions	1,091
	<b>36,915</b>

Full details of these funds and their purpose are given in note 24 of the accounts.

### Prompt Payment Policy

The Trust has adopted the Better Payment Practice Code and accordingly all contracts 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. During the year, 94.4% of invoices not in dispute were paid within 30 days or supplier terms (92.9% in 2017/18).

## 5.0 Plans for future periods

### 5.1 Priorities for 2019/20

Priorities for the coming year are taken from our Corporate Plan 2019-2022, full details of which can be found on our website at [www.horniman.ac.uk](http://www.horniman.ac.uk). Our three principal aims remain Access, Collections and Shaping the Future, and in the coming year these will drive our work alongside preparation and implementation of the initial elements of the 10-year Framework Plan.

### 5.2 Key areas of delivery for 2019/20:

#### Access

- We will increase the number and diversity\* of people who have the opportunity to experience great art and culture at both our site and online through our programming, communications, digital activity and visitor experience – welcoming a minimum of 900,000 visits in 2019/20 rising to 1 million by 2022/23.

- We will deliver a revitalised public programme that integrates exhibitions and displays with an ambitious creative programme of diverse activities inspired by the collections and delivered in partnership – continuing to attract London families in the majority and building our adult audiences through targeted content development and communications.
- We will engage children and young people in high-quality, object-based and hands-on activities that support their learning, enjoyment and engagement with world cultures, music and the natural world – engaging a minimum schools audience of 42,000 in 2019/20.
- We will work with our community partners to increase the depth and quality of our targeted engagement activity with some of the most vulnerable, marginalised or least engaged people locally, prioritising families (under 5 learning), the least advantaged young people, mental health service users, refugees and new arrivals, disabled people, ESOL learners and isolated older adult support groups, and provide accessible routes into volunteering.
- We will collect, evaluate, use and share quantitative and qualitative audience and programme data to respond to visitor needs, improve our products/services and assess our and the wider sector's impact. We will adopt the Arts Council's new Impact and Insight Toolkit and apply it to our programme.

*\* By 2022/23, 22% of general visits will be by black, Asian and minority ethnic (BAME) visitors, 18% will be from less advantaged socio-economic groups (NS-SEC 5-8) and 6% will be by disabled visitors.*

## **Collections**

- We will continue to develop public engagement in our Anthropology collection through the new World Gallery, delivering a broad-ranging and complementary learning and engagement programme funded by HLF and other supporters until 2020.
- We will deliver our Music in the Making project, working with curators, artists, academics, performers, educationalists and makers. This will include an enhanced Hear it Live! programme, curatorial survey and new fieldwork on the South Asian collections, a programme of performances engaging new audiences, and a new programme linking our collections with young musicians in south London.
- We will develop the creative network for excellence in curatorial, artistic and participatory practice, based on the new social arts space The Studio, evaluating the first project, The Lore of the Land, and delivering the second project, working with artist Katie Schwab and the Collective of community partners.
- We will use the Natural World Vision research and engagement strategy to inform the capital development of the Aquarium and Natural History gallery, integrating the Natural History and Living collections to connect people with the natural world and develop their understanding of it. A full concept and associated fundraising programme will be developed through 2019/20.
- We will develop institutional strategies on research and international work, including projects with partners and source communities to deepen our understanding of the collections and reflect their contemporary relevance, delivering and evaluating at least one project a year.

## **Shaping the Future**

- We will develop a full 10-year Framework Plan for the organisation in the course of 2019/20, which will address improvements needed in visitor experience (entrance facilities, Gardens, Natural Worlds), financial resilience (entrance, Gardens), collections (future of the Study Collections Centre) and programming. This will result in a costed and prioritised series of capital projects to be realised over the following decade.
- We will raise self-generated income of circa £2 million across commercial, charitable activity and fundraising streams and continue to prioritise efficiencies in 2019/20.
- We will invest at least £200k per year in our historic buildings, estate, infrastructure and collections to protect and preserve them for future generations.
- We will become a stronger, more representative organisation by recruiting and supporting a more diverse workforce, Board and volunteer base that more closely match national and local diversity statistics as appropriate.

- We will invest in our staff and contribute to the leadership and development of the sector by sharing skills and knowledge, supporting the work of Sector Support Networks and helping deliver the Museums' Partnership Framework and the recommendations in the Strategic Review of DCMS-sponsored museums.

## 6.0 Principal risks and uncertainties

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

**The principal risk** is the outcome of the Government's expected Comprehensive Spending Review in 2019/20, to cover the period from April 2020 onwards, especially post Brexit. The Horniman has been preparing for its participation in this review from summer 2018, setting out long-term plans, a further case for investment, and evidence of increased financial sustainability and value for money. A settlement is expected to be announced in November 2019.

The Horniman has a good relationship with its DCMS funding department and with ACE, and is well networked in the museums and cultural sector. We will continue to flag up any unintended consequences of policy or funding changes relating to our ability to deliver our corporate plan and commitments for 2019/20 and beyond. The CEO and SMT will assess impacts of any changes and escalate significant issues to the Board of Trustees.

The Pension Scheme continues to be an item of continued risk, given the size of the deficit on the Pension Reserve. This is considered to be low risk at present as it is very unlikely that the liability would crystallise in the foreseeable future and as current contributions are affordable and have been built into current plans. The outcome of the latest triennial review is expected in December 2019. The risk will continue to be monitored by the Board on an annual basis.

## Structure, Governance and Management

### 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.

### Form of Accounts

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. 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.

### **Corporate Governance**

The Board of Trustees, which meets quarterly, is responsible for the charity. There are up to 12 Trustees, four of whom, including the Chairman, are nominated by the Secretary of State for DCMS. 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.

There were no changes of Trustees during the year. The Board confirmed the re-appointment of Geoffrey Crossick for a period of three years at the Annual General Meeting in October.

Induction programmes are arranged for all newly appointed Trustees covering the work and governance of the Horniman and their responsibilities as Trustees. In addition, regular briefings on the work of the Horniman and the challenges it faces are scheduled to coincide with quarterly Trustee meetings.

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 Trust's website at [www.horniman.ac.uk](http://www.horniman.ac.uk). Trustees receive no payment but may claim travel and subsistence expenses for attending meetings.

The Board of Trustees has established an Audit Committee to support them in their responsibilities relating to risk control and governance; including the review of the comprehensiveness, reliability and integrity of assurances required by the Board and Accounting Officer. This includes the detailed perusal of the Annual Accounts and consideration of Internal Audit Reports. During the year the following internal audit reviews were accepted: GDPR Health check, Estates Management, Procurement and Project Management as well as the regular annual report of assurance to the Accounting Officer on the systems of internal controls. During the year the Board appointed Roma Dibua as an independent member of the committee.

The Remuneration Committee considered matters relating to the remuneration of the Chief Executive and made recommendations to the Board thereon.

The Chief Executive is appointed by the Board and has delegated authority, within the terms of delegation approved by the Trustees, for operational matters. The Chief Executive is also the appointed Accounting Officer and as such is responsible for the proper use of the grant-in-aid given by DCMS.

The Corporate Governance Code sets out the way in which the Trust directs and controls the Horniman Museum and Gardens.

Horniman Museum Enterprises (HME) Limited is governed by its Board of Directors, which meets quarterly. There are currently three directors, two of whom, including the Chair are appointed by the Board of Trustees. In 2018, we appointed Rod Taylor, Chief Operating Officer at the Royal Armouries as an external Director. The Chair, who is also the Chief Executive of HME, is the Chief Executive of the Trust and has the casting vote. The remaining directors serve a four-year term, after which they may be re-elected for a further four years. The company has taken advantage of the exemption available to small companies not to have an AGM. All profits of the trading subsidiary are gift aided annually to the Trust through a deed of covenant.

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

### Registered Office:

100 London Road  
Forest Hill  
London SE23 3PQ

Company Registration Number: 2456393

Charity Registration Number: 802725

### Directors and Trustees

Eve Salomon, Chair \*  
Hilary Carty  
Caroline Cole \*  
Geoffrey Crossick  
Surojit Ghosh \*

Simon Hesketh  
Nico Iacuzzi \*  
Sarah Kemp  
Clare Matterson  
Carole Souter

\* nominated by the Secretary of State for DCMS and approved by the Board

### Audit Committee

Sarah Kemp, Chair  
Hilary Carty  
Geoffrey Crossick  
Roma Dibua (from March 2019)

### Remuneration Committee

Eve Salomon, Chair  
Hilary Carty  
Clare Matterson

### Chief Executive

Nicholas Merriman (from 1 May 2018)  
Janet Vitmayer CBE (to 30 April 2018)

### Secretary

Paula Thomas

**Bankers:** Clydesdale Bank, 35 Regent Street, London, SW1Y 4ND

**Solicitors:** Currey & Co LLP, 33 Queen Anne Street, London, W1G 9HY

**Internal Auditors:** BDO, 150 Aldersgate Street, London, EC1A 4AB

**External Auditors:** Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD

The Trustees' Report on pages 1-21 has been approved by the Trustees and signed on their behalf:

Eve Salomon  
Chair  
Date: 4 July 2019

Nick Merriman  
Accounting Officer  
Date: 4 July 2019

## Remuneration Report

The remuneration of all staff employed by the Horniman, except the Chief Executive, is reviewed on an annual basis within the terms of an annual pay remit agreed with DCMS which takes account of business needs, pressures and affordability.

The Remuneration Committee is a subcommittee of the Board and is responsible for considering matters relating to the remuneration of the Chief Executive and making recommendations to the Board thereon. Details of membership of the Remuneration Committee are included on page 21 of the Trustees' Report.

The Remuneration Committee 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.

A new Chief Executive was appointed with effect from 1 May 2018. This contract provides for a six-month notice period for termination of contract.

The Chief Executive's performance is assessed on an annual basis against 10 specific objectives agreed with the Board of Trustees and performance related pay is calculated on the basis of the performance achieved. A proportion of this may be consolidated as an increase to basic salary with the agreement of the Board of Trustees and within the terms of the contract.

The Chief Executive is a member of the London Pensions Fund Authority Scheme on the same terms as other employees.

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

	<b>31 March 2019</b>	<b>31 March 2018</b>
Real increase in pension	£1,886	£1,945
Total accrued	£1,886	£37,080
Salary	£100,000-£110,000	£100,000-£110,000
Non-consolidated bonus	£0-£5,000	£15,000-£20,000
Total remuneration	£100,000-£110,000	£125,000-£130,000
Median total remuneration	£24,565	£24,079
Ratio to median remuneration	5	5

As shown in note 12 of the financial statements, the four other members of the senior management team received emoluments in the range £60,000 – £70,000. Their remuneration is determined as part of the annual Pay Settlement to all staff which is negotiated with the GMB union. They are also members of the defined benefit pension scheme on the same terms as other staff.

Eve Salomon  
Chair  
Date: 4 July 2019

Nick Merriman  
Accounting Officer  
Date: 4 July 2019



## **Statement of Trustees' and Accounting Officer's Responsibilities**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and the Accounts Direction issued by the Secretary of State for DCMS, with the approval of the Treasury, and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group for that period. In preparing these financial statements, the Trustees are required to:

- observe the Accounts Direction issued by the Secretary of State, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The DCMS Accounting Officer has designated the Chief Executive of the Horniman Public Museum and Public Park Trust as the Accounting Officer. The relevant duties including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Audit information**

In so far as the Trustees and Accounting Officer are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Eve Salomon  
Chair  
Date: 4 July 2019

Nick Merriman  
Accounting Officer  
Date: 4 July 2019

## Governance Statement

### Scope of responsibility

As Accounting Officer and Trustees of the Horniman Museum and Gardens, we have responsibility for putting in place and maintaining proper arrangements for the governance of the Horniman's affairs together with 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 Managing Public Money and ensuring compliance with the requirements of the Management Statement and Financial Memorandum.

### The purpose of the governance framework

The governance framework comprises the systems and processes by which the Horniman is directed and controlled. It enables the Board to monitor achievement of its strategic objectives. The system of internal control is a significant part of that framework and 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 governance framework has been in place throughout the year ended 31 March 2019.

### The governance framework

The Corporate Governance Code is approved by the Board and outlines the way in which the Trust directs and controls the Museum and Gardens. The Trustees' Code of Practice outlines Trustee responsibilities.

The key elements of the systems and processes that comprise the Horniman's governance arrangements are as follows:

- A Board of Trustees, which meets quarterly to focus on the strategy, policy and direction of the Trust. This includes agreeing a four-year corporate plan which is updated annually, setting key performance indicators and reviewing the major risks
- An Audit Committee, which meets three times a year to support the Board in their responsibilities relating to risk control and governance, including detailed perusal of the Annual Accounts and consideration of Internal Audit Reports
- A Remuneration Committee, which makes recommendations to the Board on matters relating to the Chief Executive and other senior management remuneration and remuneration policy as required
- The Chief Executive, who has responsibility to the Board for the overall organisation, management and staffing of the Trust and for its procedures in financial and other matters. The Chief Executive is also designated "the Accounting Officer" by DCMS. 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 supports the Chief Executive and is also responsible for the management of respective areas of responsibility within the Trust and thus for the delivery of programmes and policies in those areas. The Senior Management Team maintains a key risk list which is considered and updated at least quarterly and key changes reported to the Board. The Senior Management Team normally meets weekly
- The line management structure flows through to the Heads of Department, who are responsible for budgets and staff in their areas of work as well as for delivering their agreed outputs

- A business risk management framework through which Heads of Department and project managers are also responsible for managing risks and maintaining key risk lists for their areas of responsibility, which are updated at least quarterly, reviewed by the Senior Management Team. Periodic risk awareness training is given to senior managers and departmental managers
- A system of delegation and accountability, which includes comprehensive systems for budgeting and control of expenditure and income which flow from the corporate plan which is agreed by the Senior Management Team, and reviewed and approved by Trustees
- A Health and Safety Committee which meets quarterly to consult with employees, review health and safety practices and procedures, and address health and safety concerns
- Policies and procedures for protecting the Horniman including an anti-fraud policy, anti-bribery policy and whistle blowing policy
- Monthly reviews by the Senior Management Team and quarterly reviews by Trustees of financial reports which indicate financial performance against budgets
- An Internal Audit function whose 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. The Horniman uses an externally provided internal audit service, which operates to standards defined in the Public Sector Internal Audit Standards. 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 drawn up in consultation with the Audit Committee and approved by the Board.

In addition risks, including information risks, have been assessed under the Government's security policy framework, and proportionate controls have been put in place given our view of the assessed risks.

### **Review of effectiveness**

As Accounting Officer and Trustees, we are responsible for reviewing the effectiveness of the Horniman's governance framework, including the Corporate Governance Code and system of internal control.

The Board periodically reviews its effectiveness and monitors Board attendance which was 70% for the year ended 31 March 2019.

The Audit Committee is responsible for reviewing the effectiveness of both internal and external audits. Both contracts are put out to tender every five years. The external audit contract was re-tendered in 2015/16 and Kingston Smith were reappointed. The internal audit contract was reviewed in December 2017 and BDO (formerly Moore Stephens) were reappointed to carry out the work. The Committee also carries out an annual review of its own effectiveness and reports annually to the Board.

Our review of the effectiveness of audits is also informed by the work of the internal auditors, the Senior Management Team and departmental managers, who have responsibility for the development and maintenance of internal control systems, as well as comments made by the external auditors in their management letter and other reports. During the year internal audit reviewed the following areas: GDPR Health check, Estates Management, Procurement and Project Management. Recommendations made by the auditors to strengthen internal controls in the 2018/19 year have been implemented or are in the process of being implemented by management

Annual statements are provided by departmental 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.

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 2018/19 was as follows: **'There is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved'**.

We have processes in place to address any weaknesses identified through the review of our effectiveness and to ensure continuous improvement of the governance framework.

All of the information indicates that the governance framework has operated satisfactorily during the financial year. No control issues have been identified as serious.

Eve Salomon  
Chair  
Date: 4 July 2019

Nick Merriman  
Accounting Officer  
Date: 4 July 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST LIMITED**

### **Opinion**

We have audited the financial statements of The Horniman Public Museum and Public Park Trust for the year ended 31 March 2019 which comprise the Group Statement of Financial Activities (incorporating the Group Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

### **Use of our report**

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

Date: 29 July 2019

### **James Cross (Senior Statutory Auditor)**

for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**      **Year ended 31 March 2019**  
**Incorporating an income and expenditure account**

	note	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	Unrestricted Funds	Restricted Funds	Total Funds
<b>INCOME AND EXPENDITURE</b>		<b>2019</b>	<b>2019</b>	<b>2019</b>	2018	2018	2018
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	£'000	£'000	£'000
<b>Income from</b>							
Donations and legacies							
<i>Grant in Aid</i>	2	<b>3,870</b>	-	<b>3,870</b>	4,320		4,320
<i>NPO grant</i>	3	<b>946</b>	-	<b>946</b>	-	946	946
<i>Other grants and donations</i>	4	<b>199</b>	<b>611</b>	<b>810</b>	157	2,984	3,141
Total Donations and legacies		<b>5,015</b>	<b>611</b>	<b>5,626</b>	4,477	3,930	8,407
Other trading activities	5	<b>670</b>	-	<b>670</b>	643	-	643
Income from investments		<b>12</b>	<b>2</b>	<b>14</b>	7	1	8
Income from charitable activities	6	<b>1,167</b>	<b>13</b>	<b>1,180</b>	1,121	8	1,129
<b>Total income</b>		<b>6,864</b>	<b>626</b>	<b>7,490</b>	6,248	3,939	10,187
<b>Expenditure on</b>							
Raising funds	7	<b>903</b>	<b>35</b>	<b>938</b>	694	108	802
Charitable activities	8	<b>6,403</b>	<b>765</b>	<b>7,168</b>	5,511	1,580	7,091
Exceptional past service cost	9, 26	<b>606</b>	-	<b>606</b>	-	-	-
<b>Total expenditure</b>		<b>7,912</b>	<b>800</b>	<b>8,712</b>	<b>6,205</b>	<b>1,688</b>	<b>7,893</b>
<b>Net (expenditure)/income</b>		<b>(1,048)</b>	<b>(174)</b>	<b>(1,222)</b>	43	2,251	2,294
Taxation credit	10	<b>12</b>	-	<b>12</b>	110	-	110
<b>Net (expenditure)/income after taxation</b>		<b>(1,036)</b>	<b>(174)</b>	<b>(1,210)</b>	153	2,251	2,404
Net (losses)/gains on revaluation of fixed assets	18	<b>12</b>	<b>(979)</b>	<b>(967)</b>	1,049	422	1,471
Actuarial gains on defined benefit pension scheme		<b>780</b>	-	<b>780</b>	1,254	-	1,254
<b>Net movement in funds</b>		<b>(244)</b>	<b>(1,153)</b>	<b>(1,397)</b>	2,456	2,673	5,129
Fund balances brought forward		<b>9,213</b>	<b>29,099</b>	<b>38,312</b>	6,757	26,426	33,183
<b>Fund balances carried forward</b>	24	<b>8,969</b>	<b>27,946</b>	<b>36,915</b>	9,213	29,099	38,312

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 information presented within the Statement of Financial Activities is equivalent to that which would have to be disclosed in an Income and Expenditure Account and accordingly a separate Income and Expenditure Account is not presented, as permitted by section 394 Companies Act 2006. No separate Statement of Financial Activities has been presented for the parent charity as permitted by section 408 Companies Act 2006. The amount of the net expenditure dealt with in the financial statements of the parent charity is £1,210k (2018: net income £2,404k).

The notes on pages 33 to 45 form part of these financial statements.



**BALANCE SHEETS****At 31 March 2019****Company Registration Number: 2456393**

	note	Group 2019 £'000	Museum 2019 £'000	Group 2018 £'000	Museum 2018 £'000
<b>FIXED ASSETS</b>					
Heritage assets	17	419	419	416	416
Other tangible fixed assets	18	42,044	42,044	43,065	43,065
Investment in subsidiary	14	-	-	-	-
		<u>42,463</u>	<u>42,463</u>	<u>43,481</u>	<u>43,481</u>
<b>CURRENT ASSETS</b>					
Stocks		50	-	46	-
Debtors	19	479	569	760	827
Current asset investments (Notice deposits)		521	521	318	318
Cash	20	2,077	1,992	2,038	1,965
		<u>3,127</u>	<u>3,082</u>	<u>3,162</u>	<u>3,110</u>
<b>CREDITORS: amounts falling due within one year</b>	21	<u>796</u>	<u>756</u>	<u>818</u>	<u>771</u>
<b>NET CURRENT ASSETS</b>		<u>2,331</u>	<u>2,326</u>	<u>2,344</u>	<u>2,339</u>
<b>NET ASSETS excluding pension liability</b>		<u>44,794</u>	<u>44,789</u>	<u>45,825</u>	<u>45,820</u>
Pension liability	26	<u>7,879</u>	<u>7,879</u>	<u>7,513</u>	<u>7,513</u>
<b>NET ASSETS including pension liability</b>		<u><u>36,915</u></u>	<u><u>36,910</u></u>	<u><u>38,312</u></u>	<u><u>38,307</u></u>
<b>REPRESENTED BY:</b>					
Restricted income funds	24	27,946	27,946	29,099	29,099
Unrestricted funds	24	7,146	7,141	7,036	7,031
Revaluation reserve	24	9,702	9,702	9,690	9,690
Pension reserve	26	(7,879)	(7,879)	(7,513)	(7,513)
<b>Total funds</b>		<u><u>36,915</u></u>	<u><u>36,910</u></u>	<u><u>38,312</u></u>	<u><u>38,307</u></u>

These financial statements were approved and authorised for issue by the Trustees on 4 July 2019

Signed on behalf of the Trustees

Eve Salomon  
Chair

Nick Merriman  
Accounting Officer

Sarah Kemp  
Audit Committee Chair

The notes on pages 33 to 45 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT****Year ended 31 March 2019**

	<b>Note</b>	<b>Group 2019 £'000</b>	<b>Museum 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Museum 2018 £'000</b>
<b>Cash flow from operating activities:</b>					
Net cash provided by operating activities	25	<b>701</b>	<b>689</b>	3,719	3,798
<b>Cash flow from investing activities:</b>					
Interest from investments		<b>14</b>	<b>14</b>	8	8
Purchase of property, plant and equipment		<b>(676)</b>	<b>(676)</b>	(3,367)	(3,367)
<b>Net cash used in investing activities</b>		<b>(662)</b>	<b>(662)</b>	(3,359)	(3,359)
<b>Increase in cash and cash equivalents in the year</b>		<b>39</b>	<b>27</b>	360	439
Cash and cash equivalents at the beginning of the year	25	<b>2,038</b>	<b>1,965</b>	1,678	1,526
<b>Cash and cash equivalents at the end of the year</b>	25	<b>2,077</b>	<b>1,992</b>	2,038	1,965

The notes on pages 33 to 45 form part of these financial statements.

## 1. Accounting policies

### a) Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable group is a public benefit group for the purposes of FRS 102 and therefore the Charity group has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the group's forecasts and projections and have taken account of pressures on fundraising income. After making enquiries the Trustees have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

### 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 account and restricted funds administered by the Museum. The accounts also consolidate the results of the wholly-owned subsidiary, Horniman Museum Enterprises Limited (HME). The results of HME are consolidated on a line by line basis.

### c) Income

All income is accounted for on a receivable basis. Grant-in-Aid from the Department for Digital, Culture, Media & Sport 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.

Expenditure on raising funds includes the direct costs and support costs of all activities included in generating income.

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

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 governance costs and the staffing and associated costs of human resources, finance, premises management, IT 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 8.

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) Critical accounting estimates and areas of judgement

The Trust has an obligation to pay pension benefits to its employees, the cost of which and the present value of the obligation depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet based on the advice of the scheme's actuary. The principal assumptions reflect historical experience and current trends and are disclosed in Note 26 of these financial statements

In the view of the Trustees in applying the accounting policies adopted, no other judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

*g) Heritage assets*

Heritage assets acquired since April 2001 are reported in the balance sheet at cost or, in the case of donated assets, an internally generated valuation.

For the Collections that existed at March 2001 the Trust has demonstrated that reliable cost or valuation information cannot be obtained at a cost commensurate with the benefits to users of the financial statements and so the Trust has adopted a non-recognition approach as permitted by Financial Reporting Standard 102. Although insurance valuations are available for some items which have been loaned, these are not reliable for the purposes of recognition in the accounts as the valuations have been specifically obtained for the loan purposes, taking into account of specific circumstances.

An overview of the scope of the Horniman's Collections is set out at Note 17.

Heritage assets which are stated at cost are not subject to depreciation. Heritage assets stated at valuation are adjusted each year for the change in RPI. Impairments in the carrying value of heritage assets are recognised if they have suffered physical deterioration or if new doubts arise as to their identity, authenticity or provenance. Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the Statement of Financial Activities when it is incurred.

*h) 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 artefacts 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 2018 and updated at 31 March 2019, 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 loss on the revaluation of all the land and buildings has been taken directly to the Revaluation Reserve. The valuations and the treatment of the resulting losses are in accordance with FRS102. 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 is £10,000 for heritage assets and £5,000 for all other assets (£2,000 before 1 April 2010).

Other tangible fixed assets are stated at modified historical cost as permitted under FRS 102. The resulting gains and losses have been taken directly to the Revaluation Reserve, in accordance with FRS 102.

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

*i) 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 FRS102.

*j) Other financial instruments*

*i) Cash and cash equivalents:* Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

*ii) Debtors and creditors:* Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

*k) Pension costs and any pension asset or liability*

The Horniman is a member of the London Pension Funds Authority superannuation scheme which provides benefits based on final pensionable pay. 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 FRS102.

*l) Stock*

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

*m) Taxation*

As a charity the Horniman is exempt from corporation tax under Sections 466-493 Corporation Taxes Act 2010.

*n) Leases*

The Horniman has no finance leases. Costs in relation to operating leases are charged to the Statement of Financial Activities over the life of the lease. Forward liabilities are disclosed in note 15.

**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 results against the key performance indicators for 2018/19 are set out in Appendix I.

**3. National Portfolio Organisation Grant**

The Trust has been allocated NPO status by ACE and secured funding for the period 2018-22.

**4. Other grants and donations**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
HLF Project grants	-	425	425	-	2,130	2,130
Donations in kind	66	-	66	90	-	90
Other grants and donations	133	186	319	67	854	921
	<b>199</b>	<b>611</b>	<b>810</b>	<b>157</b>	<b>2,984</b>	<b>3,141</b>

**5. Other trading activities**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<i>Unrestricted income</i>		
Contribution from Trading subsidiary		
Venue hire	139	126
Shop revenue	275	280
Café revenue	172	159
Other trading activities	58	-
Miscellaneous income	26	78
	<b>670</b>	<b>643</b>

**6. Income from charitable activities**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<i>Unrestricted income</i>		
Admissions and membership income	1,014	978
Schools sessions income	75	67
Events and family activities	44	53
Miscellaneous income	34	23
	<b>1,167</b>	<b>1,121</b>
<i>Restricted income</i>		
Specific grants, donations and income	13	8
	<b>1,180</b>	<b>1,129</b>

**7. Expenditure on Raising funds 2019**

	<b>Direct</b>	<b>Support</b>	<b>Total</b>
	<b>Costs</b>	<b>Costs</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Costs of generating voluntary income	285	47	332
Costs of other activities for generating funds	106	149	255
<b>Charity total</b>	<b>391</b>	<b>196</b>	<b>587</b>
Trading subsidiary costs	351	-	351
<b>Group total</b>	<b>742</b>	<b>196</b>	<b>938</b>

	Direct Costs £'000	Support Costs £'000	Total 2018 £'000
<b>Expenditure on Raising funds 2018</b>			
Costs of generating voluntary income	254	44	298
Costs of other activities for generating funds	90	116	206
<b>Charity total</b>	344	160	504
Trading subsidiary costs	298	-	298
<b>Group total</b>	642	160	802

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

#### 8. Charitable Activities 2019

	Direct Costs £'000	Support Costs £'000	Total 2019 £'000
<i>Access</i>			
Providing public access	2,361	1,004	3,365
Learning, public programmes and activities	1,120	311	1,431
	3,481	1,315	4,796
<i>Collections</i>			
Object purchase and donation	28	-	28
Collections development, care and management	1,115	715	1,830
	1,143	715	1,858
<i>Shaping the future</i>			
Business development	62	15	77
Development project revenue costs	315	35	350
Volunteering and sector support	71	16	87
	448	66	514
	5,072	2,096	7,168

#### Charitable Activities 2018

	Direct Costs £'000	Support Costs £'000	Total 2018 £'000
<i>Access</i>			
Providing public access	2,170	956	3,126
Learning, public programmes and activities	1,121	327	1,448
	3,291	1,283	4,574
<i>Collections</i>			
Object purchase and donation	17	-	17
Collections development, care and management	1,146	679	1,825
	1,163	679	1,842
<i>Shaping the future</i>			
Business development	55	9	64
Development project revenue costs	438	67	505
Volunteering and sector support	93	13	106
	586	89	675
	5,040	2,051	7,091

#### Support cost allocation 2019

Support cost	Income generation £'000	Shaping the future £'000	Access £'000	Collections £'000	Total £'000	Basis of allocation
Finance & admin.	34	20	157	52	263	% spend
Human Resources	21	12	92	37	162	head count
IT	26	25	116	73	240	work stations
Facilities mgt	102	1	890	533	1,526	floor area
Governance	13	8	60	20	101	% spend
Total	196	66	1,315	715	2,292	

**Support cost allocation 2018**

Support cost	Income generation £'000	Shaping the future £'000	Access £'000	Collections £'000	Total £'000	Basis of allocation
Finance & admin.	32	29	164	58	283	% spend
Human Resources	7	25	89	32	153	head count
IT	14	24	139	69	246	work stations
Facilities mgt	96	1	833	500	1,430	floor area
Governance	11	10	58	20	99	% spend
Total	160	89	1,283	679	2,211	

Remuneration paid to the auditors in 2019 amounted to £17k (2018 £16k).

**9. Exceptional past service cost**

As a result of a recent Supreme Court decision, additional provision is now required in respect of the past service costs of certain members of the local Government pension Scheme of which the Horniman is an employer member. This has resulted in an estimated increase in the scheme liabilities of £606k and has therefore been included in the information provided in note 26.

**10. Taxation**

The Horniman Public Museum and Public Park Trust is a registered charity and is therefore exempt from tax on income and gains falling within part 11 of the Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992, the extent that these applied to its charitable objectives. No tax charges have arisen in the charity in either 2019 or 2018.

The subsidiary Horniman Museum Enterprises Limited has no taxable profits in 2019 or 2018.

The Horniman Public Museum and Public Park Trust was eligible to claim Museum Exhibition Tax relief in respect of 2019. The financial statements include £12k in income and other debtors.

**11. Staff costs**

	2019 £'000	2018 £'000
Wages and salaries	3,858	3,790
Social security costs	330	313
Other pension costs	432	1,000
	<u>4,620</u>	<u>5,103</u>
Contingent labour costs	198	225
	<u>4,818</u>	<u>5,328</u>

Staff costs include statutory redundancy costs of £nil relating to nil employees (2018- nil). No other exit packages were agreed during the year. No employees received any benefit in kind.

Employment contracts of all staff may be terminated by either party giving the appropriate length of notice as specified in the contract and there are no termination payments allowed.

No consultancy staff were used during the year and therefore no tax assurances were required.

**12. Remuneration of key management personnel**

Key management personnel includes the Trustees, the CEO and those reporting to the CEO as follows:

- Director, Collections Care and Estates
- Director, Curatorial and Public Engagement
- Director, Communications and Income Generation
- Finance Director

Total remuneration paid to these individuals amounted to £492k (2018: £486k)

The salary and pension entitlements of the Chief Executive are set out in the report of the Remuneration Committee on page 22. This falls into the bracket £100-110k. In addition the 4 other members of key management personnel listed received emoluments in the range £60,000- £70,000 (2018 - 4). No other members of staff received emoluments above £60k. These employees are members of the defined benefit pension scheme on the same terms as other staff.

**13. Staff Numbers**

The average actual number of employees during the year, including 3 temporary project contracts, was 144 (2018-140). The number of full time equivalent employees at 31 March 2019 was 117 (2018-124.7) analysed into the following categories:

	<b>2019</b>	<b>2018</b>
Exhibitions	5.0	6.4
Collection Management and Care	9.7	16.5
Aquarium and Animal Walk	9.0	8.0
Learning	13.6	14.1
Curatorial	8.9	7.2
Visitor services	11.8	11.2
Gardens	8.0	6.0
Facilities	17.9	18.3
Finance, IT, HR and Administration	9.2	10.2
Communications and Income Generation	18.9	21.8
Management	5.0	5
	<u>117.0</u>	<u>124.7</u>
Less: project contracts	1.6	14.0
	<u><u>115.4</u></u>	<u><u>110.7</u></u>

**14. Trading Subsidiary***a) Investment in trading subsidiary*

The Trust owns 100% of the issued share capital of Horniman Museum Enterprises Limited (company registration number: 5210248). The aggregate of assets, liabilities and funds of Horniman Museum Enterprises Limited at 31 March 2019 were £5k (2018 - £5k).

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<i>b) Results of trading subsidiary</i>		
Turnover	644	565
Cost of sales	(171)	(147)
Gross profit	<u>473</u>	<u>418</u>
Operating and administrative expenses	(195)	(165)
Operating profit	<u>278</u>	<u>253</u>
Gift aid to the Trust	(278)	(253)
Surplus retained in company	<u><u>-</u></u>	<u><u>-</u></u>

**15. Operating leases**

The group has entered into an operating lease for the use of equipment in its operation. The minimum payments due under these contracts within each of the following periods are:

Not later than one year	5	4
Later than one year but not later than five years	13	12
	<u>18</u>	<u>16</u>

**16. Capital Commitments**

Capital commitments at 31 March 2019 amounted to £41k (2018 - £220k).



**17. Heritage Assets****17.1 On-Balance-Sheet Heritage Assets**

	Acquisitions at historic cost	Assets at valuation	Total
	£000	£000	£ 000
At 01.04.2018	310	106	416
Additions	-	-	-
Revaluation	-	3	3
At 31.03.2019	310	109	419

No capitalised collection objects were disposed of during the year.

**17.2 Three year financial summary of heritage asset transactions**

	2018-2019		2017-2018		2016-2017	
	£'000	No. of items	£'000	No. of items	£'000	No of items
<b>Additions:</b>						
Purchases	-	-	-	-	92	3
Donations	-	-	-	-	-	-
Total additions	-	-	-	-	92	3

Only purchases which cost £10,000 or more are capitalised (£2,000 prior to 1 April 2010).

Only those donations where the attributed value was £10,000 or more are capitalised (£2,000 prior to 1 April 2010).

All valuations are carried out by Museum curatorial staff. In the Trustees' view obtaining a current valuation would involve disproportionate cost.

**17.3 Acquisitions and disposals policy**

Acquisitions are made in accordance with the Collecting Policies agreed for each Museum by the Board of Trustees and may be by purchase or donation.

The Museum occasionally disposes of objects from the collection where the Trustees determine this does not detract from the integrity of the collection. There is a strong presumption against the disposal of any accessioned items in the Museum's collection except for sound curatorial and/or collections management reasons.

Further details of policies can be found on our website at [www.horniman.ac.uk/about/museum-policies](http://www.horniman.ac.uk/about/museum-policies).

**17.4 Collections management**

Two of the Horniman's three long term objectives relates to the collections:

"We will use the collections and Gardens 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 – both face to face and on-line". "We will safeguard and develop the collections so that they can be made as accessible as possible now and in the future."

These objectives are delivered through programmes of displays, events, publications, websites, fieldwork, research, acquisition, documentation and collections care. Objects from the collection are either displayed in the Museum and on our website, or made available via loans to third parties, or else they are held at our Study Collections Centre for research and future use.

**Storage and Care**

The collection is displayed and stored according to Horniman standards for the prevention of material deterioration; these are based on international standards and current research.

Library and archive storage facilities and exhibitions are based upon and informed by the requirements of BS 5454 and The National Archives Standard for Record Repositories.

Collections management and care are regularly reviewed by the Horniman to ensure adherence to these standards.

The Horniman will:

- keep all objects in conditions in which they do not deteriorate;
- undertake conservation so that objects may be made accessible to audiences;
- manage hazards in the collection with clear and effective systems to ensure public, staff and object safety

**Documentation**

Objects in the collection are documented in accordance with Arts Council England requirements and SPECTRUM.

The Horniman will:

- have secure title to all objects in the collection;
- hold basic data on every object so that it can be uniquely identified and the collection audited regularly;
- ensure records relating to objects in the collection are enhanced and made available to audiences where appropriate.

### 17.5 An overview of the Collections

The definition of numbers in a collection is fairly arbitrary as single items accessioned may comprise a wide range of artefacts, components or supporting papers. However, this list reflects how they are accessioned in museum records.

Category	Estimated number of items as at 31/03/19	Number capitalised at cost as at 31/03/19	Number capitalised at valuation as at 31/03/19
Musical Instruments	8,000	15	3
Anthropology	80,000	18	95
Natural History	250,000	0	0
Education Handling Collection	3,000	0	0
TOTAL	341,000	33	98

The Horniman Museum was founded by Frederick John Horniman, son of the wealthy tea merchant, John Horniman. Born in 1835, Frederick was an avid collector from childhood. He is thought to have started collecting seriously in about 1860. The Museum's collections are organised within three disciplines, Anthropology, Natural History and Musical Instruments, each of which is derived from a key element of Frederick Horniman's original collection. These collections, well-curated and developed over the past 100 years, have enabled the Horniman to become one of the few museums in the country capable of illustrating the breadth of the World's natural and cultural diversity.

The Horniman Museum possesses one of the most significant ethnographic collections in the United Kingdom, after the British Museum, the Pitt-Rivers Museum, Oxford and the Museum of Archaeology and Anthropology, Cambridge. The collection provides a path into the understanding of the everyday and ceremonial life of people from all over the world, including ourselves. The quality, diversity and beauty of the objects in the collection are a testament to the technical, aesthetic and practical skills of people throughout the world.

Music making around the world is represented by the Horniman's collection of musical instruments, one of the most comprehensive in the UK. The oldest instrument is a pair of bone clappers in the form of human hands made in Egypt around 1,500 BC. Electric guitars and synthesizers dating from the 1990s are among the most recent acquisitions. The Museum aims to acquire sound and video recordings with the documentation for each new instrument. Recent collections include instruments commissioned from makers associated with traditional music in India and instruments and archives from the Boosey & Hawkes factory. The Museum also holds other significant archives associated with the Carse collection of wind instruments and the Wayne collection of concertinas.

The Natural History collection is varied and contains a range of biological and geological material and its associated data. This includes taxidermy mounts, study skins, articulated skeletons and bones, dried pressed plants, mollusc shells, birds' eggs, pinned insects, freeze dried specimens, histological slides, models, fluid preserved material, fossils, minerals and rocks. Some parts of the collection contain related field notebooks, photographs and other archival information.

### 17.6 Non inclusion of Heritage Assets in the Balance Sheet

In the opinion of the Trustees, reliable information on cost or value is not available for the Museum's collections acquired prior to April 2001. This is owing to the lack of reliable information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held.

In the Trustees' opinion, conventional valuation approaches lack sufficiently reliability and any valuation is likely to incur significant cost and a time commitment that is likely to be onerous. Even if valuations could be obtained the cost would not be commensurate with any benefits to the Museum management, curatorial staff, the public, or users of the financial statements.

For this reason the Collections assembled up to the end of the twentieth century, large proportions of which were gifted to the Museum at nil cost, and are incomparable in nature, are not recognised as assets in the Museum's Balance Sheet except where cost or valuation is already available.

18. Tangible fixed assets	Computers		Exhibitions	Freehold Land & Buildings	Assets in the course of construction	Total
	Heritage Assets	Equipment & Fixtures				
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Cost or valuation</i>						
At 1 April 2018	416	4,478	5,208	36,861	3,718	50,681
Additions	-	189	-	71	416	676
Disposals/transfers	-	(177)	2,202	1,805	(4,007)	(177)
Revaluation	3	99	154	(1,282)	-	(1,026)
At 31 March 2019	419	4,589	7,564	37,455	127	50,154
<i>Depreciation</i>						
At 1 April 2018	-	3,210	3,990	-	-	7,200
Provided in year	-	247	249	231	-	727
Disposals	-	(177)	-	-	-	(177)
Revaluation	-	70	102	(231)	-	(59)
At 31 March 2019	-	3,350	4,341	-	-	7,691
<i>Net book value</i>						
At 31 March 2019	419	1,239	3,223	37,455	127	42,463
At 31 March 2018	416	1,268	1,218	36,861	3,718	43,481

The comparable amounts of tangible fixed assets determined according to the historical cost convention are:

Cost	396	3,454	5,772	19,652	49	29,323
Accumulated depreciation	-	(2,439)	(2,794)	(1,732)	-	(6,965)
NBV at 31 March 2019	396	1,015	2,978	17,920	49	22,358
NBV at 31 March 2018	396	1,010	968	16,164	3,696	22,234

Note: All the fixed assets are used for charitable purposes. A revaluation of all the Horniman's freehold land and buildings was carried out at 31 March 2018 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 Surveyor. This valuation was updated at 31 March 2019. Other tangible fixed assets are stated at modified historical cost using appropriate indices.

	Group 2019	Museum 2019	Group 2018	Museum 2018
	£'000	£'000	£'000	£'000
19. Debtors				
Trade and sundry debtors	290	249	414	375
Intercompany debtor	-	131	-	106
Current tax recoverable	29	29	110	110
VAT debtor	4	4	89	89
Prepayments	156	156	147	147
	479	569	760	827

With the exception of Prepayments all Debtors are financial instruments measured at present value. As at 31 March 2019 the Group had no intra-Government balances above £1 million.

## 20. Cash

### Short term deposits

Clydesdale Bank - Term Deposits	213	213	210	210
COIF Deposit Fund - Dolmetsch Fund	28	28	28	28
COIF Deposit Fund - Development Fund	103	103	103	103
Band of Scotland Corporate Bonus Account	98	98	98	98
	442	442	439	439
Cash at bank and in hand	1,635	1,550	1,599	1,526
	2,077	1,992	2,038	1,965

	<b>Group 2019 £'000</b>	<b>Museum 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Museum 2018 £'000</b>
<b>21. Creditors: amounts falling due within one year</b>				
Trade & sundry creditors	525	485	603	559
Taxation and social security	82	82	85	85
Accruals	189	189	130	127
	<u>796</u>	<u>756</u>	<u>818</u>	<u>771</u>

Within trade and sundry creditors there is an amount owing for pension scheme liabilities of £52k (2018 - £44k).

Trade and sundry creditors also includes deferred income as follows:

Deferred income brought forward	191	151	149	113
Released to income in year	-191	-151	-149	-113
Deferred income in year	218	191	191	151
Deferred income carried forward	<u>218</u>	<u>191</u>	<u>191</u>	<u>151</u>

Deferred income carried forward is principally in respect of annual membership income which has been apportioned across the year to match benefits and deposits received for venue hire.

With the exception of Accruals all Creditors are financial instruments measured at present value.

No balances fall due after more than one year.

As at 31 March 2019 the Group had no intra-Government balances above £1 million.

## 22. Contingent Liabilities

There were no contingent liabilities at 31 March 2019.

## 23. Analysis of group net assets between funds

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2019 £'000</b>
<b>Fund balances at 31 March 2019 are represented by:</b>			
Fixed assets	14,756	27,707	42,463
Current assets	2,888	239	3,127
Current liabilities	(796)	-	(796)
Pension liability	(7,879)	-	(7,879)
<b>Total net assets</b>	<u>8,969</u>	<u>27,946</u>	<u>36,915</u>

## 24. Statement of Funds 2019

	<b>1 April 2018 £'000</b>	<b>Income &amp; transfers £'000</b>	<b>Revaluation surplus/ (deficit) £'000</b>	<b>Expenditure £'000</b>	<b>31 March 2019 £'000</b>
<b>Restricted income funds</b>					
Dolmetsch fund	24	-	-	-	24
Apostle Clock	19	-	-	-	19
Gardens Development	72	(37)	-	(19)	16
CPS project	158	168	-	(238)	88
Other grants and donations	92	158	-	(158)	92
Total donated assets reserve	<u>28,734</u>	<u>337</u>	<u>(979)</u>	<u>(385)</u>	<u>27,707</u>
<b>Total restricted funds</b>	<u>29,099</u>	<u>626</u>	<u>(979)</u>	<u>(800)</u>	<u>27,946</u>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Capital projects fund	5,057	340	-	(342)	5,055
Development fund	1,000	100	-	-	1,100
	<u>6,057</u>	<u>440</u>	<u>-</u>	<u>(342)</u>	<u>6,155</u>
<i>General funds:</i>					
Income and expenditure	979	6,436	-	(6,424)	991
<i>Unrestricted funds excluding pension reserve</i>	<u>7,036</u>	<u>6,876</u>	<u>-</u>	<u>(6,766)</u>	<u>7,146</u>
<b>Revaluation reserve</b>	9,690	-	12	-	9,702
<b>Pension reserve</b>	(7,513)	-	780	(1,146)	(7,879)
<b>Total funds</b>	<u><del>36,212</del></u>	<u>7,502</u>	<u>(187)</u>	<u>(8,712)</u>	<u>36,915</u>

Statement of Funds 2018	1 April 2017	Income & transfers	Revaluation surplus/ (deficit)	Expenditure	31 March 2018
	£'000	£'000	£'000	£'000	£'000
<b>Restricted income funds</b>					
Dolmetsch fund	26	3	-	(5)	24
Apostle Clock	20	-	-	(1)	19
Gardens Development	98	2	-	(28)	72
Arts Council England	-	907	-	(907)	-
CPS project	312	203	-	(357)	158
Other grants and donations	25	159	-	(92)	92
Total donated assets reserve	25,945	2,665	422	(298)	28,734
<b>Total restricted funds</b>	<b>26,426</b>	<b>3,939</b>	<b>422</b>	<b>(1,688)</b>	<b>29,099</b>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Capital projects fund	4,703	701	-	(347)	5,057
Development fund	600	400	-	-	1,000
	5,303	1,101	-	(347)	6,057
<i>General funds:</i>					
Income and expenditure	979	5,257	-	(5,257)	979
<i>Unrestricted funds excluding pension reserve</i>	6,282	6,358	-	(5,604)	7,036
<b>Revaluation reserve</b>	8,641	-	-	1,049	9,690
<b>Pension reserve</b>	(8,166)	-	1,254	(601)	(7,513)
<b>Total funds</b>	<b>33,183</b>	<b>10,297</b>	<b>1,676</b>	<b>(6,844)</b>	<b>38,312</b>

The capital projects fund represents income which the Trustees have designated for and have invested in fixed assets. 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. Neither of these funds are available for spending.

The Trustees have confirmed the continued designation of £1,000k for future development of the Museum. This will be used to develop and underwrite our fundraising for matching funding for Framework projects over the next five years.

On 31 March 2016 the Trust was awarded a grant of £3.3m by the HLF for the CPS project, which includes both capital development and activity costs. £402k of this was receivable and expended during the current year.

In April 2016 a further grant of £272k was secured from the HLF for the purchase of three historic keyboard instruments and related programme costs. £23k of this was receivable and expended during the year.

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

The Apostle Clock fund represents donations made by the public for the ongoing maintenance of the clock.

Other restricted grants and donations are monies or gifts-in-kind donated by third parties for the specific purposes described. Balances are outstanding at 31 March 2019 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.

**25. Reconciliation of net income/ (expenditure ) to net cash flow from operating activities**

	<b>Group</b>	<b>Museum</b>	<b>Group</b>	<b>Museum</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>a) Net (expenditure)/income for the reporting period</b>				
<i>(as per the statement of financial activities)</i>	(1,222)	(1,222)	2,294	2,294
<b>Adjustment for :</b>				
Depreciation charges	727	727	645	645
Dividends, interest and rents from investments	(14)	(14)	(8)	(8)
Pension finance cost	186	186	215	215
Excess pension service cost over contributions	960	960	386	386
(Increase)/decrease in stock	(4)	-	7	-
Decrease in debtors	293	270	127	207
(Increase)/decrease in current asset investments	(203)	(203)	206	206
(Decrease) in creditors	(22)	(15)	(153)	(147)
<b>Net cash provided by operating activities</b>	<b>701</b>	<b>689</b>	<b>3,719</b>	<b>3,798</b>
<b>b) Analysis of cash and cash equivalents</b>				
Cash in hand	1,864	1,779	1,828	1,755
Notice deposits( less than 3 months)	213	213	210	210
Overdraft facility repayable on demand	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>2,077</b>	<b>1,992</b>	<b>2,038</b>	<b>1,965</b>

**26. Pension Scheme**

Pension contributions made during the year were £415k (2018 - £394k).

The Company is a participant in the London Pensions Fund Authority Scheme. This is a statutory multi-employer, defined benefit pension scheme whose assets and liabilities are held separately from the Trust. It is available to all qualifying employees. Employees not wishing to join the scheme are auto-enrolled in the National Employers Savings Trust scheme (NEST).

A new look Local Government Pension Scheme was introduced from 1 April 2014. A key feature of the scheme is that pensions are now based on career average revalued earnings at a rate of 1/49th of salary for each year of pensionable service, and there is a flexible option to commute pension to a lump sum up to a maximum. For active members on 31 March 2014 benefits based on membership before 1 April 2014 will continue to be calculated, based on final salary at 31 March 2014. Under the new scheme members can choose to retire from the age of 55 (with reduced benefits) with full benefits available from the normal retirement date which is now linked to the State Retirement Age.

The valuation used for FRS 102 disclosures has been based on the most recent actuarial valuation as at 31 March 2016 and updated to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 March 2019. Scheme assets are stated at their market value at 31 March 2019. Scheme liabilities were calculated using the 'projected unit' method.

The expected rate of return on assets shown in the FRS102 report is based on the long-term future expected investment return for each asset class at the beginning of the year and the actuaries' return assumptions. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is assumed to be a margin above the gilt yields.

**Assumptions**

The assumptions used in the FRS102 valuation are those of the scheme actuary, which have been used for the scheme as a whole. The Trustees have accepted these assumptions. The principal actuarial assumptions at the balance sheet date were as follows:

	2019	2018
<i>Financial</i>	% p.a.	% p.a.
Salary increases rate	3.9%	3.8%
Pension increases	2.4%	2.3%
Discount rate	2.4%	2.6%
<i>Mortality (based on retirement at age 65)</i>	years	years
Current Pensioners Males	20.1	21.1
Females	23.5	24.5
Future Pensioners Males	21.9	23.4
Females	25.4	26.7

	2019	2018
	£'000	£'000
<b>The amounts recognised in the balance sheet are as follows:</b>		
Fair value of Employer Assets	12,658	11,419
Present value of Funded Liabilities	(20,537)	(18,932)
<b>Net (Liability)</b>	<b>(7,879)</b>	<b>(7,513)</b>

**The amounts recognised in the Statement of Financial Activities are as follows:**

Service cost	754	760
Interest cost	186	215
Administration cost	15	14
<b>Total Loss</b>	<b>955</b>	<b>989</b>

Actuarial Gains	780	1,254
Cumulative (Losses)	(2,644)	(3,424)

**Reconciliation of defined benefit obligation**

Opening Defined Benefit Obligation	18,932	18,821
Current Service Cost	754	760
Exceptional past service cost (see note 9)	606	-
Interest Cost	480	505
Contributions by Members	159	150
Changes in Financial Assumption	907	(946)
Changes in demographic assumptions	(929)	-
Estimated Benefits Paid net of transfers in	(372)	(358)
<b>Closing Defined Benefit Obligation</b>	<b>20,537</b>	<b>18,932</b>

**Reconciliation of fair value of employer assets**

Opening Fair Value of Employer Assets	11,419	10,655
Interest on Assets	294	290
Return on assets less interest	758	308
Contributions by Members	159	150
Contributions by the Employer	415	388
Administration expenses	(15)	(14)
Benefits Paid	(372)	(358)
<b>Closing Fair Value of Employer Assets</b>	<b>12,658</b>	<b>11,419</b>

**Amounts for the current and previous accounting periods:**

	31.03.19	31.03.18	31.03.17	31.03.16	31.03.15
	£'000	£'000	£'000	£'000	£'000
Value of assets	19,931	18,932	18,821	8,362	8,643
Present value of liabilities	(12,658)	(11,419)	(10,655)	(14,729)	(15,363)
(Deficit)				(6,367)	(6,720)
Experience adjustments on assets	-	-	-	-	15
Experience adjustments on liabilities	-	-	-	-	-

Employer's contributions for the year to 31 March 2020 are estimated to be approximately £411k.

**27. Related Party Transactions**

The DCMS is regarded as a related party. During the year, the Trust has had various transactions with other entities for which the DCMS is regarded as the parent Department. The only material transactions were with Arts Council England (which administers the National Portfolio Organisation grants) and the Heritage Lottery Fund. Details of these transactions and outstanding balances are given in notes 3 and 4 respectively. In addition, the Trust 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. During the year donations totalling £11,000 were made to the Trust by 3 Trustees (2018 £14,576 - 8 Trustees). £5,000 of this was for specific projects. None of the trustees, key managerial staff or other related parties has undertaken any other material transaction with the Trust or its subsidiary during the year.

**28. Post Balance Sheet Events**

There were no post balance sheet events up to the date the report and accounts were authorised for issue by the Trustees.

**Additional Information**

The additional information on page 47 has been prepared from the accounting and other records of the group. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.



**Appendix I**

<b>DCMS Performance indicators Annual Outturn</b>	<b>2018-19 actual</b>	<b>2017-18 actual</b>
<b>Key performance indicators</b>		
No. of visits to the museum excluding virtual visits	808k *	813k
Charitable giving (fundraising)	£698k **	£1156k
<b>Other Performance Indicators</b>		
<b>Access</b>		
No. of unique website visits	706k	733K
<b>Audience profile</b>		
No. of visits by children under 16	246k	251k
No. of overseas visits	76k	69k
<b>Learning</b>		
No. of facilitated & self-directed visits to the museum/gallery by children under 18 in formal education	37k	35k
No. of instances of visitors under 18 participating in on-site organised activities	32k	38k
<b>Visitor satisfaction</b>		
% of visitors who would recommend a visit	97%	97%
<b>Self-generated income</b>		
Admissions income (gross)	£724k	£758k
Trading income (net profit)	£278k	£253k
<b>Regional engagement</b>		
No. of UK loan venues	20	19

## Notes

\* This excludes 133k additional visitors to the Gardens out of Museum opening hours, which contributed to an overall increase in total site (Museum and Gardens) visitor numbers from 935k to 942k.

\*\* A significant amount of the fundraising in 2017/18 was for the World Gallery which was opened in 2018/19 and for which fundraising is substantially complete.